

Wish You...? – Fiat Euro! 1/2014

Fine in France. Celebrations in Greece. Coal in the EU stocking.

Europe has successfully got over another year. The EU, euro, the ECB, and the banking system have got over it as well. However, the same thing has happened also to the recession, double-digit unemployment rate, and rapidly growing public debt.

To get you into good mood, we are going to start the recapitulation of last week's events from a bird's eye view. For example, by looking down from the 170 meters tall tower of the incomplete basilica Sagrada Familia in Barcelona. The official [computer animation of the finished basilica](#) (including incomplete parts) has been released. The building based on the unique Gaudi's architecture is in construction since 1882 and expected year of completion is 2026. The church is interesting not just by its architecture and huge capacity (15,000 people), but also by the fact its construction has been financed only from private sources. Initially, the source of money was mostly composed of private donors, recently mostly by income from tourism – 2 million tourists per year spend as much as 25 million euros just for admission tickets.

This is a beautiful example of private initiative and voluntary financing and how can they generate epic projects which could live a 100 years after the death of their initiators. The construction speed may be increased by [more flexible employment contracts](#), which have been legalized by Spanish government in its attempt to decrease huge unemployment.

On the other hand, the private initiative was not profitable for one bar in France. A good-willing customer took some empty glasses to the bar on his way to the toilet. Unfortunately, a duo of inspectors saw him and [accused the bar owner of employing illegal work](#). Explaining was of no help and the bar owner spend some time at a police station and was fined 9,000 euro.

France was full of absurdities by the end of the last year. In the country, which has lobbying as national sport, taxi drivers have asserted a regulation on growing ride-sharing services like Uber. These services use mobile apps to pair drivers and passengers. In France, these services are allowed under one condition – passenger [has to wait 15 minutes after ordering a service](#) and only afterwards he can go and enter the ordered car. The idea of a passenger waiting in the rain and looking at the car idling next to him is quite ridiculous.

French millionaires probably did not have a very nice end of the year. The Hollande government's plan of 75% millionaire income tax has been [approved by the constitutional court](#). Everybody with an annual income above 1 million euros (including football players) will have to give 3/4 of their wage to the government. Frenchmen just want to keep their western world [supremacy](#) in public sector size (56.1% of French economy is controlled by governmental bureaucrats) even if they would not have bread...

The government of Portugal tries to save some money from time to time, but the constitutional court ruins its attempts. The court [has blocked proposed reduction of retirement pensions](#) by 10%, which was supposed to save 400 million euro per year. This reduction would not cause any famine – pensions of civil servants are in average

10% higher than pensions in private sector. This is quite a paradox considering the fact that private employees pay not only for their own pensions, but also for pensions of civil servants.

New Year's Eve celebrations were quite noisy in Greece. They began one day earlier, when unknown combatants [shot 60 bullets](#) using Kalashnikov rifles on the German embassy. Fortunately, at 3:30 AM even Germans usually sleep, thus nobody was hurt. In 1999, the very same building had been hit by RPG so German ambassadors may have already got used to it.

Risk can get you some profit and the best form of risk is the one, which can be passed to somebody else. The most profitable euro-bonds of the last year were the Irish ones. According to the iBoxx EUR Benchmark Index, the value difference between January and December 2013 was [as high as 11.7%](#). Also Spanish bonds were not a bad investment – profit was 11%. Obviously, the reason is, that both countries were saved by taxpayers through the ESM and by ECB activities.

Interesting is a realization, who owns the most of these bonds. Banks, of course. But a significant part of the bonds is owned by the “bank of the banks” – the ECB, which distributes bond profits to member states (only profit from Greek bonds was sent to Athens completely). Financial perpetuum mobile, don't you think? However, in the real world, every pseudo-perpetuum mobile is doomed to stop its movement one day.

A leak has revealed the Belgian strategy of [escaping 750 million euros fine](#) in last May. After Belgium had broken the deficit limit, its leaders warned the Commission, that if the country was fined, its citizens would become more eurosceptic. And nobody wants this, does he? This can serve as an advice also to Slovak prime minister. He would definitely handle avoiding a fine – nobody has ever got it.

Germany has reported the [highest absolute number of employed people](#) in its history. However, the EU as a whole behaved badly, therefore Standard & Poor's gave into its stocking only a piece of coal – [rating decrease to AA+](#).

Also Cubans have received a Christmas present. Raúl Castro [has allowed them to buy new cars](#). But do not be afraid the iconic, 60 years old US cars will disappear from streets of Havana soon. Considering the average monthly income of \$20, only the few chosen ones will be able to renew their car pool.

Also the researchers, who sailed to monitor retreating glaciers in Antarctica, had generous Christmas. As it sometimes happens with pessimists, their calculations were wrong. They could monitor retreating ice for couple for days while their ship was trapped in it.

I wish you will not get stuck and you sail ahead next year.

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