



# THE VACCINE OF REASON

Liberty and Growth  
after the Pandemic

Edited by  
Nicola Galati and Lorena Villa





# **The Vaccine of Reason**

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Preface by Davide Giacalone  
Afterword by Giuseppe Benedetto

Edited by Nicola Galati and Lorena Villa



## The Vaccine of Reason – Liberty and Growth after the Pandemic

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## PREFACE

*“Justice does not exist when freedom lacks”.*

Luigi Einaudi

Freedom is responsibility. Reckless persons are not free men, but degenerates seeking ultimate limitations upon which infringing. In certain situations, it is necessary to put constraints to freedom for reasons of security and public health. I have a fast car, I am a good driver, why should my freedom to exceed speed limits be limited? Because streets are for everyone, because whoever has this type of thought is probably a mythomaniac, because if this person is going to have a car accident and survives this will indirectly generate a public health-related cost and, in any case, because it would be an enormous risk for other drivers. That's why his freedom to exceed the speed limit shall be constrained. Other thing is instead when it seems like our legs are being pulled, when the government thinks that enclosing people at home seems a good strategy to save their positions. The path of the reason goes always through the alleged absolute truths, avoiding dictators.

Fondazione Luigi Einaudi asked the Presidency of the Council to read the reports of the Scientific Technical Committee (from here on, STC). Namely, these reports were the grounds for the government to order restrictions of freedom for citizens. The Presidency denied the Foundation request, and this latter started a legal action. The Tribunal ordered their disclosure. The Presidency then appointed *Avvocatura dello Stato* (technical organ which has the advantage to be formally separated from the public administration it defends whilst belonging to the state administration) to appeal before the Italian Council of the State. They changed their minds pending trial: they withdrew their appeal and published the reports. Some have considered Fondazione Luigi Einaudi as against the appli-

cation of the COVID-19 related restrictions. This is profoundly wrong. Freedom shall not be safeguarded by applying any possible limitation to it – limitations that, as we have seen, may sometimes be necessary. Freedom is safeguarded when limitations to it are grounded on a legal basis. Is the government ordering people to stay home after they have read the STC reports? All right, I'll stay home. May I read these reports as well? What if the answer is "no"? If the government says "no", then I should imply that anyone in a foreseeable future is allowed to restrict my freedom with such serious measures on the basis of confidential documents. And this is not acceptable. Thus, our battle is not a battle against the measures themselves; it is a battle against the idea that such measures have been ordered on the basis of reports and documents whose content the citizens are unaware of.

I actually respond to all those who think that any restrictive measure should be opposed: a state of emergency has to be declared by the Council of Ministers in the immediacy of the events and without additional procedures; otherwise, it would not be a state of emergency. But the Conte government tried to extend the implementation of such measures passing through the approval of the Parliament, with whom the conditions of the extension have been negotiated. This is not only disreputable, but it also creates a dangerous precedent, i.e., in a state of emergency the participation of the Parliament is needed. This might also imply, moreover, that if the Parliament realises that such measures are unreasonably adopted, the government can be "fired".

Was it good or bad to implement restrictive measures? Otherwise, would there be a greater death toll but lesser economic damages? No one can ever reasonably answer to such question, as the counter-evidence cannot be provided. If we take a look to what happened around the world, we realise that those who initially refused to implement such restrictive mea-

tures, ended up enforcing them; others, who immediately and severely enforced them, eventually loosened them. We are all navigating in troubled waters. Nowhere in the world everything was shut down, or where things are as they were before. This is the truth.

Significant economic losses have been suffered. But seemingly, no one can say whether these damages could be avoided or could be less considerable. First of all, no one avoided it. In my opinion, there is another damage that is even more serious than the economic one: all the missed school days. But, apparently, this topic becomes a priority only when the parents complain about having children to look after on daily hours. This is a problem as well, but not the major.

Let's get back to the main problem: accountability. This is a question of pivotal importance, that authorities faced with their usual bureaucratically insane shield: a citizen is allegedly forced to be aware about something he can not be aware of. Are you collecting every "version" of all the different self-certification we have been obliged to write when we had to justify our movements? The point is not the obligation to previously certify on paper where we would go, and why; the point is that such self-certifications were written in such a tremendous wording that all of us have been indirectly forced to make false statements. Including myself, obviously. We used to make self-certifications "according to articles 46 and 47 of the Decree of the President of the Republic n. 445/2000". Have you ever read it? Of course not. We stated that we were all aware of the "criminal charges to be faced in case of false statements made to public officials (article 495 of the Italian Criminal Code)". Have you ever read this article? No. Bureaucracy is not satisfied with providing that, shall you make false statements, you can be punished; bureaucracy forces you to certify that you are aware of something that the greatest share of citizens has never read in their entire lives. But that's nothing, because all of us had to

certify “to be aware of the further restrictive measures implemented by the President of the Region” either of the Region from which, or towards which we were moving. And this is not only manifestly false, but also impossible, even for administrative or criminal lawyers who daily deal with such matters. It is impossible indeed to be aware of any single act enforced by the Presidents of the Regions, despite efforts.

Moreover, how about the issue of the “*relatives*” that at one point we were allowed to meet, without even knowing precisely what the word “*relatives*” meant, and which persons were included. Normally, the word “*relatives*” has a precise and common meaning, that is, indicating family members. But not this time. This time it was impossible to understand who the “*relatives*” were; it was just a way to “imply” that we could only visit our family members, but without explicitly saying this. A sort of in-between a definitory bureaucracy and the politically correct. In short: self-certifications could not explicitly state “wife, husband, forefathers, descendants” because it would be too much of a self-righteous definition – and, most of all, they would exclude the “*relatives*” of the politicians, who are normally free from, or who got rid of, family connections. But in the meantime, they could not even explicitly say “civil unions”, because this would exclude the application of the measures to partnerships that have not been legally defined as such – therefore, to the politicians’ dates, probably. Then, how do I define the “*relatives*”? Basically, the definitions turn out to include all the persons I can meet up and date with, without taking into account the official definition and “sacrality” of the family as an institution – also for those who do not want to have a family. There is enough material for a mass psychoanalysis, isn’t there? And there is also a way to define this mess: a bureaucratic Kamasutra.

Finally, there’s the topic of the citizens’ responsibility and commitment. Some follow the rules as always; some others

purposely wear their facemasks incorrectly, as if they wanted to show some kind of personality behaving that way, disregarding the law. They pretend to be free spirits, but they are actually idiots. We may obviously argue about the usefulness or the unusefulness of facemasks (at the beginning of the pandemic it seemed useless; later, when all the facemasks were sold out, they apparently became vital), but what is sure, is that it is pointless to break the law for the only reason of pretending to be an outlaw.

Without claiming to be virologists, one thing is certain: if the implementation of restrictive measures has the effect to slow down the spread of the virus, then once such measures will be dismissed, we will face a new increase in the number of infections. Let's hope that it will not be a high one; let's hope that it will be manageable; but still an increase. Otherwise, that would imply that the virus is evil, other than tricky. Thus, if we want to avoid another enforcement of restrictive measures, we should all behave properly. Responsibility, in order to avoid further limitations of our freedom. Instead, too many people's attitude has been like: "if there is no sanction, I'll do whatever I want, who cares". Exactly the same way people leave their cars double-parked when the policeman is not around. And who cares about the traffic that such conduct generates. That's the irresponsible behaviour typical of those who is left "free to behave" and harms other people freedom.

Media played an important role in this mess, as well. They often reported revolutions going on where instead there was only some scuffle; they described the days when restrictive measures loosened as days when millions of people were going around in the street – attaching false photographs, as well. Instead of struggling to obtain the STC reports, media preferred to focus on reporting news about irresponsible Italian citizens. I'm still persuaded that it would be much worse if, once the measures are loosened, cafes and streets remained empty in

reason of a collective nerve breakdown.

During summertime, streets and seaside locations were crowded, and that was a sign of irresponsibility. Each person's own reasonableness should have avoided it, not the government prohibitions. It was essential to avoid overcrowding of trains and public transportation, but to prevent this, it would have essential to boost the railways timetables, not just hope that no one would move from one place to another.

You will find more specific and detailed thoughts on these topics in the following chapters. We will talk about the pandemic for long, and we will talk about its consequences. But I'm afraid that not many of us shall focus on the issue of freedom. Instead, we have to be vigilant that our freedom is not crippled, and we have to be responsible and committed to be able to fully enjoy it.

*Davide Giacalone*









**SECTION I  
ECONOMICS**

## **Corona-Economy**

*Davide Giacalone*

Published on February 24<sup>th</sup>, 2020.

Will the coronavirus infect the economy, too? We will surely have to bear its consequences, but it is useful to evaluate how we could be seriously affected. Its weight on the economy of China has been assessed around 0,5%-1% GDP, on a yearly basis. Significant, but not enormous. China greater harm could be reputation and the loss of credibility, vis-à-vis both national and international public opinion. But the world is comparable to a huge chain, where every single link is relevant. This means that when someone suffers from any sort of harm, this does not imply that others take advantage, but they are somehow affected by that damage, too. China of today is different from China in 2003, the year when the Sars virus spread. In addition to this, the virus arrives in a historical period when international trade is already undermined by China protectionist policies and the imposition of duties for reasons of competition. Therefore, there will be a major impact, and a major damage.

Italy will suffer serious loss in the tourist sector, probably more serious compared to other countries. Either in general (because contagions and controls will not encourage travel), and specifically referring to China (a lot of Chinese tourists visit Italy). This being said, we live in a common environment, we all have to abide to the same rules. Thus, the true damage will not be the inevitable and the overall slowdown, but the possibility that such slowdown will end up in a brake. Our accounts will be seriously undermined, shall our relative disadvantage broaden. All this, albeit when Europe backtracked, we backtracked more than others; when the European economy was growing, we remained half-way; and now, although the virus has not

struck us yet, we assess at 25% of the eurozone growth – that is, half of the half. We can blame no one but ourselves for this condition, since the eurozone is a common area. As a further evidence that the causes are internal, we can see that the most competitive areas of the country grow even more than France and Germany. Thus, it's not because of external rules that our country falls below the average. Let us consider one case: the Conte II government adopted only 2 implementing decrees out of the 169 expected (plus, 22 of them expired). This uncertainty of Law, or better, our custom to use Law as a flag without a pole, is reflected also in COVID-19 management: when coming back from China, some people complied to a period of quarantine; others, when addressing to the relevant authorities asking what they should do, they were told to go home and watch TV. What's the point of all this?

The aggressiveness and the harmfulness of uncertainties within the rules of economics, as well as the weakening of an unproductive welfare, are way more dangerous than Coronavirus.

## Disguised as Marshall

Davide Giacalone

Published on March 3<sup>rd</sup>, 2020.

From right to left, from employers to business, from finance to information, everybody is talking about the Marshall Plan. Do people even know what they are talking about? I doubt it. But I know what they mean.

Let us leave aside the fact that the *European recovery program*, aka the Marshall Plan, was implemented in the aftermath of World War II and was named after the “George” who was the U.S. Secretary of State (after being the U.S. Chief of Staff). When looking historical references, it is probably better to avoid the ones which recall destruction – moreover, Italy was also on the wrong side, back then. The resources of the Marshall Plan were not allocated at random, but they presented several features.

A. The resources of the Plan were implemented to support the Allies: United Kingdom and France. Although UK and France were not the States affected the worst by the havoc of WWII, they were on the right side. B. The main target was to back up seriously affected markets with cheap labour and cheap protections. Otherwise, the Marshall Plan would become a sort of loan of European annuities to be paid by American taxpayers. C. The money of the Marshall Plan came from abroad, and not only that money funded reconstruction, but indirectly fostered American hegemony.

Now: A. The Marshall Plan no longer exists – we are all members of the “Atlantic Alliance”; B. our labour is protected and its costs are high, our welfare systems are even more attentive compared to the US; C. who would ever transfer money, from Abroad, to help the richest part of the world? While

it is true that by signing the Silk Road agreement, the Italian government made the influence of Italy marketable, at the same time the agreement did not attract foreign capital.

Therefore Marshall, God bless him, has nothing to do with this. Then what are all these people falsely or ignorantly talking about? They are invoking public investments at debt with our money – that's also European money.

Although we have to consider that the Marshall Plan lasted four years (1947-1951) and not forty. Public investments might actually be useful to re-start development. But they might foster underdevelopment as well. It's a matter of choices, not of ideals. The target must be a growth to be faster than the interest rates on debt, otherwise economy will collapse. In order to do so, bonds and annuities must be cancelled. For instance: *Quota 100* must be cancelled as well as *Reddito di cittadinanza* and must be considered as a terrible mistake. It must be acknowledged that unemployment is growing and the business sector is not hiring – because they invest in their vocational training rather than picking workers from public scrolling lists. In the meantime, current public expenditure is cut thus persuading the market that a bet is won (but in Italy the exact opposite has been done for years). Market is deceived when declarations are made that random money will never be allocated, that tax dodgers will never be fostered; business in the verge of bankruptcy shall never be supported; but declarations are made on how these money will be spent even before spending them.

But I have not heard about none of this. Thus, while I keep on hearing about the Marshall Plan, I have a bad feeling that these people have the same consideration of the future as they have knowledge of the past (that is, none). In the meanwhile, they struggle in the present.

## **Coronavirus.**

### **The Luigi Einaudi Foundation's opinion: "Act today for the benefit of tomorrow"**

*Davide Giacalone*

Published on March 10<sup>th</sup>, 2020.

The government needs emotionless and experienced people, not empathetic and participating persons. The world is changing, not falling down. Today, those who face problems with an eye on tomorrow shall be the winners.

1. Article 120 of the Italian Constitution shall be implemented: "The Government can act on behalf of the regions, the metropolitan cities, the provinces and municipalities [...] in the case of grave danger for public safety and security, or [...] to guarantee the basic level of benefits relating to civil and social entitlements". We will talk further about administrative autonomies. What must not happen today, is having too many people talking and complying. It's not a blow to democracy, it's just the only way to respect and protect the Constitution.

2. Centralisation is not enough; we need to be resolute, coherent and forward-looking. Persons like Guido Bertolaso showed they are. We have to give them credit.

3. 2020 will be a year of recession. The virus is surely an aggravating circumstance, but the preconditions were already there. The virus can not be a justification, we will have more deficit. Resources shall be used for necessary medical expenses, not for previous bad investments. We shall allow postponement of payments, in order to leave current assets to the citizens and to the production system, specifying that not only these measures will be implemented again and again, but also reabsorbed.

4. We have to be credible, and not let the markets think we



are vulnerable (thus gaining on our weakness). This credibility has one name only: Mario Draghi.

5. We need to concentrate massive resources on investments, that are useful today and aim at achieving precious results for tomorrow, when the virus will be just a bad memory. Digital training and digital learning shall be a national policy, it should not be just left to an individual's good will. It is unacceptable that only 4% of University courses is held digitally. Moreover, digitalisation within the public administration shall imply a deep change of the whole system, and not only a mere substitution of paperwork with IT. This is essential for the dismantling of bureaucracy. In addition, this would also help inmates to meet their relatives easier and remotely.

6. A "national medical record" is crucial. Provided the Regions to be autonomous in managing healthcare systems proved to be a disaster. We cannot afford it, at any cost.

7. Making people think that globalisation has something to do with the spread of the virus is outrageous. Enhancing value chains with the use of different productive systems allowed the growth of the global wealth, making low-cost products available and facilitating the more vulnerable classes (should we even compare the shoes I wore when I was a kid, and the shoes that kids today wear?). This "positive" issue created a serious drawback: the most globalised market is the financial market, that grew too much compared to actual consumer goods. The chains have to be re-organised; the financial market has to be adjusted in a more balanced way. It's a far-reaching plan, but whoever thinks to solve the problem through de-globalisation, will be the loser of tomorrow.

8. Health comes first, for sure, but health and wealth go along together. A wealthier world is a world where people live longer, and in better health. To choose between healthcare and wealth means undermining both.

## **Proclaiming Recession.**

*Davide Giacalone*

Published on March 17<sup>th</sup>, 2020.

The *Federal Reserve* cut the rates considerably, aligning with the European Central Bank and promising cash injection to support the Securities market— which, instead, is dropping. The first reaction is in line with the other Stock exchanges around the world: we are heading towards recession. Temporal asymmetries concerning contagions support this reaction: first, the production is slowing down in some sector; then, when there is some recovery, there is a slowdown in another sector along with consumption going down in that a same sector. We have to get ready for this scenario, thus to the need of a public expense.

I do not want to argue on the specific (reasonable) measures adopted by the Italian government, not in this context. But I would like to recall that the same Decree provides the authorisation to issue debt as high as the amount of the planned expenditure: Eur. 25 billion. First of all, this expenditure needs to be earmarked to healthcare, although this does not imply that a lack of costs. Today costs are low, because the Eurozone is protected by a single currency and a single Central bank. When there is a risk for a recession, the debt grows to face such risk. When recession ends, debt has to decrease. In Italy, nothing like this occurred: we have a higher debt, and a slower growth. A toxic curse, certified by the BTP-Bund *spread* going up and down. Someone hopes to remedy this situation by just complaining, but that is useless and puerile. Low rates and additional liquidity (Eur. 3 thousand billion, to be added to Eur. 150 billion for purchasing securities) are essential, but not enough. The emergency justifies the expense, but there will be an af-

termath, and a recovery to be started with public investments. Today it would be ideal – for public opinion, too – to create a European debt for European investments. We should not forget that the behaviour we had in the past represents a barrier, exactly the same way we (properly) blame others for shutting their doors, Germany on top.

Let us start again by sharing a common interest. We have to rewrite our own internal rules: no more excuses (the Italian Minister for the Civil Service blaming bandwidth to justify the lack of digitalisation in the public services does not know what he is talking about: e-commerce is boosting everywhere, certifications are not). There has been an overturning, compared to the Draghi era: on those days, technical skills and foresight brought ECB to remedy to political deficiencies. Today, the European Commission is fixing the dull inexperience of the ECB higher ranks. Is this a mess? Currently, it might. But as for anything else, it's all but a mess.

Let us leave behind all those things that blocked us. If we try to save it and project it into the future, financing a debt-based un-production, it means that we are not earnest – not even in times of emergency. I want to believe we are.

## **The Big Misunderstanding. Italian People do not deserve it.**

*Elena Vigliano*

Published on March 29<sup>th</sup>, 2020.

Socialists, statesmen, welfarists, collectivists: they want to make people think that you can have goods, services, and a home, without necessarily working hard, only because “it is your right”.

With some common sense, instead, everyone knows that it is necessary to study hard first, to get a technical and a professional education paid with the savings of the family of origin; then, it is necessary to work hard for one’s own livelihood and family; finally, it is necessary to save money to face ageing and periods of starvation and illness.

A little share of income should be allocated to the community (or whatever you want to call: municipalities, Regions, Canton, Lander, city-state, Nation) for Defence, security and public order; for its administration of justice, infrastructures (railroads, highways, dams, bridges, services, power-plants), and for the subsidies of blameless poor people, abandoned minors, disabled persons and seriously ill patients without a source of income.

It appears quite normal.

Well, all this is impossible to carry out due to a subtly rapacious and oppressive State, whose export policies are aimed at redistributing the revenues in the most arbitrary, questionable, and abominable ways.

There is no political freedom without economic freedom. In a welfare State that “takes” in order to “give” to everyone in a dispersive and inefficient way, and keeps on implementing useless law after useless law, entrepreneurs and undertakings have been undermined by taxes and by an oppressive bureau-

cracy. Hundreds of companies run out of business every day, thousands of workers lose their jobs.

Without a job, people lose their independence and their freedom, they lose their autonomy and they are indirectly forced to ask support to the State. Given these circumstances, the State feels even more empowered to raise taxes, causing further bankruptcy and more request for subsidies, and so on in an endless loop.

All this, although workers think that an undertaking is a social-care institution. At school, they do not learn that the primary goal of a business is making profits, without which they run out of business and therefore workers lose their jobs.

Profit is a technical-economic datum: if we compare an undertaking to an engine, profit is the fuel allowing to the whole engine to run. That's the only way to ignite an engine.

Perhaps we could consider profit as ethically "selfish"? Maybe. But it surely is an individual interest generating wealth for the whole community. This selfish interest moves entrepreneurs to make rational and beneficial choices both for themselves and, indirectly, for the whole community. Workers are "selfish", alike. They aim at a maximum income with a minimum effort. All those selfish needs (entrepreneurs, workers, consumers) have a point of encountering: the market. The place of exchange and production, and of an efficient allocation of scarce resources, grounded on consumers choices. The best resource allocation is made on the base of a given price system when companies maximise their profits and when consumers maximise the satisfaction of their needs. Obviously, this implies a consumer free choice, not State' impositions.

This material wealth represents an essential precondition for any social and political decision that, without material instruments created by the free market, could not otherwise be cumulated.

## **Sidenote to the Eight points: from a Number to a Formula for its Recovery.**

*Brunella Bruno*

Published on April 1<sup>st</sup>, 2020

The COVID-19 pandemic-related emergency caused unquestionable difficulties associated with the managing of the healthcare, social and economic systems, as well as serious concerns for future perspectives. In such a context, there is a widespread willingness for a recovery that might represent a chance for renovating a system of values, towards a vision that poses mankind and its needs as a top priority.

We could consider these ideals as subtle rays of light that, when enhanced and aggregated, might lead us towards the end of the current crisis. They might persuade us that it is true that positive changes derive from the most dramatic historical events.

Within this framework, the eight points drew up by the Luigi Einaudi Foundation are among the most influential solutions. Coherently with the mission of the Foundation, they stress on the need of supporting the economic and productive fabric with urgent and efficient measures that would at the same time preserve the possibility for a recovery.

This formula aims at avoiding to have resort to massive nationalisations. It fosters a public debate based on the respect of the fundamental and Constitutional human rights of solidarity and equality, within the context of the crises of large businesses associated to the satisfaction of the most basic human needs.

It is a shared opinion that the Italian Constitution lays down rules not for an economic model, but also for a constitutional framework whose balancing point is the implementation of objectives for the common interest. At the same time,

this validates the intervention of public institutions in order to remove those social and economic obstacles and provide for meeting the needs of the community. For this set of reasons, the Title III of the Italian Constitution is considered as a “bridge towards the future”, because it is intended to enable - in years - the implementation of different policies, according to the needs perceived as fundamental.

Beyond ideological divergences, the seriousness of the current healthcare emergency might highlight a common ground of action aimed at implementing shared crucial targets through actions, not words. Such an approach could aim at acknowledging an intrinsic value to ideas and proposals orienting the actions towards the most efficient direction. We have to consider that one starts to think only when being right makes no difference. Just going through these eight points may be really useful, and may call for other actions to be taken in the same direction.

In this regard, the following point could be assessed as well:

- Making it advantageous to invest in equity of listed and non-listed companies, implementing measures which reduces the tax burden of dividends and capital gain, provided that the sums are re-invested under a given percentage and within given time limits;

- Enhancing the taxation of social security contributions in favour of undertakings that maintain stable employment rates, perhaps funding such measures with nine-year European bonds;

- Issuing nine-year Treasury or Deposits and Loan Funds (CDP) securities, reserved to Italian savers and aimed at funding projects for growth.

For several reasons, a comeback to nationalisations can be excluded (as it happened after World War II). For legal reasons, both on a national and European framework: The Legislative Decrees n. 50/2016 and n. 175/2016, as well as the 2020 ECJ decision C-89/19 and C-91/19, intend to pose restrictions to the government shareholding in undertakings and to *in-house*

shareholding. For economic reasons, given the poor public resources making nationalisations impossible. For reasons of the current global framework, in which globalisation undermines the very premises of nationalisation, especially in strategic sectors that are open to liberalisation and that produce cascading effects on all the others.

In this regard, I am especially referring to the communications sector that urges for a clear and exhaustive regulatory framework. A framework that is well-adjusted into an authentic, coherent, and uniform plan, supported by a coordinated management and development of infrastructures. All this, providing public-private forms of cooperation with the combination of different models, and with a uniform supervision capable to overcome asymmetries between operators – and to provide a substitutive power, if necessary. The implementation of this plan would foster a virtuous mechanism between the “awareness” economy and “services” economy, for the benefit of the entire community, and would represent a starting point for recovery. Actually, it would represent a basic premise, without which future perspectives would be completely unreliable.



## **Serological Analysis: A Test #toRecover.**

*Gippy Rubinetti*

Published on April 1<sup>st</sup>, 2020

We all agree on one point: we can not afford an endless *lockdown*, until a vaccine is found. Although with the adoption of all the necessary cautions urged by the current emergency, a plan #toRecover is necessary.

Our Foundation tried to give its contribution by proposing 8 points for recovery, in order to avoid that the current emergency will cause irreversible economic impacts.

In this perspective, the serological test probably represents today the most efficient tool to identify those who, at least in a short-term period, cannot be infected. Restrictive measures and social distancing might not apply for these individuals, enabling them to work in safer conditions.

In a study published on March 30<sup>th</sup>, 2020, the *Imperial College of London* estimated that in Italy there are approx. 6 million people infected by the virus. This means that the number of the asymptomatic persons – compared to the “certified” positives – is extremely high. Among the asymptomatic people, assessing who is immune is then crucial in order to achieve the gradual recovery of economic activities.

It looks like representatives of either the scientific and the institutional sectors, agree on making a large-scale survey.

Also, for the sake of prevention (in order to save entire communities from infection), the Crisis Unit of the Region of Veneto approved a wide-scale serological testing on medical and healthcare personnel in care facilities; seemingly, the Region of Tuscany adopted the same policy for the entire prison and administrative personnel. Today, the Assessor of Healthcare

of the Region of Lazio announced rapid Covid PCRs for all the residents of the Region, while starting from tomorrow all the residents in Florence can book the same test online.

In order to ensure that this survey represents an authentic opportunity, it is fundamental that it is coordinated with evidence-based protocols.

Health protection is pivotal, but it needs to be mitigated with the requirements of the economic system. The clock is ticking, and companies run out of business daily. We have to recover, before it is too late.

## **Eur. 50 billion urge, immediately.**

*Davide Giacalone*

Published on April 5<sup>th</sup>, 2020

Cash flow to undertakings should be granted, we said and repeated it. Europe provides liquidity, and we risk to be unable to take advantage of it for our very own incompetence. The risk is even higher, when we consider that the Public Administration owes more than Eur. 50 billion to private suppliers. More than Eur. 50 billion for works already carried out, goods already delivered, and invoices already issues and approved. But still, more than Eur. 50 billion are still owed, and for this reason Italy has been recently sanctioned by the European Court of Justice, on January 28th, 2020. Payments are 354 days late in Calabria, 369 days late in Sicily, 415 days late in Campania and 573 days late in Piemonte. These money are not loans or State aids: simply, they are late payments. These money would be lifeblood for suppliers, preventing them to run out of business.

It appears that a further Law Decree will simplify, but avoiding tax assessment is not enough: it is necessary and sufficient that enough guarantees are provided, so that banks can pay in advance. And guarantees would be liable, because the State is uncertain on timing, but certain on the outcomes. In 2012, when an earthquake shook Emilia Romagna, the local healthcare agency of Salerno (at that time placed under the receivership of Maurizio Bartolutti) endorsed all the invoices of that region and paid them cash. On top of that they urged the issuing of invoices related to all the contracts that had been executed but were still unpaid. This transaction did not cost a penny both for taxpayers and for the healthcare agency, but it was providential for the recovery of all the business undermined by the earthquake.

In Italy, some would argue that wearing face masks is compulsory others would say they would not wear it anyway; but no one cares about providing face masks to citizens. That's how we quickly forget about good examples, by showing an ignorance proper of those who talk, but do not act.

## **If not now, when: Adjusting Corporate Taxation to the European OECD Average.**

*Elena Vigliano*

Published on April 8<sup>th</sup>, 2020

Just a simple recommendation for the business activities; no favouritism.

It is a shared opinion the fact that tax burden on Italian business activities is higher, when compared to the other OECD Countries. And this has been going on for many years.

This made it difficult for Italian business activities, perhaps impossible sometimes, to capitalise, to invest in research, innovation, and education in order to enhance their productivity. The GDP per hours worked and the number of jobs do not increase, thus it is complex to compete with foreign competitors. The Italian “total tax and contribution rate” is assessed at 59,1%. This implies that out of each “100” of revenue, the contributory and bureaucratic taxation accounts for 59.1. The average European “total tax and contribution rate” is 38.9%. This means that compared to the European average, Italian business pay a 20% higher tax rate. Therefore, it becomes obvious that in order to get out of the crisis, it is crucial to cut the total tax and contribution rate by around 20 percent. Such reduction should be funded through a spending review of the expenditure, that, at least according to the economists of the Confindustria Research Centre, is as high as Eur. 290 billion out of Eur. 873 billion of public expenditure.

