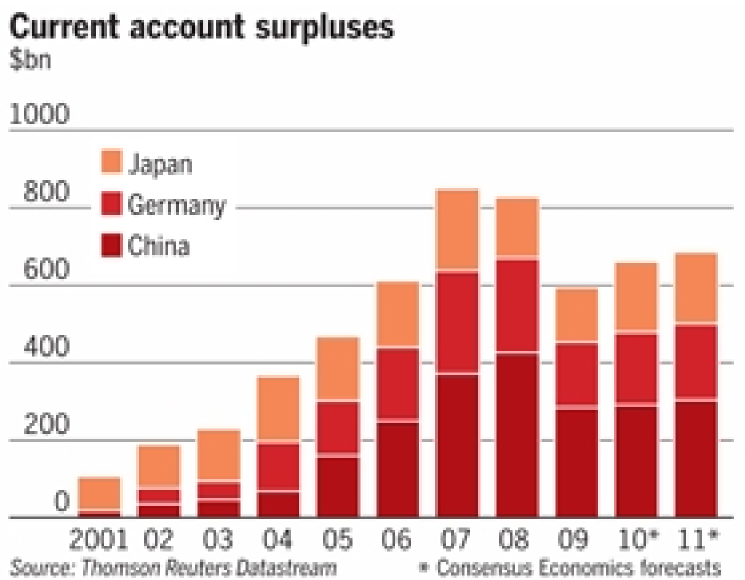
Пише: Martin Wolf
среда, 31 март 2010 12:10

(Financial Times, March 16, 2010)

Chermany" spoke last week and the world listened. Was what it said coherent? No. Was what it said self-righteous? Very much so. Was what it said dangerous? Yes. Will wiser views still prevail? I doubt it.

You may have heard of Chimerica – a neologism invented by Niall Ferguson, the Harvard historian, and Moritz Schularick of the Free University of Berlin, to describe a supposed fusion between the Chinese and American economies. You may also have heard of Chindia, invented by Jairam Ramesh, an Indian politician, to describe the composite new Asian giant. Let me introduce you to Chermany, a composite of the world's biggest net exporters: China, with a forecast current account surplus of $291bn this year and Germany, with a forecast surplus of $187bn (see chart).

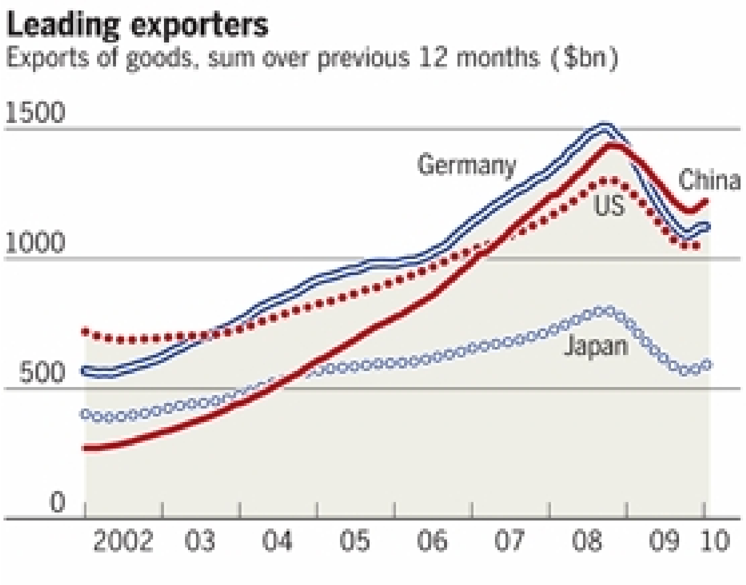


China and Germany are, of course, very different from each other. Yet, for all their differences, these countries share some characteristics: they are the largest exporters of manufactures, with China now ahead of Germany ; they have massive surpluses of saving over investment; and they have huge trade surpluses (see chart).

