

# Order of a merited eurodeputy – Fiat Euro! 42/2013

*No pain, no medals. Taxes down? Conflict and symbiosis.*

There's nothing better than a mutual hand-shaking. Joint with medal awarding. You deserve a gold one, if you are lucky enough to spend 25 years sitting on a eurodeputy's chair. If you serve only 5 years (which is not too difficult as the term in the office is unexpectedly - 5 years) you are entitled to a silver one. [The upcoming batch](#) of 6 golden and 500 silver medals will cost 57 000 euro of taxpayers' money. Their hard work includes such responsibilities, as [backward approving](#) of additional 11.2 billion euro for the 2013 budget. And it's really necessary as the funds flow fast from the European leaky bucket. For instance, the Palestinian autonomy [misspent nearly 2 billion euro](#) of the EU aid during the 2008-2012 due to corruption and shortcomings in management. Furthermore, Dutch television [made a report](#) about Bulgarian unused 3 million euro worth stadium, which has been already demolished.

But there are some signs of effort. The Parliament, for the tenth time, calls to [abolish one of the symbols of the EU waste](#) – monthly trek of the Parliament from Brussels to Strasbourg and back. That cost 200 million euro each month and has no other purpose, but a vanity of one of the member countries, which will probably, resist these efforts again. I'll let you guess, which one it is.

At least the South notices some signs of fresh air. Portuguese government has finally confirmed its intention to [trim the corporate tax](#) rate from 25% to 23% and continue by a gradual reduction to 17-19% by 2016. The decision is really courageous as the budget deficit will reach rather 5.9% of the GDP than the planned 5.5%.

Italians have surprised too. Not with a worsened budget deficit, which doesn't surprise anyone, but with tax cuts. Taxes should be [reduced by 10.6 billion euro](#) in the following three years. The tax reduction will be split half for workers and a half for companies. It's not a revolution since the annual income of these two taxes roughly amounts to a total of 180 billion euro.

But a revolution would be suitable now. For example, in the approach to big inefficient companies with connections to government. Alitalia airline (bought by entrepreneurs pulled together by Berlusconi in 2008 after the bankruptcy) hasn't made a profit for more than 10 years and survives only due to the government bailouts. The newest one is worth [500 million euro](#) of the taxpayers' money. But the plan faces a strong opposition of another European airline group which urged the Commission to intervene against it. The Italian banking sector brings bad news as well. The ratio of non-performing loans has [reached 10.5%](#).

Greeks must envy such problems. The ECB declared that it won't roll over the Greek debt to fill the hole again. Therefore the country will have to find an [extra 2 billion euro](#) next year and 5 billion in overall, to operate normally. „To find“ means to beg it from Europe, because they have rejected any more austerity measures. The Prime Minister Samaras stormed to Brussels Tuesday to plead (or ask?) for greater solidarity from other EU countries. Meanwhile they are thinking up more solutions. Such as the [suggestion](#) to roll over 4.4 billion euro in bonds held by Greek Banks. It might help the state, but burden the banking sector as well. The sector is alive only due to the generosity of the ECB. So we are talking about the European money again....

On the other side of Europe, British eurosceptics missed the target. Within the running campaign against EU migrants they say, that Bulgarians, Romanians or Slovaks are driven to Britain by social security benefits. But according to the latest report, the portion of EU migrants among welfare [beneficiaries in the UK was only 3% in 2011](#). But the topic is hot not only in Britain. Martin Schulz, the president of the European Parliament [said last week](#), that it will be necessary to redistribute immigrants among the member states.

High hurdles remain for one of the EU's most important projects. The first pillar of the banking union, single supervisory mechanism assigned to the ECB has been already completed. However, the second pillar – common

resolution fund – proves much more difficult to design. No wonder. Southern countries would like the fund to exist yet before the sanitation of their banking systems. The best would be to involve the ESM. It would mean that the costs would be foisted on everyone. That's naturally unacceptable for Germans and some other countries. Recently, they've [got tough](#) and request bond owners to bear the clean-up expenses before the ESM involvement.

There are many conflicts in Brussels, but a symbiosis too. It exists between the European representatives and non-governmental organizations. Every year, NGOs receive 7.5 billion euro from the EU budget (their income is higher than the Estonia's budget revenue). Especially the bigger organizations (about a third of money is taken by a group of two dozen organizations) pay this generosity back [by defending Brussels' ideas](#).

For example, like the Commissioner Vivian Reding's idea. She [pushes on](#) with her effort to ensure a quota for women on non-executive boards seats on public companies. I hope that efforts toward equality will never stop. I suggest an introduction of race, age, religion, education and music preference quotas. At least one metalist in each board!

If this end isn't witty enough for you, try to have fun looking [at this picture](#). It's a procedure scheme in case of an excessive deficit of a country. Do you understand now, why none of the states has been punished for such a violation?

Have a good rest of the week

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