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FT ranking of EU finance ministers: Striker amid stumblers

By Ralph Atkins and Andrew Whiffin

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Traumatic year tests resourcefulness of the continent's Treasury chiefs

In public finances as in football, each European country fields its own team. In the past year, the lack of unity has been keenly felt, with the escalating debt crisis exacerbated by rivalries and disputes between Treasury departments. Little wonder the rest of the world asks who is playing on which side.

In the sixth ranking of European Union finance ministers, the Financial Times attempted to select a player of the year from the bloc's 19 main economies. We looked at how on the ball each minister was and whether they were team players; we counted their own goals, set them targets for economic performance and measured the response to them from that toughest of crowds – the capital markets. With the continent on the brink of recession, its banks weakened, bond markets in turmoil and investors questioning the euro's survival, the pressure could hardly have been greater.

| | | |
|---------------------|----------------|-----|
| Anders Borg | Sweden | 10 |
| Wolfgang Schäuble | Germany | 9 |
| Jacek Rostowski | Poland | 8 |
| Oskar Eynard | Belgium | 6 |
| Jean-Claude Juncker | Luxembourg | 12 |
| Ivan Mikov | Slovenia | 4 |
| George Osborne | UK | 11 |
| Miroslav Kalousek | Czech Republic | 13 |
| Jutta Urpilainen | Finland | 3 |
| | Average | 7.8 |

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Commentators have had plenty to criticise. “Sensible solutions to the eurozone debt crisis were repeatedly thwarted by parochial and procrastinating politics,” says Sony Kapoor, head of Re-Define, an economic consultancy, and one of the seven-strong jury who ranked ministers' political skills. The candidates “were collectively negligent in allowing a tractable crisis to spiral out of control”.

Robert Bergqvist, chief economist at SEB bank in Stockholm, awards lower scores this year “because of ministers' lack of understanding of – and naive attitude to – key problems, weak individual and collective decision-making powers and unco-ordinated communication during the worst economic circumstances since the 1930s”. Michael Heise of Allianz, the German insurer, wonders whether to give them all extra marks “just for putting themselves in the line of fire” – or whether “they should collectively receive a thumbs down”.

In the event, Sweden's Anders Borg wins top scores for his skill as an economic striker, albeit from outside the eurozone. “By cutting through the analytical fog in many international gatherings, he has increased his star quality,” says Erik Nielsen, chief economist at UniCredit Bank. Mr Borg wins praise for spotting early the need to strengthen the banks and tactfully explaining how Europe could learn from Sweden's 1990s crisis in the sector. His economy also

performed exceptionally well in 2011, at least partly thanks to past reforms and fiscal prudence. Financial markets took note.

Moderate with a tonsorial twist



Sweden's outperforming economy has made Anders Borg the envy of troubled European finance ministers

Disappointed ministers can cry foul. The judging is inevitably subjective – and is not meant to be taken too seriously. Rating Europe's fiscal masters makes refereeing a controversial offside in football look easy. It was harder for those inherited a mess or lacked back-up to attract praise. This year's economic tests were modified to reflect changed priorities, taking more account of progress to stronger public finances and robust growth than of fiscal cutbacks in the pipeline. Then again, fiscally strained countries could hardly be considered exemplars.

But the league table captures the drama of the past 12 months. Ireland, one of three eurozone countries subject to an international bail-out, came bottom last year but has recovered strongly. Michael

Noonan, Dublin's new minister, along with Vítor Gaspar, his Portuguese counterpart, wins plaudits for determination in trying circumstances. Since the contest closed, two ministers have left office (or are about to do so) as a result of regime change: Italy's Giulio Tremonti and Spain's Elena Salgado.

Struggling at the bottom – like his economy – is Greece's Evangelos Venizelos. Another disappointing performer is France's François Baroin. Jacques Delpla of the Conseil d'Analyse Economique, which advises the French government, says Mr Baroin pales next to Christine Lagarde, his predecessor – a former FT finance minister of the year, now International Monetary Fund managing director. "He looks more and more like the ill-fated Raymond Domenech, manager of the disastrous French football team in the 2010 World Cup," Mr Delpla complains.

But keep watching: just as in global sports championships, fortunes can change – unpredictably – from one season to the next.

How it all adds up

2011 FT ranking of European finance ministers



The FT's ranking of European finance ministers 2011 is based on political ability, economic performance and credibility in the markets. In each category, the 19 biggest European Union economies and their finance ministers received a ranking from one – the best – to 19. These were combined to give an overall rank.

The political aspect is based on the opinions of seven leading economists who judged the ministers on three criteria: their

Explore which of Europe's finance ministers performed best – and worst – as the economic crisis battered the EU in 2011

lucidity, or how well they understood events; their impact on the European stage; and their effectiveness at home.

The economic ranking was modified this year to reflect changes in the demands on finance ministers and their economic stewardship.

It was based on seven performance measures: recovery in terms of gross domestic product compared with the pre-crisis peak; growth this year; deficit levels and the change since 2009; debt levels; projected change in unemployment from 2008 to 2013; and, finally, deviation of the country's current account from balance.

Market credibility is judged by the current yield on outstanding 10-year bonds, as well as an assessment of how this yield has changed.

Scores on the ministerial doors

| Overall rank | Minister | Country | Political rank | Economic rank | Credibility rank |
|--------------|----------------------|----------------|----------------|---------------|------------------|
| 1 | Anders Borg | Sweden | 1 | 1 | 1 |
| 2 | Wolfgang Schäuble | Germany | 2 | 5 | 2 |
| 3 | Jacek Rostowski | Poland | 6 | 3 | 12 |
| 4 | Didier Reynders | Belgium | 8 | 4 | 14 |
| 4 | Jean-Claude Juncker | Luxembourg | 6 | 9 | 4 |
| 6 | Ivan Miklos | Slovakia | 12 | 2 | 10 |
| 7 | George Osborne | UK | 4 | 15 | 3 |
| 8 | Miroslav Kalousek | Czech Republic | 11 | 8 | 8 |
| 9 | Jutta Urpilainen* | Finland | 13 | 6 | 7 |
| 10 | Michael Noonan* | Ireland | 3 | 18 | 12 |
| 11 | Jan Kees de Jager | Netherlands | 10 | 12 | 6 |
| 12 | Vitor Gaspar* | Portugal | 5 | 16 | 18 |
| 13 | Elena Salgado† | Spain | 9 | 13 | 15 |
| 14 | Maria Fekter* | Austria | 17 | 7 | 9 |
| 15 | François Baroin* | France | 14 | 11 | 10 |
| 16 | Bjarne Corydon* | Denmark | 16 | 14 | 4 |
| 17 | Gyorgy Matolcsy | Hungary | 19 | 10 | 16 |
| 18 | Giulio Tremonti† | Italy | 15 | 17 | 16 |
| 19 | Evangelos Venizelos* | Greece | 18 | 19 | 19 |

Rankings cover ministers in office in Oct 2011

* New finance minister † Outgoing or no longer in office

Source: FT research