

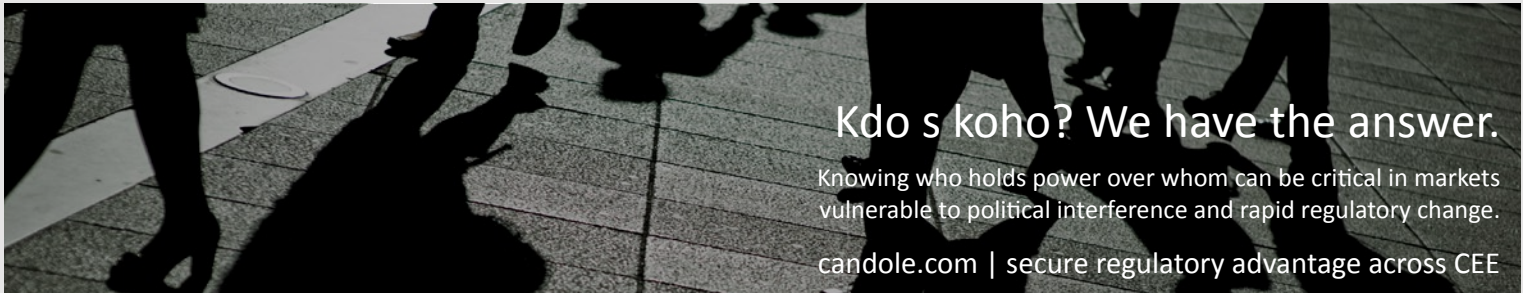
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Rich land, poor land



Parliament passed a package of tax hikes and benefit cuts on Fri. that will produce one of the largest tax increases and the biggest budget deficit in Czech history. With no irony intended, politicians call it a "savings" package. Even President [Petr Kužel](#) of the Economic Chamber praised the measures, except for the rise in the fuel tax. A few analysts (including [Jan Bureš](#), [Jan Havel](#), [David Marek](#), [Aleš Michl](#) and [Pavel Sobíšek](#)) are daring to go against the flow. They see the huge deficit (Kč 163bn) and not the dubious "savings" and are warning about what this means going forward.

Their arguments about eating our children's future dinners aren't getting anywhere, though, because the CR still fares okay as a debtor nation when compared to other "rich" nations. Logical economic arguments will only start working once it becomes universally recognized that rich nations like the CR are in fact no longer rich.



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