



TO COMPLETE THE EMU AND ENSURE PROSPERITY WE MUST START FROM
THE EURO AREA BUDGET
ANALYSIS AND ESTIMATES OF EFFECTS

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Introduction, Work Plan and Results' Summary

After the fall of the Berlin Wall in 1989 and the reunification of Germany, the peoples of Central Europe, who for fifty years had lived under the direct influence of the USSR and "inside" the Warsaw Pact, have expressed forcefully and with determination the will and hope to mend their ancient and deep European roots.

In 1995 Austria and Finland joined the European Union and in 1999 entered the euro.

In 2004 the European Union expanded to Slovakia, Estonia, Lithuania, Latvia, Slovenia and, towards the Mediterranean, to Cyprus and Malta. Between 2007 and 2015 all these countries also entered the euro area.

In 2004, Poland, the Czech Republic and Hungary joined the European Union remaining outside the euro, followed by Romania and Bulgaria in 2007 and Croatia in 2013.

So today we have an EU with 28 countries (27 with the announced, probable and very complicated exit of the United Kingdom) and a euro area with 19 countries.¹

During the nineties, with the disruptive entry of Asia led by China and India onto the world trade scene, the ineluctable process of globalization increasingly consolidated.

Nonetheless, the debate on the alternative between "widening" and "deepening" (*Widening and Deepening*) opened once again within the European Union. It became clear that, in order to participate fully and as a protagonist in globalization, the European Union had to become "wider" in terms of population, market and GDP and "deeper", i.e. "stronger" in terms of institutional structure and of political representation.

At the end of the 1980s and until 1995 the European Union had 12 members; today it involves 28 states. Hence the widening.

On the deepening front, however, the steps were small and slow. Today we must still complete the Banking Union and we are far from a European federal budget, remaining with the

¹ See Table by country and by dates in the Appendix of this introduction.

substantially intergovernmental budget that manages resources for around 1% of the² EU's global GDP.

This study is therefore divided into two parts.

The first part refers to the "widening" process experienced in the last twenty years and presents an analysis of Eurostat historical data from 2000 to 2018 relating to the economic-financial trends of the 28 Member States of the European Union, with particular *focus* on the 19 members of the euro area.

Based on these factors, the study indicates which "weight," in 2018, each state expresses both with respect to the total of the members of the Union and within the euro area.

We also believe it is important to be able to evaluate how the "weights" for 2018 have been determined over time and that is what actual *performances* have occurred in the last twenty years in order to verify which path of convergence or divergence has been achieved between the various States by letting the numbers "speak." That is, without resorting to ideological prejudices about the positivity or the negativity of the EU and the single currency area and in the awareness that these data have been determined in the process of European integration that took place until now in a context of a substantially intergovernmental Europe and not a Federal Europe.

The analysis of historical data shows that in terms of real GDP per capita, there has been a process of convergence between the various countries of the Union (*catching up*), stronger among the countries belonging to the euro area.

Certainly, this convergence could and should have been stronger and accelerated. The fact is, however, that it is not true that the EU and the single currency have had divergent and disruptive effects "among" the various countries. The reasoning referring to the distribution of income "within each country" could be different. But as mentioned before, we are in an intergovernmental Europe and in this institutional set up the task of the internal redistribution of incomes lies with every national government. From this point of view, someone argues that national governments can do little in terms of income distribution because they are "limited and forced" by European constraints, above all those who are part of the euro. Considering the

² If we consider funds for international cooperation, we reach around 1.5% of the GDP.

historical data this appears to be a false myth. In fact, real per capita GDP has increased in all countries and the differences between countries have been reduced. Therefore, national governments, with a per capita GDP gradually increasing and getting closer to the European average, would have been able to redistribute it more evenly among their citizens without necessarily having to break the European parameters.

Among the 19 countries of the euro area and among the 28 countries of the EU, the only "exception" is Italy which from 2000 to 2018 has seen its real per capita GDP "reduced" and has gone from a real income per capita which in 2000 was 103% of the euro area average to 86% in 2018. Compared to the EU, in 2000 Italy was 120% of the average and by 2018 it had dropped to 95%. From 2000 to 2018, Italy has been the only country among the 19 belonging to the euro to have lost 17 points, and 25 points among the 28 countries of the EU.

It is evident, however, that this Italian "anomaly" has nothing to do with European parameters but with "utterly internal" structural issues within the Italian economy.

