

# EU-28 WATCH



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## On the project

Euroscepticism and the European Parliament elections in 2014, the EU's Neighbourhood in light of the Ukraine crisis and power relations in the EU: The EU-28 Watch project is mapping out discourses on these issues in European policies all over Europe. Research institutes from all 28 member states as well as Iceland, Macedonia, Montenegro, Serbia and Turkey give overviews on the discourses in their respective countries.

This survey was conducted on the basis of a questionnaire that has been elaborated in March 2014. Most of the 33 reports were delivered in June 2014. This issue and all previous issues are available on the EU-28 Watch website: [www.EU-28Watch.org](http://www.EU-28Watch.org).

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## Italy

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### 1. Euroscepticism and European Parliament elections

*EP2014 election campaign: crisis, corruption and other domestic issues*

In Italy, the campaign for the European elections was largely dominated by national topics. The difficult economic situation of the country was at the forefront of the debate. In early May, news about rising youth unemployment (up to 42.7 percent) and a further 0.1 percent contraction of the GDP for the first quarter of 2014 contributed to focus discussions on the economic crisis. During the campaign, Prime Minister Matteo Renzi announced an 80-Euro-a-month tax cut for low-paid workers (earning less than 1,500 Euros a month), which became his key electoral promise and a central topic in the whole political debate.

Beppe Grillo, the leader of the main opposition party Five Star Movement, dismissed Renzi's 80-Euro tax cut as useless charity and blamed both the centre-left and the centre-right political establishment for the economic crisis. He particularly stressed the problems of corruption, youth unemployment and the flight of businesses from Italy. Grillo also reiterated his proposal for a 1,000-Euro guaranteed minimum income based on citizenship, which he had already presented prior to the national parliamentary elections of February 2013. The campaign of the third-largest party, Silvio Berlusconi's Forza Italia, focused primarily on the alleged injustice suffered by the party leader (who was banned from running in the election due to tax fraud and sentenced to do community work) and on general criticism of Germany's policies in Europe.

With the notable exception of economic policies and the common currency, European topics played a marginal role in the campaign. Apart from left-wing candidate Alexis Tsipras (whose name was prominent in the symbol of the list supporting him in Italy, "The other Europe with Tsipras"), EU-wide frontrunners were rarely mentioned and their final debate was not broadcast on mainstream TV channels. All parties expressed a generic wish for a "different", "democratic", "less German" Europe, more focused on growth and less on austerity. However, hardly any parties or leaders went beyond these vague statements and attempted to explain which concrete policies would have to be adopted in order to implement their programmes at the EU level.

#### Links:

- Alvise Armellini, [Italy set for EU vote amid fears of Grillo breakthrough](#), 24 May 2014.
- Euractiv, [European elections to test Renzi's chances to reform Italy](#), 19 May 2014.
- Giampiero Gramaglia, [Italia distratta, giochi fatti](#), 11 May 2014.
- Mirte van den Berge, [The 2014 EP election campaign in the member states: national debates, European elections](#), 4 June 2014.

*Euroscepticism : a divided country*

Euroscepticism was on the rise and played an important role in the electoral campaign. Italians were deeply split in their attitude to the EU and the Euro: one third expressed positive views about the common currency, one third was very critical of it and another third passively accepted its existence, without any particular feelings. Far-right parties, notably the radical eurosceptic Northern League, blamed the Euro for the economic crisis and overtly campaigned for a return to the national currency. Forza Italia was also very critical of the Euro, while the Five Star Movement called for a referendum on the continuation of Italy's membership in the Eurozone, without however expressing a clear position on the issue.

While admitting problems in the current structure of the common currency, centre-left and left parties had a more positive attitude towards the Euro and argued that the return to national currencies was not a realistic option. While the centre-left advocated moderate changes in the current monetary and fiscal policy, the Tsipras list expressed stronger criticism regarding the concentration of power in the hands of the "big capital" and the ECB policy of lending money to private banks only. Furthermore, at the official level discontent was voiced vis-à-vis the EU's alleged failure to assist Italy to cope with the influx of migrants from North Africa.

#### Links:

- Tom Kington, [European elections 2014: Italy's Matteo Renzi fights off challenge from comic](#), 26 May 2014.
- The Local, [Why has Italy turned Eurosceptic overnight?](#), 16 May 2014.

