

## Italy hanging by the thread of EU budget negotiations

The deadlock in the negotiations on the European budget between Parliament and the Council is undermining the certainties of those who, just last summer, greeted with much jubilation the German decision to authorize the substantial bailout of Italy through the Next Generation EU. As we know, the massive plan for the recovery of Europe should in fact benefit Italy with €209 billion aimed at revamping its socio-economic system that was badly weakened by the pandemic and a decades old lack of reforms. This salvific intervention by the German *deus ex machina* fits perfectly into the national pedagogy of the “external bond”, sanctioned almost thirty years ago in Maastricht to establish that Italy was unable to govern itself and therefore entrusted its well-being to the Union European. Today, however, the clash erupted in Brussels between the two most representative European institutions risks significantly lengthening the timing of disbursement of funds, with the result that it will become increasingly difficult to use part of the resources at the beginning of 2021 as the Italian government hoped to do. If ever there was a need, the news confirms the precarious foundations of the European project, with member countries largely unable to set common priorities or to accept to surrender part of their sovereignty to EU bodies, when not committed to play their own game. In recent weeks, the Netherlands has threatened a veto on the Recovery Fund to defend the increase in discounts to contributions to the budget obtained in the summer, while Hungary and Poland did the same but to defend the compromise reached on the rule of law. If on the

occasion of the July agreement the price to be paid was the further deepening of the fault lines between “cicadas” and “ants” that has split the Union since 2008 (it was a poisoned legacy of the debt and the single currency crises), this time the Member States’ unwillingness to reconsider the contents of their summer negotiations highlights the discrepancy between the pre-eminent role of national governments and the current institutional set-up of the EU. In this dialogue between the deaf, Italy risks losing more than others, as a country entrusted with receiving the largest share of European resources and among the most exposed ones to the consequences of a second pandemic wave. In coming months, Rome is really going all out: at stake is the restart of the third economy of the eurozone, which for twenty years has been the last for growth and second only to Greece for accumulated public debt (135% pre-Covid, now up to 160%); as well as the ability to set up - once and for all - an efficient, authoritative and adequately centralized state capable of successfully navigating the sea of troubled years that is looming on the horizon. The delay in submitting the draft budget to the European authorities does not bode well. Two ruling coalition summits were not enough to reach agreement, while the third will take place over the weekend and should be the decisive one. The acceleration of the second Covid wave is complicating the talks between government allies on the priorities of the economic measures to be included in the maneuver, as well as exacerbating the parties’ pleas regarding the management of the health emergency by the premier and his ministers.