In fact, the historical data shows that in these twenty years Italy has never implemented "austerity" in terms of deficit and public debt but has implemented a "restrictive" budget policy in terms of levels and composition of expenditure and income. This is not a paradox but a known result of the theory of economic growth with the empirical counterproof of the historical data analyzed. De facto deficits and debts have been made to cover current expenditure which has increased beyond the parallel increase in taxes. This was an "internal" decision not imposed by anyone from the "outside."

In terms of the parameters of the real economy, the data show: lower public and private investments, higher current expenditure, negative public savings (current account deficit), declining total productivity. These trends have all been set, in facts and in figures, by the various national governments and have not been imposed by the European Commission. A concrete example: the notorious 3% limit to the public deficit spending. All Italian governments have said in that they want to pursue and respect it (then in fact it was not even realized), but they did so by **increasing** current expenditure, **increasing** taxes and **cutting public investments in half**. This way of pursuing a balanced budget has not been imposed on us by anyone and, moreover, it has proved to be a "vicious and counterproductive" way because it has

reduced growth and amplified public finance imbalances. It is therefore not the fault of "others" if Italy is the only anomaly of Europe, but rather the result of our national decisions.

In the second part we look to the future, the "*deepening*" of the European Union.

In fact, a small³ step towards integration is proposed, hypothesizing an "additional federal budget" for around 1% of the GDP of the euro area equal to 120 billion euros per year, indicating both the origin of the Revenue and the destination of the Expenses⁴. It would therefore be an additional balanced budget that does not imply any European supranational debt process.

On the basis of econometric simulations carried out with the national and aggregate models of Oxford Economics, the effects that this additional budget would determine on the euro area, on the 19 individual Member States and also on the other 9 members of the EU not belonging to the area of the euro have been measured.

The effects we have estimated indicate greater growth which, in the four years taken into consideration, would be equal to +2.4% in the euro area and +2% in the entire EU; there would thus be positive effects also on countries that are not members of the euro, albeit lower than those that would be produced in those countries that have adopted the euro.

Therefore, as mentioned in the previous section, "widening" has benefited the "incoming" countries, but also the 12 countries already part of the European Union and has in any case led to an upward convergence process for all in the real GDP per capita.

The initial results show that even the "deepening" process would benefit the participating countries (in our hypothesis the euro countries), but also the non-participating and non-euro countries.

The real GDP in absolute terms would be higher than 269 billion in the euro area and 312 billion in the EU, with additional 43 billion in non-euro countries of which 22 billion would be produced in the United Kingdom.

In terms of per capita GDP, the euro area average would increase by circa 790 euros, while the EU average per capita GDP would increase by 604 euros.

³ To paraphrase what was said by Neil Armstrong, "a small step" for the European Budget, a "big step" for the future of the European peoples.

⁴ These 120 billion of additional budget per year can be compared with what was agreed at the Eurogroup on 13 June 2019, providing for 22 billion of resources in seven years.

On the labor market, the unemployment rate would fall by 1.1% in the euro area in four years and by 0.8% in the entire EU. In absolute terms there would be more than 2.1 million fewer unemployed people in the European Union, 1.8 million of which would be in euro countries and 323 thousand in non-euro countries. The number of employed persons would increase in total by over 2.2 million units, of which almost 1.9 million in the euro countries and more than 350 thousand in non-euro countries.

From the point of view of real economy, therefore, there is a "positive sum game" for everyone. In fact, all the countries of the euro and even those not belonging to the single currency would have more growth, more per capita GDP, less unemployment and more employment.

This "positive-sum game for all" proves to be virtuous even on the public finance front.

First, the 90 billion in additional public investment foreseen in the budget would have a positive impact on the economy in the first year already, fostering additional investments for 3.3 billion; by the fourth year said investments would reach 10 billion. Public investments in the euro area would then get close to 102 billion. The positive results of this effect would be distributed in all 19 euro area countries.

The public deficit in relation to GDP would go to zero in 2023 for the whole area, reducing the deficit or increasing the surplus in all member countries.

The primary surplus, in the fourth year, would be greater than 126 billion in the total euro area, about +1% of GDP, with improvements in all member countries.

Finally, public debt would be reduced by 308 billion euros with a percentage reduction on the euro area's GDP of 4.5% and therefore there would be a Debt / GDP ratio of 74% against the 79% we would have without the additional budget. The debt reduction would occur in all countries, with Italy and Portugal in the lead; the two countries would see a higher reduction in their Debt / GDP ratio, that would decrease by almost 7 percentage points. Italy would move from 134% to 127% in the fourth year and Portugal from 108% to 101%.

