

MODEL ITALY – AND WHAT EUROPE NEEDS TO DO NOW

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Up until 21 February Italy seemed to have been virtually unaffected by the corona crisis. There were three cases of infection in Rome (a Chinese tourist couple and an Italian who had just returned from China), who were rapidly located and isolated and thus did not pass on the infection to anyone else. Then, on 21 February, came the first case in Lombardy, with another in Veneto at practically the same time. It soon became clear that the chain of infection could no longer be reconstructed: evidently – as demonstrated by numerous further cases over the coming days – the epidemic had been rampaging for weeks, unrecognised. Since then, Italy has been confronted by exponential growth rates both of those infected and also of deaths. **It has experienced, as the first European country, the largely uncontrolled advance of the epidemic without much of a blueprint to help it to tackle it, whether from its own history or those of other European countries.** On the evening of March 18th, a total sum of 35.713 diagnosed cases was reported, of which more than nearly 3.000 deaths.

In hindsight, many of the measures that the state took in response can be regarded as hesitant. At the time, however, also abroad, a kind of antagonistic astonishment prevailed, along the lines of: is this really necessary? As early as 22 February the government established two very limited »red« quarantine zones and sealed off 11 municipalities in Lombardy and Veneto with around 50,000 inhabitants. This action proved insufficient to curb the advance of the virus. This was followed in the afternoon of 4 March by a decision to completely close, promptly and expeditiously, the following day, all educational institutions in the country, from crèches to universities, initially for ten days. In the meantime, closure has been extended to 3 April. On 8 March prime minister Giuseppe Conte signed a decree imposing drastic restrictions on, initially, 16 million citizens in the region of Lombardy and a further 14 provinces in the north. All public events were banned and it was no longer permitted to leave the house, other than to go to work, to go shopping or to perform other indispensable tasks. Only three days later these restrictions were extended, overnight, to the whole of Italy and indeed tightened up. Since then all restaurants and bars, as well as all shops selling inessential

goods have been included – citizens were virtually placed under house arrest.

Within a week, therefore, Italy had gone from school closures to the closure of the entire country, experiencing a radical paradigm change. Even in the early days of March, for example, Milan's mayor Giuseppe Sala had declared that »Milan remains open« and in some of the hardest hit crisis zones in Lombardy business people and their associations had protested against further restrictions, fearing for their livelihoods. With **this radical paradigm change, however, Italy now provided a blueprint for Europe**, including such phrases, now on everyone's lips as, »social distancing« and »flattening the curve« of the rate of infections. But because the epidemic can no longer be halted, the task now is to slow down its spread, even at the expense of citizens' rights and the economy. This represents the only chance of avoiding the collapse of the health care system and countless deaths.

The government is trying nevertheless to counteract the serious economic and social consequences with a wide range of measures. On 11 March Parliament decided unanimously to make available – initially – a further 25 billion euros from the state budget. On 16 March came a detailed decree that, among other things, provides for significantly expanded payments for short-time working for employees, income support for the self-employed, additional payments for the costs of child care, tax deferrals for businesses and loan moratoriums.

In summary, we can safely say that Italy's government, after some initial hesitation, has shifted decisively to the imposition of restrictions that, until a few days ago, would scarcely have been imaginable in peacetime Europe.

Above all, prime minister Giuseppe Conte is the face of the Italian state for its citizens in this crisis, de facto combining the roles of head of state and of government in his addresses to the people. He has distinguished himself by his extremely effective communication, appearing both calm and determined, he does not skate around the severity of the restric-

tions, makes clear the seriousness of the situation, while appealing to Italians' public spiritedness, and is able to find the right words, for example, when he declared »let's distance ourselves from each other today in order to embrace each other more warmly tomorrow«.

And the opinion polls are vindicating him. In a poll published on 16 March, while only 29 per cent expressed trust in the government in general, 74 per cent think that the government course of action in the corona crisis is appropriate. A further 13 per cent think that even tougher measures are necessary, while only 5 per cent consider the measures »excessive«.