Moreover, if we consider that business activities have already paid 98% of their taxation for 2019, it is necessary to compute tax adjustments. Contextually, it is important to take into account the 2020 economic performance as well, assuming that it will be negative for most of them. If we apply the “loss carry

back” method to compute taxation in the two-year 2019-2020 average income, business activities will probably result on credit, and such tax credit could be immediately marked down vis-à-vis banks.

Seemingly, Public Administration should pay off its certified Eur. 37 billion debts and Eur. 4+ billion tax credits – currently restricted in terms of horizontal compensation.

It is also good to remember that business income can be exactly calculated only when a business acidity runs out of business. Only at that point, is it possible to assess whether the investment has been good, and whether the business made profits or losses.

In this regard, Luigi Einaudi wrote: “The breaking down of time in intervals is an artifice. Necessary, but still an artifice. To assume that the life of a business activity may be broken down in annual statements is absurd. We cannot know if a business activity generated profits or losses, unless its operations are over and closed. Only comparing revenues and expenses at an actual moment and on actual values, we will be able to assess its final performance. If the business activity is still operating, any judgment can be only temporary. No one knows whether revenues will be invested in future losses. When the accountants assess the annual statements, they just do it in order to try to forecast an average performance, as to avoid future possible cracks. Also in the hypothesis the chief of an undertaking does not collect money until the final closure, the State does, because its expenditures are continuous over time and have to be constantly faced with equally periodical revenues.” (*Myths and Paradoxes of Justice in Taxation*, Luigi Einaudi, Torino, 1959)

## **A Massive Mess.**

*Giuseppe Bozzi*

Published on April 9<sup>th</sup>, 2020

The government made proclaim on injecting in the economic system an amount as high as Eur. 400 billion in one fell swoop.

In line with the widespread belief that in Italy facts count less than their representation, the news have been released by media and newspapers in such a distorted way that people believe such money will be directly paid to business activities.

Truth is: the State is just bailing out to the banks, so that the latter (through SACE and under the control of the Ministry of the Economy) can then loan the money to business.

This financing system will enable the business activities to receive public funding not “directly”, but after several bureaucracies and strict controls that will delay payments and reduce the amount – not to mention the risks of corruption and influence peddling.

Using public money this way appears useless to trigger economic recovery. Such funding should be used to support business plans and investment projects ensuring revenue streams in a given period, as well as profits and compensation to business activities carried out. Otherwise, the entrepreneurial system will be burdened with too short-term debts and, although the banks are secured by the State, the State might get even with the business sector.

It looks like the government messed the whole thing up, in-between a catholic-communist solidarity and a Five-Stars Movement-like welfarism.

## **The Coronavirus Crisis: which Opportunities.**

*Emma Galli – Paola Brunetti*

Published on April 10<sup>th</sup>, 2020

The COVID-19 pandemic represents a stress test for advanced economies, that on one hand are urged to tackle economic default and social discomfort; and, on the other hand, have a unique opportunity to rethink policies and tools for growth.

So far, European countries have independently adopted countercyclical and non-coordinated measures, although under the EU umbrella. Such protection has been ensured either by ECB (that implemented a public and private bond purchasing program for € 750 billion), the suspension of the Stability Pact, the loosening of the rules on State aids, the launch of SURE (a support to mitigate unemployment risks), and by other similar initiatives aimed at countering the current emergency.

The suspension of the Stability Pact must not be underestimated. It is extremely relevant for budgetary policies, since it makes States accountable for adopting sustainable and strategic policies. In Italy, public opinion has to be aware that new tax policies can be implemented only creating new debt – that will further have to be paid back.

Even those supporting the principle of the balanced budget in public finance consider as necessary relying on debt during emergency situations. However under two conditions: first, the expenditure funded by debt will be productive, and preferably intended at financing investments aimed at guaranteeing the benefits of public expenditure to future generations; second, this debt will be returned in a foreseeable future. This is the reason why budgetary policies will have to be selective, and ai-



med at adopting high-quality measures. The pandemics affected both supply and demand. It will be therefore crucial to elaborate intervention plans that help business deal with a crisis that could even be longer than expected. At the same time, such plans should protect the basic needs of the weaker categories as well – although for a limited period of time.

Can Italy afford these investments? The suspension of the Stability Pact allows us to incur further debts, taking advantage of a global crisis in the context of which such measures will be more tolerated both by the European bodies and the financial market. But the monetary policy can not be the only tool for recovery. The quality of the expenditure will be likewise crucial. There should not be exclusively aid policies, but the expenditure will have to be strategically oriented to our future. The emergency has demonstrated how pivotal certain sectors are: health, tangible and intangible infrastructures, research and innovation.

Within these fields, Italy has already launched several programs (*Transition 4.0*) that will have to be enhanced further. The emergency stressed on the existing need of adapting certain organisational process – for instance, smart working, or remote education and training. Over the coming months, also the international activities will be more and more based on digitalisation, with virtual trades and B2B.

It is then essential to elaborate industrial policies that are able to identify sector-based priorities and their associated tools. Italy is the second European country for manufacturing and export: how can we preserve this ranking, and workplaces, during a global crisis?

Several fields, such as tourism, industry, or culture, will have to rethink their strategies and forecast a reorganisation. Moreover, it will be crucial to support certain sectors that will not get out easily from the crisis, and to stimulate others that could play an important role within the recovery process. We

are all facing a momentous change we have to be aware of. New opportunities for development will be possible. Ongoing education, the simplification of administrative procedures, timely decision-making processes, all represent key factors for an exit strategy.

The crisis might also bring a better European integration. The debate about the so-called “corona bonds” or about EMS should not be considered as a struggle between nationalisms, but as an evidence that European institutions are alive and responsive. The apparent contrast between northern and southern countries is actually grounded on several “factual” bases, but also on prejudice that it would be appropriate to set aside. The Eurogroup reached consensus on a set of innovative measures that will enable the struggling States to benefit from EU funds – albeit the loans will have to be returned, and countries have to consider sustainability.

The negotiation process of the multi-annual financial framework 2021-2027 is a chance to introduce new tools and to increase the EU budget, thus creating a major scope for action. For a long time, Europe aimed at achieving excellence in digitalisation and innovation, or in fields as the aerospace and Research. The setting up of projects in these fields would foster the integration process, since they would involve the transnational supply chains, as well as business and workers of all the EU countries.

The State will not have to be dirigiste, but will have to encourage and design the regulatory framework, in order to set up a system of clear and transparent rules that could lead to a new configuration of both the Italian and the European economic fabric.

## **After the Virus, the Chaos.**

*Davide Giacalone*

Published on April 20<sup>th</sup>, 2020

Italy was the first country to implement restrictive measures, and risks to be the last one to revoke them. At first, because of the virus; then, because of the chaos.

Measures were a natural reaction to something we were unaware of, the only way to alleviate healthcare facilities. Things are now getting better, and not because contagions have ceased (quite the contrary, and they will increase when the restrictive measures will loosen), but instead, because we are learning to know our enemy and know how to cope with the healthcare emergency. The storm continues, but the boat is still floating somehow. Re-opening business activities is essential, as it is going back to work and to school. That's the only way to produce wealth. If it is true that wealth is useless without health, it is likewise true that health comes with wealth. Therefore, it is essential to re-open on a coordinated and national scale, adopting it to the local circumstances whether necessary, and providing precautionary measures (I hate the word "social distancing", it's too classy; would not it be better "interpersonal distancing"?). Unfortunately, loosening restrictive measures will be difficult, because of the chaos the lockdown created. Everyone wants to schedule meeting, fix dates and initiatives: the result is that nothing can be scheduled or fixed so far. We are forgetting that a lot of productive activities that remained open during this period have not been relevant for the spread of the virus – except healthcare facilities. Therefore, we already know that, when handled with care, re-openings are possible. We face more risks in a supermarket than in a construction site or in a cropping field. And concerning agriculture: the pri-

ces of the agricultural produce keep on increasing, because between 270-350 thousand immigrant workers in the fields are missing, thanks to whom produce is harvested and costs are lower. These prices are increasing because these legal immigrant workers, holding a regular job contract, cannot travel from their Country. We have to start removing all these obstacles, otherwise recovery will be way farther and more difficult. In the meantime, the necessary cash flow from EU is still missing, and ECB and EC are short of capital although such capital has never been so plentiful before. All this, because, as usual, Italy twists everything. Exactly the same way that all this plenty of commissions, roundtables, and committees, are there without even knowing the reason.

We urge a unique direction, a unique criterion, we need flexibility for putting all this into practice and we need to learn from our past errors. We have to get back to work.

## **A Republic Funded on Labour and on the “Landinis”.**

*Massimiliano Armetta*

Published on April 22<sup>nd</sup>, 2020

As always, the devil is in the details, and, in our case, within the texts of the laws.

While studying the enormous amount of the recent legislative measures, we came across article 1, par. 2, n.1 of the Law Decree n. 23 (April 8, 2020), so-called “Liquidity Decree”, which provides that the issuing of guarantees in favour of business activities upon condition that “the receiving business activity undertakes the obligation to manage the employment levels by means of agreements with labour unions”.

It is obviously possible that this rule will be amended by the Parliament, but so far it is clear that cash flow and the entrepreneur’s freedom of enterprise depends on acknowledging unions a veto power.

Quoting Agatha Christie’s famous aphorism, we can also assert that the liquidity decree is already the “second clue”. In fact, the Law-Decree n. 18 (March 17, 2020), so-called “Cure Italy”, already provided that layoffs had to be requested upon prior evaluation of the unions. Someone should explain what all this is about, since layoffs are allowed following the closing down of business activities because of governmental measures.

Thus – still mentioning Agatha Christie – we conclude that according to the populists, the solution to the crisis lies in an empowered statism.

All is clear, but then they will have to be brave enough not to turn a blind eye to the economic consequences that such policies will further generate. This Italian-style Chavism will burden our recovery, because using the coronavirus as an ex-

cuse, the government will keep on feeding the country's structural weaknesses and corporate interests.

Weaknesses and interests that end up penalising the lower classes, not the stronger ones, who could easily close their business activities in Italy and re-open them elsewhere, in Countries normally fostering entrepreneurship.

Supporters of the “best Constitution in the world” may read again article 41, which states that “*Private economic enterprise is free*”. Of course, “*it may not be carried out against the common good or in such a way that could damage safety, liberty and human dignity*”, but no one told us that Maurizio Landini's approval was requested.

## **Credit and Eyesore.**

*Davide Giacalone*

Published on April 24<sup>th</sup>, 2020

An eye on what may happen in banks, because when one professes itself to be wise, he becomes utter fool. Replacing the old credit with a new one, with lower rates, and with State guarantees would represent an eyesore.

There is always a link between a healthy market and wealthy banks. In an upright system, both are precious. When a violent recession occurs, banks have hard times (as it already occurred in the past), because of their cash-strapped customers. This is the reason why, in the “previous round”, several European governments helped their banks more than the Italian government did. Here, instead, money was demagogically spent making savers believe they were being protected – for savers meaning also those who invested in bank shares and bonds. Nevertheless, few banks bankrupted while the whole system withstood.

This time, banks are equally crucial, because they are the way through which producers receive the enormous liquidity ECB made available. Italy, as elsewhere, chose to provide a (limited) public guarantee for these loans (while other Countries provided a total public guarantee, and that was a good move). Considering the existence of a bank risk share, the Consolidated Act remains enforced, and this urges mandatory investigations. This is why bankers pretend a shield. The problem is that every time that something has to be done before given periods, shields are requested. This means that both regulations and further control are insufficient.

The replacement of credits is an issue, too. Let us consider a customer holding a debt (negotiated at market rates

at the time) with a bank. Now the customer is in trouble, and the bank does not provide a further loan (that could allow him to recover and re-start its business). Instead, they find an agreement on replacing the old debt with a new one. The only convenience is that now the interest rate is lower, taxpayers' money serves as a guarantee, and the bank cashes in a double commission. I hope mine is not bad faith, but I guess this process should be stopped. Leaving aside the possibility that this is even a crime, I'll just say that it's an eyesore.

The wise become fools, because when the Italian government negotiates at European levels someone will point out the trick and, subsequently, everyone will be aware of how the Italian governments spends these money.

Let's say mine is just bad faith, and that my thought is actually baseless. But let's also say that this is has to be verified, and if ascertained, it has to be stopped.



## **An Isolated but Significant Downgrading.**

*Davide Giacalone*

Published on May 1<sup>st</sup>, 2020

Fitch downgraded the Italian debt. A burdensome but isolated evaluation. According to Fitch, we are one step up from garbage, but the forecast is stable – that is, remaining downgraded. For two other agencies, we are two steps up, but the forecast is negative – that is, downgrading. There should not be an immediate impact, but it is advisable to worry about it immediately.

Our public debt was pathologically elevated even before the pandemic, now it can only increase. But this should not lead to our resignation. Without the pandemic, that downgrading would probably have been less isolated. In a certain way, this change in conditions might have been even positive for us. But the problem has only been postponed, not solved.

Our issue is not only the heavy debt, but also the weak growth. The reason of our downgrading is given by two conditions: too much debt, too little growth. Now the debt will keep on increasing, therefore we have to focus on growth. We can do it, exploiting these difficult times to try to remedy to the Italian backwardness. Let us consider the example of Genova: putting into practice the European rules, we did not infringe upon the right to transparency, but we conversely started a productive machine that did not stop even with the spread of the virus. Everything was done twice, that's unquestionable, but this shows that it is possible even in a period of pandemic.

Unfortunately, there are two discouraging elements. First, over-legislation, with the adoption of simply too many law decrees going against the need of simplification and accountability. Second, the political scene's silence on the manufacturing stage. The current restrictive measures should be considered as a

dark period to overcome as soon as possible, not something to wallow in.

And there is a third element, too: a constant and continued call to use private assets in support of public debt, whereas instead private assets should be invested in support to the production machine. Instead of providing taxation support to those who deliver their assets to the State, that should be guaranteed to those investing them in production.

Currently, Fitch is not the problem – yet. The problem that will soon arise will not be related to negative ratings (although these *are* an issue, too), but instead to the sustainability of the debt. We have only two weapons: the European cover and growth. Concerning the first, it would be enough not to make arguments; as for the second, it would be more than enough to get people go to work.

## **Too much Care, too little Relaunch.**

*Davide Giacalone*

Published on May 14<sup>th</sup>, 2020

The starting point for evaluating the last Law Decree issued by the government is the failure of the previous so-called “Cure Italy”. “Cure” should have made the enormous amount of money from ECB available to workers and producers. However, this did not work, because banking mechanisms here are conceived to jam. Because liquidity urged, its scarcity caused troubles and we are currently trying to rectify.

For that first decree, two things worked (indirectly, since these were not included): the suspension of the Stability Pact and the purchase of Italian securities by ECB. These two things will lead us to close the year with a nearly unbearable 160% debt. The current Decree should serve to set up for relaunch, or at least to foster growth. Nevertheless, what we read about is not a relaunch, but a renewed welfarism. We spend without investing, we float without navigating, we anaesthetise without curing. Seemingly, the issue of the immigrants is being left aside. Also, assuming that one third of the immigrants will regularly obtain their permits, this is still not enough. Third issue is agriculture and services to households. Immigrant legalisation will not eliminate slums, because this task falls on regions and municipalities (God only knows with which rules or funds). All this, in order to obtain six-months term permits, assuming that an entrepreneur can accept to hire these workers illegally and preventing the latter from criminal allegations. And this, because we pretend that our priority is legalisation and collective health.

The State Aids exemption allowed Germany to expand public intervention in the market. We cannot do the same, becau-

se out debt is pathologically high. “Which” Italy will compete in the 2021-2022 markets? The “public” Italy will be indebted, the “private and exporting” one will be debilitated. It may even look like we’re trying to make our productive economy part of welfarist policies. I do not want to criticise at any cost. This government showed its inability to handle the situation, but I still think it is better than other alternatives. But remaining in silence would be reckless: if we go along this way, the worst is yet to come.

## **Forced to Grow.**

*Davide Giacalone*

Published on May 17<sup>th</sup>, 2020

We began the year well-aware of how high our public debt and how critical our situation was. We were the only country that had not recovered yet from pre-2008, before a double crisis struck us all. Then it was clear from the start that the pandemic would have brought both further recession and an increase in public expenditure, raising the debt even more.

We may have a never-ending discussion on the reasons why we had such a high debt at the beginning of the year, and that was too bad, and why a lot of politicians seemed to be willing to exacerbate the situation. We could say *"I told you!"*, but that is useless at this point. Therefore, what will we do now, and how?

The increase of every EU country debt is keeping us in a safe area, somehow. ECB and the Commission responded properly. Thus, Italy has one issue: when our growth will restart (hopefully in the second half 2020) we cannot afford to lag behind. We cannot afford to be as slow as we have always been in the past. We cannot afford a high debt and a weak growth, together. This is the reason why the increasing public expenditure needs to focus on wealth producers, on investments, thus on creating workplaces through the productive system. We cannot look after our recession, because a welfarist economy is a pure illusion. And what about the last, encountering troubles? Not subsidies, but services. It is crucial to implement measures of relief enabling them to get back into the productive system, not to subsidise their idleness.





**SECTION II  
POLITICS**

## Incredibles and Incredulous.

Daide Giacalone

Published on March 8<sup>th</sup>, 2020

The virus shall pass, but we will not forget the rest. The Prime Ministerial Decree of March the 8th setting out the measures to combat and contain the spread of the virus will be mentioned in several debates dealing either with communication, juridical, or healthcare-related issues. We have to say it: whatever authorities will state, it will have to be followed and obeyed. But I wonder if this Decree will be remembered as a positive example, or rather as a mistake to avoid in the future.

I do not argue the specific measures adopted, but rather the “generic” ones. In a period of emergency, the government should reassure the citizens. Correctly or wrongfully, it does not matter: but it is essential that a government orders what has to be done and calms people down. During the night between March 7th and 8th, chaos reigned. A draft text written by the President of the Council of Ministers had been publicised, written with an inappropriate language and whose context ended up only finally in the final version. The draft contained sentences such as “*absolute ban*”. Now, an absolute prohibition is a concept unfitting with a juridical language: something can be “allowed” or “forbidden”, but never in an absolute way. If at all, that’s a language the press may use, otherwise people confuse newspapers with legal texts.

If I write to “*avoid travels*”, I am actually making a “suggestion”, not a “prohibition”. If I add an exception for those “*motivated by proven working needs, situations of necessity or transfers for health reasons*”, readers will not understand what can be done, and what cannot. Readers can just understand that they have to stay home, but we do not actually need a Prime Mini-



sterial Decree to realise that. Then we wonder: what is a “*proven work*”, and when is it “*needed*”? This language is for conversation, not for legislation. Is it even possible that a government is unable to write a piece of legislation?

Add to this the fact that these draft documents were disseminated, everyone gave its own interpretation, and panic grew. People started moving night-time from one city to another, in order to be under “lockdown” in their hometowns, or with their families. Then, the President of the Council started speaking at 2 a.m., a pretty unusual and definitely non-reassuring circumstance. Could not he wait for the morning?

Once again: I’m not arguing about the specific measures adopted, but I observe quite a “social” contradiction: on the one hand, for two weeks, a true drama was being broadcasted on TV, causing collective panic; on the other hand, other people turned off their TVs and went for a drink at the bar, with their friends. Alarmism and indifference, two sides of the same coin. The “Incredible” talking about the “Incredulous”. It’s going to end up in history books – but unfortunately, not in a humoristic novel.

## **Do not ask Science.**

*Davide Giacalone*

Published on March 15<sup>th</sup>, 2020

At first everyone said: “*Enough of these know-it-alls*”; then everyone went “*Let’s ask science*”. After praising the equity of ignorance and presuming that democracy means the majority is right, came the virus. So, everyone asked the white coats what to do, how to do. Then, the inevitable happened: scientists had divergent opinions, different characters, different approaches. Which is good, and expected.

It is good, because science is not a set of ascertained and indisputable truths, but it is a research methodology. And the scientific method implies constant doubts. A thousand confirmations are not enough to support a theory (Karl Popper wrote), one single factual falsification may undermine it. It goes without saying that in order to understand something about a virus I will ask a virologist – or at least, an expert in the field; but I would be fool to ask him how to set out legislative and policy measures, or how to organise the healthcare system. I settle for knowing that the only thing to do is to avoid the spread of the virus until a vaccine is approved. Everything else should be up to the government, and this does not mean that everything will go smooth or wrong.

Pretending that science is an absolute truth, and that scientists are its spokesmen, it’s called scientism. That is, a form of obscurantist superstition. It is implying that truth comes from above, rather than realising that truth is a constant effort to avoid falsification.

## **See You out for Dinner.**

*Davide Giacalone*

Published on March 21<sup>st</sup>, 2020

A suspended time. Awaiting to see whether all these restrictions will actually flatten the epidemic curve. Next year, we will have a vaccine, although so far we do not really know yet which parts of the populations need it. In any case, it'll be crucial to make sure that not too many people need it at the same time. This the reason why we're locked in our houses, in our offices, and in our workplaces.

Italy is not shut down, thought, albeit some claim so. Several supply chains are still open to the public, and a lot of workers are behind the curtains. Let us think about the food industry, implying production, preparation, packaging, transportation, sale.

We all owe something to those who are currently working, taking risks of contagion; and workers owe something to other workers alike, thanks to whom their basic needs are satisfied. At the top of the list, most obviously, the healthcare personnel. When moving from our houses towards our workplaces, we feel dazed. If commenting in timeframes different from rush hours, we count people around on a single hand. And we say hello.

In sharing this common destiny, we are more polite towards each other. What once was normal and given for granted, today is unavailable. At least, let us hope that once all this will be over, we will be thankful for the simple fact of going around aimlessly, in cafes, libraries, shops. Although we might not have a drink, nor buy anything, we will still be thankful for being part of a whole.

Sometimes, we thought the traffic, the excess of vitality,

confusion could all be annoying. Instead, we will have to remember how beautiful is the world we live in is. And see you out for dinner. Do not know when, but hope soon.

## **COVID-19 pandemic – the Real Challenge: Planning for the Future. Three suggestions for a concrete action.**

*Mattia Crosetto*

Published on April 3<sup>rd</sup>, 2020

The deep crisis we are all facing poses immediate healthcare, logistic, and organisational issues. These problems are undoubtedly difficult to deal with, and yet they represent only minor examples compared to what governments, economic systems, and communities will face in the future, when the crisis will be over and recovery will start.

We often listen to reporters, administrators, and experts say “nothing is going to be as it was before”. That’s for sure, but changes have to be oriented and controlled to make sure that Society as we know it will not crush (making even more victims than the pandemic).

This moment is surely delicate not only because of the pandemic, but also in light of several other related epochal phenomena: environmental disasters, demographic pressure, technological revolution, geo-political competitions, and so on.

A pragmatic and multi-level reaction urges. First, in order to escape a possible collapse of economy and society. Then, to lay the groundwork for their deep recovery.

I suggest three plans of intervention, to serve as examples for the world to come – from the micro- to the macro-dimension.

The first course of action provides the introduction of a rapid policy instrument in economy.

It is recent news the failure of the European Council in finding a common response to recession (likely to become a depression, as well) spreading over the continent. The crisis

brought out all the pre-existing diverging visions and evaluations on governmental dynamics in the field of public finance.

This will happen eventually, but the feeling is that it will sound like a compromise.

But there are not only negative outcomes.

The fracture between the Netherlands, Germany and the other Northern Countries on one side, Italy, France and Spain on the other has been highlighted. What has not been stressed with the same emphasis, is the concurrence between some Mediterranean Countries (Italy on top) and Portugal, Belgium, Luxembourg and Ireland.

Yet, bringing together nine Member States with the shared goal of requesting the activation of *Coronabonds* (if not the Eurobonds) represents, in economic, political, and demographic terms, a community within the community.

We could start over from here.

We could ask these Countries to create a new Enhanced Cooperation in the economic-and -financial field (something allowed by the EU Treaties) to be implemented with the operational intervention of the European Bank of Investment. The latter, particularly, has been in shadow of ECB in the last period.

Even a modest contribution from individual Member States would enable the creation of a plafond that, integrated with the EBI resources, might be used as a counter-guarantee for an insurance fund for the benefit of the European small and micro enterprises.

Thanks to this fund and to the existing banking agreements between EBI and national intermediaries, the applicants (traders, artisans, start-uppers and even professionals) could subscribe an insurance policy, deposit an insurance premium, and get an immediate access to funds without collaterals. Funding would further be granted regardless the *ratings*, accounting information or budgetary data – that would be inevitably uneven in light of the current crisis. Moreover, initial moratoria,

low-interests, and repayment plans could be provided as well.

Maybe the technical intervention might appear a bit unrefined, but its impact on the territory might have an immediate and visible impact.

This solution embodies a social aspect, too. Bringing together Member States, supportive to each other, could imply a further systemic reaction at a moment when the current impasse between Member States makes things even more dramatic than they already are.

The second course of action is focused at a national level.

In the Western World, the current crisis highlighted first of all a collapse of the existing healthcare systems. Let us consider the *debacle* of the healthcare system in Lombardy, that went from a worldwide acknowledged excellence to dramatic scenes of collective hysteria. Decisional asymmetries, operational errors in allocating resources, delays and inefficiencies, mutual accusations, inadequate materials and machines: all this recalls the famous battle of Caporetto that, in the Italian collective memory, left wounds difficult to mend.

A similar situation is being experienced in the Spanish healthcare system.

Both Italy and Spain are markedly decentralised, local authorities and Regions have high structural and services-management powers. In France, Germany and UK, the administration is managed by those whose service is more efficient. Much more efficient.

It will be better to acknowledge this, especially, thinking about the opportunity to reassess the reallocation of powers and resources in a framework that in the future will pose supra-regional and supra-national pressures of a very different kind compared to the ordinary. We can already see the first signs; it is appropriate to go along this way.

Finally, another little (but extremely relevant) course of action.

The emergency forced all of us home. We found ourselves confined in the smallest form of community, that is, our family. Actually, some experienced the lockdown alone. It is desirable that programs of nutritional livelihood are implemented towards these categories. As we have all seen during these days, the motto “*Stay home*” is not an answer to the basic needs of the households, and not always a door-to-door food supply chain has been possible.

Within one month, the global agricultural sector experienced an authentic crisis.

We should then restart from the idea of the “unit”, exploring alternative ways to supply plant-growing tailored for households. The most advanced technologies might allow the production of small agricultural supplies with the lowest use of resources, power, water, and biological fertilisers.

The outcomes of this strategy could further imply the possibility of a retail sale and foster the development of micro-enterprises.

This idea could seem weird, it is less weird than at first glance one could imagine.

First, it adds value to the households; second, this would re-design the concept of personal services as a legacy of the current crisis, within a society increasingly resorting to teleworking, remote education, e-commerce and, last but not least, telemedicine.

Family is back at the centre of Society.

All this will even redetermine our environment, starting from our own houses.



## Appealing for Freedom

Carlo Marsonet

Published on April 5<sup>th</sup>, 2020

It's an emotional time, on many standpoints. Once the healthcare emergency is over, probably things will change. The way we looked at the world will change, too, and probably we will all stop worshipping progress. It will change the way we look today at the mankind subduing Nature.

A lot of things will change, this is for sure, and these changes shall be shaped and oriented in order to better understand which directions we should take. Obviously, we cannot keep on manipulating reality as if it were a dummy, and human actions will still lead to unintended and unexpected consequences. After all, nothing can be totally planned and predictable, that is a part of human fallibility. In fact, freedom itself cannot be set aside from its related risks, uncertainties, and doubts. Freedom means not having the arrogance to draw the future pretending to disregard the past and the present. Freedom means accountability, responsibility. For this set of reasons, it will be necessary to deal with ourselves and with some aspects of our lives.

For this reason, Carlo Lottieri, full Professor at the University of Verona and Director of the Department of Political Theory at the Bruno Leoni Institute, recently appealed for freedom. This was published on the daily *Il Giornale* and further rebounded on the Web. Carlo Lottieri stressed that the word "freedom" was already compromised by another virus - i.e., statism - yet before the spread of COVID-19. An insidious virus, removing individual responsibilities, drying up social relationships, corrupting social cooperation, pledging security, wealth, prosperity. According to several politicians and distin-

guished civil servants, it looks like the State might even boot its intervention after the pandemic. At the expense of freedom, of course.

The appeal against the “statism” pandemic has been signed by several Professors (Sergio Belardinelli, Raimondo Cubeddu, Lorenzo Infantino), journalists, editors, and entrepreneurs, as to highlight how people fear the possibility of a “post-pandemic” lethal wound to the freedom of society. Cuts on public expenditure, legislative abolitions, removal of direct taxes for the current year: these are some of the key points of the appeal launched by the Professor.

