

European dilemmas – Fiat Euro! 24/2013

The Federal Constitutional Court of Germany is making a decision on the OMT program of the European Central Bank (ECB). In Britain, the bi-polarity of attitudes towards the EU is gradating. Greece in the top news again with clueless Troika in the background. Welcome to the next week of the euro crisis.

After the bank crisis on Cyprus, the chicken-hearted intentions of Britain, and after rising euroscepticism in Germany, Greece is back in the limelight again. The country's debt is still astronomically high and the country is in the recession for the sixth year in a row despite of [previous predictions](#). Therefore the European Commission has no other option than to repeat its usual statement about the crisis: [recession will be over in a year, two at max](#).

The recent development has already splitted even the almighty Troika (ECB, IMF, European Commission) which negotiates conditions for providing loans to bankrupted European economies. [The IMF was blaming the Commission](#) that the debt restructuralisation in Greece which took place last year came too late. The Commission has also been criticised for the underestimation of pro-growth policies.

However, neither IMF is without the sin. The leak of the internal document has revealed that IMF officials might have been [intentionally lying](#) about sustainability and redeemability of the Greek debt. Of course, lying was going on with a good intetion to avoid spreading of the debt disease to the rest of the eurozone. The disease which has now been spreading all around Europe for the last 5 years like a plague.

While Troika is arguing the rock of debts keeps falling down the hill. The rumours are it will be necessary to cut another part of the Greek debt despite the fact that more than 200 billion euros have already been provided to Greece in the last 3 years. Another symptom of the European schizophrenia – do Greeks need another loans or a debt cut? Or both at once?

Greece has been full of surprises. This unofficial paradise of civil servants [has recently closed the public broadcaster](#) with its 2 500 employees. The broadcaster is planned to be restored later this year in a smaller scale. Meanwhile Greeks have some media to take the information from hopefully.

The [unsuccessful privatisation](#) of the state gas monopol has been an awkward surprise for the Greeks. Regarding a lack of interest from foreign investors Greece will have to find 900 million euros to fulfill the Troika's conditions somewhere else. The only thing worse than imperialists buying your state property is their lack of interest in buying it.

In Germany, the case of the OMT program of the ECB (the program of unlimited purchasing of obligations emitted by countries in debt) is being judged by the Federal Constitutional Court. As Germans assume there will have to be someone to pay the debts of the countries eventually the Federal Constitutional Court was asked to review whether the “unlimited“ debt purchasing program is in line with the German law.

The Federal Constitutional Court is under the pressure of the public as well. [48% of Germans would reject](#) a debt purchasing by the ECB completely. Troika is obviously not the only one with problems in decision making.

According to the reports the opinion of the Court on OMT is similar to the previous statements related to European Financial Stabilisation Mechanism: “Yes, but...” The Court might say yes to OMT with some restrictions so the ECB is satisfied and interests of German voters are not thrown completely from the table. However the ECB is still willing to help the eurozone no matter what (despite of all the weird voices who want to follow legal procedures) and thus it is still considering the idea of [negative interest rates](#) on deposits of commercial banks.

Starting negotiations between the EU and the USA on a free-trade area are clashing on the French unwillingness. French are already threatening to veto the negotiations if the [audiovisual industry will be part of them as well](#). France is probably trying to keep its ways of protecting the nation against Lady Gaga and Justin Bieber.

Even though the UK supports the idea of a free-trade area between the EU and the USA it is not so clear on its membership in the EU. Referendum on getting out of the EU is becoming more and more realistic. The Prime Minister Cameron has accented the British interest of being primus inter pares in supranational organisations [including the EU](#). However the internal opposition within the Tories has a contrary opinion. Even though the UK has a tough talk on the EU the country has already chosen at least 30 out of 130 European treaties on modification of a criminal law [which are going to be incorporated](#) into the British law system. This step was not appreciated by British eurosceptics who had hoped Britain would stay apart from these law modifications completely.

There are also some good news from the EU at last. After the recent rejection of the proposal of [olive oil bottles refilling proscription](#), the UK, the Netherlands, and Germany have joined and [rejected the directive on the data protection](#). Typically for eurodirectives good intentions are outweighed by the collateral damage. In this case costs of data protection audits would be too high especially for smaller companies. Moreover, experience from Germany has revealed that unsatisfactory data protection is usually a [consequence of banalities](#) like forgotten paper in a copy machine or a simple password like “money123”.

Mentioning a data protection we should also bring to mind the US secret services’ program “PRISM”. According to the leaked information US secret services with the assistance of global companies like Google and Facebook monitor the internet communication of their own citizens. [European representatives have expressed concerns](#) they might spy EU citizens as well.

One way or the other I wish you a weekend free of spying or secret service visits.

Ján Dinga
Translated by Roman Ujbányai