In Germany and a number of other countries it is constantly repeated that they need to make sure that they avoid the »conditions in Italy«. That represents a complete misunderstanding of the situation and indeed is an affront, given what Italy is going through. The Italian government is acting courageously and consistently **and the Italian population has achieved something remarkable: overnight it has adjusted its social interactions without further ado, from Bolzano to Palermo, avoiding one another rather than going out together in a historically unprecedented act of community spirit and responsibility.** It was very brave to set out on such a path as the pioneer, even though it means that basic democratic rights – freedom of association and movement – are strictly curtailed, at least for the time being. The initial reactions of many European partners, institutions and media to Italy's drastic measures, by contrast, included derision, a reluctance to take things seriously and inertia. Only now, as cases of covid-19 are spreading rapidly throughout Europe and all EU countries are affected, are similar emergency measures being taken, albeit with unnecessary delays, and »conditions in Italy« are being taken as a model for other European countries.

In Italy, by contrast, there is clearly a general sense that, once again, Europe has left Italy to fend for itself in a severe crisis. As in the case of the euro-crisis of 2008, the refugee crisis of 2015 and now in coping with the corona crisis of 2020. **An enormous 88 per cent responded »no« in answer to the question of whether the EU is helping Italy.** Germany and Europe in general need to heed this statistic. Hitherto, European solutions have been inadequate. A sense that the corona crisis is not so much an Italian crisis as a European one is only gradually emerging. It should have been learned from previous crises how important every word and gesture is. The press conference given by ECB chief Christine Lagarde on 12 March, by contrast, provided devastating testimony of the ignorance and arrogance that Italy now clearly associates with Europe. Her remarks that she would not aim at a kind of »whatever it takes 2.0« and that it was not the task of the ECB to end the spread of the virus sent bond premiums skyrocketing and Italian confidence in help from Europe hit rock bottom. The subsequent apology did nothing to help matters and did as little to repair the damage as the statement made the following day by Commission President Ursula von der Leyen that they would do »whatever it takes to support the European economy«. According to Italy's ambassador to the EU Maurizio Massari, Italy has been offered no assistance

from any other EU country since February, despite its appeals. Only on 15 March did the EU's Industry Commissioner inform them that respirators and medical supplies were on their way from France and Germany – too late to make up for the loss of trust caused by the previous export ban. Only China has acted promptly, sending two teams of medical experts to Italy, which is greatly appreciated by the Italian population.

An uncoordinated approach, confused communications and a lack of solidarity are scarcely the right way to tackle this unprecedented crisis in Europe. **The crisis will be a stress test for Europe.** It needs to prove itself in this crisis and curb the regression to national ways of thinking and acting.

The following points are decisive in this regard:

First, the member states have exclusive responsibility for establishing national health care policy, including the organisation and provision of health services. According to Art. 168 TFEU the European Union's role is only to complement national policymaking; such complementary provision is reflected in the words »combating serious cross-border threats to health«. Despite this legal foundation a better coordinated approach is needed on the part of European institutions and in particular the EPSCO Council (Employment, Social Policy, Health and Consumer Affairs). The virus knows no borders and only concerted and urgent action by these political actors can minimise its spread.

Second, at the level of communications the EU institutions must work together resolutely and coherently. Together with other measures (for example, the European stability mechanism) Mario Draghi's 2012 »whatever it takes« in the short term calmed the markets and in the long term saved the euro. Belated and inaccurate communications should be avoided.

Third, Italy must not be left in the lurch this time. The EU needs to show solidarity. The EU must invoke the solidarity clause of Art. 222 TFEU without delay and provide the requisite assistance. This clause enables the EU to mobilise »all the instruments at its disposal« when a member state is the »the victim of a natural or man-made disaster«. Although understandable in terms of national concerns, the export ban imposed on medical supplies by France and Germany was an assault on European solidarity.

Fourth, importantly, preventive economic policy measures are needed. Even before the covid-19 crisis Italy was on the brink of recession and it is only a matter of time before its public finances, the banking sector and the real economy are severely affected. The fact that the EU is exhibiting »maximum flexibility« so that the 27 member states can boost their spending and make state aid available is a first good sign. The joint EU institutions, as well as Germany and France as the biggest and second biggest EU economies, need to show a constant readiness to provide financial and material support.

Fifth, this extraordinary emergency should convince all participants – EU institutions and national governments – of the necessity of providing the European Union with further financial

and political instruments to cope with periodic and structural crises. Given the current crisis and the ensuing negative fallout Europe should consider carefully whether it might be a good idea to revise the scope and priorities of the EU budgetary plan for the period 2021–2027 and, as proposed by the European Parliament, to set the amount at 1.3 per cent of GDP.

The virus knows no borders and so the response to the virus must know no borders either!

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