

# Delayed invoices – Fiat Euro! 10/2014

*Germans again. A Greek idea again. A need to pay again.*

Another prominent politician has been sentenced to jail in Italy. Comedian and the head of Five Star party Beppe Grillo [has been found guilty](#) of breaking police seal on building in 2010. But he has no reason to worry about that, since it's not very common for politicians to go to jail in Italy. Berlusconi knows that.

[The unemployment rate](#) figures in the Italian Peninsula bring a bit more sadness. It has reached almost 3.3 million people, which is the most since the statistical office started gathering the data in 1977. The figure has risen by almost a tenth to 12.9 %. The Italian economy is, unlike other European economies, frozen for 15 years. Whose fault is that? [Germans', of course](#). Publishing its in-depth review of EU member states' macroeconomic imbalances, the European Commission has ripped into Germany for its „excessive“ export again. It's [quite ironic](#) that the Commission's President comes from one of the five countries, which have been bailed out by Germany. However, the criticism was very mild since the Commission underlined that the large current account surplus does not raise risks similar to large deficits. Why to ruffle someone's feathers, when you might need him to rescue Greece again?

On the contrary, the French have dodged being moved to the group of countries with excessive macroeconomic imbalances although they had announced breaking the 3% budget ceiling two weeks ago. They haven't dodged the criticism for low competitiveness, but they are getting used to it already. [A document](#) published as a response to an infinite number of exceptions in the budget rules and authored by Germany with support of Finland says, that the way the Commission now reaches its verdicts weakens EU budget rules. It all depends on the Commission's view of what is and is not within the government's control, which doesn't make sense, as the governments are able to influence their budgets expenditures even in case of a tsunami. Moreover, the Commission's decisions are absolutely arbitrary. The document proposes creating an independent institution, which would monitor the Commission's proposals. Unfortunately, the proponents don't understand the fact, that such an institution would never be independent.

Once the politicians have a chance to get out of the pressure of the market and buy some time, they do that. Such as the Cyprus ones. The international aid has saved their jobs and rescued the country from bankruptcy. As part of its commitments to pay down its debts, Cyprus is expected to privatise some of its corporations. As anywhere else in the world, it's quite a painful and inefficient solution. Unfortunately for all the lenders, [the country rejected](#) the privatisation plan in the first vote. The law has been adopted only with some concessions in a new vote.

Also the politicians in Greece buy time more often than not, so the public finances are still in a dire position. [The newest](#) idea is to make the ESM to guarantee the Greek bonds. In other words, they borrow money and the member countries guarantee that the investors will get their money back. As if it weren't enough, that the capital needs of Greek banks amount to 9 billion, [instead of the previously claimed 18 billion](#). Greeks have determined the capital needs at 6 billion.

Not to blame any country again, it's important to say that the whole Union is a bad manager. Three months ago it agreed to provide a further 10 billion eur to the original budget due to a blackhole in it. Last week, EU Budget Commissioner said Brussels [overspent its budget by 23.4 billion eur](#). Therefore the 2014 budget must be cut by the equal amount. No need to be a financial expert to notice that the same amount will be missing at the end of the 2014. The shortfall was increased by the rollover into this year of „delayed bills“ from past. Nobody's worried about these (already usual) failures, since now or later, the member countries will be called to plug the blackhole by extra contributions.

However, there's still something what the eurocrats are worried about. Now they're fighting plans to make them clock in and out. After the increase of their working week to 40 hours, this would be another measure to make them unhappy. They claim that rather than „excessive checks“ their working time should instead be based on trust. The truth is, that sometimes we might get better off when they work less.

The Union was generous again. As expected, it has presented a sweet [gift basket](#) for Ukraine that includes 1.6 billion Euro loan, a 1.4 billion Euro grant, 3 billion Euros in fresh credit and 5 billion from the European Bank of Reconstruction and Development.

Central Africa and particularly it's politicians have a reason to be happy as well. The EU will give an aid of [3 billion Euro](#) to 10 countries for 2014 - 2020. The aid will reach a total of 6 billion Euro. The rulers of Rwanda and Congo are already looking forward to buy a new golden machine rifle. But the locals [are not that delighted](#) as the aid pushes prices up, damages resident companies and promotes corruption, which helps to preserve hopeless condition of the continent. However, nobody cares in Brussels, because they just need to tick an item of a humanitarian aid.

We don't bring news about our Polish brothers very often. This time they are worth our funny ending. [Very drunk](#) MEP Jacek Protasiewicz was detained at German airport after shouting Heil Hitler at a customs officer and suggesting him going to Auswitz. Being out of the effects of Zubrówka, he explained the incident as the officer's violation of his diplomatic immunity. Well, returning into the world of common people might be very painful for MEPs.

I wish you an incredible rest of the week.

**Martin Vlachynský**

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