
States General and half-commitments: the economy awaits EU funding

One advantage of the long series of meetings at the Villa Pamphili Palace is that Prime Minister Giuseppe Conte listened and responded in person. With caution, of course, welcoming suggestions, without giving certainties. He devoted time. He left himself open to criticism. However, the disadvantage is that the coalition parties, and perhaps some ministers, might be feeling poorly involved in an overly individualized initiative, criticized by Opposition. Plenty of delegations, copious video conferences, that many “have had to” attend (public companies, EU Commission, ECB, NGOs, trade unions, various first-hand reports), and they all seized the opportunity to make their case. Confindustria stepped in with criticism of the past and perplexity about the present. Now that the elegant venue of the Villa Pamphili Palace is closed, what remains of the past days? A commitment to combat tax evasion, also by reducing cash transactions, a prolonged use of the redundancy fund to prevent layoffs, talks of new infrastructure, ecology, digital technologies and, finally, a possible cut in VAT on a number of products to boost consumption. Half promises to trade associations. “We welcome the Government's proposal to support consumption and domestic demand through measures to reduce VAT. It would send an important signal of confidence that we always hoped for. Yet this measure should not be overly provisional”, pointed out Guido Sangalli, President of Italy's retailers and commerce Union Confcommercio, But subsequently the Bank of Italy found a way to let people know that a reform of the tax system “requires comprehensive vision” as opposed to a “tax-by-tax” criteria. Conte pledged to curb tax evasion, an issue that is occasionally reiterated by national governments, but not by resorting to the umpteenth tax amnesty. “That's the main problem. This kind of procedure is done by people who don't want to give explanations, if they are pardoned for past operations and if any past illicit activities are remedied. Thus an injustice is created.” It is preferable to encourage e-payment, whose use increased in the last few months, for anti-evasion purposes. More than the suggestions voiced by the task force led by Vittorio Colao, the notes taken by Conte (and those taken on the Prime Minister's tepid commitments by his interlocutors) will have to become coherent plans for recovery with European money. Conte's high popularity among Italians - recorded by pollsters - is the matter at stake in the coming month. The first meeting of the Eurogroup was unsuccessful. A second, decisive meeting is due to take place mid-July. In the best case scenario, Italy is expected to receive over €170 billion in grants and loans under the European Recovery Fund scheme; even in the event of a downsizing, the recovery path can count on substantial sums in addition to other loans that can be activated. The funds will be available in 2021 (or perhaps slightly ahead of schedule) and will be attached to clearly defined and credible projects. They will have to be approved by the Government and Parliament. Some ideas emerged at the Villa Pamphili summit, nine days of discussions for the economy, awaiting far more binding decisions.

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