#### *Victory of the centre-left and declining turnout*

The results of the European elections in Italy showed a clear victory of Renzi's centre-left Democratic Party with nearly 41 percent of the votes. Although pre-election surveys showed that it had nearly closed the gap in votes with Renzi's party, the Five Star Movement trailed far behind, at 21.2 percent. Berlusconi's Forza Italia only got 16.8 percent of the votes, a historic low for the party. Northern League (6.2 percent), Renzi's junior coalition partner New Centre-Right (4.4 percent) and the Tsipras list (4 percent) also managed to overcome the 4 percent threshold and elect MEPs.

Several factors explain the victory of the Democratic Party. Renzi successfully rallied traditional centre-left voters, whereas many former Five Star Movement and Forza Italia voters did not go to the polls. The decline in votes for Grillo's party may be explained by its refusal to make alliances in the national parliament, which ultimately prevented it from playing a role in key decisions. Most likely, the poor result of Forza Italia is linked to the loss of popularity of its ageing leader. The analyses of the Istituto Cattaneo and of the public research company Ipsos stress that the Democratic Party also received the support of centrist voters, particularly those that had opted for Mario Monti's Civic Choice at the February 2013 national elections. Grillo's harsh rhetoric alienated senior voters; support for the Five Star Movement was well below 10 percent among people over 65 and pensioners. However, the Movement was the preferred party of most unemployed and self-employed people; incidentally, these are the categories that will not benefit from Renzi's promised 80-Euro tax cut.

Although the turnout (at 58.6 percent) was considerably higher than the European average, it declined by 8 percent compared to the 2009 European elections and was much lower than in the 2013 national elections (when it reached 75 percent). This suggests a note of caution concerning the victory of the Democratic Party: if the Five Star Movement and Forza Italia manage to recover the support of their former voters (who simply did not go to the polls last May), they may reduce the current gap with Renzi's party. This may happen particularly in national elections, where turnout is traditionally higher.

#### Links:

- Europa Quotidiano, [l'analisi del voto di Ipsos. La rimonta del Pd tra i giovani](#), 2 June 2014.
- Istituto Cattaneo, [Elezioni europee 2014](#), 27 May 2014.

## 2. The EU's Neighbourhood

### *"Russia must remain a partner of the EU"*

Italy joined other EU member states in condemning Russia's military intervention in Ukraine and annexation of Crimea in March 2014. However, the Italian foreign ministry remained favourable to dialogue with Moscow and advocated a diplomatic resolution of the crisis. Foreign Minister Federica Mogherini was particularly vocal in her support of the Geneva agreements of 17 April concerning Ukraine. She also argued that the OSCE, where Russia has full membership, could play a role in mediating the crisis.

In Italy, the prevailing view at the official level is that the turmoil in Ukraine should not permanently disrupt either Italy-Russia or EU-Russia relations. This emerges clearly within the context of energy relations. Despite the European Commission's antagonism, Italy has continued to support the South Stream pipeline, which will transport Russian gas to the EU via the Black Sea and the Balkans (thereby bypassing Ukraine). In late May 2014, Renzi and Bulgarian Prime Minister Plamen Oresharski jointly stressed the strategic value of South Stream. Minister for Economic Development Federica Guidi also emphasised the strategic nature of the pipeline and stated that she will lobby for its approval within the European Union.

Within this context, it is essential to highlight the importance of economic relations between Italy and Russia, particularly in the energy sector. Italian energy giant ENI has a joint venture and a 2-billion contract with Russia's Gazprom for the construction of the offshore section of South Stream in the Black Sea. ENI's plans match the Italian government's declared aim of turning Italy into a hub for EU gas imports from both Russia and North Africa.

### Links:

- Ansa, [South Stream gas project 'strategic' says Guidi](#), 26 May 2014.
- Italian Ministry of Foreign Affairs, Ukraine: [Mogherini says still possible to stop crisis. Russia must not annex Crimea](#), 16 March 2014.
- Reuters, [South Stream, Italia e Bulgaria sottolineano valenza progetto](#), 28 May 2014.

### *Relations with Eastern Partnership countries*

While the crisis in Ukraine drew the attention of Italian officials and public opinion towards the Eastern neighbourhood, Russia still ranks higher than Eastern Partnership countries in Italy's list of priorities. At the diplomatic level, Italy aligns itself with NATO and EU positions on the Eastern neighbourhood, while simultaneously advocating dialogue with Russia. However, deep-rooted interests push Rome to maintain preferential relations with Moscow in the economic field.

In spite of this, former Prime Minister Enrico Letta participated in the Eastern Partnership summit in Vilnius last November, expressing the wish to finalise the EU's association agreements with Moldova and Georgia during the Italian Presidency of the Union. In its programme concerning Italy's policies in the EU for 2014, the government reiterates its commitment to bringing forward these agreements, but only towards the end of a long list of foreign policy objectives.

