ANDREW MARR:
Now for a long time it seemed that Germany was in the driving seat in Europe, supported by Nicholas Sarkozy. Angela Merkel could tell the struggling Eurozone countries deliver austerity or don’t get any bailout money. But voters have intervened. The Greek Government was turfed out and in France a new President began insisting that Berlin must share some more of the Eurozone’s debt burden. So why won’t Germany agree? A question I put to Germany’s Deputy Finance Minister, Steffen Kampeter.

STEFFEN KAMPETER:
I don’t see that in this very moment because the sources of trouble are the imbalanced budgets in Europe and nobody will invest in budgets which are not reliable, and, therefore, the Fiscal Compact is the answer to regain trust in the stability of the public services and public finances within the Eurozone. I don’t see that there is a need of common financing. I see that there is a need of common consolidation.

ANDREW MARR:
And yet with these really very low interest rates in Germany, isn’t there a danger that in the European system the rich simply get richer, the rich countries get richer; the poor get poorer; and eventually the whole thing breaks up?

STEFFEN KAMPETER:
Andrew, you make a very important point. The internal rebalancing within the Eurozone is a task where we should address over the next years, but this means more competitiveness in those countries who have a negative balance and more internal demand in those countries like Germany which they have a surplus. And if you see the actual development - for example the wage gaining … wage bargaining process actually taking place in Germany - I think we’re having a good deal to make a good contribution for rebalancing the Eurozone, but as long as we shouldn’t consume more, other countries should invest in the competitiveness which is quite crucial to rebalance Eurozone as a general.

ANDREW MARR:
What’s the mood in Berlin about the Greek problem? Is there a sense of you know resignation that Greece is now doomed to exit the euro?

STEFFEN KAMPETER:
The European integration is not a matter of mood. I would contradict on that one. The European integration - and it includes Greece - is a matter of political will. And the heads of state not only in the Eurozone but in Europe as a general have worked hard over the last two and a half years to keep the Greeks in and we are not losing faith in our common effort at this very moment. But it’s quite clear that now the Greeks are to deliver policy change with a stable government. That’s what we are requiring from them and therefore actually we are hopeful that when they have elected on June 17th the situation will emotionally calm down, but I don’t see any alternative than to go on with the reforms, stabilising the public budget and investing in future growth in Greece.

ANDREW MARR:
You’re getting a lot of advice at the moment from British politicians, including
recently Nick Clegg. Now we’re not in the euro. Does that advice produce any sense of resentment?

STEFFEN KAMPETER:
Actually people who do not pay in euro are interested in the development in the Eurozone shows that we have a common interest in stability in Europe. And actually I see that the British Government is constructively participating in that discussion and I think this shows a common understanding that only with stability in the Eurozone Europe as a whole can perform related to growth and other things better. So I don’t think that it is negative that in the House of Commons or in Downing Street No. 10 people are concerned and trying to support our cause.

INTERVIEW ENDS