*“I do not know how it happens that nature fails to place within the hearts of men a burning desire for liberty, a blessing so great and so desirable that when it is lost all evils follow thereafter, and even the blessings that remain lose taste and savour because of their corruption by servitude”,* Etienne de La Boétie wrote in his *Discourse of Voluntary Servitude*. Men cannot fully control their fate, but they can choose which direction to take: the one of freedom and responsibility; or the one of statism and slavery. The first path, is the path of life: undoubtedly risky and stormy, but surely more human and worth living.

## **An Anti-Fake News Task Force Today. What about Tomorrow?**

*Andrea Pruiti Ciarello*

Published on April 6<sup>th</sup>, 2020

Let's start from the news. The Presidency of the Council of Ministers decided to establish a task force against fake news, under the responsibility of the undersecretary Andrea Martella.

We already said it. We can agree with the substance of the provisions of the Prime Ministerial Decrees issued so far by the President Giuseppe Conte. Sometimes they were issued with a slight delay, sometimes, they were too soft, some other times they were confused and inefficient, but at least there is a common experience (China, South Korea) showing that this is the track to be followed. But we cannot agree with the form of such Decrees. Provisions affecting so seriously individual liberties should be set out with the form of the Law Decrees, as to be further approved by the Parliament. Regardless criticisms, President Giuseppe Conte keeps on taking that path, made of authoritarianism, mistakes, and talk-shows. Luckily, although a widespread perceived confusion, the Italian citizens understood that staying home is useful and, for the first time, forecasts on the ending-date of the pandemic are made.

So far, the government, when establishing measures safeguarding public health, restricted the Constitutional freedoms of movement (art. 13) and association (art. 17). By establishing the abovementioned task force, it looks like the government wants to limit free thought (art. 21), as well.

Despite all the restrictions implemented so far from the beginning of last month, we keep on thinking, writing, and saying whatever, in the name of our right to free thought.

Article 21 of the Italian Constitution provides: *Anyone has*

*the right to freely express their thoughts in speech, writing, or any other form of communication. The press may not be subjected to any authorisation or censorship”.*

Let us recall that fake news is actually a serious issue to be tackled. But how, and by whom?

Article 656 of the Italian criminal code punishes with the arrest up to three months whoever disseminates false, exaggerated or tendentious news, implying disturbance on the public order.

But the law punishes only the news eventually disturbing the public order, thus not every single false, exaggerated or tendentious news are sanctionable.

Therefore: on which legal framework should this taskforce be grounded?

The exclusive jurisdiction under article 656 of the Italian criminal code is left to the judicial authority; for all the other news not-disturbing the public order, article 21 of the Italian Constitution should be enforced.

Most obviously, if such fake news cause damage to anyone, whoever disseminates the news shall compensate: but this is civil law, where the parties may decide how to proceed – not public authority.

The aforementioned task force (composed by the representatives of the Ministry of Health and other experts among journalists and communication specialists) should “*tackle misinformation that could lead to wrongful behaviours, whereas the latter could compromise the efficiency of the currently enforced restrictive measures*”. Apparently, a useful goal, but that could open up to an obscure possible scenario.

How does this taskforce work? What are its powers? On which grounds must the news be censored?

Let us recall that the recent news released by *Palazzo Chigi* and by *RAI* on the utility/non-utility of wearing facemasks, have been confused and inconsistent themselves.

*Errare humanum est*, but how can a government in error pretend to determine which information is correct, and which is not? Moreover, we all agree on the fact that there might be truthful information that “*could compromise the efficiency of the currently enforced restrictive measures*”. How about this information? Will they be censored by the taskforce as well?

Fake news not sanctioned under article 656 of the Italian criminal code should not be tackled by an authority of the State, otherwise the risk is to compromise freedom of expression. Such news should only be evaluated by the people common sense and the individual culture.

If the government is really willing to tackle fake news, resources shall be allocated on culture, schools, universities, free books to the youth, to the promotion of cultural shows on the national TV networks.

Furthermore: is not it a paradox that for the first time in the Italian republican history, the government is willing to set out this taskforce largely composed by the same party that grounded its consensus on an instrumental use of the fake news (Five-Stars Movement)?

Let us remember some of the fake news released by the FSM: *chemtrails, under-skin microchips, the false moon landing, anti-vax* (“*Vaccines are like marks on the cattle*”, said the former VP of the Senate, Paola Taverna).

Well, this is probably the least entitlement for the government to set out this taskforce.

Winston Smith in George Orwell’s prophetic novel 1984 worked at the Record Department of the sprawling Ministry of Truth.

For those who cannot remember, the Ministry of Truth was conceived by the Big Brother – who did not aim at an egoistic power, but whose actions were oriented to the common good, protecting those who were too weak to bear the weight of freedom and of truth. For this reason, the Party decided that

people had to be systemically deceived by the stronger; the “Minitrue” decided the present truth and, if needed, re-wrote the past as to make the present truth more tolerable and bearable.

Any similarities?

In the meantime, I would suggest President Conte and the undersecretary Andrea Martella to re-read Orwell. They could get inspired and perhaps introduce a new Neospeak, as to make people happy.

If we are all happy, do we even need to be free?

## **The politics of Pandemic.**

*Enzo Iachello*

Published on April 10<sup>th</sup>, 2020

I will try to highlight some methodological issues carried out by the current pandemic, including the risks posed to democracy.

This is not an unprecedented situation. Mankind already faced the spread of a pandemic in 1918 (the Spanish Flu). Only the virus itself is unprecedented – this making the situation more dramatic.

I am stressing this aspect because it is important to clarify that the world (and Italy, before and after its unification) has already experienced a similar situation, from which drawing analytical tools and suggestions on how to cope with it.

Let's get into the matter. Something that shall not be done when social fears rise, is to use such fear for political aims. This upsets society and institutions. It is useless to provide historical examples, but this is what is happening now. The government is promoting an authentic "plague-spreader" manhunt. After a leak, thousands of people "escaped" from Milan and from the North towards the Southern regions, and the government severely condemned this behaviour accusing them to spread the virus in the south. I'm not suggesting the existence of conspiracy, but I do not believe in ingenuity. These facts have been used to legitimise restrictive measures and to invoke others, even stricter. Local Governors and Mayors played sheriffs, adding the issue of the public order on top of the pre-existing healthcare emergency. At this moment, the pandemic is more a public order issue (and social isolation) rather than a healthcare issue (it will take a while before a vaccine is studied and poured into the market). Let us take into account the cases of the Mayor

of Messina and the President of Sicily (but they're not isolated cases, this phenomenon is quite popular and TVs go for it). The motto "Stay home" became a political and moral imperative: if you go out, not only you are an offender, but also an irresponsible and plague-spreader. I like to make it clear that so far, in Italy, the only possible way to avoid the spread is social distancing, considering the lack of technological and cultural measures as, for instance, in South-Korea. But was there really a need for a manhunt? Why dramatizing this phenomenon? It is useless to look backward now, but it is useful to look at what this approach brought: a process implying not only the fear for the virus, but also the fear for "the others", to be punished for their irresponsible behaviours. This is a classical mechanism to raise consensus around authoritarian measures in times of crises. We are surely facing a true emergency, although exacerbated by the deficiencies of our healthcare system and the complete inability of our institutions to mediate the whole thing (then hiding beyond the shield of the technical inability). But let us ask ourselves: why is the government is still using the legal tool of the Prime Ministerial Decrees instead of the Law Decrees? Why keeping on debasing the Parliament further? We should think about these circumstances in order to draw up comprehensive analytical grids at the basis of such process. It would be useful to analyse what happened in Sicily. The first wave of returns from the North was uncontrolled, the Sicilian administration being unable to cope with it. The public opinion and the media "criminalised" such behaviours, calling it a scandal that a grandchild visited a grandfather in a nursing home thus spreading the virus. This just enhances a social hate. No one ever thought about the reasons why people returned to their homeland in Sicily – economic? Social? Family reasons? The President of the Region blocked both inbound and outbound transport towards and from Sicily. Then, he pieced together a disembarkation of immigrants (that never happened, according



to the Ministry of the Interiors) using pictures found on social networks. Some families were left for nights at the docks of the ports, without receiving hospitality. Two French street artists have been pictured as irresponsible tourists spreading the virus further. Following these episodes, the President of the Region and the Mayor of Messina claimed the government inefficiency, demanding more powers to control and repress. But that was not enough. Once the landings were over, they claimed the enforcement of article 31 of the Regional Statute of Sicily, enabling the President of the Region in times of emergency to have available the Italian national army and the national police forces. Paradoxically, the Sicilians have historically claimed the inefficiency of their Regional Statute, considering it as an expression of excessive and inefficient bureaucracy: but now, it looks like to only instrument to safeguard the security of the island. Years of scepticism erased for the fear of plague-spreaders.

What should we learn from these episodes? Because the recovery will not be immediate or uniform, the emergency will last for a while, and the risk of exploitation by either the government and the opposition is extremely elevated. The national opposition will find fertile ground for its authoritarian and anti-European ideals. The populists (Five Stars Movement) will instead definitely relaunch their justicialist and anti-parliamentarian trends.

The pandemic is becoming a dangerous threat for democracy, pushing towards authoritarian solutions. And this is even fostered by the current economic and social crisis. There's no need to recall what happened in the times of Fascism or Weimar. It is sufficient to remember the populist wave affecting Italy just one year ago, before the pandemic. It shows an ongoing attrition of society (not only) in Italy, together with a propensity towards authoritarian solutions. The threat is so serious that we should not underrate it, and we should try to launch policies against it. It is necessary to start our social

recovery immediately, without waiting for the vaccine. Time is not by our side. And I'm still disturbed by the Secretary of the Democratic Party who is still refusing to think about "tomorrow", and keeps on telling everyone to just stay home.

## **Fake News Strike again. The Consequences of Fake Information in Italy**

*Martina Dlabajová*

Published on April 21<sup>st</sup>, 2020

Fake news is everywhere. Their only goal is to spread false information, aspiring to achieve the highest possible number of readers, sharing posts on the social networks and creating echoes in-between a post and another, exploiting the sensitivity of the users that make comments compulsively without checking the source of information.

Unfortunately, the greatest part of the publications succeeds in their goals, either in case they are clearly false or they are ambiguous and insidious at the point the reader becomes doubtful. Sometime just a title is enough. As it was recently highlighted by a survey conducted by Ipsos, 81% of Czech citizens dealt with fake news at least once, admitting that at first glance they did not realise it was a false information. They just considered the news as true, and they shared its content. The damage was done.

A similar situation happened few days ago in Italy, where a fake news caused an incredible sentiment of hate toward the Czech Republic. And, if its dissemination had not been blocked, it might have caused a far-reaching diplomatic incident with serious consequences.

What happened? The Italian daily newspaper “*La Repubblica*” published an article claiming that the Czech government allegedly seized the provision of medical supplies originally meant to be sent to Italy, arbitrarily deciding to allocate the provision to the Czech healthcare authorities. The article entitled “*Coronavirus, facemasks for Italy seized by the Czech Republic*”; it

accused the Czech of being selfish and uncaring for the destiny of the others. This, right in the middle of a pandemic running over the whole Continent. This accusation was grounded on a comment made by the Czech analyst Lukà Lev Cervinka (affiliated with the Czech Pirate Party currently at the opposition) who, on his Facebook page, published the image of boxes allegedly containing the seized furniture and stressing how the Czech authorities acted with the intention of seizing supplies originally meant to be sent to the Italian hospitals. An allegation published by Cervinka without having carried out any inquiry, simply noticing the Italian and Chinese flags on the boxes. I do not want to speculate on the reasons why Andrea Tarquini of “La Repubblica” was so much interested by this incident, but one thing is certain: from its very beginning, the article was grounded on information passed off as independent, since Cervinka was described as a “researcher” without mentioning his political affiliation, and without even considering the possible consequences of the article.

This distorted version of the facts was then disseminated further by other Italian media, and then also cited by several foreign newspapers. These *clickbait*-style titles then fostered the reactions of the keyboard warriors on the social network, further amplifying the spread of such false information. Unfortunately, some of my MEP colleagues, instead of trying to calm down the situation, entrusted the article although they did not even check its sources, nor they accepted the trustworthy explanations and information received from both the Italian and the Czech Embassies.

This incident, grounded on completely false information, generated more than half a million hate comments on Facebook and Twitter. The Italians, under the stressful situation of experiencing a national lockdown since weeks at that point, did not lose the chance to lash out at a common enemy: the Czech. Unjustly. Why all this?

In mid-March, the Czech police did actually seize 680 thousand masks and 28 thousand ventilators kept in a deposit in the industrial area of Lovosice (following a trail eventually leading them to traffickers suspected to sell the supplies at a premium). After the official investigation, it was found that only 100 thousand facemasks were part of a donation made by the Qingtian Chinese Red Cross to the Chinese citizens residing in Italy.

The case is surely complex and the investigation will likely last for a while, but the Czech authorities (through the Minister of the Interior Jan Hamacek) immediately ensured that the Italians would not lose one single facemask. Since the very beginning, the Czech Republic had decided to replace that seized material with its very own healthcare supplies, sending them to Italy. And that is exactly what happened. Eventually, 110 thousand facemasks were sent to Rome on a bus set up by the Ministry of Foreign Affairs. Even more aid supplies were further sent to Italy: 10 thousand protective suits, and models and instructions to print 3D ventilators. Further aid measures to help Italy against the spread of contagions are currently being discussed.

The story – the true story – had a happy ending, and the excellent job made by the Italian and Czech diplomacies should be noted – particularly, by the Czech Ambassador to Rome and the Czech Consul to Milan. Only thanks to the long-lasting relationships of the Czech embassy and consulate was it possible to put out the fire and avoid the further spread of fake news before they kept on causing further damages.

No one will ever know how many people are still believing to the first false information without being informed on how things really went. No one will ever know how many people kept commenting hate speech on the Italian media and on the social network.

During these difficult times, we have to be even more cau-

tious when reading the news; we should not believe whatever we read without priorly checking its sources or without gathering information and contextualising events. The dissemination of wrongful information, the incitement to hatred, and the fostering of anti-European resentments are the last thing the EU and its member states need. Now that we're all locked down in our houses and thousands of news on the coronavirus are released, we have to be even more cautious to pay attention to what we read and what we hear. Seemingly, we have to give the proper weight to every single word we write or speak. Now, more than ever, it is important to verify the information we receive before processing them properly, otherwise we will run into other similar incidents. We surely do not want to live in a world like this, do we?

## **The Believers at the Time of Coronavirus. How the Catholics Live the Current Threat.**

*Pietro Natale Belluso*

Published on April 24<sup>th</sup>, 2020

We asked to Don Pietro Natale Belluso, of the *Parish Church B.V.M. in Cielo Assunta alla Plaia* in Catania, how the Catholic faithful are experiencing the current “restrictions” to observe the holy days.

The current emergency is gradually and inevitably leading us to transform our standards of living, our relationships with ourselves and our neighbours, with the Creation, and with things in general. “A man is rich in proportion to the number of things which he can afford to let alone” writes Thoreau in *Walden*, and this is exactly what we are experiencing in these times of crisis.

The Faithful relationship with faith is getting more and more intense. Many feel a deep desire of inwardness and reflection, something we were losing in our pre-Covid lives.

But every reflection depends on the personality of an individual, that’s the starting point. I start from my experience: a Christian Catholic presbyter for three years now, one and a half in Catania. I will try to answer the following question: how are the believers living the current threat?

The Church never closed, it remained always open for those willing to pray individually. As we all now, unfortunately religious ceremonies have been forbidden as to avoid gatherings and overcrowding. Therefore, I privately celebrate the solemn Mass every day, behind closed doors, without the presence of the worshippers but for their benefit.

The Church has always been present these days, in many different ways. Data show how averagely 15 million people follow the holy Masses celebrated by Pope Francis on TV; many priests discovered alternative pastoral ideologies through the use of social media and apps, in order not to leave worshippers alone. Nevertheless, we cannot deny that the measures set out by the government destabilised the followers, especially in a period like the Holy Week and Easter.

Personally, I have never been keen on communication by remote and through the social media: I find it depersonalising and it lacks the warmth of being together. But forced to make a virtue of necessity to be closer to each other, I decided to post my celebrations on Facebook, as to ensure both religious and human comfort to followers.

Thanks to a special concession by Pope Francis, the worshippers joining online Masses could benefit of the indulgence making the spiritual communion. Whoever is able to reach a Church close to his house, might also share the Eucharist.

In these troublesome days, I finally understood what Pope Francis meant when referring to the “Exodus” from the Church. In the belief that particularly for us as presbyters this has been a chance to feel like the missionaries, when trying to heal the wounds of these days. We needed to reverse the course: once the followers came in our churches, now we are going in their houses. For instance, I published on the Facebook page of the church several spiritual retreats in preparation for Easter, and this turned out to be a large virtual agora to bring comfort to those willing to be comforted.

But: can the *ecclesia* (literally: assembly) be such in the absence of a physical gathering? The situation we are living is helping us to reassess our relationship with the community, and the inner sense of our being a community, all together. Clearly,



taking part to remote religious services is just a provisional measure in these times of crisis, since the original and natural form of the *ecclesia* is gathering around the Eucharist. That is also what Pope Francis said during a Mass he celebrated in Santa Marta: not to remain stuck in a virtual faith. The virtual Church is a product of the current emergency; but the authentic Church is only the one where people gather.

Probably, the positive news of this period is that we rediscovered the sense of what the original worshippers described as a “domestic church”, a church gathering around heart. Many households pray all together already, but other are learning the benefits thanks to the aids that the Italian Episcopal Conference periodically puts at their availability.

Of this period, we will always remember Pope Francis in an empty Saint Peter Square in Rome, a landmark of how the Church is close to those people experiencing several different forms of loneliness: economic difficulties, the elderly in nursing homes, the inmates, the infirm, those who died alone and were fleetingly buried after a quick blessing in front of the church. It is the same loneliness of Jesus Christ betrayed and alone in the Garden of the Gethsemane, who died on the cross to be closer to the human frailties.

But the cross of Christ paves the way for the Resurrection!

In this brief article, I will deliver some final words about Charity, which is a sign of hope and resurrection. My parish churches, as other churches, was a vessel of charity for many people who donated with generosity, and received with the same generosity. I thank all those who offered basic necessities for families in difficulty: the Christian Renaissance Movement, the Halley Sud and the many individuals who offered their donations. We are aware that a lot of families are experiencing the devastating effects of this crisis, and our help is not the solution to their problems, but it surely is a little relief alleviating their suffering.

Together with Christ, we are bearing the crosses of a wounded mankind, awaiting to restart stronger than before and with a major belief in the Almighty and in humanity: this is the resurrection to which Christ calls us.

## **The Price of Freedom is the Everlasting Surveillance.**

*Lorenzo Infantino – Emanuele Raco*

Published on May 2<sup>nd</sup>, 2020

We asked to Professor Lorenzo Infantino, Professor of Philosophy of Social Sciences at the LUISS University of Rome and distinguished international scholar for his works of liberal inspiration, some questions related to the current emergency due to the COVID-19 pandemic.

*Professor Infantino, what risks do the rising presence of public institutions pose on personal liberties? Do the enemies of the open society take advantage from this situation?*

As the pioneers of Liberalism taught us, the price for freedom is an everlasting surveillance. We cannot be distracted, not even for a minute. David Hume exhorted us to prefer Law to Men. When for the reasons of an emergency, the rules are temporarily set aside, we have to enhance our surveillance. Not everyone understands how beneficial an open Society is. Many are deceived that the simplicity of the centralisation in decision-making processes might be a solution to every problem, thus falling victims of the demagogues. The latter historically led to the failure of once civilised peoples, and if we look at the 20th Century, this is very much obvious.

*The current geopolitical situation, in constant transformation, is still more and more modifying in light of the different national responses to the spread of the virus. It seems that, from USA to China, there is a common denominator, namely, a strengthening of the collective identity to the detriment of the individual freedom of choice.*

The geopolitical balance between the Nations is never per-

manent. Although we do not notice it, we are constantly under geopolitical transformations – stillness is not part of mankind. We'll see how it goes. But I would not equate the situation America to China. The USA are a free country. Now they are led by a man we may dislike, but yet he will not be able to overturn the rules. He might even be elected again, but he'll never be able to subvert the American history and its institutions. As to understand how a liberal democracy works, Alexis de Tocqueville visited the United States. He never thought about going to China, where communism took place under a longstanding tradition of the “oriental despotism”.

It is disturbing to hear some Italian commentators say that the Chinese is just a “different” democracy compared to ours. The Chinese communism is nothing but another version of a totalitarian State. As History showed – and as the events in Hong Kong are showing – China denies freedom and actually constantly violates it, because that's the basic principle of its own existence. Seeing it from the outside, and misled by propaganda, we think that the Chinese economy is unstoppable and nothing will prevent China from a bright and prosperous future. No one thought that the Soviet empire would collapse from one moment to the next. Some western economists (as Paul Samuelson) declared that the communist economy was destined to overcome the capitalist economy. We all know how things worked out. As every regime, the Chinese has an inner and undoubted frailty. Economic imbalances could lead to irremediable inner conflicts, and to the end of the Chinese empire.

*Coming to Italy, our different healthcare authorities appear macroscopically uncoordinated with each other. How is it possible to combine local autonomies and powers with the needs of coordination that are essential in historical periods as the one we are going through?*

A lot of debates we see are a product of political tactics.

Some might say that this is the price to pay for democracy. But this is a hurried diagnosis, because it does not take into account the limitless coercive power that an illiberal regime brings, nor the ideological suppression we would all have to face. Today's exasperated tactics is what we have when the leading classes are not aware of their accountability, or they lose the inner meaning of their duties. Politics is a drama, as the entire human tragedy is. Max Weber once stressed that social actors lacked the awareness of such human tragedy, especially in the political activity. We should think about it.

*There is great demand for a political liberal force, but the supply is missing. What to do?*

It is difficult to answer to this question. The current political supply is clearly unable to satisfy the liberal demand. And that is serious, because this means that we will be unable to face our future and the challenges that it brings. The current political forces are shaped on redistributive policies, leading to the squandering of resources and to a fall of productivity. The current crisis poses us in an extremely difficult situation. In his last interview, Friedrich A. von Hayek (probably the scholar that mostly embedded the liberal ideology during the 20th century) called his interviewer back and told him: to overcome the State interventionism, the liberals have to be "agitators", they have to engage with all their strength. He then added: if the global economy collapses, the populations of entire countries would starve. Hayek's last lesson may be enlightening in these days and the choices we will be called to make.

Which book would you suggest to read during these last days of social isolation?

I would suggest the interesting publications issued with "Biblioteca Austriaca", a series of books I founded in the mid-Nineties with the publishing house Rubbettino. For starters, I'd

suggest Liberalism written by Hayek, for the benefit of those who do not know much about liberalism. And it might even bring some comfort to those who believe that the lack of freedom is nothing but barbarism.

## **Public Opinion Is always the Same... or Nearly.**

*Giuseppe Benedetto*

Published on June 8<sup>th</sup>, 2020

On these days we have all become aware of the impact of public opinion, intended as the main reference of pseudo-political manifestations. We thought that the virtual public opinion replaced the real public opinion, instead, this was not the case and for the worst reasons. I confess that I never loved public manifestations – neither left-wing nor right-wing, but in the past, before the Web, at least they played a useful social role.

Let us think about historical public manifestations: the funerals of Enrico Berlinguer; the assembly for the referendum on the abolition of the divorce at Piazza del Popolo in Rome; and so on. By the way – at least until the advent of the Second Republic – we cannot deny that public manifestations played a genuine political role both for democracy and for freedom.

Today, public manifestations are the occasions to vent out our most indecent instincts, to insult and offend (and often it is even difficult to understand against who). Not a single argument, a reasoning, not even a slogan at this point. Just megaphone yells.

No one in Italy ever believed the organisers of public manifestations when they declared the number of people who participated. Everyone remembers the “1 million people” manifestations, when actually not even 100.000 people were present. These numbers were once relevant, now they look even funny.

Yet not considering how worrying public manifestations would be in our days, after that a devastating pandemic locked half the world down, there is notice of several people (with clear mental disorders) gathering together and attacking who-

ever passed by: policemen, journalists, or even random people just passing by.

Why do they do it? Because they are well-aware that they will get into the papers. Maybe a newspaper will mention one of these madmen, who would otherwise be kept confined in oblivion.

Now I wonder: why do newspaper editors give importance to these people? Why giving them visibility? Why do they fall into this trap? Because we do not want to prevent no one from expressing their thoughts and manifesting, we should ask the media to be slightly more cautious.

We understand that people yelling in a megaphone make more audience than the boring cultural gatherings, but chasing nothing but the audience means to compete with the stupid. And we all know that the stupid is the winner in his field.



## **The App Immuni.**

*Sergio Boccadutri*

Published on June 18, 2020

Since its launch, the app Immuni divided the country in two separate categories. Most obviously, at the beginning I adopted a disapproving position as well – a position I keep on maintaining for a set of reasons that I will briefly try to explain.

One of the arguments in favour of the App is that toady our data and our geolocation are in everyone's hands, especially social networks. Therefore, does it make any difference to install it?

Some others, concerning privacy issues, think that we should all give up our privacy for the higher motive of the collective health. Therefore, a strict monitoring of our movements would be the best way to limit the spread of the virus.

These arguments might look similar, but they are not. Downloading the App implies an in-depth analysis of several other issues, for instance, technological and geopolitical threats.

Let's come to the first argument, surely the weakest. Stating that we can download an app just because "by now through our smartphones everyone listens to us and knows where we are" or because "every time we surf on the internet, we share our information to others", seems to forget that this time downloading this App implies giving the government the possibility to use our data in authoritative ways. Contrarily, the alert signalled by the App Immuni would indirectly force us to obligations and prohibitions.

According to the communication released by the Ministry of Health on May 29th, 2020, the alert warns us about the possibility that we got into close contact with a COVID-19 positive. According to the communication, "close contact" would

be also the case of “a person who had a direct contact (face to face) with a COVID-positive person, at a shorter range than 2 meters and for at least 15 minutes”.

The contacts would be therefore subject not only to an absolute prohibition to move from their houses, but as well to the obligation of being trackable for the activities of active surveillance.

Moreover, those who received the alert would be prevented from reaching their workplaces, according to the April 24th Protocol. In fact, the companies have to inform their employees about “accepting the fact of not having the authorisation to enter or remain in the company and of having to declare promptly if, even after the access, dangerous conditions exist (flu symptoms, temperature, coming from areas at risk of contact with people positive for the virus in the previous 14 days, etc.) in which the measures of the Authority require to inform the patient GP and Health Authority and stay at home”. If we link this provision to the fact that the main goal of the App is to invite people to get in touch with their doctors, then accordingly after the alert there is an absolute prohibition for the employee to reach the workplace.

It is clear that neither a social network, nor anyone else, can force anyone to such restrictions from free movements. With all due respect to those saying “if everyone already has our data, why not downloading the app”.

The second argument is way more serious, and it deserves respect. In fact, according to the Constitutional principle of solidarity, our individual rights can be constrained in the name of the higher safeguard of the community. Exactly like it is in this case, when facing a global pandemic without a vaccine yet.

But the same principle of solidarity should be respected by the State, that should try to inform the alerted person as soon as possible on his/her health condition. Today the waiting time for a PCR can even stretch up until more than a week. Is

maybe the public administration accountable for such delay? Can a citizen be at the mercy of an excessively bureaucratic administration, more worried about proclaims than setting out concrete provisions? How can a citizen fight back against such inefficiency of the State?

We're not talking about the conditions that a lot of the healthcare and medical personnel had to cope with; actually, they have been victims themselves of an inefficient management of the situation by those who had the powers and the authority to manage it. We can only thank these people, who did their best despite everything. No. Here we are talking about the fact that if the government wants to implement the Immuni App, then it has to do it within an organised and efficient framework of rules and conditions. The Order on the App Immuni was signed on April 16th by Commissioner Arcuri. But even before that date, the government should have foreseen how things would have gone, and they had all the time to set out an efficient contact tracing solution, and to handle all the alert cases.

In short, while we were concentrating on the nature and the efficiency of the App, someone should have worked hard to make the whole system efficient.

While I am writing this article, there is news from Singapore (one of the countries making an extensive use of contact tracing Apps) that half the infected people are asymptomatic. Thus, their App is not working as expected anymore. If half of the infected is not even affected by a common cold, maybe relying too much on an App made us forget that we still know little about Covid and that we still live in uncertainty – a phase in which the last thing we can do is locking us back in our homes.





**SECTION III**  
**LEGAL**

## **Are We more Khomeinist than the Ayatollah?**

*Nicola Galati*

Published on March 31<sup>st</sup>, 2020

The World Health Organisation raised the alarm concerning the possible spread of the virus in jailhouses.

