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Italy's debt causes resistance to new “green” fiscal flexibility

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- Brussels is about to start a debate on waivers for green investments from the EU's budget-deficit rules. However, a dozen countries will oppose the move. According to media reporting, Austria, the Czech Republic, Denmark, Estonia, Finland, Germany, Ireland, Latvia, Lithuania, the Netherlands, Slovakia and Sweden are preparing a policy paper expressing skepticism about the green waivers.
- According to the fiscal green-sceptics, the fiscal rules should ensure that public debt is handled responsibly and should not become even more complicated than they already are.
- The new "green flexibility" has not reached the ministerial level, but technical experts are drafting a position paper that they could present in April in Zagreb.
- A failure would represent an embarrassment for President Ursula von der Leyen's plans to make combating climate change a first priority for her Commission and a hard blow for Economy Commissioner Paolo Gentiloni, who is pushing for a review of Europe's Stability and Growth Pact (SGP): "It should be considered to what extent the [SGP] framework is consistent with the economic and social policy needs related to the transition towards climate neutrality".
- The opposition is directly related to some EU countries' resistance to the excess flexibility that was already granted to Italy in the past, even when Gentiloni was Italy's prime minister.