APPENDIX

<u>EUROZONA - 19 PAESI</u>				<u>ADESIONE UE</u>	<u>ADESIONE EURO</u>
				ROSSO FONDATORI	BLU FONDATORI
1.- GERMANIA				1958	1999
2.- FRANCIA				1958	1999
3.- ITALIA				1958	1999
4.- SPAGNA				1986	1999
5.- OLANDA				1958	1999
6.- BELGIO				1958	1999
7.- AUSTRIA				1995	1999
8.- IRLANDA				1973	1999
9.- FINLANDIA				1995	1999
10.- GRECIA				1981	2001
11.- PORTOGALLO				1986	1999
12.- SLOVACCHIA				2004	2009
13.- LUSSEMBURGO				1958	1999
14.- LITUANIA				2004	2015
15.- SLOVENIA				2004	2007
16.- CIPRO				2004	2008
17.- ESTONIA				2004	2011
18.- LETTONIA				2004	2014
19.- MALTA				2004	2008
<u>UNIONE EUROPEA - 28 PAESI</u>					
<u>(19 EURO + 9 NON EURO)</u>					
					<u>MONETA</u>
20.- REGNO UNITO				1973	<u>STERLINA</u>
21.- POLONIA				2004	<u>SLOTI</u>
22.- SVEZIA				1995	<u>CORONA</u>
23.- DANIMARCA				1973	<u>CORONA</u>
24.- REPUBBLICA Ceca				2004	<u>CORONA</u>
25.- ROMANIA				2007	<u>LEU</u>
26.- UNGHERIA				2004	<u>FIORINO</u>
27.- CROAZIA				2013	<u>KUNA</u>
28.- BULGARIA				2007	<u>LEV</u>

1.- European Union and euro area: 2000-2018

In this first part of the study an analysis is proposed on the economic and financial trends of the 28 Member States of the European Union, including those of the 19 members of the euro area. The analysis is based on Eurostat data for the years 2000 to 2018.

In the first section we highlight the "relative weights" of the individual States as they appear in 2018.

In the second section we intend to measure the degree of convergence or divergence between the different economies, within the euro area and throughout the European Union, that took place between 2000 and 2018, as suggested by the historical data.

Finally, as it will emerge from the comparison of historical data, the true great "divergent economy" turns out to be Italy; we thus present an analysis of the "real" factors that have held back the growth of our country "from within" our economic system and that do not seem to depend on the so-called European constraints or on "austerity." An "austerity" that, on the other hand, does not appear to have historically taken place, given that public deficit (total, structural, and current) has been nonetheless generated, and that the ratio between Public Debt and GDP has grown from 105% in 2000 to around 133% in 2018.

1.1 - The 2018 “weights” of the 28 countries: GDP, Population, Employment, Unemployment, Government debt

The GDP data in absolute value and their "weight" percentage on the total of the euro area and of the European Union are reported in Table1 in terms of nominal values and in Table 2 with reference to the real values at constant 2010 prices (see also Figs.1-2).

The euro countries make up about 73% of the total of the EU and the remaining 27% is due to the nine countries that do not participate in the common currency. Within these, however, the United Kingdom represents 15% and the other eight countries all together make up 12% of the entire EU.

With the planned exit of the United Kingdom from the EU, the share of GDP in the euro area countries would rise to 86% and that of non-euros would drop to 14%.

Within the euro area, the four largest countries represent over 75% of GDP, with Germany at 28%, France at around 21%, Italy at 15% and Spain at 11%.

Table 1

<u>2018</u>							
<u>PIL NOMINALE</u>						% su EUROZONA	% su UE
<u>MLD EURO</u>							
<u>EUROZONA - 19 PAESI</u>				11570		100	72,9
1.- GERMANIA				3383		29,2	21,3
2.- FRANCIA				2348		20,3	14,8
3.- ITALIA				1753		15,2	11,0
4.- SPAGNA				1208		10,4	7,6
5.- OLANDA				773		6,7	4,9
6.- BELGIO				451		3,9	2,8
7.- AUSTRIA				386		3,3	2,4
8.- IRLANDA				318		2,7	2,0
9.- FINLANDIA				234		2,0	1,5
10.- GRECIA				185		1,6	1,2
11.- PORTOGALLO				202		1,7	1,3
12.- SLOVACCHIA				90		0,8	0,6
13.- LUSSEMBURGO				59		0,5	0,4
14.- LITUANIA				45		0,4	0,3
15.- SLOVENIA				46		0,4	0,3
16.- CIPRO				21		0,2	0,1
17.- ESTONIA				26		0,2	0,2
18.- LETTONIA				30		0,3	0,2
19.- MALTA				12		0,1	0,1
<u>UNIONE EUROPEA - 28 PAESI</u>				15869		137,2	100,0
(19 EURO + 9 NON EURO)							
20.- REGNO UNITO				2389		20,6	15,1
21.- POLONIA				497		4,3	3,1
22.- SVEZIA				467		4,0	2,9
23.- DANIMARCA				298		2,6	1,9
24.- REPUBBLICA Ceca				207		1,8	1,3
25.- ROMANIA				203		1,8	1,3
26.- UNGHERIA				132		1,1	0,8
27.- CROAZIA				51		0,4	0,3
28.- BULGARIA				55		0,5	0,3
<u>TOTALE 9 PAESI NON-EURO</u>				4.299		37,2	27,1

