

Angry Boss – Fiat Euro! 8/2014

Reforms from Florence. We want no brave heart in the EU. The Swiss are saving up while the Greeks score.

Italy has a [new Prime Minister](#) since Enrico Letta has been ousted in a vote of his own party. Italy's politics is a part of their pop-culture, so it's no wonder that the position of Prime Minister is unstable. This one is already the fourth since the beginning of the crisis and thirteenth in the last twenty years. Name of the current political team's coach is Matteo Renzi. He served as a mayor of Florence and his special sign is a label of being the youngest Prime Minister ever.

His first 100 days in the office were quite temperamental. He has announced to carry out [labour market reform in March](#), a reform of the public administration in April and a reform of tax system in May. However, he did not impress anyone in Europe. He is suspected of paving the way for negotiations of an exception in fiscal rules. Therefore, a warning has already been given, that a country with 2 billion high public debt should not look for any exceptions. But he who laughs last laughs best and it has never been Brussels at the exceptions so far.

Europe is being spooked by a ghost of secession. And we are not talking about the independence declaration of the city of Lviv. The Commission is more concerned about Scotland aspiring for independence. The Commission President [Barroso has said](#) it would be „extremely difficult, if not impossible“ for them to join the European Union. It's quite interesting, that it was no problem to approve the accession of „questionable“ countries like Romania, but it is a problem when it comes to a western developed country. It might sound intimidating. Maybe the Commission just wants to be heard in Catalonia.

Flying into the rage, [Barroso mentioned also the Swiss](#). Those have imposed quotas on newcomers from all the EU member states which are very badly perceived by the EU and Western countries' representatives. He has stated, that the vote will have an impact on the cooperation in science, education or energy trade. Because you cannot „have your cake and eat it too“. Quips might be funny, but sometimes they make no sense just like in this case. It's questionable who will be the loser in case of cancelling cooperation agreements with one of the most developed countries in the world.

The true is, that we still have a lot to learn from the Swiss. Trying to economize, the Swiss airforce is only available during office hours. Out of the office hours, the country relies heavily on deals with its neighbours, just like few days ago, when Italian and French fighter jets were scrambled to escort a hijacked boeing to Geneva. The Swiss army is being held in respect, since even the Nazis [did not dare to attack](#) them although Hitler considered them as a mortal enemy and a country which possesses the most disgusting political system.

On the contrary, the angry French Prime Minister Hollande and his predecessors have forgotten to save up and now they beg foreign investors to come to the country. A sharp decline in foreign investments has startled them. But also when investors come, it's hard for the French to welcome them. Not even government subventions can help sinking Peugeot, so the company has to be rescued by a Chinese partner. Therefore, the Peugeot family [codes control over the company](#) after two centuries and starts learning how to pronounce „Donfeng Motor“ without French accent.

Greeks have a reason to celebrate. The country [has posted first current account surplus](#) in 66 years, which means that its exports have exceeded imports. The surplus of 1.24 billion was driven by a significant fall in imports and a 15% increase in tourism receipts. But there are still voices talking about need of another rescue package. However, that won't be approved until the European elections, since it would be very unpleasant for the politicians to explain the necessity of additional support to Greece when the crisis is already over (for the fifth time already).

European elections is a hot topic in Greece. The government [has suddenly decided](#) to change the rules abolishing the party list system and replacing it with the direct election of MEPs. The government considers the decision as a democratic leap while the opposition says that it as an attempt to mitigate the expected magnitude of their defeat.

In Spain, [a new record](#) has been reached rising the bad loans ratio to 13.6 %. A [scandal erupted in Austria](#) when the former deputy governor of the central bank and eight other people went on trial charged with bribing officials in Azerbaijan and Syria to win banknote contracts. Public institutions in Cape Verde [got better off legally](#). The country which population is approximately half a million people will be provided with 55 million euro of development aid, although it is one of the most developed countries in Africa.

Savings of European penny-pinching citizens should be used for good purposes – from Euro officials' point of view. They have proposed to „[mobilize](#)“ (confiscate) private savings to fund long-term investments. Of course, only of those with good purposes.

But there won't be too much of them probably. The upcoming financial transaction tax will probably deprive European retirees and other savers of [hundreds of billions](#) of their savings value. German and Italian citizens will be the most afflicted with 150 billion and 200 billion worth estimated losses. Slovakia will join the club too, as it can not miss any new chance to tax its citizens.

The European resolution fund, which will be paid for by the banks has made a step forward to its implementation. Ten years seems quite enough to create it. Germans were reluctant to mutualise the fund earlier, but they seem to have changed their mind now. So we can look forward to see our banks rescuing the Spanish ones in only few years.

Hope you will have a funny rest of the week – on the contrary to this ending.

Martin Vlachynský
Translated by Michal Kollár
20.2.2014