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“Italian Legacy to Latvian Presidency of the Council of European Union: Words or Facts?”

By Sofia Casablanca, Eastern Europe Studies Centre

“The legacy left by the Italian Presidency to Europe is growth and not just austerity”, according to Italian Prime Minister Matteo Renzi in his address to the European Parliament in Strasbourg, on November 26, 2014, when the new Juncker’s plan was presented¹.

“Recovering from the economic and financial crisis, delivering more jobs, strengthening the fundamental rights and helping Europeans keep pace with a fast changing world²”. These were the challenges addressed by the Italian Presidency of the Council of European Union in its Program “*Europe, a fresh start*”. Indeed, a fresh start was exactly what European citizens demanded in 2014 European elections, according to the Italian government. Steps to achieve it were clearly listed in the Program: fostering industrial competitiveness, promoting diversification of supply and routes and the European external energy policy focused on energy security, redesigning a more efficient European Migration Policy, capable of contributing to the EU’s Growth Agenda. Undoubtedly the goals that Italy had set when its presidential term began, on July 1, 2014, were ambitious, perhaps too much.

Now it’s time to sum up objectively what Italian Presidency has done and which dossiers still remain open for the new Latvian Presidency, leaving aside some political statements, certainly heartening, but sometimes too reckless. From the economic point of view it was a semester rather profitable, although not revolutionary. Great attention has been paid to flexibility and investment, creating the basis for the definition of the controversial Juncker’s plan. Notable results were achieved in environmental matters. Little, however, has been done about the pressing problem of energy as well as about migration. Totally disappointing were the efforts which Italy devoted to the European Neighborhood Policy, both Southern and Eastern. Nothing has been done in view of the resolution of the crisis between Russia and Ukraine, yet contradictions in EU-Russia relations increased.

¹ Rudy Francesco Calvo, *L’Europa ha «fiducia in Renzi». Il semestre italiano incassa il piano Juncker Europa*, Europaquotidiano.it, December 19, 2014, <http://www.europaquotidiano.it/2014/12/19/leuropa-ha-fiducia-in-renzi-il-semestre-italiano-incassa-il-piano-juncker/>.

² *Europe, a fresh start*. Programme of the Italian Presidency of the Council of the European Union, <http://italia2014.eu/en/news/post/the-programme-of-the-italian-presidency-of-the-council-of-the-european-union/>.

Economic achievements. While the EU was witnessing a worsening of the economic scenario, growth and investments stayed on the top of the agenda during the six-months of the Italian Presidency. The idea of flexibility was strongly supported by Italy, even though not very well defined³. The growing flexibility could grant to Eurozone countries more margins and more time in case of structural reforms, in order to produce positive long-term effects on budget, without changing the EU rules⁴.

On January 13, 2015, Renzi flew to Strasbourg to take stock of what has been done by the Italian Presidency and of what it has left as a legacy to the Latvian Presidency. Well, in that occasion the “optimistic” Premier claimed: “if in the past six years Europe had followed the path of the last six months with regard to flexibility and investment, today it would not be close to deflation⁵”. Such words seem not very credible, especially analyzing the concrete achievements of this Presidency. Certainly, the Italian semester has brought interesting news to the European economic and financial framework, however, this is not enough to justify the excessive optimism of the Premier in light of the persistent economic stalemate.

The Juncker’s plan is undoubtedly one of the most tangible results that the Italian Presidency can claim. The plan aims to boost economic growth and generate investment without producing new debt. It sets the creation of a new European Fund for Strategic Investments and the involvement of the European Investment Bank (EIB). The EIB will use 21 billion euro to issue bonds, in order to raise money, attracting new “external” investments and, eventually, to fund European projects⁶. Must be said that the document is full of compromises and it is still controversial how to attract investments and from where exactly to draw some of the 21 billion euro.

The Italian Presidency promoted an agreement for trade and investment between the EU and Canada in order to enhance growth and employment in Europe. Italy gained a great success in advancing the EU’s agenda on taxation, especially by extending exchange of information between tax authorities and closing certain tax loopholes exploited by multinationals.

The website of the Italian Presidency (italia2014.eu) lists the following results of its semester: “new rules on securities settlement systems, investment funds and current accounts”, with the aim of ensuring “the protections of consumers and transparency in the relationship with banks and insurance companies⁷”. Moreover, Italy managed to conclude a deal on combating money laundering.