Table 2

<u>2018</u>							
<u>PIL REALE</u>						% su EUROZONA	% su UE
<u>MLD EURO</u>							
<u>EUROZONA - 19 PAESI</u>					10.568	100	72,9
1.- GERMANIA					2974	28,1	20,5
2.- FRANCIA					2204	20,9	15,2
3.- ITALIA					1615	15,3	11,1
4.- SPAGNA					1169	11,1	8,1
5.- OLANDA					716	6,8	4,9
6.- BELGIO					403	3,8	2,8
7.- AUSTRIA					336	3,2	2,3
8.- IRLANDA					289	2,7	2,0
9.- FINLANDIA					202	1,9	1,4
10.- GRECIA					191	1,8	1,3
11.- PORTOGALLO					184	1,7	1,3
12.- SLOVACCHIA					85	0,8	0,6
13.- LUSSEMBURGO					49	0,5	0,3
14.- LITUANIA					37	0,4	0,3
15.- SLOVENIA					42	0,4	0,3
16.- CIPRO					18	0,2	0,1
17.- ESTONIA					20	0,2	0,1
18.- LETTONIA					24	0,2	0,2
19.- MALTA					10	0,1	0,1
<u>UNIONE EUROPEA - 28 PAESI</u>					14.490	137,1	100,0
(19 EURO + 9 NON EURO)							
20.- REGNO UNITO					2156	20,4	14,9
21.- POLONIA					477	4,5	3,3
22.- SVEZIA					440	4,2	3,0
23.- DANIMARCA					275	2,6	1,9
24.- REPUBBLICA CECA					187	1,8	1,3
25.- ROMANIA					169	1,6	1,2
26.- UNGHERIA					122	1,2	0,8
27.- CROAZIA					49	0,5	0,3
28.- BULGARIA					46	0,4	0,3
<u>TOTALE 9 PAESI NON-EURO</u>					3.922	37,1	27,1

