

The von der Leyen plan

The 2,400-billion-euro plan presented by the European Commission to address the economic crisis caused by the coronavirus is undoubtedly positive news for Italy. All in all, it's about an even more ambitious package than the one proposed last week by the leaders of France and Germany: at stake there are in fact the 540 billion already approved to finance ESM, European layoffs and EIB loans; a seven-year budget of 1,100 billion, slightly lower than the 2018 proposal but still higher than the Member States' requests; a 750 billion fund specifically designed for the recovery that will be called Next Generation EU. We are talking about a plan that overall smiles on Italy, which is given the possibility of escaping the main threat triggered by the Covid-19 crisis: bankruptcy, or in any case a period of serious international doubts about its solvency, with inevitable negative repercussions in terms of financing capacity of the national budget. Sure enough, although the current public debate does not mention it, the seriousness of the situation is confirmed by the fact that Italy will receive the largest part of European aids: 172 billion, of which 82 in grants and 91 in loans. The idea underlying Ms. von der Leyen's proposal is not to pool together the public debts of EU partners (namely, coronabond), but rather to generate a new one, therefore exquisitely European and conceived for the sole purpose of facing the costs of the reconstruction. The Commission bets that the sums will be repaid through new taxes, collected directly by the European institutions to finance the budget, with a maturity of 30 years starting from 2027.

So far the good news, which is a real breath of fresh air for a quarrelsome M5S-PD government that is struggling with the difficulties connected with the restart of a country that is simply on its knees due to coronavirus. The problem for ruling coalition allies is that as a matter of fact everything will depend on the negotiation between the EU Member States, which remain the only truly decisive players in the European institutional architecture. The fact that the Commission has accepted all the requests from Paris and Berlin is a sign that bodes well, especially on the eve of long and exhausting talks with the so-called frugal northern countries, led by Amsterdam, and the Eurosceptic capitals of the East, led by Warsaw. It is in fact to be believed that the Franco-German 'political coverage' will allow Rome to avoid the devastating conditions imposed on Greece for the rescue of the last decade, especially when the influential Nordics who oppose European aid (Dutch, Austrian, Danish, Swedish) do not have the strength to go up against the power on which they depend, that is Germany. However, it is good to clear the field from a potential misunderstanding: the von der Leyen plan does not anticipate the launch of the fiscal union coveted by many, nor is it a panacea to resolve all the evils of Europe. When the echo of the bombastic announcements of the last few hours has finally died down, the Italian government will have to cope with ensuring adequate resources to meet the public finances' needs in the coming months, or before the entry into force of European aid which, according to the Commission, will not arrive before 2021.