Living conditions in prisons, where many people live in confined spaces and in close contact for long periods of time, enhance the risk of spreading of the virus both inside and outside jails (it is in fact impossible to exclude contacts between the inmates and “outsiders”).

The difficulty of complying to the hygiene and healthcare rules precisely, the impossibility of maintaining distancing, the lack of individual protection devices, common areas, all these aspects enhance the chance the virus spreads over.

Moreover, there is a higher risk that if an inmate gets infected, the consequences can be more severe: the elderly, the inmates affected by previous illness, immunosuppressed persons.

Prisons are epidemiological bombs.

The current global emergency is leading several State authorities around the world to set out measures to diminish the presence of inmates in jailhouses, according to the WHO guidelines, the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, and to the UN Committee Against Torture.

The implementation of such measures is being discussed in Iran, France, Spain, U.S.A. and India, but the Italian response is currently lacking.

The situation in the Italian prisons is even more serious, in consideration of the issue of overcrowding which has histori-

cally affected Italian jails. The pre-COVID-19 facts and figures show that there was a total of 61,000 inmates in Italian prisons, while the standard occupancy was 51,000 persons (although places actually available were 47,000). As of March 30th, 2020, the current inmates are 57,590 (according to the National Guarantor for the Rights of Persons Detained or Deprived of Liberty).

This everlasting overcrowding (on top of it, the lack of PCRs and protective equipment) enhanced notably the risk of contagion, and it impeded the possibility that the infected inmates would observe the period of isolation, or that those in close contact with the infected observe the period of quarantine.

Article 124 of the Law Decree n. 18 of March 17th, 2020 (so-called “Cure Italy”) provides extraordinary permits for inmates under work-release, and article 123 introduced special hypothesis of home detention derogating to the general provisions contained in Law n. 199/2010.

Particularly, home detention may be applied for inmates imprisoned for less than 18 months. Certain categories of inmates are excluded from the benefit: those serving prison term for serious crimes, terrorism and organised crime, domestic violence, and stalking, or the recipients of disciplinary provisions related to riots and disorders starting from March 7th, 2020.

The law further provides that those taking benefit of the special measures wear an electronic bracelet (except for minors and for inmates imprisoned for less than 6 months).

The implementation of the special permits has to be established by a supervisory magistrate, who can refuse to apply such measures if he recognises serious reasons against the application of benefits.

The lack of electronic bracelets, and the length of the procedure to apply these benefits makes the implementation of these measures useless and inadequate to solve the current emergency.

The Italian Supreme Judicial Council, the National Association of Italian Magistrates, the National Guarantor for the Rights of Persons Detained, territorial Guarantors, the Union of Criminal Chambers, and numerous associations for the rights of the detained, are criticising the way such measures are adopted.

The Minister of Justice Bonafede reported to the Parliament that the measures might be applied to 6,000 inmates (way too optimistic, and in any case not enough to solve the issue of overcrowding). Currently only 920 e-bracelets are available, and it will take time before the needed number of 5,000 is reached.

In the meantime, the virus threat is still elevated, and the risk of spread over in prison is still extremely high.

The government and the Parliament (for instance, when converting the Law Decree) should listen to the arguments arriving from the Judiciary sector, the Attorneys, and Academics alike, and should adopt brave and incisive measures to actually diminish drastically and rapidly the number of inmates. For instance: introducing a special early release; raising the hypotheses of home detention without e-bracelet; postpone the execution of the sentences; re-apply preventive detention only in cases of authentic *extrema ratio*.

Once the emergency is over, it will be essential to deal with the Italian prison conditions, in order to avoid that this situation will recur.

The issue of the Italian prison overcrowding has been sadly well-known for years (in 2013, the European Court of Human Rights condemned Italy for inhuman treatment of prisoners because of overcrowding), but our political scene has avoided or ignored the issue. The reform of the prison system has been procrastinated and delayed for political reasons.

We are constantly violating our own Constitutional principles, according to which "*Punishments may not be inhuman and*



*shall aim at re-educating the convicted*” (art. 27), and the European conventions forbidding the application of inhuman and degrading punishments (art. 3 Charter of Fundamental Rights).

Today the prisoners, prison officers, the personnel and the operators are exposed to elevated risks. What the cynics do not take into account is that the spread of contagions inside the prisons would foster the spread also outside prisons, and our national healthcare system would be unable to face an emergency within the emergency.

The State has the obligation to guarantee the prisoners’ right to health. They cannot be treated as rejects of society. They are fathers, mothers, sons, daughters, brothers, and sisters, and they are even more exposed to our common danger. Let us not forget them, and let us not abandon them.

## **From the Habeas Corpus to the Videas Corpus.**

*Nicola Galati*

Published on April 16<sup>th</sup>, 2020

On conversion of the Law Decree n. 18/2020, so called Cura Italia, an amendment on the text provided that criminal hearings of certain types can be held remotely until June 30<sup>th</sup>.

Basically, remote criminal hearing is introduced, providing that the parties at trial attend the hearings each from a different location (with special exemptions).

Remote connection is allowed also during preliminary investigations and for deliberations of the Council Chamber.

The Senate approved the bill, now pending in front of the Chamber of Deputies. The Forensic Chambers criticised these measures because they might compress the right to fair trial and the right of counsel. The deep meaning of this stance is to safeguard these fundamental principles, not to struggle against the use of technology.

Under article 111 of the Italian Constitution is not a fair trial: the right to be heard would be infringed, as the parties would speak not in front of a judge but in front of a computer, thereby violating the principles of orality and immediacy.

There are intrinsic limitations embedded in technological tools (technical issues, delays, troubles due to the connection and the audio quality) impeding the efficient and fluid conduction of the hearing, and most of all of the right to be heard: promptness and immediacy of oral discourses would not be guaranteed, and the emotional control of what goes on during trials would be lost. These features would further represent a serious bias for the cross examination.

Other concerns have been raised as well, related to confi-

dentiality in decisions taken by the Council Chamber. The law does not provide technical rules and procedures regulating remote connections, delegating their enforcement to the Director General of IT and Automated systems of the Ministry of Justice. Finally, privacy and data protection issues have to be considered, as well as cybersecurity issues.

But the most serious consequences of remote hearing lie within the de-humanisation of the trial. Choosing to keep the parties at trial distant, emptying the chambers, and other similar provisions, will seriously affect the sacrality of the celebration of trials – which is central, under the principles of the administration of justice. The “man” will lose his central role, being replaced by a computer-based projection that will move away the defendant from his judge.

There is a further risk that conducting hearing this way will protract way further than June 30th. The exception might become the rule, as some say, as we all remember of “emergency measures” eventually becoming permanent. All this, would represent a further blow on the adversarial system.

Once again, in balancing several interests at stake, the right to a fair trial has been sacrificed. And this represents the emblematic representation of the relationship between the State and the Individual in Italy.

## **On Crimes and Punishments at the Time of Coronavirus.**

*Ezechia Paolo Reale*

Published on April 22<sup>nd</sup>, 2020

It appears like the jurists gave up in providing technical and critical support to the politicians who are called to deal with the COVID-19 pandemic. In such a moment, policies and regulations should be set out in compliance with the Constitutional principles.

My impression is that the provisions implemented to face the emergency are lacking of an in-depth legal analysis: all the attention is focused on economic aspects, and on what can be done and what cannot, without paying due attention to constitutional and legal problems in a broader sense.

Two examples.

Decrees, and national, regional, and local orders.

Hundreds of regional and local orders are enforced, the last one, Order n. 17 by the Region Sicily (18/04/2020), aligning the Sicily restrictive measures to national measures.

On a legal standpoint, this order is completely useless. It probably adds something only on a communicative standpoint, and avoids some confusion among the Sicilian citizens.

For those who have read article 3 of the Law Decree n. 19/2020, it should be clear that *“Pending the adoption of the decrees of the President of the Council of Ministers referred to in article 2, paragraph 1, and with limited effectiveness until that moment, the regions, in relation to specific situations of worsening of the health risk occurring in their territory or in a part of it, may introduce further restrictive measures, among those referred to in article 1, paragraph 2, exclusively within the scope of the activities for which they are responsible and without affecting productive activities and*

those of strategic importance for the national economy”.

Moreover, “Mayors may not adopt, under penalty of ineffectiveness, extraordinary emergency orders (“ordinanze contingibili e urgenti”) aimed at dealing with the emergency in conflict with government measures, nor exceeding the limits of the object referred to in paragraph 1. 3. The provisions set forth by this article shall also apply to acts carried out for health reasons by virtue of powers conferred by any previous mandatory legal provision.”.

Should someone still doubt that the Mayors and the Presidents of the Regions are not allowed to adopt extraordinary measures affecting their citizen personal liberties (except within the limits of the abovementioned law), it is useful to read the opinion of the Council of the State n. 735/2020 – abrogating the order adopted by the Mayor of Messina De Luca which implements measures to regulate access to Sicily through the Strait of Messina.

*“Although consistently to local autonomies, in cases of emergencies of national relevance, the uniform management of such emergency shall be ensured. The risk shall be avoided that regional or local measures can undermine the efforts made on a national scale, especially if such measures pose restrictions on personal liberties [...] art. 3 of the Law Decree acknowledges autonomous competences to the Presidents of the Regions and to the Mayors only:*

1. Pending the adoption of the decrees of the President of the Council of Ministers referred to in article 2, paragraph 1, and with limited effectiveness until that moment;

2. in relation to specific situations of worsening of the health risk occurring in their territory or in a part of it; these situations not only have to be proclaimed, but also demonstrated;

3. exclusively within the scope of the activities for which they are responsible;

4. without affecting productive activities and those of strategic importance for the national economy”.

Article 2 of Law Decree n. 19/2020 states that “*The other measures, still in force on the same date (that is, March 26/2020), continue to apply for a further ten days.*”

This implies regional and local orders adopted before March 25th are to lose their legal validity on April 5th, 2020, while those adopted later than that date are binding until the same date the Decree of the President of the Council of Ministers has become effective (10/04/2020, effective until May 5th, 2020).

It is therefore clear that the orders of the President of the Region of Sicily n. 12 (29/03/2020), n. 13 (1/04/2020), n. 14 (3/04/2020), n. 15 (8/04/2020), and n. 16 (11/04/2020) lost their validity when the Decree became effective (14/04/2020).

In harmonising regional and national legislations, President Musumeci did the right thing. He also clarified further some specific issues concerning citizen free movements – although national measures were already clear on the point.

The only technical scepticisms concern the power of the President of the Region to adopt further restrictions on top of the limitations provided by the President of the Council of Ministers.

But this is a small issue, as it concerns only measures valid between April 14th and 18th.

It is further clear that whether the President of the Council should not set forth further measures after May 5th, then the President of the Region has the power to enforce restrictive measures that would remain effective until a hypothetical new national decree is implemented.

Stay-at-home orders.

Article 1 of the Law Decree n. 19/2020 gives power to the President of the Council to set forth rules that 1) enforce precautionary quarantine measure to persons who have had close contact with confirmed cases of contagious infectious disease or who have returned from areas outside the Italian territory

and 2) absolutely prohibits to persons subject to quarantine for testing positive for the virus to leave their home or residence.

Article 1 of the Prime Ministerial Decree of April 10th, 2020 states that *“it is absolutely forbidden for quarantined individuals or those who have tested positive for the virus to move from their home or residence”*. The measures are in line in both cases of the implementation of precautionary quarantine measure to persons who have had close contact with confirmed cases of contagious infectious disease, and the absolute prohibition for persons subject to quarantine for testing positive for the virus to leave their home or residence. A further clarification of the situation for those who back from areas outside the Italian territory was desirable, considering that for those individuals separate provisions apply (article 4, 5, and 6, of PMD of April 10<sup>th</sup>; art. 6, par. 4, Law Decree n. 19/2020). Specifically, a distinction between those violating quarantine for testing positive (liable of criminal charges) and those violating precautionary quarantine (liable of administrative sanctions), had to be provided.

Considering the entity of the sanctions against those violating mandatory isolation, the measures posing restrictions on personal liberties in name of the collective health had surely to be better regulated – especially in light of the possible infringement upon the citizens’ constitutional rights.

This becomes even more crucial when considering the length of the period of isolation: 14 days for those under precautionary quarantine; an undefined time for those under quarantine for testing positive (as the duration depends on the different rules and protocols adopted by the regions).

In other words: before regaining their freedom, both precautionary quarantined individuals, and quarantined individuals for testing positive, have to test negative. But this duration of quarantine depends on the different regional healthcare systems and services – some could be “quicker”, others “slower”.

It seems obvious that the conditions upon which the indi-

viduals who tested positive and those who observe the precautionary quarantine are too broad and abstract. Instead, the orders providing isolation or a quarantine should be grounded on a correct assessment of the conditions upon which restrictive measures apply to those individuals.

In order to identify the competent authority to adopt the order, the order of the Ministry of Health of February 22<sup>nd</sup>, 2020, states that *“The competent local healthcare authorities shall apply the quarantine measure with active surveillance for 14 days among individuals who have had close contacts with confirmed cases of infectious disease”*.

The same order gives power to local authorities to implement measures regulating fiduciary isolation with active surveillance among individuals who have returned from areas outside the Italian territory.

The order does not confer powers to adopt such measures, leaving the question open between two options: the regional authorities (according to the general provisions set forth by the Local Healthcare Authorities) or the Mayor, whose powers are limited to the regulation of healthcare treatments within the territory of the municipality.

Moreover, the order of isolation represents a measure restricting individual freedom under article 13 of the Constitution, according to which personal liberty is inviolable *“except by a judiciary order stating a reason and only in such cases and in such manner as provided by Law”*. This provision is imperative also in the cases provided under article 32 of the Constitution – in the matter of mandatory healthcare treatments, that have to be checked by the judiciary ascertaining the conditions for such treatments.

This check appears fundamental today, given the uncertain length of the isolation measures that quarantined individuals are forced to observe. In fact, the regional healthcare systems have discretionary powers concerning the manners and the ti-



mes of verification eventually enabling the individuals to be “free” after isolation.

I called upon the members of the Parliament to convert the Law Decree n. 19/2020 in Law, so that an in-depth check can be finally made on these juridical issues (conferral of powers, jurisdiction, length) that will probably profoundly affect personal liberties at least until the spread of the virus is no longer be “pandemic”.

We cannot accept the fact that yet after two months since the beginning of the emergency, a rational and permanent legal framework legitimising restrictive measures is lacking.

What is sure, is that under article 32 of the Italian Constitution the check of the Judiciary on the provisions ordering isolation and quarantine should apply only in case an individual waves it, but in any case, the implementation of a regulation providing judicial control (rather than an administrative control) on measures constraining personal liberties is crucial.

## **The Healthcare Emergency and the Rule of Law in Italy.**

*Lorena Villa – Nicola Galati*

Published on May 1<sup>st</sup>, 2020

The current COVID-19 pandemic is seriously endangering liberal democracies, open societies and the rule of law. As taught by Hayek, emergencies have always represented an excuse to erode personal liberty.

The crisis posed authoritarian and liberal-democrat governments face to face again. Some claimed that dictatorships might better control the spread of the virus (because of their limitless power in restricting liberties). The truth is, instead, that corruption and darkness underlying the regimes determines a wrongful and inefficient reaction to the spread of the virus.

As correctly denounced by ALDE, there is a concrete risk of instrumentalising emergency and using this one as an excuse to adopt restrictive measures that are actually useless to face the spread of the virus.

Free countries are currently facing a crucial challenge for their own survival: to overcome the crisis with the tools of the rule of law, without resorting to dangerous authoritative shortcuts.

In Italy, the government enforced a national lockdown. The measures implemented so far posed strong restrictions on the citizens' liberties and fundamental rights: personal liberty, free movement, free association, freedom of professing religious beliefs, free private economic enterprise, property.

Moreover, these measures have been initially set forth with the Prime Ministerial Decree (PMD), that is, an administrative act lacking legal force. Albeit several Constitutional provisions safeguard fundamental rights, legal scholars called upon the

possible unlawfulness of the Prime Ministerial Decrees (although some of them referred to the enforcement of the Law Decree n. 6/2020).

First, the Law Decree applied only to the “red zones”, while PMDs apply to the entire Italian territory. Second, the Law Decree set forth only general provisions, while PMDs implemented restrictive measures constraining personal liberties – violating the rule of law. Under article 13 of the Italian Constitution, these measures should have been enforced only after a check of the Judiciary. Only at a later time, a new Law Decree was adopted in order to overcome this lack of control.

The setting forth of measures should comply with the principle of proportionality – thus implying that no other less strict measure could be as efficient as the measures implemented. But there are doubts that other less burdensome measures could not be implemented.

Mostly, restrictions must be temporary. The lack of a clear and accurate time-horizon (given the impossibility to forecast the end of the healthcare emergency) threatens to transform something temporary in something definitive: the past has shown that extraordinary measures may become ordinary rules.

It is discouraging to realise that measures as restrictive have been adopted because of the government lack of trust in citizens – who, on the other hand, have showed a great sense of responsibility.

We have to comply as well about the lack of transparency and clarity of the scientific reasons at the basis of such measures. Citizens have the right to be informed about the reasons why they have to give up their liberties, and which procedure the government followed in order to force them to do so.

In addition, there is a widespread regulatory and communicative confusion. Inconsistent national and local regulations overlapped, proclaims and leaks followed: all this made it impos-

sible for citizens to understand the current policy framework.

Moreover, the healthcare emergency is threatening the very own bases of parliamentary democracy. The elections and a constitutional referendum have been postponed; public manifestations are not allowed; the parliamentary activity is severely slowed down.

No one denies how serious this unprecedented crisis is, and no one claims authoritarian tendencies, but we have to be alert for the serious threat that the emergency poses on our liberal democracies.

Individual liberties may be restricted (for a given period of time, not arbitrarily, and only if necessary) in times of emergency, but they cannot be denied. The interests at stake have to be balanced, and the sacrifice of personal liberties for collective security cannot be considered as obvious. Our constitutional legal systems do provide legal tools to avoid authoritarian tendencies without necessarily tackling the rule of law.

We have to bear in mind for future times of crises that the safeguard of the fundamental rights and liberties is essential and non-exceptional, once a fundamental right is violated there is no way back.

It is essential to avoid mistakes: the current situation does not entail the failure of liberalism and democracy which were absolutely not accountable for the spread of the emergency. Statism, the centralisation of powers, interventionism, and authoritarianism, are not the way to solve the current issues.

The compulsory limitations of our liberties should make us understand how fundamental liberty is and how easy it is to lose it, but all the situation should not persuade us that we can do without it. We should not call upon the State intervention; instead, we have to protect globalisation and the freedom of enterprise, the only ways to recover and overcome the economic crisis.

We can go through the emergency and eradicate the virus without giving up our liberties and democracies.

## **COVID-19 and Accidents at Work. Serious Risks for the Entrepreneurs.**

*Giuseppe Benedetto – Antonio Trimboli*

Published on May 9<sup>th</sup>, 2020

The recent outpouring of law-making seems to be unstoppable. Each sector of society is affected, starting from Economy. The governments seem to pay particular attention to entrepreneurship, to the extent that the Italian entrepreneurs not only have to cope with the economic effects of the virus but, under art. 42 of the Law Decree “Cure Italy”, their legal responsibilities increased. Art. 42 provides that a worker infected at work shall be considered as having an accident at work. Accordingly, the employer is held accountable for the worker injury or death whether the first does not comply with the rules on about safety.

This is all but an isolated hypothesis, considering either the large meaning of “at work” – a concept including the cases when injury occurs outside the workplace and working hours – and the elevated likelihood of the spread of the virus (as well as the slow occurrence of its symptomatology).

The combination between these two factors amplifies the employer criminal liability: the employee might have contracted the virus at home or elsewhere but, since he/she keeps on working before there is evidence of the symptoms, the casual link could be ascribed to the workplace.

The abuse of criminal sanction in cases of accidents at work is showed by the Italian case law. In order not to incur in criminal liability, employers have to adopt not only precautionary safety measures, but also further measures not provided by Law – and a constant surveillance of employees, as well.

Moreover, the employer could be held liable under Legisla-

tive Decree n. 231/2001 also in cases further preventive measures are adopted, such as the enhancement of the use of gloves and face masks or other medical supplies.

Once again, the government interventions are lacking of a whole overview of the system, to the detriment of entrepreneurs – whose high amount of taxes paid yearly enables the State to pay civil-service wages and keep on working, thus creating value.

Let us picture for a minute the story of an employer who just visited his counsel, and has two options: closing his business or start praying.

How is it even conceivable to stress even more those who are already suffering that much? Does the lawmaker realise the possible damages the entrepreneurs (mostly small and medium) could suffer?

It is little worth saying “well, if the entrepreneur did everything he had to, he will not face any problem”. The costs associated to a criminal trial, both human and financial, are enormous.

## **The Employer Liability for COVID-19 Infections.**

*Massimiliano Annetta*

Published on May 17<sup>th</sup>, 2020

When talking about the employer liability for employee infection from COVID-19, a short introduction is necessary: this article is quarrelsome, and not easy to read (it deals with technical issues, and contrarily to what TV shows make people believe, the law is a complex matter). In short, whoever is looking for a superficial analysis had better read something else.

First, article 42/2 of the Law Decree 17/3/2020 (so called “Cure Italy”); then, communication n. 13 of 3/4/2020 issued by INAIL (the Italian National Institute for Security against Accidents at Work) both provide that for a large number of categories of workers, what follows applies: in the “cases of confirmed infection caused by coronavirus”, INAIL shall provide an automatic compensation, recognising in any case the accident as an accident at work.

I have always proclaimed the risks that such provision entails for the enterprises. But two months passed by before the media finally publicised the issue among the public debate.

Better late than never, perhaps, so long as these provisions are eventually abolished (although the “Cure Italy has been converted into Law n. 27, 24/4/2020”). Not exactly: both INAIL and the Minister of the Economic Development Stefano Patuanelli told us that there is no need to abolish anything, since “the automatism between the accident at work and the employer liability does not exist”.

Well, it was already clear that the *Cura Italia* Decree did not introduce a simple nor an irrebuttable presumption, but a rebuttable presumption: considering the employer security posi-

*tion* under article 40, par. 2, of the Italian criminal code (regulating omissive crimes), that was pretty much taken for granted.

In short, thank you for explaining, however that was already pretty much clear to everyone. As a criminal lawyer, I would like to state at least that an employer can submit rebuttal evidence against such a presumption only pending a long and draining criminal trial. In the meantime, the business activity is probably seized, and, in any case, the difficulty of providing such rebuttal evidence is extreme – given the difficulty of proving where the infection actually occurred. Maybe in a few years, Italian entrepreneurs will have the chance to demonstrate their fairness, but one thing is unsure: will they still run their business?

In short, more than “Cure Italy” I would say “Good Luck Italy”. I guess we really need it.





**SECTION IV  
ADMINISTRATION  
INSTITUTIONS**

## **The Need of a Committee Inquiring on the Management of the COVID-19 Emergency.**

*Andrea Pruiti Ciarello*

Published on March 20<sup>th</sup>, 2020

I am thinking aloud, trying to give some meaning to the current condition of suspended liberties in which we all float daily. I read orders of Mayors and Presidents of the Regions constraining our liberties, and I wonder how all this confusion in the division of power and competences is even possible.

We are all locked down at our homes because of several inconsistent administrative measures adopted by random Mayors, Presidents of the Regions and even by the President of the Council of Ministers.

Article 13 of the Italian Constitution provides that personal liberty is inviolable. A beautiful principle, representing the authentic backbone of our constitutional and legal frameworks, the pillar on the grounds of which our country was built up after World War II. Liberty can be (temporarily) restricted only by order of the Judiciary, under exceptional circumstances and under such conditions of necessity and urgency as shall conclusively be defined by Law.

I do not want to get into the merits of analysing if the measures countering the virus adopted so far comply with the Constitution. But I do have to complain about the total inactivity of the Parliament, the only authority entitled to set out rules restricting personal liberties.

Two factors are at the basis of such inactivity.

First. The President of the Council of Minister, assuming the role of an Ancient Rome *dictator*, self-assumed a number of powers unprecedented in the Italian republican history. He

did it using a legal tool, for sure (the Law Decree), but let us remember that, at first, the restrictive measures were implemented through the Prime Ministerial Decree.

The PMD is nothing but an executive order, called this way just because the President of the Council himself enacted it. But, yet, within the context of the Italian legal framework it remains an administrative act, that is, a secondary source of law.

Art. 16 of the Constitution provides that only the Law may establish limitations to the citizens' right to reside and travel freely in any part of the country, "*for reasons of healthcare or security*".

We should think about this principle when evaluating PMDs.

Let us clarify, by the way, that the current healthcare emergency is actually serious and movements should be limited at their minimum in any case.

Second factor. The Parliament is simply dull. After the elections of March 4th, 2018, the current members of the Parliament are mostly politicians at their first experience, often lacking adequate cultural base. Moreover, the recent constitutional law reducing the number of Parliamentarians ended up making the Parliament a mere replacement of the government.

This Parliament decided for *#stayhome*, abdicating the crucial role it is supposed to play for the country and for the safeguard of the whole Constitution.

This is an intolerable unconditional surrender.

Doctors, nurses, and healthcare professionals are sent to the front to die. The State is providing insufficient medical supplies and infections will not stop, also because of the irresponsible behaviour of those that keep on overcrowding public gardens and public squares and enhance the spread of the virus.

The Secretaries of the political parties complain about the government policies through the social networks. Some of

them try to take advantage of this crisis in order to gain electoral consensus (quite a demagogical attitude) and suggest the adoption of fiscal measures that would get the country down on knees more than it already is.

The Parliament cannot stop. We do not need a *dictator*, a sheriff, or a one-man government. President Conte has assumed the political responsibility of his actions. This responsibility will have to be judged.

Speaking of responsibility, with the resolution of January 31st 2020 the government declared the state of emergency for health risk due to spreading of COVID-19. Then why did the government adopt restrictive measures for the first time only 22 days later? Was the risk underrated? Were there any “hidden reasons”? Surely, the delay made citizens to underestimate the serious consequences of the spread of the virus. Some members of the government evaluated the virus as something little more than a seasonal flu. Will someone take the responsibility to assess whether if the government was accountable? I hope so.

In any case, the government cannot procrastinate in managing the situation this way. The government has to adopt legal frameworks in compliance with the Constitution (law decrees) and allow the scrutiny of the Parliament.

The members of the Parliament should call upon the government to do so – at least those still believing in parliamentarism and in the primacy of the Parliament (and hence in the primacy of the people, the only authentic keeper of the principle of sovereignty).

Once the emergency is over, it will be crucial to establish a committee of inquiry. We owe it to our founding fathers, to our ancestors who shed their blood for our freedom, and to our children – as to make them live in a country where the word “Liberty” still means something.

## **Damages Caused by Populism and Demagoguery at the Times of COVID-19.**

*Andrea Pruiti Ciarello*

Published on April 2<sup>nd</sup>, 2020

Populism and demagoguery characterised the last election campaign and political rhetoric (referring both to the yellow-green (Five-Stars/Lega) and yellow-red (Five-Stars/Democratic Party) governments). But has political communication changed during the current healthcare emergency?

Speaking to the stomach of people is the best way to gain electoral consensus. The Five-Stars know it quite well (becoming the first party in 2008 and gaining 33% at the Chamber of Deputies and at the Senate), and Matteo Salvini Lega knows this even better: starting from 17% in 2018, with the use of the populist and demagogic rhetoric in the following year, he ended up achieving 34,26% at the European elections in May 2019. A huge step compared to the results of the previous year, a world record if compared to the 2014 European elections, when Lega reached slightly more than 6% using a communicative strategy focused on an anti-Meridional discourse.

In trying to follow this line, several other parties tried to adopt the same strategy of using a populist and demagogic rhetoric in their campaigns.

Is it really as easy as it seems? Or such dialectic embodies risks? The question is obviously a rhetoric question: the risks are extremely high, and the damages that follow will affect us all.

The measures restricting personal liberties adopted by the government have already caused a 6% decline in the annual GDP and *Confidustria* projections stretch down to a -10%.

In several cities of the South of Italy (Palermo, Catania, Na-

poli, but generally speaking the whole Calabria and Puglia) there were cases of groups of people who tried to buy groceries without paying, as a sign of protest, and the intervention of the police urged.

The situation keeps on getting more and more serious, and members of WhatsApp and Facebook private groups organise assaults to supermarkets. They use the word “revolution” more frequently.

In many Southern cities the police are often called to action, and several criminal charges for entrapment have been reported.

Many households face financial trouble to meet their basic needs, and their number is expected to grow. The government adopted measures of economic support for the poor, but the National Social Welfare Security website has been out of reach for hours. Some tried to justify this inconvenient claiming a hacker attack, but few people really believe this.

Nevertheless, the measures of economic support currently enacted appear objectively insufficient, and these issues are expected to get rapidly more serious.

