

Voices Raised in Political Boxing Match

Judith Harris (November 01, 2018)



Major elections take place only next May in the 27 EU member states, including Italy. But already political voices are being raised in Italy these days, from the rubbish pile-up to the pile-up of the national debt.

ROME -- Major elections take place only next May in the 27 member states of the European Union, including Italy. Nevertheless political voices are being raised in Italy these days, beginning in Rome Saturday, where thousands turned out for a protest demonstration against Mayor Virginia Raggi. "Roma dice basta" (Rome has had enough), chanted the crowd jamming into the Capitoline square under the office of the mayor, who was elected by the Movimento 5 Stelle (M5S or Five Star Movement). A banner written in Latin asked, "Raggi, when are you going to stop abusing of our patience?" Another warned, "Raggi, a pothole is going to swallow you!"

Of these there are plenty, and It is hard to underestimate the Romans' outrage. Potholes in streets have literally killed youngsters riding on motor scooters. Rubbish bins continue to overflow into the streets, attracting rats and even wild boar. A huge number of unmaintained buses have caught fire.

A carelessly maintained moving staircase at busy Piazza della Repubblica, just one stop from the train station, collapsed, seriously injuring more than 20 Russian soccer fans, three of whom remain in serious condition in hospital. Further igniting Roman protests was the vicious rape-murder of a deeply troubled girl of 16 on drugs, whose body was found in an abandoned building on Rome's outskirts used by drug pushers.

On the government level, Mario Draghi spoke Thursday in Frankfurt about Italy's proposed financial plan, obligatory for EU approval, but no sooner presented than opposed by the EU because, among other things, it hikes up the already substantial public debt. Called to speak on this was Draghi, the esteemed Italian economist (his PhD is from MIT), who has served as president of the European Central Bank (ECB) since 2011. "It is not the mandate of the European Central Bank to play the role of mediator [between Italy and the EU]. I am confident -- not very confident, but confident -- that plain common sense will lead toward convergence upon some sort of agreement" between them. Draghi also called upon the Italian politicians to calm down.

The EU commission granted the M5S and its governing partner, the Lega, headed by Matteo Salvini, three weeks to make changes in that budget plan, dubbed by the press "the deficit of discord," but both M5S and Lega refuse, saying it remains as is. "The maneuver [budget plan] is already just right," declared Salvini. "Our financial maneuver is not to be touched." However, Italy's unhealthy economic situation, including the maneuver with its proposed increase in the national debt, already 132% of GDP, appears dicey enough that the spread between Italian and German interest rates bounced up, and ratings agencies Moody's and Standard and Poor bounced Italy downwards, below France, Germany and even Spain.

Di Maio, Salvini's governing partner in the "Yellow - Greens" (the coalition in political shorthand), also defends that budget plan. "We are going forward with it -- history is not written with 'if's'." The EU criticism brought scathing remarks from Di Maio's M5S colleague Rocco Casalino: "The M5S is ready for a huge vendetta.... Next year will be devoted to getting rid of a swarm of functionaries in the Ministry of Economics and Finance.... with knives. The real problem is that there are people in the Economics Ministry who have been there for decades. They are the old system, they have everything in their hands." Casalino's point is that these functionaries allegedly resist cutting costs, which inhibits the M5S from keeping its election promises for costly subsidies and pension revisions. And so, warned Casalino, "We will spend 2019 with knives, cutting out these pieces of shit." Needless to say, his words triggered a firestorm of protests. (For the full text see [>>](#) [2])

Economics Minister Giovanni Tria, who is in open disagreement with the two deputy premiers, not to mention with Casalino, is trying to straddle a middle ground between EU and his government. "We cannot maintain the level of the spread at 320 for a very long time because it raises problems for our banking system, the weakest part," Tria acknowledged Oct. 27. And despite the two deputy premiers' hard line, some wiggle room just may be possible, according to press reports here.

U.S. economist Dr. Allen Sinai, who heads Decision Economics in New York, believes that the EU is being too hard on Italy and too short sighted. For Sinai, Germany is being too rigid in forcing Italy into strict observance of the national debt ceiling. "Like other countries, Italy should be allowed the necessary flexibility to be able to adopt expansionist policies that lead to economic growth," he said in an interview in La Repubblica Oct. 28. The "fixed parameters are too rigid", he said, and do not reflect economic reality.



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