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GERMANY AND THE GREEK DEBT CRISIS - THE HEGEMON IN A WHEELCHAIR

Professor Dr. Dr. h.c. Helmut Siekmann

Endowed Chair of Money, Currency and Central Bank Law; Deputy Managing Director, Institute for Monetary and Financial Stability

Helmut Siekmann is professor of Money, Currency and Central Bank Law at the Johann-Wolfgang-Goethe-University, Frankfurt am Main. He also serves as director of the Institute for Monetary and Financial Stability (IMFS), which he built up as managing director from 2006 until 2012. His research is focused on all aspects of government finances and the institutional framework of the European System of Central Banks. He has worked extensively on the EU provisions to secure stable government finances, the mechanisms to stabilize financial institutions, and the supervision and control of financial markets.

Professor Siekmann has been full professor of law at the Ruhr-University Bochum from summer 1993 to spring 2006 when he followed a call to Frankfurt University. He was elected dean for the academic years 1997/98 and 1998/99. He has been visiting professor at several foreign universities: Saint Louis University School of Law (1996, 1999, 2001), Université d’Orléans (2003, 2004, 2005, 2006), Université Paris-Dauphine (2005, 2007), Université de Luxembourg (2009), and Donau-Universität Krems (2013). Professor Siekmann contributed to numerous legislative projects on the national and supranational level. He worked as counsel to constitutional bodies and represented them in constitutional courts.

In 2010, the university Paris-Dauphine awarded him the degree "docteur honoris causa".

Abstract

Less than a year ago a new government was brought into power in Greece which announced that it would drastically change the path of fiscal and financial policy. In its view the agreements which its predecessors had signed in order to gain financial support were the result of blackmail and thus void. The pressure was mainly accredited to Dr. Schäuble, German federal minister of finance and clandestine leader of the euro group. He was disparaged as a stubborn old man, sitting in his wheelchair not understanding that his claim for reforms and sound fiscal policy was totally out-of-time. Leading American economists concurred. Almost daily the Emergency Liquidity Assistance (ELA) by the Greek central bank was increased to prevent a collapse of the banking system. The ECB did neither interdict them nor act against the unstable commercial banks.

The pressure increased continuously mainly attributed to the strong man in the wheelchair. Negotiations for fulfilling the requirements of the current support program or for framing on a new - third - program failed. Greek banks had to be closed and the media keenly broadcasted long waiting lines in front of ATM-machines and weeping old people who had to starve. But in the end Dr. Schäuble expressed only the opinion of many other leaders of the Eurozone when he treated new promises by the Greek government as cheap talk; and there were sound reasons to do so. Rather quickly, however, new agreements were reached to the surprise of many bystanders. They looked like an almost total surrender by the Greek government; disregarding completely the results of the referendum. But this might be deceiving. Closer scrutiny may reveal that under the surface not much substance of reforms and - horribile dictum - austerity is left. A temporary exit from the Eurozone, as deliberated by Dr. Schäuble, was dismissed as well.

It remains an open question why this time all will be different. Elections are coming up and the whole game may start all over again. What has the man in the wheelchair really achieved; a new, even if unintended hegemon in Europe?