

FIVE BULLETS ON THE ITALIAN CRITICISM OF THE BRATISLAVA SUMMIT

Stefano Micossi

ON SEPTEMBER 16TH, 2016, the European Council released the *Bratislava Declaration and Roadmap*, the culmination of a series of meetings between 27 European leaders who met to discuss the future of Europe after Brexit. It contains small steps, including a handful of measures to improve internal security and protect Europe's borders. Italian Prime Minister Matteo Renzi was perhaps the most vocally critical of the meetings' outcome.

- On migration, while the concerns of Eastern European states were addressed, resulting in explicit promises to aid Bulgaria in securing its border with Turkey, Italy did not succeed in obtaining similar assistance vis-à-vis its southern border. There were also no promises to enter into agreements with other Mediterranean and/or origin countries (which often require financial incentives) in an effort to either slow down the flow of migrants or speed up repatriation.
- References to tackling specific economic problems in the euro area were notably omitted. A lack of dialogue on risk sharing continues to leave the system vulnerable to financial shocks.
- While the decision to allocate more resources to the Juncker Plan is welcome, it will not be enough to spur growth. Arguments to reconsider proposals on connecting the internal market (energy, transport, and the digital market), which could attract significant private investment, is unlikely to bear fruit since neither Germany, France, nor Italy seem willing to collaborate on this front.

Stefano Micossi is Director General of Assonime, Chair of the LUISS School of European Political Economy, and a member of the Board of CEPS in Brussels and Cassa Depositi e Prestiti (CDP) in Rome. This commentary is an expanded version of an Italian article published by In Più on September 17, 2016.

- PM Renzi's observation that the European Council is stalling seems valid. Important but controversial matters were not tackled, most likely due to the upcoming elections in various countries.
- However, the Italian focus on contesting budgetary discipline and the Fiscal Compact may not be the best tactic. For Germans, the Fiscal Compact is the foundation of reciprocal trust among member states, made even more necessary by the fact that the ECB can intervene in the sovereign bond market if a country is deemed under attack. If the Fiscal Compact falls, so does any hope that an agreement on the sharing of financial risk in the Eurozone would be reached, leaving Italy isolated and vulnerable to speculative attacks.

The Italian Prime Minister's critique of the summit is understandable. The two issues hurting him the most domestically—immigration and a stagnating economy—were not addressed. But he also desperately needs maneuvering room to get money into the hands of voters before the referendum, and he is asking his European partners to turn a blind eye. Whether he will succeed is still up in the air, but one thing is certain—his credibility as a reliable partner on the European stage may be called into question if he flouts the budgetary objectives to which he had committed with his European partners only few months ago.