In this framework, Giorgia Meloni (Secretary of the *Fratelli d'Italia* political party) calls upon the government to implement measures providing a € 1,000 monthly financial support to every Italian citizen who makes request; Matteo Salvini suggests a “blank tax year” for 2020 – that is, taxation writing off for all, both citizens and business. It is clear that these measures are nothing but a populist and demagogic rhetoric. The immediate (but ephemeral) effect is that political consensus for these political leaders is growing; but at the same time, the danger that these words bring along, is that people might believe that the State has the financial capacity to support the suggested measures to sustain citizens.

On the one hand, our society is used to the *citizenship income*, at this point; on the other hand, the systemic lack of jobs

(at a European level, we are the country with the highest rate of youth unemployment): this misleads the citizens that a full welfarism is possible, without realising that there would be no future for generations to come.

Given this context, civil disobedience is likely to degenerate in subversive movements. It is a shame that political leaders are unaware of this danger, or rather they underestimate it.

In this delicate historical moment for Italy and for the whole Europe, it would be ideal that those holding important public positions bear in mind that increasing consensus is not an actual priority; priority, now, is keep this Country alive after the pandemic, despite the serious social and economic consequences suffered.

We are tired of proclaims, slogans, TV shows, or social media, we need a real government, made of sensible people, and a convincing and credible opposition.

Youth in Italy is re not looking for a future with monthly subsidies, but they want to have the chance to confront themselves with global markets. We all talk a lot about the Italian “genius” and creativity, but where are they now?

## **Back on Board, MPs!**

*Ezechia Paolo Reale*

Published on April 4<sup>th</sup>, 2020

Emergencies test the democratic stand of the institutions, as well as their ability to maintain the rule of law.

Although during emergencies, the tendencies to overcome the rule of law is probably higher, it is however essential to comply with the fundamental rules and principles set forth by the Constitution and by international treaties.

Let us consider all the measures adopted by the President of the Council of Ministers, by individual Ministers, by the Presidents of the Regions and by the Mayors.

It is not disputed that such measures affect personal liberties, freedom of movement, free association, and the free choice of undergoing healthcare treatments.

The obligations to stay home and not to move to a municipality other than the one in which an individual is currently located, the prohibition of any form of gathering, the obligation to undergo COVID-19 tests in order to check the possible positive result. All these measures are obviously in conflict with the individual fundamental liberties, and as such they should be balanced with the provisions set forth by our Constitution.

My reflection will not focus on the – although important – analysis of issues affecting personal liberties and the prohibition of gathering in private places. These problems will be accurately evaluated at the end of the emergency. One single contribution would not be enough to analyse all the possible problematic aspects of these issues – where the participation of the Judiciary should be compulsory as set forth by the Constitution.

Article 14 of the Constitution provides “*personal domicile is inviolable, and home inspections, searches, or seizures are not*



*admissible save in the cases and manners complying with measures to safeguard personal liberty. Controls and inspections for reason of public health and safety, or for economic and fiscal purposes, shall be regulated by appropriate laws*". On the other hand, article 13 disallows "any restriction of personal liberty except by order of the Judiciary stating a reason and only in such cases and in such manner as provided by Law". Seemingly, compulsory health treatments may be imposed only upon the following validation of the Judiciary. Article 17 provides that authorities, may prohibit meetings for proven reasons of security or public safety, but only in cases meetings are public. As for other meetings, these prohibitions are not set forth.

Instead, I want to talk about the cases in which the Constitution already paves the way for balancing fundamental rights. Obviously, my reflections could also apply for the analysis of personal liberties and free association and meeting.

In this regard, article 16 provides: "*Every citizen has the right to reside and travel freely in any part of the country, except for such general limitations as may be established by Law for reasons of healthcare or security. [...] Every citizen is free to leave the territory of the republic and return to it, notwithstanding any legal obligations.*" Article 32 provides that *no one may be obliged to undergo any healthcare treatment except under the provisions of the law.*

As it is clear, these rights might be restricted for the safeguard of other Constitutional interests, but only under the provisions of the law. This, in reason of the powers granted to the Parliament, the quintessential democratic body where the Italian citizens are represented.

I do not really want to get into the legal matter of why and to what extent the measures adopted by the government actually represent a valid legal basis to combat the spread of the virus; or if, most likely, the recent Law Decree of March 9th, 2020, tried to provide legal grounds for the previous measures adopted without respecting the Constitutional principle of the

division of powers.

I just want to stress once more that within a democratic State, the only body entitled to set forth restrictions on Constitutional personal liberties and fundamental rights is the Parliament.

It is useless to say “this is a war and in war there’s no rule”, because this is false and superficial.

It is false because this is not a war, it is a healthcare emergency. It is superficial because article 78 of Constitution provides that also in the case of a war, the Parliament has the authority to vest the necessary powers into the government.

It is hard to explain the reason why the Parliament remained inactive, while the government was adopting measures the parliament should have taken – as those concerning Constitutional rights. It is also hard to explain the reason why as to enable the easier adoption of such measures, the number of active MPs was reduced, and nevertheless some of them remained inactive anyway. All this, disregarding the many doctors and the healthcare personnel working daily at the frontline to avoid the spread of the virus.

Protecting one’s own health is a fair choice, no doubt. But then, citizens can pretend the resignation of those MPs who decided to stay home, disregarding their duties. That’s equally fair.

It is in these difficult times that MPs should make their maximum effort for the good of the country, fulfilling the role that the Constitution provides; they should not stay home, afraid for the personal consequences they could face.

Today, we all talk about the economic measures and policies that should be implemented to recover the actual economic situation – profoundly damaged by the necessary measures adopted to counter the emergency.

We are all persuaded that creating public debt is essential; that all the public and local institutions have to exhaust their

resources; that public expenditure should increase. In this regard, we are all focused at a European level, but we should not neglect a small detail.

In 2012, a Constitutional reform was unanimously approved. It provided balanced budget obligation for the State and for local administrations. A further Law set forth strict rules for the Regions and Municipalities in terms of expenditure control.

Because of their Constitutional status, these rules may not be abolished through ordinary laws.

Following the Constitutional Amendment Act n. 1/2012, today:

*“The State shall balance revenue and expenditure in its budget, taking account of any adverse and favourable phases of economic cycles. No recourse shall be made to borrowing except for the purposes of taking account of the effects of an economic cycle or, subject to an authorisation from the Parliament passed by an absolute majority vote of members, in exceptional circumstances. [...] The content of the budget law, the fundamental rules and criteria adopted to ensure balance between revenue and expenditure and the sustainability of the general government of debt shall be established by an Act of Parliament approved by an absolute majority of the Members of each House, in compliance with the principles established by a constitutional amendment act” (art. 81 of the Constitution).*

*“In accordance with European Union Law, Government agencies shall ensure that their budgets are balanced and that public debt be sustainable” (art. 97).*

*“Municipalities, provinces, metropolitan cities and regions shall have revenue and spending autonomy, subject to the obligation to balance their budgets, and shall contribute to ensuring compliance with the economic and financial constraints imposed under European Union legislation. [...] They may have recourse to borrowing only as a means of funding investment, in conjunction with the definition of depreciation plans and subject to the condition that the com-*

*prehensive budget of all local authorities in the region be balanced. State collateral on borrowings by such authorities shall not be admissible” (art. 119).*

Article 81, par. 6 of the Constitutional Amendment Act 1/2012 further provides the definition of serious economic recessions, financial crises, and natural disasters (hypothesis allowing borrowings), and other similar financial prerequisites. These provisions were further approved with Law n. 243/2012 (also providing the obligation of balance budget for the Regions).

If the institutions borrow a high number of resources, either the exceptions to the principle of the balanced budget and the rules determining the minimum levels of benefits relating to civil and social entitlements to be ensured throughout the national territory, have to be ratified under State laws adopted by absolute majority of both the House and the Senate.

In short: as citizens, we have to claim that all the members of the Parliament participate to the procedure to approve these norms, so that the approval is given by the absolute majority of the Parliament, as provided by the Constitution. Our MPs have to fulfil their institutional obligations, not stay at home.

## **Redistributive Policies Failed. Autonomy is the Right Path.**

*Lorenzo Infantino – Luigi Mascheroni*

Published on April 26<sup>th</sup>, 2020

What follows is the interview with Prof. Lorenzo Infantino published on the daily newspaper “*Il Giornale*” on April 26th, 2020. Prof. Lorenzo Infantino is the coordinator of the Advisory Board of the Luigi Einaudi Foundation Scientific Committee:

Calabrian, economist, and philosopher. Lorenzo Infantino is Professor of Philosophy of Social Sciences at the LUISS University of Rome, and a distinguished liberal scholar at an international level.

We interviewed him on the current situation due to the COVID-19 pandemic.

*Is the current healthcare emergency increasing the gap between the North and the South of Italy? In the first days of lockdown, everyone was singing from their balconies, from Milan to Palermo. Now the South wants to block the arrivals from the North, and the North is considering the South as racist.*

It is common knowledge that in their initial phase, events as famines, epidemics, and earthquakes, determine social cohesion. The life of everyone is at stake. Same situation occurs when a foreign enemy attempts on a country's own security. When the common threat is no longer perceived as extremely serious, and when the different social groups start believing that they can save themselves, the ancient separations re-emerge. They're actually even exasperated because of the cognitive alteration that is often combined with the occurrence of events of this kind.

*The emergency creates political and social conflict. North against South, State against Regions, Regions against Regions, Mayors against Governors. Are we witnessing the triumph of the “peculiar”?*

I do not see it that way. We can consider the development of society as a long-time struggle against anti-social impulses, that does not allow breaks or distractions. Nothing stands still forever. We all share a common condition of fallibility. Moreover, as important as scientific discoveries and progress may be, our ignorance remains limitless. The events going on these days give evidence of this. Thus, we have to pay attention. The division between North and South can only lead to further separation or, as you say, to the triumph of the peculiar. The pioneers of social sciences taught us that all the men are subject to the same imperfections and miseries, no matter where they come from. What betters themselves is the adoption of codes of conduct that enhances the spectrum of their possibilities. In many years, the gap between the North and the South remained unchanged, although the State did set out numerous interventions. And this is because of the political classes and influence peddling perseverating in their redistributive policies; an approach that generates the opposite of what it promises.

*Will health, economy, and social consequences of the virus increase the gap between the North and the South? And how?*

We have to consider it in different terms compared to the past. Redistributive policies have hindered the recovery of the less developed areas, not because of the incapacity of people of the South. Such discourse is not tolerable. Conditions fostering economic development should be clear: the gap between the North and the South cannot be overcome if redistributive policies hindering entrepreneurship and productivity continue to be implemented.

*North and South and State and Regions are making war. What is the role of Europe? Will the pandemic strengthen or undermine the European role? As the contrast between the supporters of ESM and Eurobonds is always ongoing.*

I think that the discussion concerning the European Union is still too conditioned by the issues affecting each country internally. We saw a lot of tactics: absurd preclusions (the incomprehensible refusal of ESM) and exorbitant pretences (the immediate issuance of Eurobonds by the EU which that cannot directly impose them). Intellectual honesty lacked, and without intellectual honesty, there cannot be a sincere civil passion that should prevail in situations like this one. No one likes European bureaucracy, but Europe will be like as we mould it. It depends exclusively on us. "Europe" is a great idea, and its failure would entail an authentic catastrophe dragging the poorer into the most abject poverty. And the politician could do nothing about it.

## **Decrees à go go, Troubles and Opacity. Conte Tested Positive to the “Authoritarian” Virus.**

*Andrea Pruiti Ciarello*

Published on May 1<sup>st</sup>, 2020

A mess after the other. There's no better way to summarise the actions and policies set out by Giuseppe Conte. It actually looks like a one-man government: from his long and verbose communications to the country to his daily interviews, the President speaks in first person and takes the whole political responsibility for the government measures in countering the virus. At this point it is common knowledge that all the Prime Ministerial Decrees (PMDs) adopted so far are unconstitutional. We said it a few months ago. Authoritatively, prof. Gaetano Silvestri, prof. Antonio Baldassarre, dr. Cesare Mirabelli (President Emeritus of the Italian Constitutional Court) and prof. Marta Cartabia, current President, said it too. These opinions would be enough to change anyone's mind, but clearly, they do not change Giuseppe Conte's mind, who keeps on adopting such measures on his own, without even involving the government. The Parliament is powerless, the political debate between majorities and minorities inexistent. How did we get here? At first it was the resolution of January 31<sup>st</sup> 2020 declaring the state of emergency due to COVID-19. Actually, PMDs do not even mention this resolution anymore. The legal bases for all the emergency measures adopted since February 3<sup>rd</sup>, 2020, is identified in the resolution of the Chief of the Department of the Italian Civil Protection. The turning point occurred on February 23<sup>rd</sup>, 2020: The Law Decree n. 6 was enforced, conferring to the Prime Minister the power to establish “Urgent measures to counter the COVID-19 epidemiological



emergency". The Law Decree was converted by Law n. 13 on March 5th, 2020. In the final vote at the Senate, no votes against and five abstentions (among which Emma Bonino). From February 23rd until today the President of the Council adopted more than ten PMDs, the greatest part of which were proclaimed on TV or on the social media before being published on the Official Journal. In few words, the Parliament discussed about four law decrees, but never about PMDs. These latter are actually administrative acts not requiring the approval by the Parliament, and that's probably the reason why this type of legal act has been chosen. We have witnessed to the introduction of a "special law in state of exception" in our country. A special law that constrained the fundamental rights as never before for individuals, freedom of movement and residence (art. 16 of the Constitution), freedom of assembly (art. 17), freedom of professing religious beliefs (art. 19), the right to education (art. 34) and the right to private economic enterprise (art. 42). All this, in the name of the alleged safeguard of the right to collective health (art. 32). Some might say that equally important fundamental principles have been balanced. But was this balancing legitimate? Actually, it is impossible to answer to this question, because the government is hiding the very facts that support PMDs. The President has never disclosed the official reports of the Technical-Scientific Committee that served as a basis for the adoption of PMDs during this emergency. But the principle of transparency should be a pivotal element in the administrative action, as to ensure the smooth and impartial operation of public offices under article 97 of the Constitution. PMDs are administrative acts, and as such they have to guarantee transparency and the citizen accessibility to the documents grounding the acts. Without transparency, the acts are unlawful, void and arbitrary. In short, this is what the "special law in the state of exception" really is: something questioned by the scholars of the Constitution. In fact, our Constitution does not vest the

President of Council with any special power. The healthcare emergency cannot be considered as a state of war and, as such, broad interpretations of the Constitution are not allowed. It is useful to remember, though, that the Italian Parliament's delegitimisation started way before the COVID-19 emergency. A hard blow on the Parliament authority was represented by the approval of the Constitutional law reducing the size of the Italian Parliament – for which a Constitutional referendum has been already proclaimed, date to be defined. Parliamentarism is attacked on more fronts, from right to left, and Giorgia Meloni (leader of the Fratelli d'Italia political party) unexpectedly called upon involving the Parliament in the management of the second phase of the pandemic. All the better, if Giorgia Meloni is calling for re-putting the Parliament at the centre of the political scene – actually, it is surprising how the more moderate parties representing the principles of liberal democracy did not call for it before. There is still time, but things have to be done quickly now. Let us not allow ourselves to be influenced by the fact that the majority of the Parliament is composed by populists, because it is still the highest tool available for citizens to exercise their sovereignty. The best vaccine against authoritarianism.

## **The Emergency Law. Ex Facto Oritur Jus?**

*Ezechia Paolo Reale*

Published on May 4<sup>th</sup>, 2020

The birth of the “full powers”.

Which is the legal basis for the government’s adoption of measures derogating constitutional rights, so frequently used by the government to counter the spread of the Covid-19 pandemic?

Not the Constitution, obviously.

All of the Decrees issued by the President of the Council during the emergency do not mention the legal source empowering the President to adopt them. Only Law n. 440/1988 is generally recalled.

Instead, no law empowers the President of the Council of Ministers or the Council of Ministers itself to issue emergency decrees. Only article 5, par. 4, of the Law n. 440/1988 provided the possibility that “*The President of the Council of Ministers can adopt measures in such cases provided by the law*”. Thus, we should probably think that this generic “such cases” empowers the President to adopt emergency measures.

The legislative decree n. 1/2018 (also called the Code of the Civil Protection) provides that in cases of national emergencies the Council of Ministers may declare the state of emergency, fixing its duration and its territorial extension. The Council of Ministers may empower the Civil Protection for the adoption of emergency orders, under art. 5. Therefore, the legal framework seems to empower the Civil Protection for the adoption of emergency measures during the state of emergency.

With order of January 31/01/2020, the Council of Ministers declared a 6-months state of emergency due to the health risk

related to the spread of COVID-19, empowering the Chief of the Department of the Civil Protection to issue emergency measures “*derogating to current legislation and in the respect of general principles of the law*”. And as such is in fact provided by art. 25 of the Code of the Civil Protection.

Despite the broad and generic content of the aforementioned article 25, there’s no record of legal grounds justifying the adoption of the numerous Prime Ministerial Decrees issued by the President of the Council as of today. Moreover, the decision of the Presidency of the Council declaring the states of emergency contextually empowers the Chief of the Department of the Civil Protection to adopt necessary measures to counter the emergency. And in fact, as of May 2<sup>nd</sup>, 2020, 29 orders have been already issued by the Civil Protection – one of which seems to “interpret” a previous and unclear Prime Ministerial decree issued by the President of the Council.

In short, there’s no provision in the whole Italian legal framework empowering the executive to adopt measures restricting the fundamental rights provided by the Italian Constitution, not even to tackle the virus.

Nonetheless, not only the President of the Council disregarded the provisions empowering only the Civil Protection to adopt such measures, but he asked and obtained “full powers” to implement restrictive measures through the use of the Prime Ministerial Decrees, that are all but acts having force of law.

Moreover, this “empowerment” was not given by the Parliament – which thing would legitimise the adoption of the PMDs – but by the use of Law Decrees, acts having force of law approved by the executive. And, only within 60 days from the adoption, further ratified by the Parliament. On the grounds of these temporary provisions the President of the Council “empowered himself” to establish measures restricting every single constitutionally-protected right – first, under Law Decree 6/2020. This Law Decree was technically inadequate, extremely

generic, and vague alike, since under article 2 it was provided that “*other restrictive*” measures could be adopted.

When called to convert the Law Decree in Law, the Parliament basically corrected some errors of grammar, without exercising its institutional role of determining accurately the time, the means, and the powers assigned to the President of the Council. Only with the Law Decree n. 19/2020 and the following arguments made by legal scholars, it was finally posed a remedy to such vague provisions.

Moreover, the content of the Law Decree 19/2020 explicitly abolished the content of the previous Law Decree n. 6/2020 that in the meantime was converted in Law by the Parliament. Thus, the government arbitrarily abolished a legal act adopted by the Parliament, which thing is at least arguable.

Between the huge number of inconsistent acts adopted by the executive, the only two Laws issued by the Parliament have been abolished by the government with its following provisions.

Probably for budget or political equilibrium reasons, the government used the Law Decree legal tool also to establish economic and social measures, including those regulating the essential public services – although such fields, as we saw, should be regulated by the Civil Protection. Examples are Law Decrees 2020 n. 11, 14, 18, 22, 23, and 27. Just long enough time for the Parliament to convert Law decree n. 27, that government issued Law Decree n. 28, setting forth measures regulating the judiciary in a different way the Parliament provided only a few days before.

Yet important, economic and social issues are surely less crucial than the principle of the separation of powers and safeguard of the individual and collective liberties.

In addition to this unclear legal framework, the Civil Protection issued 29 different orders, and more than 50 explanatory documents issued by several Ministries and a countless number of provisions adopted by the local authorities.

In the future, we could discuss whether the need of adopting extraordinary measures empowers the executive to deliver legal provision infringing upon the citizens' fundamental rights and liberties. While it is true that the adoption of such measure was probably necessary these days, it likewise true that the institutional path followed for their adoption paves the way for abuse in cases of future cases of emergency.

Some legal scholars claim that the government is empowered to do so because of the absence in our Constitution of provisions regulating the states of emergency.

To me, this seems a superficial assertion. The Constitution in fact does not regulate cases of emergency (except the state of war) simply because it is implicit that no emergency is "emergency" enough to justify the violation of the provisions set forth by the Constitution. And this proved by the fact that the abovementioned Law to counter emergencies does not entitle the executive to assume full powers by way of derogation from the Constitution.

The Parliament should be the only body setting forth emergency measures through the procedures provided in the Constitution, and determining as well their time of validity, their means of implementation, and with clear limitation of the powers assigned to the administrative authorities and to the government. All this, most obviously, upon control of the Judiciary.

Within the context of the current emergency, the Parliament had time to abide these provisions, if the MPs were only conscious of the importance their institutional role called them upon. At that point, facing an emergency, the government was surely entitled to adopt urgent measures to counter the spread of the virus that seemed inevitable and lethal by then.

It has to be understood, despite all, that this constitutional exception is because of the long-lasting refusal of the MPs to assume their responsibilities. The lack of amendments the Par-

liament raised to the government's Law Decrees empowered the government to keep on issuing such illegitimate measures, implicitly giving "full powers" to the President of the Council.

In short, after three months from the declaration of the state of emergency, the government still holds "full powers" because of the inactivity of the Parliament. As a matter of fact, it seems like Italy is abandoning the full parliamentary democracy in favour of an unregulated authoritarian presidentialism.

Some claim that the MPs deserve to be deprived of their authority: Too often they misbehaved and forgot about their institutional functions, preferring TV shows and arguments rather than doing their job properly. But tomorrow, in cases of further emergencies, the way for the government for issuing arbitrary regulations is paved. The government will be able to decide independently to what extent exercise its powers, while those powers the Constitution gives to the Parliament could be useless illusory, or even abolished.

Some believe that the action of the government, no matter how abiding or how violating the Constitution, was carried out in the full interest of the collective health, in order to counter the spread of the virus. But, unfortunately, good intentions are not enough to protect democracy. Abiding the law is crucial, in any case. The end never justifies the means, especially in a democracy. We should be concerned about the precedents that are being created today.

Yesterday, full powers to the executive were deemed as an unjustifiable threat; today, we are suffering such powers in the name of an apparently concrete emergency; tomorrow, we won't be able to stop whoever pretends to assume full power to counter no matter which alleged emergency. Today, we are paving the way to suffer, in the future, something we thought unacceptable.

If someone believes that democracy is in danger only because a certain person or a certain party is in power, surely

doesn't know how the rule of law works.

These people probably do not remember history, when after the French Revolution the "Terror" took place, giving birth to a period even more cruel, despotic, and heinous than the previous reign of Louis XVI.

Only 90 years later, France became a democratic republic.



## **In the Name of Public Health, we are Suspending our Constitutional Guarantees.**

*Giuseppe Bozzi*

Published on May 4<sup>th</sup>, 2020

The so-called “Phase 2” for countering COVID-19 follows the approach outlined in the previous Phase I.

We are still witnessing an “administrative despotism” allowing and enabling the citizens to exercise their fundamental liberties only within certain boundaries and implementing rules.

A dense network of meticulous, methodical, intrusive, obscure, inconsistent, and fragmented rules has been established. It is difficult for citizens to understand all the different PMDs, the regional and municipal orders, the orders of the Civil Protection, the opinions of the Ministries.

This legislative framework pretends to regulate every single matter, from the use of facemasks to social distancing; funerals, religious events, meeting in public open spaces, the reasons and the necessity of any movement; the visits to relatives, without specifying the level of “affection” needed as to consider someone a “relative”.

This *modus operandi* is illiberal, pedagogical, paternalistic, and custodial, but it's not mild nor lenient, because it entails the government lacking trust in citizens, in their responsible participation in the social life and in their self-determination. It is characterised by excess of control, provisions, and sanctions.

It is a governmental paternalism, a deadly virus for liberal democracy with the aim of hindering the citizen free will, as Tocqueville alerted.

A liberal consciousness refuses the idea that the constitutional guarantees are suspended in the name of public health.

The Constitution does not recognise any emergency capable to restrict the power of the Parliament. In a liberal democracy, the latter is the “mirror of the people” and it does not provide for a “special law for exceptional times” as the President of the Constitutional Court said.

Instead, ignoring the constitutional provisions requiring that certain matters can only be governed by the parliament, the right to free movement has been restricted. Only certain categories of persons today are free to move. Seemingly, freedom of assembly was constrained. The President of the Council has been empowered to establish such limitations through an extra ordinem delegation, but this is unlawful, because the Prime Ministerial Decrees are administrative acts establishing legal provisions that should be governed by the Parliament.

The liberals are well aware that fundamental liberties are not limitless, but have to be balanced with equally fundamental rights and principles. But the processes leading to their limitation must be set forth by the Constitution.

Abiding the Constitution is not a formality that could delay counter-Covid measures, as some TV shows said. Democracy simply cannot work without a liberal framework of rules protecting the Constitution and the citizens’ fundamental rights. These are not expression of an antisocial individualism but, on the contrary, are the prerequisite for guaranteeing equal rights and liberties to the community.

A re-emerging sovereignism, along with a memoryless populism with the only aim of gaining an immediate election consensus, might encourage the State paternalistic degeneration. Accordingly, citizens could constantly live “under parole”.

## **Constitution is not an Optional.**

*Giuseppe Bozzi*

Published on May 15<sup>th</sup>, 2020

Without involving the Parliament and with a sort of “paternalistic despotism”, the government established a sort of “health emergency dictatorship” through the enhancement of several restrictive and meticulous measures showing the government lack of trust in Italian citizens.

This set of rules tries to shape and to orient the citizen behaviours as they were minors or incompetents. Moreover, the most heinous aspect of such measures is that they affect personal liberties.

The act of facing one of the most tragic historical periods of our Republic should have at least required that the government complied with the constitutional provisions, serving as a cornerstone of our liberal democracy. We are instead witnessing to a “sacralisation” of the executive power; the Parliament being instead deprived of its powers.

Strict measures violating citizens’ personal liberties have been set forth by the President of the Council.

According to the Constitution, personal liberties can be temporarily restricted only in such cases and in such manners as provided by a formal law approved by the Parliament. Non-primary sources of law are not allowed to do so. The Constitutional fathers proclaimed so: the law is the only tool through which personal liberties may be constrained, pursuant to the system of the checks and balances between the legislative and executive powers.

No one can deny the unlawfulness of the measures established by the President of the Council through his Prime Ministerial Decrees (PMD). Such decrees – administrative acts

– are surely not a primary source of law. Moreover, they escape the control both of the Parliament and of the President of the Republic.

Some have claimed that the legitimacy of the PMDs is grounded on the Law Decree n. 6/2020, establishing that the government empowers the President of the Council to adopt all the necessary measures to counter the current healthcare emergency.

But this is fallacious, too: The Constitution provides that only the Parliament can delegate to the Government the law-making function, and only upon establishment of “*principles and criteria only for a limited time and for specific purposes*”. The delegation cannot be set forth by the government itself, as also provided by the law regulating the Presidency of the Council.

Instead, this is exactly what happened: the government empowered itself to “transform” administrative acts into primary laws, setting forth that the President of the Council could freely establish measures dealing with the citizen health and liberties.

This tortuous *modus procedendi*, a Chinese box system where the great absentee was the Parliament, has altered the effectiveness of articles 70, 76, and 77 of the Constitution and the legal nature of the law-making function. Moreover, it undermined the principle according to which personal liberties may be temporarily restricted only in such cases and in such manners as provided for by a formal law approved by the Parliament.

There is no doubt that the current healthcare emergency is an exceptional event, and that the health of citizens comes first (both individual and collective health); there is also no doubt that a legal framework countering the emergency shall be actually enforced.

Nevertheless, if the government uses the excuse of the current emergency to empower itself of powers and duties that the Constitution has provided for the Parliament only, this

is not only unlawful but also dangerous. In fact, this mode of action sets a precedent that might entail abuse in the future.

The Constitution provides that also in the case of exceptional circumstances such as the state of law, there are guarantees impeding that the executive power holds the law-making powers without the approval of the Parliament.

The government majority has tried to obtain such approval, but nonetheless the inherent vice embedded in the PMDs was still noncompliant with the Constitutional framework.

In accordance with an amendment to Law Decree n. 19/2020, the Chambers are only allowed to “hear” the content of the PMDs (or other acts of the government) when the President of the Council reports in front of the Parliament. And this happens only *after* the adoption of such acts of the government.

Democracy is at stake when the government stops complying to the boundaries set forth by the Constitution. Only the rule of law and a constitutional separation of powers can guarantee the personal liberties. Personal liberties do not represent an asocial individualism, but instead they represent the fundamental premises for an equal level of liberty for the entire society.

