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www.afgazad.com

afgazad@gmail.com

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Crisis in Cyprus shows collapse of the West

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In 2014, all EU countries will hold parliamentary elections that may be won by the opponents of European integration. Recent EU measures to stabilize the situation in Cyprus showed that the foundations of the ideology of the Western world based on the Catholic and Protestant faiths have been undermined. The West is trying to explain its hurried decisions with the pressure from the Russian Federation.

After the summit in Brussels approved a plan of Cyprus "rescue" (by providing a tranche of 10 billion euros in exchange for the withdrawal of 10 percent of all deposits in the country), it became clear that this was the beginning of the end for the united Europe. The basis of any state ideology is religion. The measures undermined confidence in the notion sacred for Catholics and Protestants - inviolability of private property. Expropriation is a measure completely alien to the Western mentality and may lead to a social unrest. Jean-Claude Juncker, Luxembourg Prime Minister and former President of the Eurogroup (the club of finance ministers of the euro area) said that against the background of recession and rising unemployment he did not rule out the risk of a social rebellion.

The measure so far has been implemented only in Orthodox Cyprus (Orthodoxy, unlike Catholicism, encourages sharing and sees the path to salvation in poverty). However, people in many countries began to worry, even in the U.S., as the practice may become universal,

particularly in those countries that have requested assistance from the EU, i.e., Spain, Ireland, Portugal, and Italy.

Meanwhile, *Forbes* magazine has already drawn parallels with the Great Depression in the United States that would not have been that destructive if the Federal Reserve abstained from a similar measure. The magazine wrote that Cyprus did away with the guarantees on bank deposits and removed protection from flight of capital, which may result in a cascade of bankruptcies. Indeed, regardless of what the European Commission says, people got alarmed and started withdrawing or transferring their investments to other currencies and countries. The euro is dropping in value against the national currencies and the dollar.

British magazine *The Economist* called this not only nonsense, but a catastrophe and said that the decision was unfair, short-sighted and self-defeating. The injustice is in the fact that the measure affected ordinary depositors, while holders of debt obligations have not been affected, the magazine wrote. The measure is called short-sighted because it would lead to risks and flight of capital. Also, these measures undermine the political credibility of the rescue program under the auspices of the EU. *Reuters* agency wrote that the Cypriot government would be forced to violate one of its most important promises - a promise that the contributions under 100,000 euros would be safe.

The European Union decided to clear the air by utilizing the old mechanism of blaming Russia that allegedly is most affected by the proposed measures. Raúl Ilargi Meijer from *Business Insider* speculated that with 37 percent of the deposits in Cyprus, Russians heavily pressured European politicians to take this populist decision - to punish the perpetrators, which made the Europeans neglect the consequences. Gavin Hewitt of the BBC agreed, saying that the Germans suspected that half of the deposits in the banks of the island belonged to the Russians, and these deposits are made for money laundering. Therefore, according to Hewitt, the Germans did not want to continue to save Cyprus by giving it money. The statement of Finance Minister of the Russian Federation Anton Siluyanov that in exchange for the extension of the credit to Cyprus (EUR 5 billion) Russia may require it to provide all the data on the Russian owners of the capital of the island only added fuel to the fire.

It turns out that Russia began fighting corruption and "let down" Europe. Unfortunately, the EU is falling apart without Russian participation. There is no unity anywhere, including politics. Besides the opposition of the "hardworking North" and "lazy and irresponsible South", there are other conflicts, such as creditor countries vs. debtor countries, as well as contradictions between the leaders. Germany is accused of usurping power, the UK raised the issue of withdrawal from the EU, and France is unilaterally sending troops to Mali and is going to supply weapons to the Syrian terrorists. There is no peace and quiet at the national level either. Nationalists became

active in all directions, from extreme left to extreme right. In Portugal, protesters are singing a revolutionary anthem "Grândola," Spain is splitting before our eyes torn by separatist movements, in Greece the Nazis emerged in the Parliament, and in France the far-right "National Front" of Marine Le Pen is activating. In Italy at the parliamentary elections a "clown prince" comedian Beppe Grillo secured sensational 25 percent of votes. In Germany, a new party "Alternative for Germany" was created that calls for the dissolution of the euro area and creation of small alliances with "some countries with healthy economies," namely, Austria, Finland and the Netherlands.

Founded on the basis of ideological confrontation with the Soviet Union, the European Union has created a system of social protection that the Soviet people could not even dream about. The benefits included average pension of 600 euros, year-end and Christmas bonuses, unemployment payments nearly equal to salary, and great medical insurance. But these guarantees were based not on the income growth of the real sector but the speculative funds of the banking sector. The crisis of 2008 caused the neoliberal economic model to collapse. Europe's population does not want to live as one family any longer. The term "welfare state" has disappeared from the vocabulary of politicians. *ZDF* channel reported that nearly half of Germans believe that their country would be better off without the euro. In other countries this percentage is much higher. In Spain, for example, it is 75 percent, in Portugal - 68, according to the Eurobarometer.

The election of Pope Francis, who first spoke about the Catholic Church as the Church of the poor, denying, in fact, wealth as a virtue, shows that the crisis in the West has moved from the economic and political spheres to religious and ideological ones. It makes its leaders and the elite face a dilemma - either change the model of wealth distribution and the burden of difficulties, or be destroyed.