“Many of the priorities for agriculture that Italy set out at the beginning of its Presidency are still pending: agreements on school fruit schemes, plant health and organic farming remained, tantalizingly,

³ Dino Pesole, *Italy’s EU presidency puts growth on agenda, but fails to achieve results on “Made In”*, Il Sole 24 Ore, January 14, 2015.

⁴ *Ibidem*.

⁵ Renzi: «Cambiata direzione alla Ue, ora fatti e più flessibilità». *Pil di nuovo positivo nel 2015*, Il Sole 24 Ore, January 13, 2015.

⁶ Rudy Francesco Calvo, *L’Europa ha «fiducia in Renzi». Il semestre italiano incassa il piano Juncker Europa*, Europaquotidiano.it, op. cit..

⁷ Italian Presidency website, <http://italia2014.eu/en/>.

out of reach⁸”, reports the «European Voice». The agricultural problem has been worsened by the ban imposed by Russia on imports of EU agricultural products.

Latvia will also need to include in its agenda another unsolved question: transports. “One of the main aims of the Italian Presidency on the transport was to start negotiations with the European Parliament on the Fourth Railway Package and to make progress on both the “technical” and “political” aspects of the dossier⁹”, but actually the package is still an unsolved question. About the Single European Sky proposal, having the purpose to make EU airspace more cohesive, the member states reached some common conclusions, but no effective plan, because of the resistance from states and the airline operators.

Environmental issues. Italy has shown particular interest in environmental issues and some important results have been achieved, even if they are just steps of a longer legislative process¹⁰. Among them is a decision to reduce the use of plastic bags by 2018. More, Italy was able to mediate a deal on genetically modified (GM) crops: according to the new rules, which will come into force from spring 2015, national authorities may decide their own policies regarding GMOs, including the right for member states to ban them.

Another noteworthy result is an agreement reached between the Member States on 2030 framework for climate and energy policies, with reference to the reduction of CO2 emissions and development of renewable energy use. Although below expectations, it is the best result possible in light of the strong resistance from Poland and the United Kingdom. The Italian Presidency has also managed the negotiations for the definition of a common European position in the United Nations Conference on Climate Change (COP20) held in Lima in early December 2014, which, however, has left many open points that need to be addressed in the COP21 in Paris, in December 2015¹¹.

There is no doubt that the Italian Presidency worked hardly on environment, yet many environmental organizations stated that much more could have been done. The European Environmental Bureau, claimed that Italy did not make efforts to achieve important results about renewable energy, especially biofuel. Definitely a greater incisiveness by the Italian Presidency would have led to more relevant outcomes. However, we must not forget the difficult economic conjuncture that Europe is facing, combined with the resistance of some nations against more courageous environmental policies.

Migration and neighborhood policies. Furthermore, the Italian program considered external dimension of migration issues one of the key priorities of the Italian Presidency. In fact, Italy was

⁸ Dave Keating, Cynthia Kroet and Nicholas Hirst, *A verdict on Italy's Council presidency: Part I European Voice reporters assess Italy's achievements over the past six months for the EU's domestic policy*, European voice, December 29, 2014, <http://www.europeanvoice.com/article/a-verdict-on-italys-council-presidency-part-i/>.

⁹ *Ibidem*.

¹⁰ Dario Battistella, *Ambiente e clima, i risultati del Semestre di Presidenza italiana*, Rivista Europae.eu, January 4, 2015, <http://www.rivistaeuropae.eu/interno/ambiente-interno/ambiente-e-clima-i-risultati-del-semester-di-presidenza-italiana/>.

¹¹ *Ibidem*.

highly affected by refugees from Syria and North Africa in the last years. Indeed, it has organized meetings and conferences on migration issues to promote Mediterranean and inter-regional dialogue on migrants. Yet, the results of these platforms are unsatisfactory. The Italian broad sea-rescue mission, *Mare Nostrum*, which has saved thousands of migrants this year, has been stopped and been replaced by a much more limited EU operation, *Triton*.

With reference to the neighborhood policies, Italy's program identified the Mediterranean area as a priority, again. Indeed, the program paid special attention to Mediterranean Partners which need support in strengthening democratic institutions and fostering the role of civil society. "The critical challenges in the Southern Mediterranean require the EU to provide an ambitious response¹²", urges the program. With regard to the Syrian crisis, the Italian Presidency established the goal of encouraging a political solution, providing humanitarian assistance. Despite of the "ambitious response required", the southern policy of the Italian Presidency has raised many doubts about its real intentions. Italy was "the last and most reluctant Member State to sign up to a ban on the sale of jet fuel to Syria, a measure intended to limit the Syrian air force's ability to bombard cities¹³".

