

The future of Italy and Europe is at stake

OPINION

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The referendum in Italy on Sunday is not merely about a few tweaks to the functioning of the country's institutions. The stakes are much higher than that and they concern the whole of Europe.

Of Europe's largest economies, Italy's was the hardest hit by the recession. The country needs stability and reform. For too long, Italy has been too slow to confront its problems and too hasty to change its governments. The most recent general election, in February 2013, was yet another illustration of this problem: no one won, uncertainty dominated the political landscape and populists began making more noise than ever. Yet events unfolded in an unexpected way. Matteo **Renzi**, the prime minister, managed to establish the most stable government Italy had seen in a decade and the most reform-minded administration since the introduction of the euro.

The **Renzi** government has not worked miracles, nor has it solved the problem of public debt or many of the

other issues that have accumulated in the past 30 years, but it has set Italy back in motion. This has demanded significant sacrifices of our middle class, our public employees and our pensioners.

It has been a slow process but it has borne fruit as growth has returned. The deficit continues to fall, the restructuring of the labour market has relaxed decades-old rigidity, the banking sector is undergoing reform as are public institutions, schools and the civil justice system. The reforms may not always be complete and some may be controversial but they are significant in a Europe crowded with fragile governments that are often held hostage to populism.

Stability and reform have allowed Italy to regain its voice in Europe and to encourage the EU to focus its economic strategy on investment and growth. This strengthened Italy breathes life into the ideals of the EU now that the UK has expressed its intention to leave and, even more importantly, promotes a common policy on migration, Europe's biggest political challenge.

Sunday's referendum has the potential to complete this process of reform, enable further change and give more force to Italy's voice in Europe. Alternatively, it could block everything.

The issue is not the content of the referendum but the fact that the No side has brought together all the forces that seek to block reform: on the right from Silvio Berlusconi to the separatist

Northern League, and from the extreme left to Beppe Grillo, leader of the populist Five Star movement.

There is no question that amendments to our constitution are necessary in order to make our institutions more efficient: no other European country has two chambers with duplicated functions; it is clear that there are far too many members of parliament; the lack of clear distinction between national and regional responsibilities has drawn widespread criticism. The value of the proposed amendments is so obvious that regular attempts have been made to introduce them since the 1980s.

The future of stability and reform is at stake. There are those who argue that a Yes vote will result in dangerously concentrated authority but these concerns are unfounded, as the prime minister would not gain any additional powers – and he has fewer powers than any other European head of government. Anyone who knows Italy will immediately see that such arguments are ridiculous.

What should Europe expect on the morning of December 5? If the No vote wins, the sky will not come crashing down. There will undoubtedly be worrying consequences should those who seek to use stability and reform as a bulwark against populism be defeated.

But I trust in the wisdom of my compatriots and I am confident that Yes will prevail.

The writer is the Italian foreign minister

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