Complying with the Constitution and with the central role of the Parliament is the hearth of the representative democracy. These principles express the citizens’ will to participate in the decision-making process of the executive power. It is not infrequent in history that trends of despotism happened. This is what the American Founding Fathers warned: if the Constitutional is merely “nominal”, there is a high risk that an “elective despotism” is established.

## **COVID-19. A Chance to Rethink a Bottom-up Federalism.**

*Lorena Villa*

Published on May 15<sup>th</sup>, 2020

We were not ready. When the first cases of COVID-19 were reported in Lombardy, the government did not have a prevention strategy in place. After the first phase of lockdown (decently managed), during the second phase things are becoming unclear: thousands of deaths behind, an expected tremendous economic crisis. Part of the fault is given to the regionalisation of the public healthcare system.

“Stop regionalisation. Five-Stars agree”.

According to Orlando (Democratic Party) and other politicians in line with him, it is necessary “that the State holds a central power in healthcare”.

But Law (Law Decree n. 1/2018) is clear on the allocation of powers following a declaration of emergency, and further powers have been assigned to the President of the Council, with the operational command of the Operational Committee of the Civil Protection.

Centralizing healthcare is not the solution. While it is true that each region has different levels of healthcare system efficiency, is it also true that the solution would not be centralizing, but rather liberalising.

Until January 2020, Lombardy was considered an excellence in healthcare, and it still is. In fact, once the emergency will be over, the “healthcare migration” will restart. The financial management of the hospitals is also rewarding: for example, the expenses of the General Hospital of Milan are as high as the half of the expenses of the Hospital of Reggio Calabria, which is not as efficient as the first. On the other hand, healthcare in

Lombardy is characterised by the presence of several specialised and private hubs, and this might become an obstacle when managing a health emergency concerning the entire community. The pandemic shed light onto the healthcare situation in Lombardy, highlighting its excessive “territoriality”. At the same time, Veneto has to be considered as a global model of excellence in countering the virus. Veneto implemented a micro-territorial bio-surveillance system at the service of local authorities, enabling these ones to check real-time data. This allowed two things: first, recreate each person’s contacts in order to test them immediately when needed; second, create a dynamic map of the pandemic, not at a national or regional level, but in every single municipality. This enabled the tracking of the contacts of each family. And this solution was not implemented by centralised State guidelines, but by the decision-making power of local authorities.

Reducing regional powers in healthcare because of what occurred in Lombardy is an irresistible temptation for politicians. Nonetheless, Lombardy complied with the ministerial protocols. The problem was, they lacked further evaluations and the adoption of tailored measures to counter the spread of the virus on the basis of the specific local needs. There is no evidence that a centralised healthcare system would have done better. During the emergency, Lombardy complied to the directives of the Ministry, and the only time it did not (performing an autopsy at the hospital of Bergamo) the doctors discovered other – lethal – features of the virus.

Another alleged fault of Lombardy is that they did not set up “red zones” in the COVID-19 outbreaks around Bergamo. A serious responsibility, for sure, but that’s not what those calling for centralisation want.

Observing the recent history, it follows that local decision-making autonomy and not centralisation should be enhanced. In fact, the “winning procedure” both in Veneto and in the iso-

lated case of Lombardy derived from a non-compliance with WHO and ministerial protocols. It is reasonable to think that if Veneto had followed these guidelines, the outcome would have been be disastrous. Decision-making decentralisation enables authorities to elaborate different responses to similar issues, highlighting the best possible common practices and making them available to other regions. If management were centralised, it would not be possible to assess the different Venetian or Lombard models; seemingly, we could not compare Lombardy with the other regions. Only autonomous decision-making has allowed local models of excellence to emerge. The government hinders these autonomies, but this is the only way to achieve common good practices.

It is further clear how all the differences between one regional system and the other would not level out with centralisation. Maybe they could flatten somehow, but forcing homogenisation would penalise every citizen from North to South. Contrarily, as to achieve the best possible efficiency, a larger freedom and accountability of local authorities is desirable. Citizens will then judge them. On these days, there is tension between some Presidents of the Regions and the government. We should heed such tension, as it could bring positive outcomes. The pandemic voiced numerous local requests of administrative diversification, on the bases of the different local requirements. It would be a tremendous mistake not to heed a debate focusing on a bottom-up federalism. This may encourage the creation of excellencies, flatten social and political differences, bring back politics and institutions close to the citizens' needs. Only when acknowledging the added value of an empowered and accountable local authority, local elections make sense.



## **Too much behind the Curtains.**

*Ezechia Paolo Reale*

Published on May 16<sup>th</sup>, 2020

Everybody is aware of the measures the Prime Minister adopted to counter the spread of the virus. Everybody does, because we've been told that these measures were established after a careful assessment of the reports issued by the Scientific-Technical Committee. Everybody knows, moreover, that the government has to ensure the citizens' right to transparency when setting out its rulings, a fundamental right to ensure the full, active, and democratic participation of an individual to the public debate. The current widespread arguments about what is happening in China, where apparently decisions are adopted without any transparency, is giving evidence on how essential it is that the governments adopt transparent decisions. Data should be available to every citizen, as well as accessible information and evaluations, in order to foster public debate and check whether such decisions are adopted properly. Today, it is surprising that the government does not allow citizens to know the content of the reports of the Committee, which would pave the way for an independent, public, and informed public debate. Such reports are nowhere to be found: neither on the government websites nor anywhere else. And this is – at least – weird, considering the extreme seriousness and the exceptionality of the measures adopted on the bases of these reports. It should be of a primary interest for the government to explain the reasons why such measures have been adopted, in order to justify the enormous sacrifices suffered by the entire community. Moreover, the Department of the Civil Protection has denied (on May 4th, 2020) a request made by a team of lawyers on April 16th, 2020 to access the reports of the Com-

mittee. The reason? Confidentiality. The reports are classified and unavailable to citizens. And this answer came directly from the Chief of the Department of Civil Protection, the one that the government entitled to “adopt measures derogating from any actual norm and regulation”. The reasons for the denial are legally unconvincing, and most likely such denial will be appealed before the Regional Administrative Tribunal. Whatever the Judiciary will decide, it is depressing to realise that in Italy the public debate on the scientific and technical bases leading to the establishment of restrictive measures is hindered by public authorities. John Stuart Mill said that *“The peculiar evil of silencing the expression of an opinion is, that it is robbing the human race; posterity as well as the existing generation; those who dissent from the opinion, still more than those who hold it. If the opinion is right, they are deprived of the opportunity of exchanging error for truth: if wrong, they lose, what is almost as great a benefit, the clearer perception and livelier impression of truth, produced by its collision with error”*; the US Supreme Court ruled that freedom of press *“is important only when it serves assiduously the right of the citizens to be informed”*. We do not want another virus imported from China: not the coronavirus, but the virus of a communist illiberal regime or an *“authoritarian capitalism”*, to use the expression of a distinguished politician who, although criticising the Chinese government, said that defining it *“communist”* was not enough.

## **Conte Tested Positive to the “God Almighty”-syndrome.**

*Piero Tony*

Published on May 16<sup>th</sup>, 2020

We can be happy. The spread of the virus is slowing down. Phase two started, and the President of the Council said that if we behave well, we will be free by the next summer holidays. We can even choose between the seaside or the mountain, without compiling the self-certification.

Seriously, after this long lockdown, data show that this tragic pandemic is on its way to slow down, although a new future outbreak is possible. Thus, it is now time to get to grips and understand what did not work probably, because, actually, something did not work properly. It's time to underline all the inconsistent policies that the government adopted, in order not to make the same mistake in the future, in case a further outbreak occurs.

Personally, I was already pretty much concerned when Giuseppe Conte settled as Prime Minister, when he said that he would be “the lawyer of all the Italians” – a very “pastoral” approach, I would say. But I'm an anxious man by nature, and I thought that maybe those were just my anxieties, keeping them under my hat.

Then the pandemic came, and something happened that had never happened before, not even in much more serious occasion. No more information on the possible dangers of the virus, no more recommendation to adopt precautionary measures, such as social distancing, the use of facemasks, hygiene, and so on. No more calls upon common sense, no more optimisation and enhancement of hospitals and healthcare hubs, not only information on the territory, recommendations or the

monitoring of the virus spread. Only the “hold on!” order coming from Palazzo Chigi. Lightning bolts. A total lockdown, that is, the complete closure of every business activity, everyone forced at home, economic paralysis, curfew for all, the closure of schools, business, transport, tribunals, churches, and cultural and sport events. No suggestions for adopting the best possible precautionary measures until the virus is eradicated; but, instead, the immediate order at any cost to stop living the same way we have always lived, century after century. What is the first consequence? A country on its knees, as if the virus literally infected every single thing, including economy and finance. A disoriented country, because of the vague information received, looking like the only recovery from the virus would not be a “recovery”, but a resurrection – and in our history, not many people resurrected, did they? The question is: until when all this? We’ll see. It depends on what our 500 government experts will decide.

1) It is alarming that the lockdown (or: the serious compression of the fundamental rights to work, to move, to associate, to profess religious beliefs, to free thought, to resort to the judicial authority, to education, to free economic enterprise, and to our personal liberty) was established not by the Parliament, but by means of administrative acts – secondary sources of Law – as the Prime Ministerial Decrees, first of which the PMD of January 31st declaring the state of emergency. These PMDs do nothing but creating confusion and underlining silly pseudo-scientific stuff such as: wash your hands, do not touch your eyes with your fingers, keep social distancing in cafes, and so on. That’s what 500 government experts came up with. Measures taken for granted, in the common sense of everyone. It is alarming because measures were not set forth with the adoption of Law Decrees as article 77 of the Italian Constitution provides – legal tool that our Constitution Fathers conceived precisely to enable the government to issue temporary mea-

asures having force of law in case of necessity and urgency. Just like the pandemic is.

It is alarming that the adoption of PMDs (a legal tool not having force of law introduced with law n. 400/1988 to regulate the internal work of the government) enabled the government to escape any control or enactment by the Parliament. And in fact, after a while, several Law Decrees were adopted (n. 6/2020, n. 19/2020) as to “heal” the PMDs. It is alarming that no different territorial measures tailored on the local needs were established, that the President says “I allow you to go out” as if he were Louis XVI, that facemasks and tests are required although not easy to find in the market, or finally that PMDs are adopted at late night when things were already done at that point (and let us not forget that a lawsuit is pending in front of the Regional Administrative Tribunal, aimed to get the access to the reports of the Scientific-Technical Committee). It is alarming that while we are trying to contain the virus, thousands of businesses ran out of business, which is dramatic in the context of a digitalised world where being in line with the current know-how is pivotal.

Not only facts are alarming, but means. Everything was so easily established without caring about the constitutional checks and balances. For months all citizens were locked down and had to self-certify all their movements. Productive activities in apnoea. The threat to be sanctioned for administrative offence (not that much deterrent), incompatible with the most basic principles of liberal-democracy. And no one who screamed: “Well, what the hell is going on here?”

It would be understandable if we were in state of war, and Conte were vested by the Parliament of the necessary powers (according to article 78 Constitution). But luckily, we’re just in a state of emergency, a matter regulated by the Code of the Civil Protection (Legislative Decree n. 1/2018) that authorises such orders that are “compliant with the general principles of the le-

gal system and of the European Union” (art. 25). Therefore, the current situation should not allow such restrictive measures that our good President Conte established.

It looks like all these restrictions to fundamental rights collapse vis-à-vis the right to health (art. 32 Constitution). But the government would probably achieve the same results suggesting people to adopt all the due precautionary measures, trusting the citizens’ intelligence and maturity.

2) Only a few people at this point believe that if in Wuhan the lockdown was not declared, Conte would have done it, so becoming the first man in history to declare a national lockdown in the Western World. And we wonder: is it even possible that the President of a country of the Western World is inspired by China, a country that might represent a model for many aspects, but surely not in the field of the guarantee and respect of the personal liberties.

Moreover, China might have responded differently to the virus because of their different situation, with the full awareness that they had to react to such a tragic event that they might have caused. Is that conspiracy? Well, surely there is evidence that the virus spread by accident: on one hand, the theory according to which somewhere a man ate a bat; then, the hypothetical and spontaneous mutation of the virus followed accordingly – although the causal link is quite unclear, since it seems like it is customary in some parts of China to eat bats. On the other hand, it is internationally acknowledged that the security conditions of the P4 Laboratory of Wuhan are not very compliant; several scientists – among which a Nobel Prize – have some ideas about the artificial origin of the virus; the following military isolation; the block of the production of millions of business activities and a considerable GDP contraction. In China, restrictive measures seem to have been implemented to avoid a damaged reputation rather than for the safeguard of public health. I mean, all these clues lead to the idea that China

is feeling responsible for what happened, for this alleged laboratory incident caused by negligence, recklessness, or incompetence. The way China behaved after the virus spread reminds of what happened in the case of other disasters as Bhopal, Chernobyl, or Fukushima. Probably these are all assumptions, but not that up in the air. Probably back then, President Conte did not believe at all at these assumptions.

3) But the worst may yet to come. I hope what I hear is not true, that the government may decide to grant special protection to the elderly. Considering that a sedentary lifestyle is essential for them, if such special protection is true, the governmental decision would infringe with the following constitutional principles: article 3 (right to equality); article 13 (personal liberty); article 32 (health); articles 2 and 3 in relation to articles 1-5 of the European Charter of Fundamental Rights. Moreover, the project to implement a contact tracking App is quite disturbing: not only for privacy, but also for the possible distorted use of our data.

Are there any attenuating circumstances for the government? An irresistible syndrome of the “good pastor”; an insufficient knowledge and respect of the basic rights of the human beings; lack of trust in people; emotivity, inexperience; moreover, the lack of a constitutional provision that compares events such as a pandemic to the state of war.

Aggravating circumstances? Ignoring legal boundaries, checks and balances – and that’s even more serious when thinking that Giuseppe Conte is a lawyer. Our citizens are able to take care of themselves; they want to live and work, and they do not deserve a government with “providential” obsessions. “Lockdown” entails debts over debts for future generation to come, and the Relaunch Decree gives evidence of this tragical situation.

The rule of law provides dozens of alternative means to the lockdown to counter the virus without restricting that much

personal liberties at the same time. It is sufficient to trust people a bit more, and to look around and seek for good practice – starting from Northern Europe, and without considering China.



## **Administrative Simplification. When the Remedy to Evil Is worse than Evil.**

*Giovanni Bovi*

Published on May 19<sup>th</sup>, 2020

The main feature of the first wave of the pandemic was a widespread concern not only for the situation in northern Italy, but also for the fear of what could have happened if the virus started spreading over elsewhere. Everyone was aware of the inadequacy of some healthcare systems in Italy – mostly in the South.

Now that this tragic first phase is over, we are counting damages, and we are looking forward to recovery. At this point, we should also be aware of the possible inadequacy of our public administration to bear the economic efforts that recovery will entail. This is the reason why, of all the public speeches delivered by the President of the Council, the last one (held on May 17<sup>th</sup>) was the one that drew my attention most, when he talked about the efforts to be undertaken to achieve an administrative simplification.

At the beginning of the month, the new bridge of Genova was inaugurated, two years after the disaster where 43 people lost their lives. In the typical Italian sensationalisms, the news reported that the reconstruction of the bridge gives evidence that the State has never abandoned Genova; that's somehow true, but not too much. On one hand, the Genova bridge “miracle” was made only because the State decided to be a little bit “less present” than usual. The keystone was the appointment of a special commissioner: this allowed the reconstruction process to be less burdened by the usual Italian bureaucracy – something that would have made the reconstruction itself

impossible. Therefore, the “Genova miracle” has been possible only because this time things were not subject to the endless number of bureaucratic procedures normally affecting the Italian public activities. A victory achieved not thanks to the presence of the State, but to its absence.

This is an obvious consequence when we have to deal not necessarily with a bad government, but with a bad bureaucracy. *“As routine business must always be dispatched, there is always a fluctuating number of supernumeraries who cannot be dispensed with, and yet are liable to dismissal at a moment’s notice. All of these naturally are anxious to be “established clerks.” And thus Bureaucracy, the giant power wielded by pigmies, came into the world. Possibly Napoleon retarded its influence for a time, for all things and all men were forced to bend to his will; but none the less the heavy curtain of Bureaucracy was drawn between the right thing to be done and the right man to do it. Bureaucracy was definitely organised, however, under a constitutional government with a natural kindness for mediocrity, a predilection for categorical statements and reports, a government as fussy and meddlesome, in short, as a small shopkeeper’s wife”.* Possibly, this could be the perfect description of the Italian public administration, instead it is a passage from the novel “Government Clerks” by Honoré de Balzac (1837).

In less than half a page, two hundred years ago Balzac described the risks of an uncritical and foolish bureaucracy. And in Italy, people are well-aware of them. Let us think about all the troubles occurred in relation to the certifications for the different healthcare supplies (masks, tests, and so on), but also to all the hydrogeological catastrophes that could be avoided whether the allocations of given funds intended for securing any given river banks were not suspended because a given public manager did not sign the papers because another given institution still did not give its permission. That is just an example among many other cases.

Nevertheless, attempting a foolish reform of the public administration is even more dangerous than a foolish bureaucracy itself. And there are lots of examples here, as well. Let us think about all the laws that have been abolished starting from 2005, or about all the public institutions that have been abolished without the establishment of another institution or company replacing the first ones. Further, let us think about all the countless reforms concerning transparency of the public administration, causing a disturbing horror vacui that confuses everyone.

The road to hell is paved with good intentions, and actually for more than a century several reforms of the public administration have been attempted periodically. But if the current situation is what it is, probably something went wrong. Our country does not need bureaucracy-free zones, cuts to the legal framework, or electoral weathercocks. Our country needs a patient, thoughtful, and harmonised de-bureaucratisation, starting with the abolition of useless laws. Only then, a complete revision of administrative models and procedures will be necessary, including the role of the public employees and their training – currently too much theoretical and too little practical and technical.

The government exploited the state of exception (which is quite different from the state of emergency) to restrict as never before the citizens' personal liberties. We could use it also to reform the public administration from the chaotic principles underlying it.

Nonetheless, just like Paganini, whose compositions were often the product of brilliant improvisations and thus unique, we call upon the government not to repeat its past improvisations – somehow negatively unique, alike. Otherwise, the price to be paid could be a dangerous economic stagnation and a subsequent carnage of business activities and of the national wealth in general. All this, with unpredictable social and political implications, the rule of law itself being at stake.

## **The Relaunch Decree: The Art of Getting the Easy more Difficult.**

*Marco Mariani*

Published on May 21<sup>st</sup>, 2020

On May 19<sup>th</sup>, 2020, the Law Decree n. 34/2020 (“Relaunch Decree”) was eventually published on the Official Journal. We were waiting for it since April.

The wording “relaunch” might be casual, drawn at random between several picturesque names. Or perhaps it hides a subliminal message – actually a literal one: relaunch. Unfortunately, the latter is true, and the result is that we keep on endlessly replicating the same mistakes: a chaotic legal framework, random subsidies for some given categories (with a total welfare-oriented approach), the inefficiency and ineffectiveness of the public administration.

Nothing is for free: we pay our taxes in order to get back efficient and standard-compliant public services. Shall a disservice occur, we are entitled to receive an automatic and flat-rate compensation, according to the liability for breaching the civil model. But this system, introduced in 1994 with the obligation to issue the service charters, actually is never applied, because the quality standards are too general or because the compensation is not identified. And so, even INPS (National Institute for Social Security) service charter, that begins with a “for many years now, we have been paving the way to simplify and improve services to citizens and business activities”. The concept of quality entails the concept of improvement itself, through pre-established objectives to achieve them accordingly (or the assessment of the reasons why such objectives have not been achieved, contextually providing remedial measures). Nonethe-

less, the INPS quality standards are blocked since 2012, and not even a word about the disservices-related compensations. What can we even expect with such an approach towards a constant disservice?

No surprise then if INPS represents the ultimate defeat of the Italian public administration during the current healthcare and economic emergency. Although the Law Decrees adopted by the government set forth a € 600 bonus for several categories of professionals, after two months only few of such benefits have been actually paid out. No surprise, moreover, if the Web procedure for the baby-sitting bonus for the disabled children is all but simplified and law-abiding (for example, a requirement is the attachment of school attendance).

What is the government doing in this situation? It forgets to be the holder of the executive power (represented by Ministers at the top of each administrative branch), and instead of implementing regulatory or administrative acts removing things (and people) which hinder the achievement of the objectives set out in the Law Decrees issued in March, it keeps on adopting new Law Decrees which have the same approach.

Only at the bottom of the endless number of bonuses provided by the Relaunch Decree, article 264 provides the means to ensure that all these subsidies (that so far remained on paper), this time can finally overcome the barriers set by the public administration. The magic world “simplification” is something everybody has been talking about since the Unification of Italy, and especially over the last thirty years, with results opposite as the ones expected.

The same unsuccessful approach of the so-called “building-sites unlocking” Law n. 55/2019 is being adopted: that is, establishing extraordinary measures (due to COVID-19) that will remain in force until December 31<sup>st</sup>, 2020.

With Article 264, the government considers to remedy to the serious disservices provoked by the administrations which

the government itself is politically and legally accountable for: the cases of self-certifications are extended; the powers of finishing legal proceedings; the powers of administrative “self-protection” and sanctions. Self-certification was introduced in the legal system with Law n. 15/1968, but the public administration has always been reluctant to accept its implementation. Thus, art. 18 of the general law on the administrative procedure (n. 241/1990) reaffirmed its enforceability, together with the prohibition for the public administrations to request acts or certificates concerning facts, statuses, or personal qualities already proved in previous documents in their possession. And this has been reaffirmed by a dozen of laws in the following years, that have “restyled” this legal institute presenting it as a striking innovation. But the government never worried that much about actually implementing such measures, or about sanctioning the public officers hindering their implementation.

The same applies to the fundamental obligation to finalise the administrative procedure within 30 days from its beginning (as stated by art. 2 of Law 241/1990). In the presentation of the Relaunch Decree, the government stated that “this measure highlights already existing provisions, but yet it is necessary, because in fact any administration applies such norms, as it happens in relation to the acts occurring during the course of the proceedings”. In these dark times for the reason, the emergency legislation is becoming a manual of the administrative worst practices. But the government double-blinks an eye to citizens and to the civil servants, both recipients of the “re-launch” of simplification. *Repetita non iuvant (nec simplificant).*









**SECTION V  
INTERNATIONAL**

## **The Mistake and the Relaunch.**

*Davide Giacalone*

Published on March 13<sup>th</sup>, 2020

They've messed it up. It also looks like they want to make the damage even serious, instead of trying to take advantage from it. This one should be the national interest.

The European Central Bank has a 0.25% rate – almost a negative rate.

Lowering this already-low rate would be a matter of philosophy more than monetary policy. Banks taking money from ECB should leave it there in deposit and pay for the service, instead of gaining from it: this process would make money circulate between clients. Mario Draghi introduced these cornerstone principles (in addition to the purchase of securities) in order to support both the productive system and the debts of the member States.

Yesterday, a 120 billion-increase for this activity has been announced for the current year.

Alright, continuity has to be ensured. It is difficult to do more than this, with fiscal instruments. As Draghi said thousands of times: now it's up to the governments of the member States and their fiscal policies.

Everything good, then? No, because Christine Lagarde (the new ECB President) answered to a question: "We are not here to close spread, there are other tools and other actors to deal with these issues". Wrong? No, right. That is how it works. But she could not say no worse, because one thing is saying: we will do everything possible; do not speculate against the euro, and then it'll be up to the national governments to do the rest, to decrease spread and foster growth. Other thing is to use words that do not seem so accommodating at all. Stock markets are

crashing everywhere, so there is more than one reason. The bailout fund is not the ECB task. Seemingly, it is not the ECB task to conform or modify the Stability Pact. Lagarde caused another type of damage: the ECB promise was enough so far, but she managed to deflate this promise with a single shot.

If Italy starts saying “she damaged us with her words”, it would be like saying: of course, we are teetering of bankruptcy, but it was needless to say it. Actually, it is not even true that we are teetering on bankruptcy. The euro should not be damaged, because if the single currency collapses, at that point we will really go bankrupt.

Thus, we should not try to take advantage of Lagarde gaffe to make people believe that this is a European problem, whereas it is actually only our debt; we should take advantage of her media gaffe to talk about something else more serious: the European funds raised with the European debt issuance. So far, it seems like the Italian governments did everything they could to keep far something that would be our interest to keep close. Things have to change, now.

## **Last call Europe: Luigi Einaudi warning to the Europe of the Future.**

*Giovanni Bovi*

Published on March 26<sup>th</sup>, 2020

During these terrible days many have compared the current emergency to past tragedies: “is this our 9/11?”. But was not 9/11 already felt somehow as ours? And then, what is it meant by “ours”? Until few weeks ago Italy was surely one of the most affected countries by the virus, but now the spread of the contagions is pretty much the same everywhere. It is thus useless to make such comparisons, as it is useless to rank tragedies. That’s something quite mean.

Nonetheless, the current emergency is probably the worst of the last sixty years, and incredible efforts each of us is making every day are the evidence. It’s not by chance that we’re all using the word “war” to describe the current situation. Although reality might seem as complex, it should be important to try and look at it with a clinical eye, trying to understand its true extent.

COVID-19 represents a turning point for the whole Europe, either as an institution and as a concept.

There is a sort of widespread intergovernmental dialogue trying to depict the current situation as an ordinary situation. But the truth is, the current situation is all but ordinary. Only a few days ago in an online Ecofin meeting, Germany, the Netherlands, and other Countries, put a veto on the adoption of several European extraordinary measures (first of which, the Euro/corona-bonds). It is hard to understand the reasons of such paradoxical response. How can these countries consider sufficient enough the precautionary measures already in force, when such measures are unable to counter a situation of actual

danger – thus, a situation that does not urge “precautionary” measure, but remedies? Today Spain, France, Portugal, Slovenia, Greece, Ireland, Belgium, Luxembourg, and Italy delivered a formal letter to the President of the European Council requesting to take extraordinary actions to limit the economic damages due to the virus, and paving the way for the post-Covid recovery.

It is alarming to see how the European summits hesitate on establishing extraordinary measures. Seemingly, Lagarde words just a few days ago left us all a bit confused; it is disturbing how all the requests for protective medical supplies remained a dead letter for long time; it is frightening to realise how many medical supplies intended to be sent to Italy were left steady at the border customs of other countries.

The truth is (and I’m saying this as a true pro-European) that the EU accustomed us to several actions giving evidence of a lack of unity – or, at least, an unequal treatment: from the Balkan crisis to the Syrian war, passing through the Arab spring, humanitarian and economic emergencies. This failure of facing these crises together is only beneficial for sovereign and nationalist movements that are spreading over many member States. The result is that several countries are being offered supportive, strategic (or maybe insidious) avances by countries such as Russia or China – not really models of democracy and freedom.

Last March 24th was the anniversary of the birth of Luigi Einaudi. Like never before, is it of a vital importance to recall the speech he delivered besides the Constituent Assembly in the aftermath of World War II. We should all consider his words as a warning: “Thirty years ago, I wrote and repeated in vain, and I repeat today, after the terrible experiences suffered, hopefully no longer in vain, that the number one enemy of civilisation and prosperity, and today one must add of the very lives of its people, is the myth of absolute state sovereignty [...]. In

a Europe where every pestiferous return to nationalistic myths feed into suddenly discovered impassioned patriotic currents, in those, who till the day before professed internationalisation as an ideal; in this Europe, where with every step taken forward, one sees with horror the tendency toward bellicose urges, the word of unification is all the more urgent. I say word and not sermon. It is meaningless to preach peace and unity, when Hannibal is pounding at the door, when the souls of too many Europeans are inflamed by nationalistic passions. It is not enough to preach a United States of Europe and hold parliamentary conferences. What matters is that the members of parliament of these tiny states, that make up a divided Europe, renounce part of their national sovereignty in favour of a Parliament where they are elected and where they directly represent the European people in their entirety without distinction from state to state, and in proportion to the number of inhabitants, and that in the national parliaments the individual states are represented in the same proportion”.

Passionate words spoked in the aftermath of the bloodiest war. As hard as it is to accept it, war is a human and intentional fact. The virus is not a human fact, and it's not intentional. It is and will always be a plague.

If one wants to point out one single positive aspect of the situation, it is that the virus is an instrument through which the community understands and acknowledges its identity.

I am not the one who has to assess if Einaudi's warning was listened by the future generations; if in all these years, Europe has been traveling along a self-destructive road. Surely, now more than ever we are called upon to decide what kind of community we want to be when all this situation is over. We are called upon to decide if we want to give this community the name of “Europe”.

We're called upon adopting decisions which the future of generations to come will depend from. Now more than ever.

## **Fair, Necessary, Urgent.**

*Davide Giacalone*

Published on March 26<sup>th</sup>, 2020

If a street is busy, there's nothing you can do, except changing and taking another road. That's the point of the wise and useful opinion of Mario Draghi.

