

Law and disorder – Fiat Euro! 36/2013

French self-confidence. Good and bad reports from Greece. Berlusconi's perfect game.

As the mass media have been filled with crisis for already six years, any other fresh topic is welcome. Such as the Syrian conflict. While French were grumbling about the American interventions in Afghanistan or Iraq just few years ago, now they are among the first to support the attack on Damascus. But after the German „no“, the British Prime Minister's first war vote loss since 1782 and Obama's pass of the problem to the US Congress, Hollande has been left high and dry. So he decided to wait for a [parliamentary vote](#) before committing to an attack as well.

Also the situation in Europe is hot, especially the economic one. Greek plans to overhaul three big state-owned companies [were thrown into disarray](#) by troika, which insists on more decisive solutions. Only these three companies made a loss of 130 million euro in 2011 and accumulated 2.5 billion euro debts so far. SYRIZA, the second strongest party in parliament and longtime survey leader [has called for a moratorium](#) on Greece paying interest on its foreign loans. Stags in the form of the member states taxpayers possess most of the debt, hence we do as well. The fact, that the third bailout for Greece is a [real scenario](#), has been admitted also by Jeroen Dijsselbloem, the head of the Eurogroup.

In spite of that, optimistic reports about the primary budget surplus are still coming from the Greek official bodies. Reputedly, it has reached [2.6 billion euro](#) in the first seven months of 2013. Unfortunately, 1.5 billion of the figure was due to the return of revenues from the yields of Greek bonds held by the central banks of Eurozone. A bizarre report came from Athens as well. 10% of all civil servants hired from 2004 to 2009 have probably submitted [false education certificates](#). Therefore the government has a welcome impulse for new layoffs.

The situation is similar on the south from the Pyrenees. Portuguese top court has already [rejected the third government's deficit-cutting plan](#) in the last 13 months. The labor code change would have allowed the state to fire public sector workers, who would have been involved in a mobility scheme similar to the Greek one. That invokes doubts about the country's ability to make reforms or repay a part of the loans at least.

The unemployment rate of Spain decreased in August. A drop in this month (during the time of the highest demand for seasonal workers) is the first since 2000. And what's the hitch? The unemployment declined [by 31 people](#) in the whole Spain. Only the Prime Minister has a reason to celebrate. The council members has [vetoed](#) the efforts to have him speak out in court on his alleged involvement in a corruption case.

Rajoy should learn from Berlusconi, who knows how to play a perfect game. He has been sentenced to jail and expulsion from parliament for tax fraud recently. It was obvious that he won't go to prison. But he doesn't even want to relinquish his office. The party announced that it [won't support the coalition](#) in the case of his expulsion, which would bring the government down. The Prime Minister Letta has a long face now. Should he obey the law or ignore the verdict and save the government? It would be very difficult to explain the fight against tax evasions then. To make matters worse, the current Italian budget deficit widened against the last year [by almost 50%](#) as it reached 60 billion euro in the first eight months and 9.2 billion euro only in August.

The unemployment rate of France has broken 16-year old record and reached 10.5%. Car sales fell by 10% year-over-year and similar drops are being reported from Spain and Italy. Ford, Fiat, European GM and PSA have announced the [expected losses](#) of around 5 billion euro. Shall we pay another round of a scrappage program?

People from these countries move to places, where the situation is a bit better at least. Britain has reported a [30-50% increase](#) of number of the immigrants applying for a National Insurance number from the countries of south Europe. The number of Greeks applying for a German citizenship [has raised by 82%](#) in comparison with the last

year. Angela Merkel repeated her statements about the necessity to think about the limitation of Brussels' power over the member states. Several deem it as an attempt to motivate Britain not to speculate about withdrawing from the EU. Too much power in the [hands of the European officials](#) is among the main reasons that drive Britons.

However, British government doesn't need Brussels to make bad decisions. British banks will be obliged to [repay 1.1 billion pounds](#) to cover the costs of compensating savers in failed Icelandic banks. Thus the losses of people who fooled themselves by the allure of high interest incomes in the Icelandic online banks will be paid by the people who shrewdly kept their savings in the British banks.

The European Commission is [raising the alarm](#). Allegedly, there's an expansion of protectionism across world, which threatens even now fragile economics. Remind me please, was it some another Commission, which has carried out one of the most protectionist measures of the last years, when it has imposed huge tariffs and quotas on the Chinese solar panels?

Croats are getting to know the bitter flavor of the EU membership. Besides the imminent sanctions for limiting the application of the European Arrest Warrant, they have been [forced to stop the sales](#) of their traditional wine Prošek. According to Brussels, it is too similar to Italian sparkling wine Prosecco. Who cares that the wines are different in colors, flavors, consistencies, names and even a consumer drunk by three bottles of those would barely confuse them?

Brussels lacks some adrenaline on the road. If you have ever tried to overtake a truck going 81 km/h on a county road, you've got to admit, that the speedometer needle exceeded number 90 at least for a while. Sometimes the road safety necessitates such a behaviour. According to the [Brussels' proposal](#), all new cars should be fitted with devices that limits vehicle's speed according to the speed limit displayed on road signs. Car wouldn't speed up over 90 km/h even if you would stomp the pedal out of the floor. Hopefully, Brussels will invent also some certificated wrapping duvets, which would minimize the effects of frontal collisions.

Hurry up slowly,

Martin Vlachynský
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