The Italian Presidency's program also mentioned the aim of pursuing the implementation of the Association Agreements with Georgia, Moldova and Ukraine, of increasing cooperation with Armenia and Azerbaijan and of fostering democratization and modernization in the Eastern neighborhood countries¹⁴. Indeed, the Association Agreement with Ukraine was finally signed by the Ukrainian and European parliaments, but implementation of the Deep and Comprehensive Free Trade Agreement (DCFTA), the basis for EU-Ukraine trade relations, was suspended until the end of 2015, due to "Russia's concerns"¹⁵. More in general, we can definitively say that no new impulse to the solution of the crisis between Russia and Ukraine came from the Italian Presidency. The following is what the Italian program stated about the matter: "As far as Ukraine is concerned, attention will chiefly be devoted to support the normalization process and internal stability. In spite of the sanctions stemming from the Ukrainian crisis, Russia remains a strategic partner in tackling regional and global issues. Italy will therefore encourage the EU to explore how best to revitalize its dialogue with Russia and seize any opportunities to enhance the strategic partnership, if the general circumstances so permit¹⁶".

Since the Ukraine-Russia relations deteriorated, Italy has been very cautious, declaring its disagreement on the use of sanctions against Russia. Indeed, Italy has been a weak, passive interlocutor, too worried about the consequences of choosing one side or the other, thinking more often about its own interests rather than the European ones. If the purpose of this policy was to avoid repercussion on economic relations with Russia, it was not successful. In fact, to confirm the role of Italy in this matter,

¹² *Europe, a fresh start*. Program of the Italian Presidency of the Council of the European Union, op. cit.

¹³ Andrew Gardner, *A verdict on Italy's Council presidency: Part II An assessment of Italy's achievements over the last six months in the field of external policy*, European Voice, December 29, 2014, <http://www.rivistaeuropae.eu/interno/ambiente-interno/ambiente-e-clima-i-risultati-del-semester-di-presidenza-italiana/>

¹⁴ *Europe, a fresh start*. Program of the Italian Presidency of the Council of the European Union, op. cit.

¹⁵ Antoaneta Dimitrova, *Postponing the implementation of the trade part of the EU-Ukraine Association agreement: Pragmatism or Surrender*, eurosearch.wordpress.com, September 30, 2014, <https://eurosearch.wordpress.com/2014/09/30/postponing-the-implementation-of-the-trade-part-of-the-eu-ukraine-association-agreement-pragmatism-or-surrender/>

¹⁶ *Europe, a fresh start*. Program of the Italian Presidency of the Council of the European Union, op. cit.

came in December 2014 the announcement that Moscow will abandon the construction of the South Stream pipeline¹⁷, in which Italy's electric utility company ENEL was a partner, with Prime Minister Renzi as the greatest supporter. On December 29, Italy sold its shares in the South Stream Transport, a total of 20 percent, to Russia's Gazprom.

On January 13, when Italy officially handed over the Presidency of the EU Council to Latvian government, Renzi noted that in six months "direction of Europe has been changed, and now we need facts"¹⁸. This implies, quite openly, that Italy has set the direction upon which the upcoming presidencies need to deliver. However, there are many doubts about such changes, because the most pressing challenges are still there. No one expected that Italy by itself could change Europe in six months, of course. But what Europe needs now is unity and clarity for European citizens, starting from declarations of leaders and media. This should be the signal of a long awaited fresh start, rather than pompous declarations. Now, it is in the hands of Latvian Presidency to find its own way how to address the pending issues that Europe is dealing with: migration, energy, terrorism, the Ukrainian crisis and, in the words of the Italian journalist Dino Pesole, "the true challenge for the entire survival and future of the Union: the challenge of growth"¹⁹.

¹⁷ Andrew Rettman, *Putin says will not build South Stream gas pipeline*, Euobserver.com, December 2, 2014, <https://euobserver.com/foreign/126749>.

¹⁸ Renzi: «Cambiata direzione alla Ue, ora fatti e più flessibilità». *Pil di nuovo positivo nel 2015*, Il Sole 24 Ore, op. cit.

¹⁹ Dino Pesole, *Italy's EU presidency puts growth on agenda, but fails to achieve results on "Made In"*, Il Sole 24 Ore, op. cit.