Almost all the anti-Europeanists are blaming Eurobonds, the sovereign debt bonds that represent the highest possible expression of a State transfer of sovereign powers. These anti-Europeanists lie when they say that Eurobonds are a synonym of "free money". And since this approach is similar to the Neo-Nazis of Germany and of elsewhere, for which no money has to be spent in favour of those who waste their money, the result is that we are all stuck.

The only "real money" around are European money, even today. There are more or less a Eur. 3.000 billion cash flow at a negative rate, on top of which Eur. 870 billion of expanded asset purchase have to be added. Even Italy could to recover Eur. 11 billion lost for its fault. Those are real money, and that's a lot of money. There is a State saving Fund, the ESM, that has to be adopted.

But there's a "but": these Eur. 870 billion are extremely useful to contain the spread (that would otherwise be extremely high), but as for the Italian share they cover only 2d5% of the debt issued from here until the end of the year. Once again, ECB is buying the time we're wasting. And there is another "but": does someone know how these Eur. 3,000 billion will be fairly spent? Basically, this is what Draghi means: The States make no investments; the banks should loan the money to private individuals: banks get the money at negative rates, and they should loan them taking the risks (and they do not). The perfect

circle would be: ECB to banks, banks to private individuals (under State guarantees). Fair, necessary, and urgent.

The risk is that after the emergency, thousands of business and private individuals will run out of business. And this scenario is much worse when compared to expenditure: in fact, there would be more losses, because failed ventures entail losses in production of wealth and in taxation.

Feeding the public debt with current expenditure was a reckless policy for Italy: the Germans have money to lend to business, while we are handing out money to those who do not work. But now, a public debt guaranteeing the private debt is fair, necessary, and urgent. This debt would not bear recession, but it would feed wealth producers.

Only those who do not want to understand, will not understand.



## **The European Union Risks to be a Painful Regret.**

*Andrea Pruiti Ciarello*

Published on March 31<sup>st</sup>, 2020

For a few years, Eurosceptic (and anti-Europeanist) movements are arising in EU and in Italy.

The “United States of Europe” seemed to be a certain achievement, then the Brexit came, on June 2016. That democratic wake-up call cracked the Europeanist dream, and paved the way for Eurosceptics.

In fact, since 2016 (mostly in Italy) the Eurosceptic movements started to rise, and conquered the absolute majority at the Chamber of Deputies after the 2018 national elections. Lega and Five-Stars Movement reached altogether 50.03% of the electoral consensus in the Chamber of Deputies. A little less in the Senate.

Since 2016, this trend crossed Europe by far and large. In France, the Front of Marie Le Pen, and in Hungary Viktor Orbàn recently took full powers thanks to a ridiculous vote by the Parliament. But no member State is immune from this trend. In some States, the Euroscepticism is lower (Bulgaria, Estonia, Ireland, Lithuania, Poland, Romania), but in larger States (also the ones with a higher GDP) the numbers of Eurosceptics are becoming worrisome. In this context, the COVID-19 pandemic might accelerate such disruptive trends.

The administrative and legislative provisions that basically put the whole Italy in quarantine – the same occurred in France and Spain – may be adopted in many other countries. The dramatic economic and social consequences of such provisions are under everybody’s eyes: thousands of micro, small, medium, and large enterprises are on their knees. Moreover, the measu-

res adopted to counter the virus cannot be the cure, but only a palliative.

If the restrictive measures will still last for long, as it seems, the adoption of extraordinary economic measures could not be enough to save economy. Former ECB President Mario Draghi, in his interview to the Financial Times said that to counter emergency, a change of gear is absolutely necessary. More mutual support between the member States is needed, and so is it for a different mindset of peoples and governments. Banks will have to play their part, too, and all this has to happen now, time cannot be wasted anymore.

On these days, the news talk about supermarket rushes. Those are surely criminal behaviours, but it is something that the Minister of the Interiors should have forecasted. It was not difficult to predict that, especially in Southern Italy, after twenty days of quarantine and with no economic income, many households would be starving.

In this framework, the President of the Council of Ministers, Giuseppe Conte – as if he were in a Big Brother TV – speaks to the nation almost every day, announcing that the State will make it to bear the whole situation and claims that billions of euros will be provided to support citizens. But this does not really alleviate the widespread malaise.

Actually, the government is doing the exact opposite of what Mario Draghi suggested, through the slow implementation of Prime Ministerial Decrees establishing measures that are obviously insufficient and delayed to counter the spread of the virus. We can feel all but safe.

Current ECB President Christine Lagarde, although claiming to be contrary to the Eurobonds, enhanced the program of public and private securities purchase, and adopted measures to offer cash flow under very advantageous conditions for the banks – enabling the latter to lend money to business and households. But banks – most of all the Italian banks – are too

bureaucratic and, without a State guarantee, they will not be able to lend not even one euro out of the billions of cash flow that the ECB put at their disposal.

In this socio-political context, President Conte (backed by Emmanuel Macron and Pedro Sanchez) requested to the extraordinary European Council held on March 26th the establishment of extraordinary measures to counter emergency. Actually, he requested the issuing of Eurobonds or Coronabonds, thus bonds guaranteed by the EU, though which members States could have adequate resources to face the ongoing healthcare crisis.

On the other side, Northern countries (together with the Netherlands and Austria) supported by Germany, are against the enhancement of the Eurobonds, and are only eventually supporting the use of ESM.

To be fair, it's impossible to conceive the issuing of European bonds without a common administration of the fiscal policies.

Just to be quick, the extraordinary Council adjourned to April 7th, without taking any decision and deferring the adoption of any measure, as if the domestic economy could wait for two more weeks, pending this state of emergency, and without risking the total damage of the strategic assets.

By so doing, social disorders will increase, the great majority of the business will run out of business or will not re-open after emergency. The risk is that without a sincere change of the European morality, no country will be able to make it on its own.

It is the day of reckoning for the EU. On one hand, States are mutually cooperating and integrating, with the necessary accountability of both the governments and the peoples. On the other hand, there is still a cold and technocratic version of the EU that some northern member States are supporting. Surely, only one of these two approaches will bring to the fu-

ture Europe, otherwise the XXI century will be the century of single States, without any Union.

Europe would be a battlefield again, Russia, USA, and China trying to compete with it. I do not know who could win, but I know who will lose. At this point, the only possible way is a more intense pro-European action.

It will be essential to establish the election of the MEPs in European lists, the citizens being able to choose their representatives not on a national basis, but on the basis of the candidate's ideology. We have to move towards a common European government harmonising fiscal systems and common security and welfare. A new EU, made out of brothers and sisters, where the respective diversities would be the ingredients of a major development, rather than a fearful distrust.

That is the only way we can defeat the COVID-19 emergency, and only way Europe will be mature and able to compete with the other international superpowers.

## **The Lack of a European Civil Protection.**

*Niccolò Rinaldi*

Published on April 10<sup>th</sup>, 2020

One of the possible tools to tackle the current crisis is a European Civil Protection Mechanism. Why has no one thought about it?

The mechanism is contained in the Treaty of Lisbon; thus, its legal grounds are quite sound. It has been already implemented in over 300 past emergencies in Europe and worldwide, and further enhanced in 2019 as rescEU. Its implementation would be ideal to combat the current emergency: national Civil Protections coordination; logistic organisation; sorting resources where those would be pivotal; data sharing and centralisation; the economic support of the Commission; and much more.

In March, this mechanism was implemented to support Greece within the context of the wave of immigrants from Turkey. In the context of the COVID-19 crisis, it was implemented in February as to repatriate European citizens from China. Then, on March 19<sup>th</sup>, the rescEU launched an operation of purchase of medical supplies to be distributed where needed, with a financial allocation of Eur. 50 million. Nonetheless, we still do not know where such supplies are, and who received them.

As of late March, when the spread of the virus had become dramatic, the Mechanism website was updated to the two above-mentioned interventions (last update: March 23<sup>rd</sup>). It would be even better that such mechanism did not exist, if that's the way we use it.

We do not know if Italy is still demanding for the ventilators already demanded on February 28<sup>th</sup>; nor do we know whether as of March 19<sup>th</sup>, when the emergency was already

serious, the Commission could have done more.

A paradox has to be highlighted: on one hand, no one talks about the European Civil Protection. Not the media, not the politicians, not the citizens.

On the other hand, a common European effort would have enabled the countries to retrieve sufficient medical supplies and distribute them according to each State needs; to identify medical personnel among member States to be appointed in the areas more in trouble; to provide economic and logistic support to the countries most affected by the virus. The deployment of the European healthcare resources would have been optimal.

During certain periods of the pandemics, professionals like the Swedish anaesthesiologists, or field hospitals with spots in intensive care from Hungary, or facemasks cargo carriers, protective coats and ventilators, not only would have brought benefits to a situation on the verge of collapse, but could make all the world think that Europe is actually cohesive and member States are supportive with each other.

Moreover, we did not feel embarrassed when we medical teams came from outside Europe to offer their support. We stood still, waiting for each State's support, and yet not coordinated with the other States.

Since there is talk about a second wave of the virus, it would be desirable that Italy, the EC, the Europeanists, or whoever, remedy to this false start. Some talk about the need of reforming the Mechanism. Maybe this would be necessary, since this crisis has brought to light all the European flaws in emergency management. Nonetheless, it would be simply desirable to enhance the existing tools and show at least a "political willingness" to do so. If there were any, at least we could show the world that common intelligence and common goals in Europe still exist.

## **Compromise and Dull Phalanxes.**

*Davide Giacalone*

Published on April 10<sup>th</sup>, 2020

When a compromise is made, there is regret and happiness at the same time. For those who think that prevailing on the others is the only way: life per se and civil society are a compromise. What Europe did yesterday is a logic compromise.

Italy, Spain, France, and other States say the truth when they affirm that there is a need of a large investment plan funded by public debt, because the virus is nobody's fault, and a common recovery is crucial. Likewise, it is true (and sad) when the Netherlands, Germany, and other States say that the common debt is convenient for those paying higher rates because of their high expenditures, but is not convenient for those paying lower rates – because wealth would be actually transferred from the most virtuous to the most vicious countries.

Only nationalists believe that this is a struggle between countries, because in the reality of facts the struggle is always domestic. And this is something positive: the European choices give grounds for domestic debates in each member State. In some countries, talking about Eurobonds is a taboo. In others, talking about State saving Funds is. Such dull phalanxes are two sides of the same coin, although going in different directions. This is the kind of politics that those despising democracy like.

As for the compromise. Yesterday the camel passed through the needle's eye: there is a European debt, also because of the consequences of what has been previously decided. Once again: it is a mistake to live the present denying the past and without taking into account the future. In short: the money the government is spending comes from the suspension of the Stability Pact and from the Eur. 250 billion purchases of our public

debt (covering 2/3 of the annual basic need). On top of this, Eur. 100 billion from the SURE fund, Eur. 200 billion from the EBI for the enterprises, Eur. 3,000 billion that ECB is ready to inject into the banking system for loans to the manufacturing sector – excluding premiums and the payment of dividends. Yesterday an auction for ten-year BTPs was held, closed at a lower rate compared to the previous. That's not the fairy god-mother: it's ECB.

These are real money flowing. The most serious danger is that we do not know how to spend them quickly. Then, there would be the humanitarian aspect as well. Let us still thank the Cuban doctors and the precious Russian and Chinese aids. Accounting reported by the daily newspaper *Il Corriere della Sera* provide as follows: “a. facemasks: 200 thousand from China, 250 thousand from Russia, 830 from Germany, 1 million from France; b. ventilators: 40 from China, 45 from Russia, 300 from Germany; c. 85 places in intensive care in Germany, together with military flights for the transfer of patients”.

Pain and fear sometimes lead to craziness, but it's better to keep a cool head and remember that maintaining the access to credit and to the richest market in the world – the European – is crucial. Both for wealth and health, two Siamese twins.



## **What is EU doing for Italy?**

*Enea Franza*

Published on April 12<sup>th</sup>, 2020

What is Europe doing to support Italy, so seriously affected by the spread of the virus which will leave a heavy legacy in terms of economic losses, also due to the draconian measures adopted by the government?

It would be false to state that Europe did not make any move this time. Generally speaking, we can say that Europe established several measures to provide financial flows to the system as to enable banks to supply more credit, or suspend pending mortgages. Other measures are instead aimed at supporting an immediate response to the COVID-19 related crisis, for the benefit of the whole economic system.

First things first. In the last weeks, ECB has decided for the implementation of a new 750 billion-program on top of both the ongoing 240 billion-quantitative easing, and the 120 billion-program set forth on March 10<sup>th</sup>. Differently from the previous, the new program is not necessarily linked to pro-rata purchases, thus ECB is allowed to buy proportionally more Italian securities. It is also important to highlight that in March, ECB purchased 12 billion Italian securities vs. 2 billion German securities – thus departing from the “capital key” regulation.

Moreover, ECB was committed to purchase up to 220 billion Italian securities from today until the end of the year, broken down in state bonds, undertakings’ credits, and banks cash flow. Let us remember that the cash flow ECB granted to banks has a negative 0.5%. This means that actually the banks pay to lend money to business.

We are aware that the European banking supervision enforced by ECB provided that banks need minimum reserves be-

fore distributing loans (under Basel III) and that cannot detain deteriorated credits. Nonetheless, the banking supervision is more flexible on these criteria and on the amount of minimum reserves in order to distribute loans, on the quality of credit, and on the bank analysis on business ranking. For instance, ECB stated that a business activity will not rank negative if its loan is suspended. Moreover, EBA confirmed that banks might assess their customer financial situation over a long period of time.

The message for real economy is that States can run up more debts with lower interest rates; banks can distribute more cash flow to the business and suspend mortgage; creditors can go the bank and get their credit for unpaid invoices.

A further action plan entails more loans with European public guarantees. EBI proposed a new Eur. 200 billion credit line, approved by the Eurogroup, and whose implementation is possible thanks to the guarantees on the budgets of EU member States.

It is a form of debt mutualisation and European solidarity, aimed at achieving public guarantees for long term bridging loans to business entities, in synergy with the Deposits and Loans Fund. Additionally, with the implementation of the CO-SME and Innovfin programs, the Commission will provide Eur. 1 billion from the EU budget as a guarantee for the European Investment Fund, as to facilitate the SME cash flow. Eur. 8 billion of working capital will be deployed to support over 100.000 business activities.

However, this scenario shall be actually efficient under the condition that large public works are kicked off for economic relaunch.

Another set of decisions is related to the EU budget policy. The government allocated Eur. 50 billion so far. Italy can issue further debts only if the interest rates are controlled by the massive purchases of Italian securities made by the ECB. Moreover, article 107, par. 3, let. b) TFEU provides that in cases

of bad economic conditions, the EU rules on States aids allow member States to support their business activities to remedy a serious disturbance on the economy of a Member State. On these grounds, the EU is ready to cooperate with Italy in order to set out further necessary measures.

By implementing the Coronavirus response investment initiative (CRII), the EU decided to mobilise resources available in the EU budget to support member States for an immediate response to counter the Covid-related crisis and to relaunch their economies. The European initiative includes payment anticipations and the re-allocation of cohesion funds, and it provides support to member States in allocating such funds as soon as possible where they are more needed. Specifically, the Commission suggests to mobilise liquidity reserves deriving from structural funds.

This would provide immediate cash flow to the member States. Still Eur. 37 billion are available for Italy, deriving from the European Regional Development Fund (ERDF) and from the European Social Fund (ESF). The regions will have to spend such money before 2023. Thanks to the rule known as N+3, allowing the funds to be spent within three years from their budgetary earmarking, expenditures can be reported to the Commission before the end 2023.

The Commission promised to be flexible, and will approve all the expenses related to the management of the crisis. This implies that all the resources could be spent for: healthcare, support to SMEs and to the labour market, without the need of a national co-funding and in any part of the Italian territory. Particularly, the Commission will not request Italy to repay the Eur. 8 billion unpaid prefunding within the context of the 2019 European structural funds. Such funds, combined with the euro 29 billion cofunding charged to the EU budget, mobilise an overall budget of Eur. 37 billion from the EU. Theoretically, Italy could start implementing both ERDF and ESF. This suggestion

of the Commission was possible thanks to an amendment to the legal framework approved during the last extraordinary meeting of the European Parliament on March 26th. Thanks to this re-orientation of funds, for instance, it was possible to allocate Eur. 50 billion to Italian business activities that had to convert their production.

Speaking in real words, the Commission suggests to bring some flexibility to the use of the Common Agricultural Policy funds, and gives more time to submit the application to access funds as to enable local administrations to process such applications, and enhance advance direct payments. Payments for the rural development funds would be enhanced as well, ensuring control simplification and bureaucracy reduction.

According to the EC data, 93% of the Eur. 100 billion of the European Agricultural Fund for Rural Development 2014-2020 are already pledged (83% considering the recipients). The remaining 7% share can be allocated in further measures. As for Italy, non-pledged EU funds are assessed to be between Eur. 1 and 1.5 billion, to be supplemented with the national and regional contributions. The European Maritime and Fisheries Fund will enable Italy to provide further support to this sector.

Finally, last April 2nd the Commission launched the SURE program – a Eur. 100 billion European investment fund against unemployment. In establishing Eur. 25 billion voluntary guarantees from the member States (proportional to their GDP), this fund will enable the States to support national layoffs. Triple A bonds shall be issued to collect Resources from the market – thus, with very low rates. This could represent a great advantage for Italy, that would be able to borrow at lower rates to help workers, and receive at the same time loans proportionally higher compared to the national budget guarantee. The Council will decide how far in time these bonds will last for each country, but it is already provided that, for every year, no more than the 10% of the debt can be repaid. In addition to

SURE, EDF could be implemented to reintegrate in the labour market the employees that will lose their job, and self-employed workers as well.

In short, there's abundant European money, also thanks to a more flexible approach towards budgetary constraints. But will our government be able to handle efficiently all these money? Or will we have to watch the sad show of allocated but unspent money, lost between the national and local bureaucracies and maladministration?

## **Sovereignism. A threat for the Future of Europe.**

*Paola Brunetti – Emma Galli*

Published on April 15<sup>th</sup>, 2020

In European societies, for years we have been witnessing a deep political transformation where some common features are observable. The passage of bipartisanship and bipolarism and the subsequent polarisation of the political fronts, and sovereign instances, are phenomena affecting several States, although with endogenous variants. These are the symptoms of the block of contemporary democracies' growth.

Sovereignism embodies transversal topics, such as the refusal of multilateralism, the fight to migration, and anti-Europeanism. So far sovereign movements around Europe never joined their forces – as also the 2019 European Parliament elections show – but there's risk that the sovereign threat is enhanced by the social and economic consequences of the pandemic. And this might be considered as one of the negative consequences of globalisation.

Over the last decade, economic hardships that followed the subprime and sovereign debt crisis have fostered the advent of political forces opposing liberal policies and the international economic order grounded on Bretton Woods and multilateralism. Liberalism, multilateralism and globalisation are depicted as the detonators of the contemporary economic and social crisis striking several sections of the population (starting from the middle class).

International surveys show how, on a global scale, multilateralism fostered the development of the less advanced economies; it promoted internationalisation of productive systems through value chains, and it improved many peoples' standards

of living. At the EU level, competition policies led to the overcoming of monopolies, and brought benefits to consumers – in terms of service improvement and price and rate reduction; social and cohesion policies helped to level territorial unbalances; the largest part of the European infrastructural projects were implemented thanks to the European funds; student and academics exchange programs fostered knowledge integration; the green deal (one of the Commission's priorities) will enable the EU to become the first carbon neutral continent. Obviously, all this had a cost.

Different national, linguistic, and cultural identities, as well as the institutional complexity of the Union, unfairly move the citizens away from supranational institutions. The advantages that integration daily entails are given for granted, however they are not yet completely perceived, also because the national communication strategies are not always focused on them.

For sovereign supporters, the best response to globalisation, multiculturalism, and European integration is sovereignism, that not only represents a political component (let us think about the *préférence nationale* in France, the *make UK great again* or the *Italians first*), but also an economic feature with different shades: from the request to impose duties to competitive goods from third countries; monetary sovereignty, threatened by the Euro and by the restrictive EU budgetary policies under the Maastricht criteria.

EU has been the target of the sovereign movements for years. Among the most significant battles of the last few years, a mention must be made about the referendums held in several member States. In France and in the Netherlands, the referendums for the ratification of the new European Constitution in 2005 showed that the majority of the voters were against its adoption, while the referendum called by Cameron in the UK in 2016 led to Brexit. It is interesting to note that the experiences of direct democracy in recent years ended up with a

negative outcome for the European integration process.

How was it even possible that a supranational institution that had guaranteed peace and well-being for more than 60 years, and is inspired by the principle of “Unity in Diversity”, is being increasingly perceived as negative?

New equilibriums – also institutional – are needed. The governance enshrined in the Treaty of Lisbon is complex and cumbersome, and definitely not functional for a 27-member States organisation. Among the guidelines of the new geopolitical Commission, the Conference on the future of Europe is on schedule. It should review the whole European system, and give notice to the citizens on how to deal with both domestic and foreign challenges.

The current crisis due to COVID-19 opened new political and economic scenarios. The timely intervention of ECB and a first package of measures – among which the suspension of the Stability Pact – paved the way for national governments in need of cash flow to face the current economic emergency, but other measures are necessary. A group of countries, among which Italy, suggested the adoption of innovative tools as the Recovery Fund, that require greater European participation in the relaunch of national economies – more and more mutually interdependent. The debate on the “communitarisation” of the crisis is heated, and the different positions among the member States are heterogeneous. The difficulties in trying to set a joint approach enhances the instances of sovereign political parties, enabling them to feed their propaganda with the use of the current social unrest and economic crisis due to the lockdown. Promptness is crucial today, also given the fact that the debate is perceived from the public opinion as an authentic choice of sides.

The Covid-related crisis became a battlefield opposing different visions of society and economy. Sovereignism does not offer solutions, but highlights the current difficulties of the



people and pretends to safeguard the weaker groups, pointing out multilateralism or the EU as an external common enemy to be defeated.

It is therefore crucial that the EU institutions are perfectly aware of this ongoing threat, and prove to have the ability to keep on vesting the same propulsive role that in the past allowed us to overcome difficulties and relaunch the integration process.

## **ESM. Not only Greece.**

*Roberto Ricciuti*

Published on April 20<sup>th</sup>, 2020

When talking about ESM, the only reference is usually made to Greece. Actually, ESM (and EFSF) provided previous assistance to Spain, Portugal, Ireland, and Cyprus. In these cases, the joint intervention of ESM, IMF, and the European Commission allowed these countries to exit their periods of crisis, reforming their economies and starting a strong growth process.

These crises present very similar features: the 2008 crisis triggered a period of crisis for banks – mostly linked to real estate market – and the necessity to avoid the total bankruptcy of banks led to a higher government-debt. This situation created a situation where these countries could not expend State budget at tolerable rates, thus the spread began to increase. Some countries had debts with foreign countries, others a poor competitiveness of their export.

Following the disbursement of 20-years loans with ESM-EFSF, these countries went temporarily out of the capital market, profoundly reformed their domestic systems and only at a second stage they re-entered the international markets. Spain (2012-2013) received a Eur. 41.3 billion loan, Ireland (2010-2013) Eur. 67.5 billion, Portugal (2011-2014) Eur. 78 billion, and Cyprus (2013-2016) Eur. 9 billion (equivalent to 50% of its entire economic dimension).

The EFSF-ESM disbursements on public expenditure, taxation, and labour market, were important, and enabled the recipients to get back to a significant path of growth, reducing unemployment and their debt-to-GDP ratio.

ESM is an important tool for taxation in the eurozone, a tool that was not provided when the euro was launched but

which is essential to face unbalanced situations that would be otherwise impossible to manage. It is an adjustable tool according to requirements, as we have seemed with the current changes that abolish conditionalities for the ESM implementation for reasons related to the pandemic.

## **Europe is a Path.**

*Roberto Ricciuti*

Published on April 24<sup>th</sup>, 2020

Each time a crisis occurs, the European Union “looks into the abyss”, according to the words of Ursula Von del Leyen, President of the European Commission.

During the 2008 financial crisis, some issues of incompleteness emerged in the structure of the European Monetary Union. Specifically, a common fiscal tool lacked, thus the establishment of the European Financial Stability Fund (2010) was set up, which was further transformed into the European Stability Mechanism (2012).

These institutions were set up with the objective of providing loans under certain conditions to the eurozone members facing financial trouble. So far, this tool assisted Cyprus, Greece, Ireland, Portugal, and Spain, and it enabled these countries (not without difficulties) to repay their government debts, enhance international competitiveness, and get out of the banking crisis that followed the real-estate bubble. Nonetheless, ESM has a limited capacity: only loans are allowed, not transfers from the common fund to single member States.

ESM was not the only institution founded after the Great Recession. The banking union was in fact another intervention that tasked the ECB of supervising the main European banks and of making capital injections. Today banks are stronger than they were 10 years ago, and while back then banks were the epicentre of the crisis, today they will suffer the consequences of the crisis in a relatively safe way. Nevertheless, the banking union lacks a tool able to enhance the system further: a European deposit insurance, an institute currently existing only at national levels in order to protect bank deposits up to Eur.

100,000. The European insurance would be an efficient shock-absorbing tool, much more powerful if compared to national funds.

In recent years, the scheme of a European unemployment benefit was discussed, but an agreement was never reached. Following the spread of the pandemic, the SURE system (Support to Mitigate Unemployment Risks in an Emergency) was set up, that is, a temporary mechanism funded by the member States through guarantees that enable the countries to mobilise significant financial means to fight the negative economic and social consequences of the coronavirus outbreak on their territory. It's not really a financial subsidy for unemployment, but rather it is more reassuring than single member States; in any case, SURE is a response to a serious social issue, and hopefully the mechanism will later become a more stable and structured instrument.

In short, the problem lies in the EU budget: until SURE is limited to 1% of the European GDP, it'll have a poor capability of replacing member States in establishing efficient economic policies. But centralising a part of the fiscal policy, leaving it to Brussels represents a significant reduction of a State sovereignty, and it is not clear how many country leaders will be able to persuade national public opinions. This is the debate we need, and the Eurobonds might arrive later on, once a European fiscal capacity is already in force.

## **The EU Puzzle: Is Building a Common Fiscal Policy Even Thinkable?**

*Paola Brunetti – Emma Galli*

Published on April 29<sup>th</sup>, 2020

In order to face the serious economic crisis due to COVID-19, the EU members States were put in a position to respond with their national tools. By activating the general departure clause within the Stability Pact, the governments could adjust the urgent public finance measures to their national requirements as to mitigate the effects of the lockdown – both at on a social and economic standpoint and without necessarily complying with the convergence criteria for deficit and debt. In accordance with art. 107 (par. 3) of TFEU, it was possible to provide business activities with direct aid, tax advantages, or direct reimbursable loans to foster a post-Covid recovery in the economic sectors mostly affected by the pandemic (in line with the State aid Temporary Framework guidelines).

It is necessary to react immediately, and the complexity of the actual EU governance mechanisms barely fit with such an exogenous shock. Moreover, the current emergency highlighted the EU “intergovernmental” limits compared to other institutions and instruments that represent better the EU dimension.

While it is true that our economy can be relaunched only within a European context of high economic and trade integration, it is likewise true that such measures will consistently impact on competition between countries and between the business activities of different countries. The single market entails the presence of similar social and economic conditions: this is the pre-requisite for the existence of funds related to cohesion and regional policies aimed at promoting equal conditions. State aids destabilise these initial conditions, and the gap

between the countries is likely to increase.

Currently, the lack of a common public expenditure policy and of a common taxation in the EU prevents the adoption of other measures on top of the existing and ongoing Recovery Fund – these tools, by the way, highlighted the central role of the European institutions, particularly the Commission, in facing the crisis. It is possible that starting from these attempts of “communitarising” the crisis, there will be room for further debate on the opportunities of setting up a common fiscal policy. This is a delicate issue on which more than once several calls upon a further integration of the European Union have failed. In the face of such openness, some countries (as Germany, that benefited from this flexibility) ask for the establishment of precise criteria and controls on budgetary policies and on taxation systems – that so far remained *domaine réservé* of the national governments.

Recent studies in the field of political economy suggest that the structure of fiscal systems is the expression of political (rather than economic) equilibriums, taking into account the economic and social heterogeneity of the taxpayers-electors in different and dynamic contexts. Will the idea of a major fiscal integration collide again with the assumption that budgetary policies are the foundation of the pact of political cohabitation in contemporary democracies?

## **ESM.**

*Matteo Grossi*

Published on May 6<sup>th</sup>, 2020

Before starting useless discussions on economic and politic strategies, it would be useful to understand how State bureaucracy works.

