

Cucumbers and guarantees – Fiat Euro! 4/2014

Calculate your payments. Islands does not want us. Bank bailout à la Fantozzi.

Greece has its primary budget surplus lower than 1%. It means excluding debt costs, revenues are higher than expenditures. This news is a standard successes fanfare of Troika announcing the recovery of the economically devastated country. The problem is, that Greece has also a high debt and annual economic growth below 2%. To be able to begin to amortize the debt, the surplus would have to be [at least 12%](#), therefore Greeks would have to collect 11 billion more in taxes (or possible combine it with budget cuts) while having only 50 billion overall budget today. On the other hand, Germans would be able to pay off their debt even with 0.2% primary deficit. Slovakia would need approximately 0.53% surplus while now it has primary deficit of 1.2% GDP.

News from Spain are reporting an end of the longstanding decrease of real estate prices, but simultaneously unemployment rate has reached 26% and the [level of non-performing loans is up to 15%](#). Portuguese opposition has [rejected the governmental proposal](#) to set public expense limits until 2017. The opposition will not support “pauperization of the country”. Or maybe they are just afraid there will not be anything left for them after the subsequent elections. There are not many reasons to celebrate also north of Pyrenees. French deficit in the year 2013 is in fact [2.7 billion euro higher](#) than had been expected. This has been caused by lower tax incomes, even though tax levels have been increased and new taxes have been introduced. Who would say so... However, 2.7 billion is like a drop in the ocean if we take a look on the huge 75 billion overall deficit.

Though, the topic of the week were immigrants. Not the immigrants who are running from wars and coming to Europe by crowded small boats but us – Eastern Europeans. The UK has [restricted some welfare benefits](#) to British citizens. The government will not save a lot by this policy (more than 90% of beneficiaries are British citizens), but we can hardly say anything – it is their decision and their money. But Cameron’s government is also trying to restrict the [free movement of labor](#) within the EU, what is one of the main points of the EU. Cameron has not been very successful yet, but he has some support also among leaders of other Western European country. We can only hope the meaning of EU for us will not be reduced to cucumber regulations and guarantees to Greek debts.

In Britain a strong PR campaign is surrounding the upcoming referendum to leave the EU. News are reporting, that European [farming regulations](#) are one of the causes of recent floods in the UK. Regulations has forced farmers to get rid of “unwanted vegetation” what includes bushes, which were previously retaining rain water. This may be true, or not. The fact is, that successive byrocratization and unification of every aspect of life in Europe kills private initiative and trial-and-error attitude that were the sources of many inventions or improvements in the past.

The EU is unsuccessful with buying its popularity via regional development, too. “EU funding has become a 'straightjacket' and a barrier to real economic growth in Wales,” [claims one of Welsh Members](#) of Parliament. His opinion has also been approved by [studies](#). Handing out money neither work in Africa, nor in Europe. Recently, we have finally found out how to save European banks – the Union has found a consent on banking regulations. It [only needs](#) 24 members of the Board of the Single Supervisory Mechanism, 24 members of the ECB Governing Council, 3 members of the SSM Mediation Panel, 28 members of the Council of the EU, and 28

Commissionaires. All these bodies need to decide on their own and subsequently also among themselves. Optimistic predictions say it will take them 147 years to make a decision.

But it is very possible this decision will be needed in the upcoming years. A [new study](#) has calculated that if the upcoming stress test will be tough (i. e. meaningful), it will discover a capital shortfall of 770 billion euros (45 Slovakia government budgets). Our taxes have been used also for bank bailouts. This fact has been highlighted by our campaign suggesting, that people should be more interested in what happened to their money. The campaign was [noticed by Czech magazine Reflex](#), too.

Guy Verhofstadt is a new candidate for the President of the Commission. More interesting is the comeback of the living legend of Italian politics, who [has striken a deal](#) with the largest centre-left party on electoral reform. Berlusconi probably would not be stopped even by hydraulic press.

However, maybe he could freeze to death. British scientists claim, that Sun shows [signs of Maunder Minimum](#), i. e. quiet phase of lower activity, what could potentially lead to mini-ice age like the one in 17th century. That would be a terrible shame after so much investments into reducing carbon emissions...

One good piece of news at the end – in the autumn we will grow rich. In September, Eurostat is going to [change its methodology](#) of GDP calculation, what will lead to an unrepeated increase of the European GDP by 2.4%.

Let there be Christmas not only in September and December, but every month!

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23/1/2014

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