Both also believe that their customers should keep buying, but stop irresponsible borrowing. Since their surpluses entail others' deficits, this position is incoherent. Surplus countries have to finance those in deficit. If the stock of debt becomes too big, the debtors will default. If so, the vaunted "savings" of surplus countries will prove to have been illusory: vendor finance becomes, after the fact, open export subsidies.

I am beginning to wonder whether the open global economy is going to survive this crisis. The eurozone may also be in some danger. Last week's interventions by Wen Jiabao, China's premier, and Wolfgang Schäuble, Germany's finance minister, illuminate these dangers perfectly.

The core of Mr Schäuble's argument was not about the mooted European Monetary Fund, which could not, even if agreed and implemented, alter the pressures created by the huge macroeconomic imbalances within the eurozone. His central ideas are: combining emergency aid for countries running excessive fiscal deficits with fierce penalties; suspending voting rights of badly behaving members within the eurogroup; and allowing a member to exit the monetary union, while remaining inside the European Union. Suddenly, the eurozone is not so irrevocable: Germany has said so.



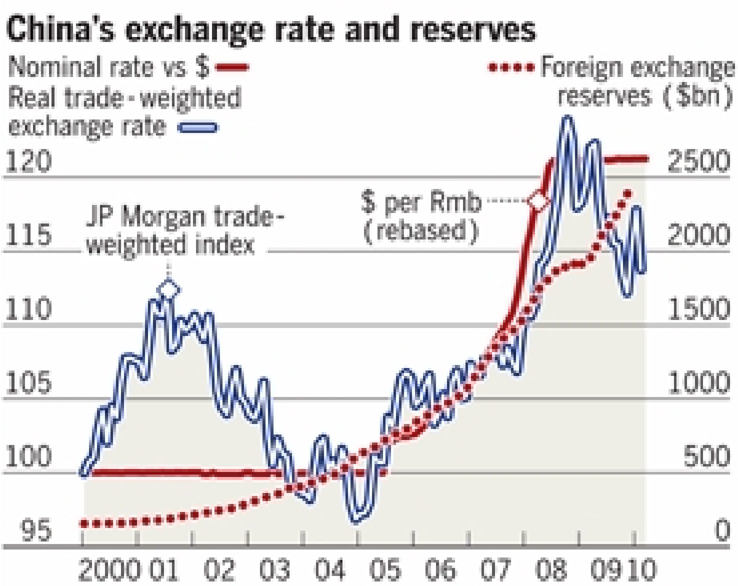
Three points can be drawn from this démarche from Europe's most powerful country: first, it will have an overwhelmingly deflationary impact; second, it is unworkable; and, third, it might pave the way for Germany's exit from the eurozone.

I explained the first point last week . If Germany gets what it wants, the world's second-largest economy would play an altogether negative role in the search for a way out from the global slump in aggregate demand. The eurozone would not be exporting the demand the world now needs. It would export excess supply, instead.

Imagine that weaker eurozone countries were forced to contract their fiscal deficits sharply. This would surely weaken the entire eurozone economy. But the result would also be fiscal deterioration in Germany and France. Imagine that Germany then did don the hair shirt. Would it instruct France to do the same? After all, France already has a general government deficit forecast by the Organisation for Economic Co-operation and Development at close to 9 per cent of gross domestic product this year. Does Mr Schäuble imagine France could be fined? Surely not. Yet it is not Greek public finances that threaten the stability of the eurozone. These are a mere bagatelle. The threat is the public finances of big countries. Since Germany could not force such countries to behave and has no chance of expelling any member it disapproves of from the eurozone, it would have to leave itself. That is the logic of Mr Schäuble's ideas. This must be obvious to him, too.

Germany is in a supposedly irrevocable currency union with some of its principal customers. It now wants them to deflate their way to prosperity in a world of chronically weak aggregate demand. Mr Wen has the same idea. But the economy he wants to pursue this goal is the US. Fat chance!

Speaking at the end of the National People's Congress, Mr Wen declared : "What I don't understand is depreciating one's own currency, and attempting to pressure others to appreciate, for the purpose of increasing exports. In my view, that is protectionism." He also insisted he was worried about the safety of China's dollar investments.



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