A long time ago, the word spread was on everyone's lips. Each and every person, from social media to hairdressers, used to make real time comments on how the international markets assessed the Italian economic risk. Confusion arose.

The European Stability Mechanism is an economic instrument that should not be underrated. It would be useful to follow the Luigi Einaudi Foundation Facebook page or the website, where interesting studies carried out by expert economists are published.

In this regard, one thing needs to be said: the government has to be aware of what ESM is. Otherwise, it would be ridiculous: when something is unknown, people often prefer to minimise or refuse it, making a false narrative out of it.

Let us recall that the resources allocated by the markets or by ESM, in a way or another, have to be paid back. Always. Therefore, the fact that Italy would be the only country to repay such resources is a fake news. Those money are loans, and everyone has to repay for them with the further application of interest rates. There are no other means, although someone says the opposite.

As every other State, Region, Province, or Municipality, Italy has expenditures for Eur. 900 billion broken down into Eur. 450 billion of current expenditure (capital expenditure) to pay civil servants, professors, firemen, hospitals maintenance, schools, public roads, and so on. Eur. 70 billion are used for the



public debt rates. As of today, the Eur. 2,400 billion deficit line is invested in repaying the debt (although when Mario Draghi led ECB, Italy paid only Eur. 35 billion on public debt). The remaining sum was used for investments that were to be in line with ECB policies, although such investment turned out to be divestments. Among the expenditures, further Eur. 250 billion have to be used to repay previous loans. The remaining Eur. 110/120 billion are spent in other budgetary items.

The grand total is Eur. 900 billion. But Italy does not have that much, Italy only has Eur. 580 billion. Where will the remaining amount be found as to ensure our current standards of living?

Obviously, we cannot ask citizens: they already pay taxes, and moreover a double taxation would be like selling our public assets – but not our monuments. Instead, I agree with the idea of selling the unused public real estate properties. If sold to private entrepreneurs, that would possibly imply an increase in tourism and surely there would be a significant economic impact. On the contrary, household properties should be burdened with further taxation. The only fruitful solution would be trusting the market and investors. That's nothing new.

And who should these investors be? Private entrepreneurs taking charge of our risk in order to ensure that the State keeps on functioning. According to our needs and to our offer on interest rates, the investors compute the total risk and then decide whether to trust or not to trust such scheme. It is obvious that if the government keeps on carrying out useless expenditures, there will be a lack of trust. Germany asks for loans, too. And if we check how much the Germans ask for compared to how much Italy does, here's the spread.

2020 will be a tough year, and Italy will have to demand even more than other States in order to face the COVID-19 emergency.

State revenues will be different, as well. Many productive

activities closed; thus, many taxpayers will not be able to pay taxes. Therefore, the Italian Accounting Office will have to ask for much more than the usual Eur. 280/300 billion. What will the investors say when they realise that they are asked much more money? They will surely raise interest rates: and what if Italy will be unable to repay them?

We obviously cannot borrow money from Scrooge McDuck, can we? Given the impossibility to print money with the printers in our own houses, the “Holy Europe” will surely support us – along with several mechanisms. ESM, unlike what our President of the Council and Senator Salvini say (that ESM has a “bad name” and it is a “theft”), is actually the only tool that keeps us floating.

One thing is sure. Citizens do not want to hear about ESM, and do not trust this mechanism. This is because someone preferred to hear comfortable lies (engine of the public debt) instead of thinking about its homeland.

## **The future of Italy is in Europe.**

*Paola Brunetti – Emma Galli*

Published on May 20<sup>th</sup>, 2020

The future of Italy is in Europe. Unfortunately, not everyone is aware, given that in the last decade we experience a growing anti-European sentiment – enhanced by the populist propaganda, and by the circumstance that the great part of the citizens is unaware of how the EU functioning works.

The EU is often perceived as a foreign object, with a certain number of “ruling” States, preferring financial stability to citizens’ economic and social welfare.

But is it good or bad for Italy to be part of the EU?

Italy is the n. 4 country contributing to the EU net budget, but several actors take advantage of the funds provided by Brussels within the context, for instance, of the Common Agricultural Policy or of the regional cohesion policies.

The existence of a 450 million people common market, under the same rules on competition, a common trade policy, and a common currency as the euro, offers several business opportunities for the enterprises and for the consumers (who have more choices at more advantageous prices).

The recent crisis due to Covid-19 has mostly affected the Mediterranean countries, Italy included, and there is a lot of uncertainty for the future, as the 2020 growth prospects show. To counter the emergency and the partial suspension of economic activities, the countries most affected by the spread of the virus had to adopt national economic measures of great proportion.

The ECB and the European institutions approved a package of financial instruments as to alleviate the difficulties of the member States, and the implementation of a recovery fund is upcoming. We know nothing about the technical aspects yet,

but it is clear how this instrument is absolutely essential for Italy. Indeed, without a European protection it would be impossible for our country to achieve sufficient resources to stand in the international markets at sustainable costs.

The EU policies help internal markets to even out, and foster a uniform and supportive vision of the development, whereby domestic policies often intensify the existing diversities and alter the level playing field. The temporary framework in the context of State aids – although necessary during the emergency phase – cannot protract for much longer. Otherwise, its effects on domestic markets would be devastating and would generate macroeconomic unbalances between the countries.

It would be beneficial for Italy to “Unionize” some sectors such as the industrial policy, authentic cornerstone of the Italian economic system. Moreover, the implementation of projects within the areas of aerospace, digital, healthcare, and automotive (along with the new green deal, as advocated by the von del Leyen Commission) would enable our enterprises to get more and more involved into the European chains of value, and to reduce their dependence on third countries in several strategic sectors.

Which is the role of Italy in the EU? We rank third for GDP and for population; we have been recording primary surpluses for years; we have high private savings; we rank second for manufacturing and for export. On the other hand, the public debt is high – exceeding the 150% of the GDP this year. The Italian representatives actively participate to the European decision-making processes, and in the last two years Italian personalities were appointed to prestigious positions, namely as President of the EU Parliament, High Representative of the Union for Foreign Affairs and Security Policy, and European Commissioner for Economy. If we take a look to the international context, Italy is member of the G7 and the G20, thus possessing a status of economic and industrial power – although with its instabilities.

And yet, it looks like we do not realise it. We keep on playing a background role in the international and European scenario, while instead we could play a leading role. This, both fosters the populist propaganda and hinders the growth of the country.

Is the French-German axis a threat for our interests? Such axis was founded in order to overcome centuries of wars and misunderstandings that have devastated the continent, this is the reason of its exclusivity. The axis ran the European engine for years, and the Treaties of the Elysée (1963) and Aachen (2019) surely promoted an increasingly growing cooperation between the countries. But this common understanding is not critical for the Italian interests, as showed by the recent Macron-Merkel joint recommendation on the Recovery Fund, representing a significant opening towards mutual cooperation in problem-solving, and relaunching the project of integration. There exists a space in which Italy can play an active political role, in the awareness that the interests of the Italians are mostly protected in the EU dimension. We are not aiming at achieving a new “triumvirate”, but at building stronger alliances as to foster the European integration process, supporting either the EU Commission and the EU Parliament. Sovereign and populist propaganda has to be overturned: the present and the future of the Italian consumers, entrepreneurs, workers, and students (only to cite some) is surely in Europe.

## **The liberal model of the Western World at stake.**

*Giulio Terzi di Sant'Agata*

Published on June 6<sup>th</sup> 2020 on the press "Formiche"

Several analysts consider as unlikely the advent of a full restauration of the global economy and of the pre-Covid-19 lifestyle. Not in light of the national income levels (recoverable in 12-18 months), but for the possible new organisation, trajectory, and structure of the productive systems, services, capital markets, and ICT technologies. In the new geo-political post-pandemic world, Italy and its European and Atlantic partners should aim to a global reaffirmation of political, economic, market, and social progress policies.

This is the only way to rebalance the political and economic relationships with China, and technological-scientific cooperation alike.

Seemingly, it is crucial to have an adequate perception of the tremendous challenged posed by the Chinese Communist party's hegemonic instances. Such change of course should start from an adequate information to the public opinion, that the media often do not inform properly – and sometimes this is even intentional, as in Italy. Now, the Western World has to consolidate the relationship playfield with China, because there lies the future of the market economy and of the credibility and attractiveness of the western liberal model. Thus, there are strong reasons for an active cooperation within the fields of economic, scientific, and technological relationships in the Euro-Atlantic region. It'll be never enough to stress how advantageous this model is, because of its values and its cultural and juridical homogeneity compared to China – that suggests alternatives to liberal democracy in such an aggressive way (and

now perhaps even exploiting the pandemic wave).

The current crisis has a profound impact on globalisation, resizing China in the global chains of value. It is both the Italian and the Western World's interest to actively foster this process. Reshoring towards our markets is imperative. The ongoing regional accords, as well as economic and trade negotiations are aiming at this objective, with future positive outcomes on the investments, occupation, growth, technological competitiveness, and national security.

The EU Commission is considering the opportunity of setting up a 2,4 billion fund to support the pharmaceutical research in Europe rather than in China. The lack of medical supplies during the emergency has been alarming. We have also experienced how systemic and structured Chinese strategies are, in order to gain dominant and exclusive positions at a global level, and within the fields of health, hi-tech and ICT. Several European enterprises were attracted by the Chinese market: cheap labour, Chinese incentives, research and development. But much of this attractiveness was already vanishing before the pandemic. The greatest part of the world supply chains passing through China – wrote “The Economist” on April 11th, 2020 – were to be re-evaluated since long-time: less competitive labour costs compared to other Asian and Pacific countries; trade wars; growing risks for foreign enterprises in China. Some people thought that a reliable world supply chain existed. Instead, they have to surrender in front of the evidence that the Chinese supply chain was built to overcome and affect the others politically. As Joerg Wuttke (President of the EU-China Chamber of Commerce) said, a lesson to be learnt from the pandemic is that “single source is out and diversification is in”. Italy wills to be a leading actor. The US, Japanese, and other European governments are currently setting out significant measures for the reshoring of at least part of the strategic productions relocated in China in the last 20 years. Other than

the underlying geo-political reasons, the great interest for the strengthening of Euro-Atlantic economic partnerships derives from the abyssal legal differences in the fields of intellectual property, patents, and reciprocity in research and development projects. The domestic, European, and Atlantic engagement to rebalance in a decisive way the global values of chain in the strategic sectors – starting from health – is surely the first condition to neutralise the Dragon's claws.



## **Authoritarian drift in China: the handling of the virus confirms so.**

*Giulio Terzi di Sant'Agata*

Published on May 11<sup>th</sup>, 2020

Ambassador Giulio Terzi di Sant'Agata: *"Back then, Xi Jinping opposed Gorbaciov's reforms in the former USSR".*

Ambassador Giulio Terzi di Sant'Agata, 40 years of diplomatic services (also as Italian ambassador to the United States and Israel) makes no concessions to China, even more so after the pandemic: *"Europe and the Atlantic community are threatened by three revisionist powers".* In order: China, Russia, Iran. Giulio Terzi, former Italian Minister of Foreign Affairs during the Monti Government, addressed the new post-virus geo-political issues during a remote meeting organised by the Rotary Bergamo organisation.

He did it in an incisive and unconventional way, also regarding the Rome-Beijing agreement on the Silk Road: *"Since 15 years, an authentic "international" ideological, economic, and political competition is ongoing, on the alternative forms of government, social organisation, and political thought. I am more and more involved in human rights and fundamental liberties issues, and I am often shocked by several brutal violations going on".*

Authoritarian drift.

The geo-political effects of the pandemic result in a generalised confrontation of political, military, and economic nature, and the main areas of risk are in Europe, America and China. *"It is sad to realise that such a global humanitarian tragedy is not leading to cohesive solutions, but rather is muddying the waters, with several actors being only interested at prevailing on others*

*within an unconditioned dispute between the East and the West".* The Ambassador recalls the immediate responsibilities of the Chinese Regime: keeping the first signals of the spread of the virus in Wuhan hidden (thus violating a key clause of the 2005 Agreement subscribed by nearly 170 countries after the SARS), blaming several executives of the Communist Party only at a local level. The objectives of the Wuhan national biosecurity laboratory are still to be understood. But the poor management of the hotspot of the virus is to be ascribed to the authoritative drift of the President Xi Jinping, who failed to meet the expectations of the international community: *"After the reformist phase of Deng Xiaoping during the 70s-80s when China entered the world trade organisation, almost everyone was persuaded that such opening would lead to a legislative and political transformation in the framework of a "good" globalisation. Somehow, that could be compatible with our systems, although from a totally different angle. But that's now how things ended up: the autocrat Beijing is always inspired by Mao, and since the very beginning it was against the reforming policies of Gorbaciov in former USSR, exacerbating further the hands of the Communist Party on the country".* Giulio Terzi follows a double trajectory: on one hand, China is a player spending energies and resources in sectors that are crucial for the Chinese vision of the world and its geopolitical predominance. On a mid-range, this concerns the Chinese hegemony in South-Eastern Asia after bolstering its military fleet: the illiberal crunch on Hong Kong – yet still awaiting how things will end up in Taiwan, since it could be even more serious. Moreover, we have to further consider the militarisation of several islands in the Pacific international waters belonging to the Philippines, Indonesia, Brunei, Vietnam, and Malaysia. Moreover, although Trump's US are a politically divided country, also the Democrats consider China as a competitor to be countered.

## The neo-conformism

What counts the most for us, is the “Operation: persuasion” carried out by China proved by the Italian-Chinese Memorandum on the Silk Road, strongly supported by the 5 Stars, that our country (the only in the G7) undersigned in March 2019. “China is implementing a multiple-levels influence strategy, a whole encyclopaedia could be filled. The whole political cooperation in a broader sense is involved: from the Space – where there’s plenty of Chinese researchers – to positions in multilateral bodies, and even in the field of media and information. After the Silk Road after agreements have been reached, for instance between the Italian and the Chinese TV, or in the fields of education, culture, and with the Confucian Institute. Within a year, a pro-China consciousness has developed in Italy, a sort of pervasive ‘communis opinio’, a neo-conformism coming from political and economic levels and spreading up towards the common feeling of the public opinion. China appears to be trustworthy thanks to a sophisticated and documented disinformation carried out on the social media, and the Italian citizens eventually entrust China: there’s even a sort of spontaneous affection growing on our side, showing how extraordinary the Chinese ability to influence people is”. An emblematic case of what Giulio Terzi says is the decision of the Italian daily newspaper *Il Corriere della Sera* to name Xi Jinping Man of the Year for 2018. But there’s even more, in an era where the new computer technologies (see Huawei) pose communication as a matter of national security: “On this side, given the interests of the 5 Stars party, Italy is the flat tire of Europe. The EU strategy is to adopt an appeasing approach, by overlooking the joint US-UK-Canada-Australia declaration on Hong Kong, thus neglecting article 21 and 22 of the Treaty on the EU – pointing out the promotion of the rule of law as an EU mission. The Chinese axis with Italy resented Brussels, Germany, the UK and France, especially now that China is engaging in the frontier of the new communications. I have notice of an American apprehension, too: we’re already paying for several

*past things, and I'm afraid that even more serious consequences can rise".*

### Russian strategies.

Things are different when talking about Russia, that seems slightly "sleepy". Putin does not look very on shape, the pandemic is spreading more that it was expected, and the economy is in decline (also due to the reduction of the cost of oil). Still, we are talking about different powers: the GDP of Russia equals the Italian, which is 1/10 of the Chinese GDP. Says the ambassador: *"In line with the soviet 'disinformatia' past experience, Russia has a proverbial ability within the field of manipulation and disinformation: Russian embassies are the top of the class. Moscow is second to no one, China included. Anyway, in this field Russia and China are Siamese twins working together. So considers the UN Security Council. But then their political interests are not aligned, because they are both expanding countries. Moscow is not happy with the Chinese spread in the Mediterranean: Pireaus, Taranto, Trieste, Vado Ligure. And let's not talk about Africa, such a contended territory: there the Chinese business (capitals, manufacturing, logistics) is everywhere, but the Wagner Russian contractors have been working for 6-7 years to protect the Russian commercial supplies. Putin's global ambitions are endless, and I think that he will refuse any logic of submission, as former KGB officer as he is".* Then there is the NATO chapter: *"Trump's mistake was to reject multilateralism, but the Europeans have their responsibilities as well. Russia is very able in making alliances within the context of the political systems, even with Germany – although Berlin is still objectively dependent to the Atlantic Alliance. I'm talking about the North Stream 2 gas pipeline, whose ambition is to make Germany the Russian gas hub in Europe. In fact, former social-democrat Chancellor Schroeder presiders Rosneft, the Russian giant of extraction and production of oil and gas".*

## The Turkish overtaking

And finally, Turkey. Erdogan is chasing a neo-Ottoman geopolitics. He successfully supported the Serraj government in Tripoli, acknowledged by the international community: the agreement on oil-explorations in the Mediterranean and the circumstance of sending troops in Libya. In the meantime, after disappointing Russia in the Syrian matter, Ankara gained a more important role in the Horn of Africa, settling in Somalia: we have proof of this if we consider the active contribution of the Turkish secret services in the recent case of the release of Silvia Romano. Somalia and Libya, as Terzi says, are two countries where Italy once played an important role for historical reasons, a role not replicated today.

## **Lessons on the World learnt after the Covid-19 pandemic.**

*Maddalena Pezzotti*

Published on June 22<sup>nd</sup>, 2020

The reaction to fear and uncertainty due to the rapid and lethal Covid-19 propaganda, and the severe economic impact of social restrictions, raised rumours about a possible post-crisis radical transformation of the current ethics and global order. Most likely, things will not go this way. The pandemic (and the reaction related to it) will not change the direction towards which the world has been moving for decades, but instead such “movements” will accelerate.

### Lack of a global leadership

One of the main features of the pandemic is the lack of a leadership in its international management, and the lack of a common effort to counter it. Some countries based their policies on the Chinese, since China was the first country to overcome the first wave of the virus. No indications were received from the US – a giant in the scientific and medical research. The inconsistency of a global governance is also proved by the irrelevant role of the World Health Organisation. The pandemic showed how countries are still unable to deal individually with such challenges and, seemingly, international organisations aren't as well. In fact, we all witnessed how fast the virus spread worldwide, and how a vaccine is unavailable yet. The definition of “international community”, therefore, is something in-existent concretely; it is just something we are still aspiring to.

## The decline of the American model

Although the absolute value of the economic and military power of the United States increased, the relative advantage of their unipolar model decreased. Other sort of powers occupied this void, but none of these actually replaced the vacancy. What is missing now is not the American ability, but its willingness. Barack Obama retired troupes from the Middle East and Trump reduced the number of the army in Afghanistan and Syria. Rather than on a battlefield, the US fought its enemies on a financial, economic, and commercial standpoint. The message “*America first*” underlies that the American participation to transnational issues is currently useless, time-consuming, and far from domestic priorities. The pandemic enhanced this attitude, instead that making people understand that whatever happens at national levels depends on dynamics going on in the rest of the world. It is a false choice – given the fact that the US could actually deal with both issues – but it is still the prevailing one. The attractiveness of the American paradigm fell already with the 2008 financial crisis. The slow, inconsistent, and inefficient American response to the pandemic definitively show that the United States lost their traditional role.

## The decline of the relationships between the US and China

While we all hope that the global powers adopt and aligned approach in the handling of the Covid-19 crisis, we are sure that this will not happen between the US and China, whose relationships have been declining for a long time now. Actually, the pandemic is even exacerbating the frictions. Washington blames China for informing the world about the virus provided with delay, and for putting the city of Wuhan under quarantine later than it should – so allowing the global spread of the virus. China pictures itself as a successful example to stop the spread

of the pandemic, exploiting such impetus to expand its areas of influence to the detriment of the United States. After all, nothing can change the Chinese idea that the American presence in Asia is a historical anomaly. Seemingly, China will keep on proving resentment towards Trump's trade policies or his support to Taiwan. The US fear such situation, and are paradoxically dependent from China on essential goods. Moreover, the US developed an overexposure to espionage activities and intellectual property thefts.

### The advance of the nationalisms

All the strategies to counter the pandemic have been implemented on a national level – or even on a sub-national level – and once the shock will be over, the entire focus will be given on local recovery. The interruption of the supply chains, and the need to stimulate the manufacturing industry in order not to lose further workplaces, is a circumstance that surely goes in favour of protectionist policies. Trade will be partially restored, but its functioning will depend on the governments rather than on the markets. Given this context, it will be difficult to keep the focus high on transversal topics such as the climate change and, most likely, we will consider these issues secondary.

### State weakness

For many years to now States showed their weaknesses, and the increasing economic deficit caused by long periods of compulsory preventive isolation will lead to further frailties (or even failures). The public debt will increase because of the health and social protection-related expenses – although its levels were already extremely high even before the pandemic. The developing countries will then face unsurmountable obstacles, and it is unsure if the industrialised countries, given their endo-



genous difficulties, will be ready to support the first. The recoils deriving from such circumstances in India, Brazil, Mexico, and Africa, will probably interfere with the global relaunch.

#### Intensification of migrations

National resistances observed in recent years in welcoming migrants and refugees will intensify. The high unemployment rate due to the block of productivity will make the States reluctant in welcoming foreigners. Although the number of current refugees is already unprecedented, it will grow further because of global conflicts, human rights violations, and in light of the inadequate standards of living and personal fulfilment in countries with poor economies.

#### Democratic recession

The decisions taken by the governments in the management of the pandemic accelerated the democratic recession process that we have been experiencing for at least 15 years. The way for state authoritarianism is paved. Civil liberties are not constrained to counter the spread of the virus, but in order to achieve a control functional to the suppression of the political opposition. This, because the international attentiveness on this topic is distracted by the emergency. When the health danger will cease, such trends could still stand.

#### Lack of European cohesion

The expansion of the pandemic overshadowed the European project of integration, already faltering after the Brexit. Each country is reacting in its own way to the difficulties and to the negative economic effects due to the emergency. The main issue is to understand whether such situation will lead to

nationalisms, given also the fact that State boundaries will be more and more closed as to control the spread of the virus – although, actually, such closures are more intended to stop migration phenomena.

In the aftermath of World War II, a compact architecture was established, promoting peace and prosperity at least in Europe. Nonetheless, the current global scene is not so easy to reorganise around common goals. Given the fact that powers are distributed between different poles (either State, local, or non-State actors), it is extremely difficult to achieve consensus. Nevertheless, such shared consensus would be crucial in these times of terrorist attacks, proliferation of nuclear weapons, cyberspace anarchy, global warming, forced mass migrations, and the possibility of further health emergencies. No one is credible enough to take this responsibility. Moreover, it even looks like a common interest in analysing such scenarios lacks. It doesn't seem like the countries want to make joint efforts countering the current common threat, but rather want to amplify the existing rivalries and disorders.





## CONCLUSIONS

The goal of this volume is not to provide a definitive answer or comfortable certainties, but to give food for thoughts, as to foster a debate on the effects of the pandemic.

One of the inescapable consequences is the economic crisis. We can only imagine what long-time impacts there will be on the global economics, both in reason of the spread of the virus and because global economies are highly interconnected. What has to be avoided, is to go back to isolationism. The health crisis did not highlight the weaknesses of globalisation or of the free market. Instead, it was thanks to the global dimension of economy that avoided more serious consequences.

In Italy, the most serious impacts will concern the current weak and stagnant economic situation in the country. While the pandemic was impossible to forecast, it is likewise true that the “great Italian error” was not being prepared to the advent of a shock.

This publication contains in-depth analyses of the current economic situation as well as suggestions for its future management. All this, bearing in mind the essential role played by economic freedom and the free private enterprise.

Our liberty has been recently jeopardised. We had to leave aside our rights, our daily life was disrupted, and so our lifestyles, for the sake of security. But without freedom, security lacks. These restrictions shall make us think about how easily our rights can be constrained.

As Professor Lorenzo Infantino said, “*the price for freedom is an eternal surveillance*”. His words moved the Luigi Einaudi Foundation and its liberal friends to write this book, in times of pandemic.

The emergency situations are always critical for democratic institutions and the rule of law. The way the Italian government countered the spread of the virus paved the way for argu-

ments and critical thoughts. Particularly, several constitutional law experts were doubtful about the way constitutional guarantees have been ensured. The citizen's fundamental liberties have been restricted like never before in times of peace, and the use of the Prime Ministerial Decrees has further created a dangerous judicial precedent. Moreover, on an institutional standpoint the Parliament lost its central role in such a delicate moment for the country. And this shows how democracy is experiencing a delicate phase.

The global spread of the virus will lead to inevitable geopolitical consequences. Only in the years to come we will be able to assess to what extent the virus shook the global economy. It is fundamental that liberal democratic countries and more authoritarian systems share common ideas and solutions against the pandemic. The European Union will have to face important challenges, too.

In this regard, the Luigi Einaudi Foundation supported the lawsuit filed by the lawyers Rocco Mauro Todero, Andrea Pruiti Ciarello, and Enzo Palumbo, who requested on April 14th 2020 to access the documents of the Department of the Italian Civil Protection to obtain the disclosure of the records of the Scientific-Technical Committee, that grounded the Prime Ministerial Decrees issued by the President Giuseppe Conte during the emergency. Only the full knowledge of the reports ensures transparency (under article 97 of the Constitution) of the governmental measures set forth during this period.

On May 4th, 2020, such requests were denied. In opposition to the denial, the abovementioned lawyers, supported by Federico Tedeschini, Ezechia Paolo Reale, and Nicola Galati, appealed the decision in front of the Regional Administrative Tribunal, that, on July 22nd, 2020, granted the request. The Presidency of the Council of Ministers, on the following August 5th, sent the reports to the lawyers, subsequently published by the Luigi Einaudi Foundation (<https://www.fondazioneiuigiei->

[naudi.it/i-verbali-del-comitato-tecnico-scientifico/](http://naudi.it/i-verbali-del-comitato-tecnico-scientifico/)).

On September 4th, 2020, the government published all the reports of the Scientific-Technical Committee.

THE VACCINE OF REASON



## **Afterword**

### **The virus and the thin red line that Conte (already) crossed.**

*Giuseppe Benedetto*

Published on October 18<sup>th</sup>, 2020

The Covid is out there, and it is a serious pandemic. Many people can die. This, to clear up misunderstandings.

Can we call it a day? I don't think so.

As every other issue of this magnitude, Covid has to be countered without hysterias and extremisms. And mostly, without carelessness – this is where I want to focus my attention.

In the early hours of the first wave, everyone already talked about the second wave, an inevitable return of the virus after the foreseeable summertime decrease.

Does someone know what the government did during this period of calm in order to prevent and to counter the second phase? There would be many issues to deal with, but I'll focus especially on two.

How is it even possible to see cars in line at the drive-ins to take Covid tests? It is clear that the PCRs are in short supply in Italy. Wasn't it possible to forecast the resurgence of the virus and get the right number of medical supplies accordingly?

Even more incredible is the issue of flu shots. It looks like there is another pandemic: the seasonal flu.

How is it even possible that last April (6 months ago) every scientist claimed that it was necessary for certain parts of the population to get flu shots and, today, it is practically impossible to get a flu shot in Italy?

And I can attest from personal experience. This is so-

mething the government should be accountable for.

I'm not talking about how schooling or public transports should be organised, or the reason why activities were all open before and they are all closed now – although some explanations should be provided here, too – but I'm talking about two unequivocal issues on which no discussion can be made. Incontrovertible factual evidence. And since everything is connected, let's talk about the other problem. The government has to forget that personal liberties can be arbitrarily regulated.

Hierarchy between liberty and health does not exist. And if there was, probably health would not prevail. When we read about the President of the Council reassuring us that the police will not enter into our homes to check us, we, the freemen, think that it doesn't because it simply cannot do it. Not because the President says it, but because the Constitution provides it under article 14, according to which *"The home is inviolable. Personal domicile shall be inviolable. Home inspections, searches, or seizures shall not be admissible save in the cases and manners complying with measures to safeguard personal liberty. Controls and inspections for reason of public health and safety, or for economic and fiscal purposes, shall be regulated by appropriate laws"*. This simply entails that only a law approved by the Italian Parliament (and in respect of the Constitutional provisions) can set forth the cases in which the home can be violated. No Prime Ministerial Decree can overrule the law nor the Constitution. And this is the most delicate issue in light of the measures proclaimed in these hours.

The government should think about countering the pandemic and avoiding its previous mistakes and unlawful interferences on private and public liberties. The government should remember that at one point pandemics end. And so, do the governments.



This publication gathers thoughts and considerations made during the (still ongoing) pandemic. Moreover, it contains a detailed description of the issue of the Italian Scientific-Technical Committee reports: Here, it is clear how without transparency of the administrative action everything becomes more opaque.

The book poses a question to the reader: Where were you while the health emergency in Italy urged the need of liberal antibodies?

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