### **ITALY**

### Wavering Between Europhilia and Euroscepticism

### **Highlights**

- Italy has gone from one of the most pro-EU country to a rather euro-critical one. The crisis has dimmed hopes that the EU membership was a stimulator for economic growth. Moreover, Italians believed that the EU would be able to correct the shortcomings of national institutions. Phenomena, such as corruption, however, remain acutely perceived in Italy.
- There is a cultural attachment to the EU in Italy but EU actions are too little advertised. There is room for more communication. It would help that decision makers cooperate more with their European counterparts to trigger a feeling of belonging to a European sphere, which could trickle down to the citizens-level.
- Italians' lukewarm attitude vis-à-vis the EU is mostly the result of the economic crisis and the subsequent austerity measures. They, however, remain committed to further integration in a variety of fields, including in foreign and defence policies. But at this stage, the most pressing need for Italians is that the EU helps restore growth and competitiveness.

### **Building Bridges project**

This paper is part of the Building Bridges Paper Series. The series looks at how the Member States perceive the EU and what they expect from it. It is composed of 28 contributions, one from each Member State. The publications aim to be both analytical and educational in order to be available to a wider public. All the contributions and the full volume The European *Union in The Fog* are available here.



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### **About Building Bridges**

Called "Building Bridges Between National Perspectives on the European Union", the project aims to stimulate the public debate around national experts on the relationship between their Member State and the EU and on the future of the Union. This project confronts their visions with others' from different member states, but also those of people from different horizons via workshops in Warsaw, Madrid, Paris and Brussels, which took place in 2015 gathering experts and local citizens.

The project is coordinated by the French Institute of International Relations (Ifri) with three major partners: the Polish Institute of International Affairs (PISM), Real Instituto Elcano and EUROPEUM—European Institute for European Policy. The project has also benefited from the support of institutes in each Member State.

You can find all the information and publications about the project at this address: <a href="http://www.ifri.org/en/recherche/zones-geographiques/europe/projet-building-bridges">http://www.ifri.org/en/recherche/zones-geographiques/europe/projet-building-bridges</a>.



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## What does your country hope to gain from its membership to the European Union?

From being one of the most europhile countries, Italy has undergone a radical change of perception, and growing anti-EU sentiments have turned it into one of the most euro-critical Member States. Whilst this anti-EU perception is not just the result of European policies, but is also down to mismanagement by the national government in communicating and adequately implementing EU plans, the EU certainly needs to strengthen its legitimacy.

Being one of the founders of the European integration project and one of the most pro-European countries, Italy had many cultural, political and economic reasons to support and justify its membership to the European integration project. On one hand, since the late 1950s intellectuals such as Mario Albertini and Altiero Spinelli encouraged the idea of a federation of European states, which would guarantee peace and prosperity across the European continent. European membership would allow Italy and other European countries to maintain their national identity while creating common institutions able to overcome those political, economic and cultural clashes responsible for regional conflicts.<sup>2</sup>

On the other hand, support towards the European project was not only the result of intellectual thinking. Italians showed great enthusiasm for the idea of belonging to a European community, which could enhance democracy, economic welfare and political stability. In particular, they believed that the malfunctioning and shortcoming of their political system, together with domestic corruption, misuse of resources and tax evasion, could be overcome with closer European involvement. In this respect, they

tended to trust European institutions more than their national ones. In addition, European membership was — and still is — considered to be a platform that provides Italy with higher visibility in the international arena. In this framework, although the ratification of the Maastricht Treaty in 1991 downsized the consensus on the European project held by European citizens, Italian public opinion remained mainly pro-European. From the 1990s to the 2000s, trust in the EU and its institutions was consistently above 60%.<sup>3</sup>

To date, hopes for a brighter future as a member of the EU have been substantially reduced. Between 2013 and 2015, the number of people thinking that Italy would be better off outside the EU increased by three points, reaching 35%. Conversely, the share of people believing that Italy's future would be worse without the EU shrank by five points, rating slightly below the EU average (55.5%). 4

There is certainly less trust in the EU as the institutional body able to help Italy achieve better political and economic performances. For instance, corruption is still perceived by 97% of citizens as a highly diffused phenomenon and 42% of Italians, against 26% in the rest of the EU, claim to have directly experienced it. Moreover, the Eurozone crisis, together with the consequent austerity policies, are deemed to have brought an already crippled economy to its knees. Indeed, although in 2015 Italy has grown by 0.8%, unemployment is still at 11.9% (12.7% in 2014) and real GDP is at "the early 2000s levels".

In this respect, there is not much hope of achieving concrete gains form Italy's EU Membership. From being considered as a propulsive tool to stimulate economic and

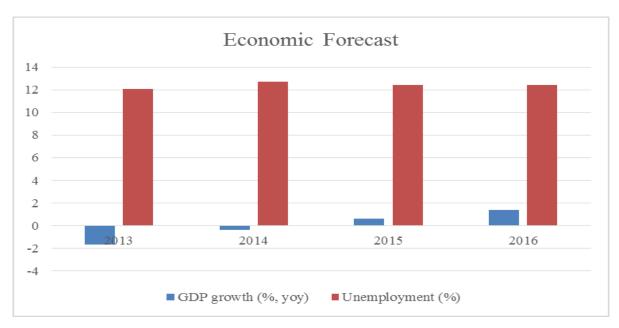


Figure 1 Italy's GDP growth year on year and unemployment rate (source: European Commission)

political development, nowadays the EU seems to be merely a technocratic structure.

## Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

With respectively 57 and 65% of Italians defining the European institutions as distant and complex bureaucratic bodies, the EU certainly does not appear to be a clear project in Italy.8 In 2014, 72% of Italians claimed to be poorly informed about the EU institutional structure, which was considered efficient by only 33%.9 Such a lack of knowledge in the EU has been fuelled by poor EU related information provided by the media, which is mostly dominated by national topics. One in two Italians agrees on the fact that television, which is the most common media outlet, does not sufficiently broadcast European issues and policies. 10 Certainly, lack of information about the EU has contributed to a diffuse distrust in the functioning of its institutions, turning the EU into a foggy middle area.

Yet, doubts on the EU functioning might have been amplified by national politicians. For instance, during the last European Parliamentary elections in May eurocritical parties, such as the Five Star Movement and the Northern League, but also traditional parties, such as Forza Italia, used anti-EU discourses to foster their electoral support. For the same reason, even when Italian political parties do not openly criticise the EU, they seldom back its policies. 11 As a result, in 2015 only 26% of Italians thought that their voice is relevant when it comes to shaping European decisions, while 59% believe that the EU does not take into consideration Italian national interests. 12

Such a diffuse perception might have partial elements of truth. Indeed, despite holding 79 seats at the European Parliament (EP) and having appointed former Foreign Minister Federica Mogherini as High Representative of the Union for Foreign and Security Policy and Vice President of the European Commission, Italy occupies only 8% of the total high level positions within the European institutions (178 of 2,242). This is

well below the 12% the country should have acquired in relation to its total population. 13 Moreover, with a participation rate of only 91.8% by Members of the European Parliament (MEP) in EP roll call votes, Italy is positioned as the 10th country out of 28, with Greece (81.66%) being the least participative and Austria the most (96.24%).14 Although it certainly is on a par with the European average, considering it is one of the founding members of the EU, Italy and its MEPs could use their voting power to acquire more weight in the EP decision making process. Putting aside the institutional bodies, Italians also lack a strong network of private organisations, which are able to influence European policies. As an example, among the 700 lobby groups operating in Brussels in the economic and financial sectors, only 30 are Italian, while the majority are British (140), German, French and American.<sup>15</sup>

In this respect, making Italy count more in the EU institutions would allow Italians to better master its functioning. To date, poor information, which has generated a lack of trust, together with what appears to be insufficient and ineffective representation of Italian interests at the EU level, have contributed to a general disinterest, which has in turn fuelled the idea that the EU is not a clear project.

# Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Although Italians used to show great enthusiasm towards the idea of a European political federation, the lack of institutional understanding and effective decision-making power has resulted in a limited awareness of the European integration project. According to a survey carried out in 2013 by the Italian Ministry of Economic development, only 45.1% of the respondents knew about European plans for integration and cohesion.<sup>16</sup> Moreover, the current crisis, whose negative consequences have been coupled with austerity policies and internal political instability, has certainly fuelled disenchantment towards a closer economic union.<sup>17</sup> Confronted by job insecurity and decreasing living standards, Italians appear to be more concerned with national issues and do not see the EU integration project as a priority. Yet, with 69% of citizens in favour, there is strong support for forms of fiscal integration through the creation of a common fiscal capacity, which, in case of crisis, could minimise negative spillover effects. Moreover, it is believed that financial integration, to allow allocation cross-border of capital diversified sources of financing in the Single Market, 18 would benefit the national economy, and particularly small and medium-sized enterprises (SMEs).

Italians still endorse the development of cultural and political ties and hope for a stronger democratisation of EU institutions. 72% of Italians believe that the EU should work towards a political union, with a single foreign security and defence policy aimed at stabilising its borders and meeting current geopolitical challenges. They would also back the creation of a single European army, able to quickly react to international threats. 19 In this respect, current limited Italian support for further integration appears to be mostly related to the economic crisis and austerity policies. Yet, with only 30% of the country against the euro, Italians certainly consider that less economic and monetary integration would have disastrous effects on the already precarious economic trends.<sup>20</sup>

Hence, Italian citizens hope for a European shift in priorities, one that, in the words of Italian Prime Minister Matteo Renzi, would be able to reorient the EU economy towards "a smart, sustainable and inclusive economic growth". <sup>21</sup> As this appears far from achievable, the image of an ever-positive integration has become unsustainable. Nonetheless, leaving aside austerity policies, Italians support forms of European fiscal, financial, political and security integration.