#### Links:

- Governo italiano, [Letta a Vilnius al Summit del partenariato orientale](#), 29 November 2013.
- Ministro Affari Europei, [Relazione programmatica 2014](#), 10 January 2014.

#### *Continued support for Turkey's EU bid*

Italy continues to be a staunch supporter of Turkey's EU bid. This support is largely consensual, with the notable exception of the Northern League. In past years, Italian governments have consistently pushed for a revitalisation of the stalling accession negotiations. In spring 2013, an urban development plan for the Gezi Park on Taksim Square triggered a wave of pro-democratic protests, which the Turkish police forcefully repressed. The events highlighted important shortcomings in Turkey's democratisation process. Italy's former Foreign Minister Emma Bonino described the protests as a "first serious test to the soundness of Turkey's democracy and its European accession process" and as a "graduation exam" for the Turkish government. But despite criticism for the government's disproportionate reaction, former Prime Minister Letta called for the re-launch of accession talks, including the opening of chapters 23 (judiciary and fundamental rights) and 24 (justice, freedom and security).

The Italian EU Presidency in the second semester of 2014 provides a new platform of support for Turkish EU accession. Aware of this opportunity, Turkish President Abdullah Gül paid an official visit to Italy in January 2014. His Italian counter-part, Giorgio Napolitano, assured him of reinforced support during the Presidency despite "complex and thorny issues" such as Cyprus (ansa). In February 2014, Italy's Ambassador to Turkey said that the Presidency would attempt to eliminate contradictory opinions in Southern Europe and within Italy.

While support for Turkey's EU bid remains high among political elites, the economic and debt crises propelled a rather inward-looking perspective among the public. Turkey's EU accession was not prominent in Italy's public debate making it difficult to assess the public's standpoint. However, Eurobarometer polls show that popular opposition to EU enlargement has increased by 22 percent (as compared to an EU average of 13 percent) between 2008 and 2013 (in Soler i Lecha). With parties stressing direct democracy such as the Five Star Movement on the rise, demands for more popular participation in decisions on EU enlargement might be forthcoming.

#### Links:

- ANSAmed, [Napolitano tells Gul EU semester to re-launch Turkey talks](#), 29 January 2014.
- Emma Bonino, [Urgent Government briefing on developments in the situation in Turkey](#), 12 June 2013.
- Eduard Soler i Lecha, [Crisis and Elections: What are the Consequences for Turkey's EU Bid?](#), 24 March 2014.

### **3. Power relations in the EU**

#### *Germany – between scapegoat and model*

During the Euro crisis, Germany's role in Europe has taken a prominent place in Italy's domestic political debate. Berlin's insistence on austerity measures fuelled a growing anti-German sentiment and Italian politicians used Germany as a scapegoat for economic hardship. Former Prime Minister

Berlusconi blamed Berlin for imposing a course of austerity that risked plunging Italy into a vicious circle of recession. More moderate in their comments, his successors Monti and Letta insisted on the need to complement austerity with growth measures. They warned of mutual prejudices depicting Italians as “lazy” and Germans as “selfish” and suggested that these could lead to a “psychological break-up of Europe” (Monti 2012).

The growing anti-German sentiment was rooted in popular discontent with the strict austerity course. While 67 percent of polled Italians had a generally positive attitude towards Germany in 2012, 63 percent disapproved of Angela Merkel’s Euro crisis management and 74 percent viewed Germany as a threat to the Italian economy. A majority of 80 percent considered that Germany’s influence in Europe had grown over the past five years and 60 percent thereof viewed this development negatively. Voters of the centre-right and of the Five Star Movement were particularly concerned about Germany’s growing influence (Basile and Olmastroni).

Anti-German rhetoric was also prominent in campaigns for the 2014 European Parliament elections. Berlusconi and Grillo slurred on Germany’s Nazi past and openly blamed it for the recession. Berlusconi’s Forza Italia campaigned with a poster, translating as: “More Italy, Less Germany. Austerity imposed by Germany brought us to recession. We have to change!” Prime Minister Renzi, who’s Democratic Party emerged victorious from the European Parliament elections, dismissed the anti-German slogans as “vulgar and inelegant”. After the elections, he praised Germany as a model for reform, but demanded a stronger focus on growth and employment (AFP/fl).

#### Links:

- AFP/fl, [Renzi urges innovation in Europe, Italy to lead the way](#), 1 June 2014.
- Linda Basile, Francesco Olmastroni, [Furore anti-tedesco in Italia](#), 19 May 2014.
- Spiegel, [Interview with Italian Prime Minister Mario Monti: 'A Front Line Between North and South'](#), 6 August 2012.

