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## Does Germany want Greece out of the euro?

February 15, 2012 3:08 pm by Gideon Rachman

Evangelos Venizelos, the Greek finance minister, has more or less accused Germany of trying to force Greece out of the euro. Is he onto something?

It depends which Germany you are talking about.

My impression from talking to policymakers in Berlin recently, and following the debate subsequently, is that different bits of the German government have different views on the matter. The Foreign Ministry and people around the chancellor seem keen to keep the Greeks in – for a mixture of political and economic reasons. The Finance Ministry is much more equivocal. The formula I heard repeated a fair amount in Berlin was that “it is upto the Greeks to decide whether they want to stay in.” This struck me as a less than ringing endorsement. A few months ago, you would have heard people saying that it was unthinkable for Greece to leave. Now, it’s clearly thinkable.

That said, Chancellor Merkel recently went out of her way to say that she would not be a party to forcing Greece out of the euro. She is fully aware of the dreadful political message that would send. And she seems to have been convinced by those who say that the economic/financial risks are just too high. A Greek exit, she said, would have “unforseeable consequences.”

By contrast, the public statements of Wolfgang Schauble, the German finance minister, are much tougher. No more pouring money into a bottomless pit. No more relying on empty Greek guarantees. And, at the euro-group, it currently seems to be the Schauble line that is prevailing.

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