# According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

The idea of belonging to a common European public sphere could strengthened through combined undertaken at different levels. At the national level, there is a need for politicians to interact more, both with their counterparts at EU parliamentary level and with counterparts in other Member States, including at the local and regional levels. This would foster the awareness of belonging to a common European sphere among the decision makers. Following a snowball effect, this perception might then be transferred to media outlets and citizens. Indeed, if politicians engage more with European projects and processes, it would definitely push media to broadcast more news on such issues and inform the general public. For instance, the current crisis is mostly analysed in Italy as an Italian problem, resulting in national egoism and a lack of coordination with other Mediterranean countries, such as Portugal, Spain, Greece and partially France. Lack of cooperation is certainly contributing to Italy's lack of contractual power at the EU level.

Poor engagement with the EU, has also given rise to the idea that, since Italy is playing a minor role in the European decision making process, which is totally governed by powerful European states, such as Germany, it is left alone when facing economic and political issues. In this respect, cooperation with politicians or from other member parliamentarians countries could quell this perception.

At the European level, EU institutions accessible should become more understandable by the majority of citizens. Although much has been done to make this happen, there is still space for improving dialogue and communication between the institutions and European citizens. Indeed, many European initiatives are not well advertised. This appears to be particularly relevant, as cultural and ideological forms of attachment seem to be among the strongest reasons behind Italian membership to the EU. Hence, cultural events, reportage advertisements offering a positive but realistic image of the EU should be effectively communicated and spread among citizens. In other words, Europe should not only be seen as a technocratic grey area where painful decisions are taken by even more grey European bureaucrats. It should instead be perceived as a pool of opportunities.

Moreover, in the not unlikely case that austerity policies will impede Italy's ability to overcome the current recession, the EU could regain credibility by implementing a set of new economic policies, which would promote growth and employment. To date, although only 1% of Italians actually wants to leave the European Union, the general perception is that both the national government and EU

institutions are incapable of tackling the crisis and fostering social welfare.

## Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

There are several policies the EU should implement in order to legitimise its integration project, which is now considered to cause more problems than it solves. From a socioeconomic point of view, the EU should promote employment, which is one of the major issues undermining social security and welfare.

Since 2011, as part of the austerity measures implemented by Mario Monti's government to boost economic growth and competitiveness, Italy has liberalised its job market by raising the pensionable age to 66 and reducing clauses in job safeguards provided by article 18 of the national work regulation. Following the EU guidelines, Italy has attempted to apply the principle of 'Flexicurity', which aims to reconcile employers' need for a flexible workforce with workers' need for security.<sup>22</sup> Prime Minister Matteo Renzi's most recent Job Act also underpins such principles. According to the Act, the majority of contracts will become fixed term agreements. However, the Act will again modify article 18, allowing the employer to fire employees for economic reasons, while still providing a certain level of compensation. In other words, the aim of the Jobs Act is to create a flexible job market, whereby workers will be able to change job frequently without facing long periods of unemployment.

Such reforms have been fostering a widespread perception of social injustice. Since the 1990s, an ageing Italian society has undergone a general trend of impoverishment due to the progressive erosion of the middle classes and social mobility. The middle-aged

generation of workers (30-40 years old) is indeed trapped between an older generation, which owns special guarantees due to the previous social security system, and a younger generation with no profits. In 76.7% of cases, families' budgets have been reduced and, according to Eurispes, in the first half of 2015, one Italian out of three experienced difficulties in paying transport costs, while a worrying 40.9% could not afford medical expenses.<sup>23</sup>

Although GDP is expected to grow by 1.4 in 2016 and in 2015 public and private consumption have respectively increased by 0.2% and 0.9%, the process of economic recovery in Italy is still considered weaker than in the euro area as a whole.<sup>24</sup>

In this respect, the EU, together with the national government, should promote economic reinvigorate growth and employment opportunities. In particular, Italians feel the EU should facilitate the development of small and medium-sized enterprises (SMEs). Indeed, Italy hosts 200000 small and medium enterprises and 17.2% of the micro enterprises in Europe. Yet, between 2008 and the first half of 2014, while 13000 SMEs were reduced to bankruptcy, over 5000 went into insolvency and 23 thousand started proceedings for voluntary liquidation.

Any EU concrete actions, such as those depicted by the 2011 Commission Action Plan or the Juncker Investment Plan, aimed at restoring competitiveness by providing, for instance, SMEs with easier access to credit or plans for their internationalisation, would also help Italy to grow economically, especially by diminishing its level of unemployment.

From a political dimension, with trust in EU institutions as low as it is, the EU should provide timely and effective responses by

strengthening unique European visions not only when it comes to foreign policy, but also in relation to political representation at the European Parliament. It is indeed interesting that according to CENSIS, Italians would vote for non-Italian candidates at the EP if those candidates would reflect their political vision.<sup>25</sup> In this respect, the EU should certainly establish and expand virtual and physical spaces for public deliberation, providing citizens with better access to better quality of information, as well as greater scope for participation.

To conclude, while the economic crisis and the current recession are certainly responsible for the current disaffection towards the EU integration process, Italians still believe in the democratic dimension of the EU. Yet, there is a need for an extra effort both from the national and European institutions to make the EU more accessible to citizens through better information and better participation in the EU decision-making process.

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