#### *A middle path between austerity and growth*

Since 2012, Italy has clearly positioned itself in favour of growth. The shift away from austerity began under the Monti government and was pursued by his successor. Letta was also a fervent proponent of the ‘Youth Guarantee’, a European Commission scheme, aimed to ensure that every person under 25 would receive a job or training opportunity within four months of leaving education or employment. The Monti and Letta governments had managed to keep the budget deficit under the Union’s 3 percent mark in 2012 and 2013. However, Italy’s youth unemployment rate continued to rise, passing 43 percent in April 2014. In addition, Italy suffered from negative-to-zero growth rates and its public debt rose dramatically.

The population’s trust in EU institutions declined while populist euroscepticism was on the rise. The most influential proponents thereof were Forza Italia and the Five Star Movement. The former called for an end to austerity, a revision of the Fiscal Compact, the introduction of Eurobonds, and a debate on the utility of the Euro. These demands were strikingly similar to those of Grillo’s party, which went a step further and demanded a popular referendum to decide whether to stay in the Euro. The centre-left was in favour of remaining in the Euro and was more inclined to accept the EU’s budget rules, on the condition that they be complemented with growth measures.

The record victory of the Democratic Party at the European elections can be seen as a sign of backing for Renzi’s middle course between fiscal balance and growth. The Renzi government sees the upcoming EU Presidency as an opportunity to place growth and employment at the centre of Europe’s political agenda. The Prime Minister announced that he would push for a ‘budget flexibility pact’ to grant more leeway on budget rules in exchange for decisive structural reforms (Reuters). Proposed

measures to foster growth include new financial instruments to leverage funds from the European Investment Bank, a revival of the Europe 2020 strategy, and a successful conclusion of the Trans-Atlantic Trade and Investment Partnership (MacKenzie & Jones).

#### Links:

- James MacKenzie, Gavin Jones, [Italy's economy minister warns against 'sterile' austerity debate](#), 3 June 2014.
- Reuters, [Italy's Renzi says to use EU presidency to push for budget flexibility pact](#), 9 May 2014.

#### *Opponents and allies of the 'Brexit'*

The Letta and Renzi governments have expressed their discontent with the UK referendum plans. After an encounter with Prime Minister David Cameron in July 2013, Letta underlined the risks associated with a potential 'Brexit'. He told the press that an EU without the UK would be "less liberal, less innovative, less pro-open market, less pro-single market, less of a global player in the world" (EU Business 2013). He argued that European nations should work towards keeping the UK on board, even if that meant reforms and potential treaty change towards a more flexible EU.

During his first official visit to London, Renzi called the UK's EU membership „absolutely fundamental“ (in Reuters). He pointed towards similarities with Cameron, notably his eagerness to reform Europe and its cumbersome bureaucracy. However, Renzi also signalled that treaty change was not at the top of his agenda: "We have a lot of time to discuss []but, in this moment, I believe that, absolutely crucial for Italy, is the presence of UK in Europe. Not only for the past of the UK, but for the future of Europe" (Gov.Uk).

Unsurprisingly, Italy's eurosceptic parties had a more positive attitude on a potential UK exit. The idea of a British referendum chimed with the proposed vote on Italy's membership in the Eurozone. Shortly after his sweeping victory in the European Parliament elections, Grillo met with Nigel Farage from the UK Independence Party to discuss a potential alliance within the Europe of Freedom and Democracy group. Grillo was quoted, saying: "We're rebels with a cause, and we shall whistle as we march" (in The Local). Although the two parties are united on the eurosceptic front, the fact that Grillo also approached the European Greens highlights the ideological gulf between them (EurActiv). The Greens rejected the offer of cooperation, unless Grillo clearly excluded an alliance with UKIP. Eventually, Farage and Grillo joined forces, a deal that rather represents a 'marriage of convenience' than a solid ideological alliance. Nonetheless, UKIP's leader announced: "We are a dream team for democracy and a nightmare for Brussels" (Spiegel online).

#### Links:

- EU Business, [Italian PM says British exit would harm EU](#), 17 July 2013.
- EurActiv, [Farage's EU Parliament group faces uncertain future](#), 6 June 2014.
- Gov.Uk, [David Cameron and Matteo Renzi press conference](#), 1 April 2014.
- Spiegel online, [Europaparlament: Farage und Grillo formieren Fraktion der EU-Feinde, 13 June 2014.](#)
- Reuters, [Italy PM Renzi urges Britain to stay in EU](#), 1 April 2014.
- The Local, ['We're rebels with a cause': Grillo to Farage](#), 29 May 2014.