

S&Ds: By refusing to modify its budget plan, the Italian government destroys its credibility and mutual trust in the EU

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Following the decision by the Italian government not to change its budgetary targets, despite the possibility of EU sanctions, the vice-president of the S&D Group, Mercedes Bresso, stated:

“The Italian government has decided to put itself on a head-on collision course with the European Commission, confirming the budgetary targets put into question by the Commission. An irresponsible decision, in clear violation of European rules, which jeopardises not only the economic stability of Italy, but also the savings of many Italian citizens. A sterile and dangerous arm-wrestling that weakens all those trying to improve the EU fiscal framework by means of rational arguments.

"It is thanks to our criticism against austerity, and the joint work of us, the Socialists and Democrats in the European Parliament and the European Commissioners belonging to our political family, that the elements of flexibility and solidarity have been established in the EU fiscal rulebook. These innovations - it should not be forgotten - have allowed Italy to spend €30 billion more.

“More work needs to be done to overcome austerity and its legacy. The governance and the institutions of the Eurozone need a substantial overhaul to foster upward convergence between member states through investments and solidarity instruments. Yet, such reforms require trust that the current standoff between the Italian government and its European partners is undermining.

“Creating additional deficit to implement policies that will do next to nothing to improve the economic and social prospects of the country, as is the case with the current Italian budget plan, will only deepen divides within the Eurozone. What is more is that with its most recent proposal of selling off state assets in profitable major companies, the Salvini-Di Maio government is in fact impoverishing the state and thereby Italian citizens as a whole.

“It is the lack of trust between member states and national selfishness that fuels austerity in the European Union. The Salvini-Di Maio government is creating the perfect conditions for a new wave of austerity against Italy.”