Fig. 1

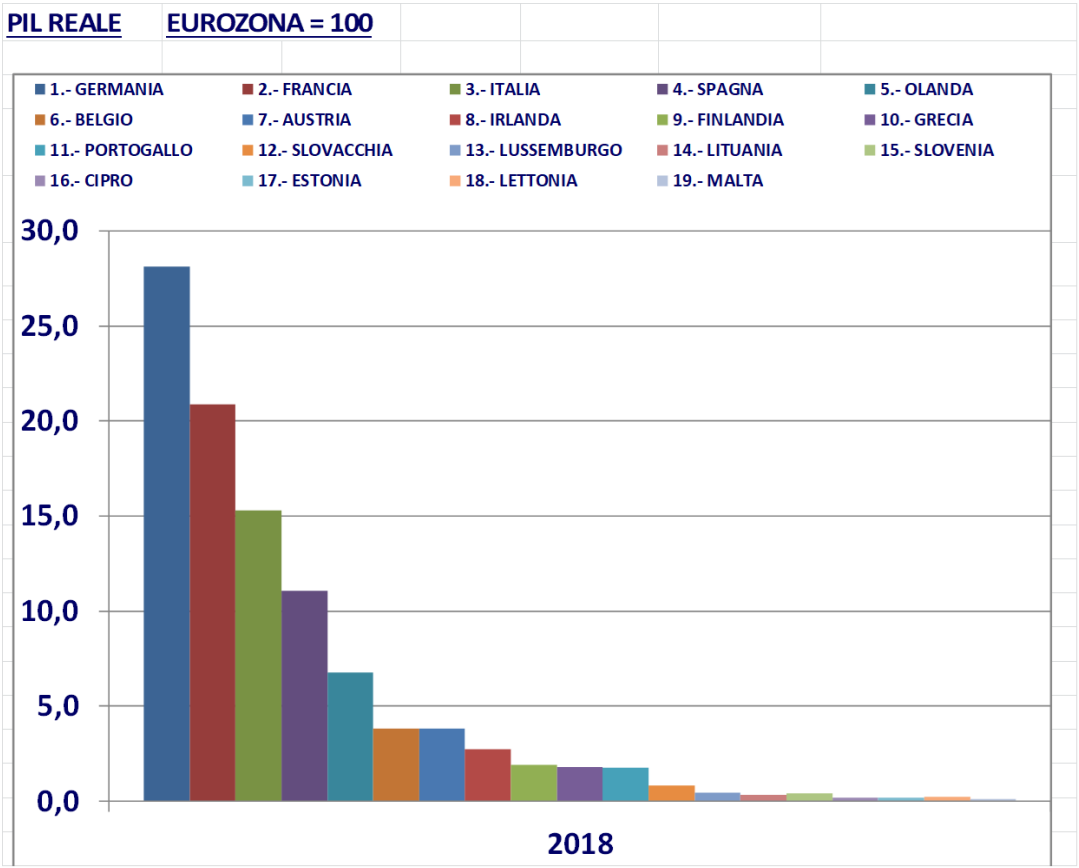
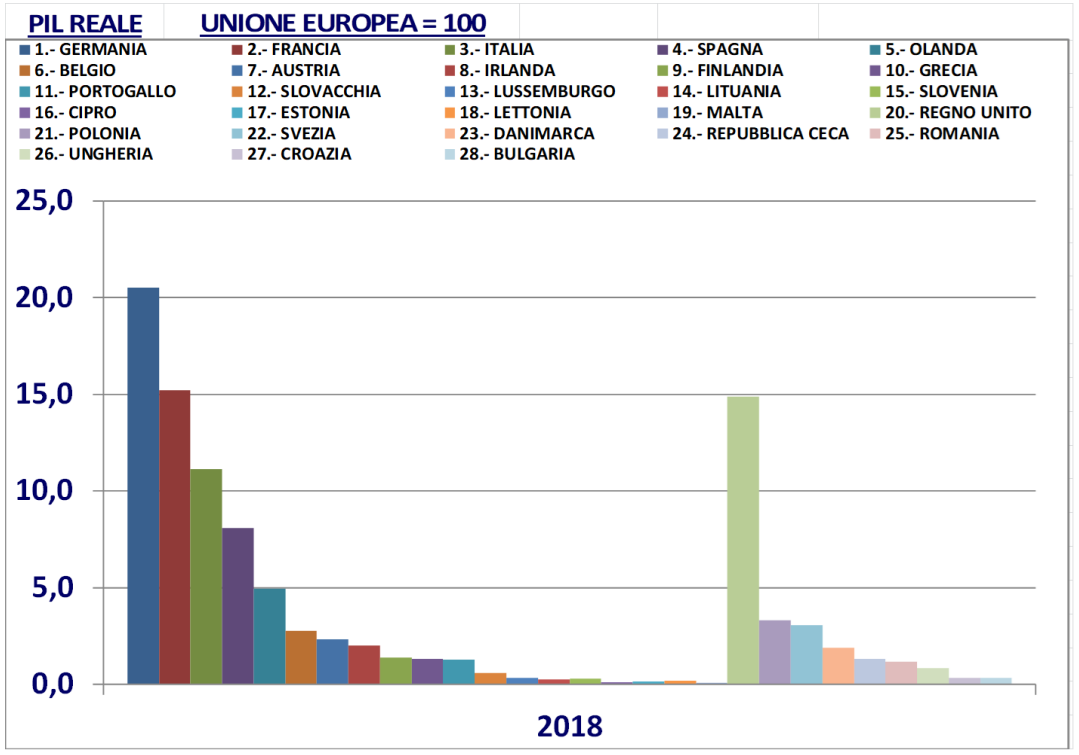


Fig. 2



Compared to the total population, the euro area represents around 67% of the EU, therefore a little less than its share in terms of GDP. The other non-euro countries therefore have a population percentage of around 33% of the EU. Without the United Kingdom, the population share of the euro countries would rise to 76.5% and that of the four largest countries to 58%. On the other hand, the remaining eight non-euro countries would fall to 23.5% of the population and within them the largest population would be that of Poland with a weight equal to 8.5% of the total of the EU (see Table3).

Table 3

<u>2018</u>							
<u>POPOLAZIONE</u>						% su EUROZONA	% su UE
<u>EUROZONA - 19 PAESI</u>					341,2	100	66,6
1.- GERMANIA					82,3	24,1	16,1
2.- FRANCIA					66,9	19,6	13,1
3.- ITALIA					60,5	17,7	11,8
4.- SPAGNA					48,7	14,3	9,5
5.- OLANDA					17,2	5,0	3,4
6.- BELGIO					11,4	3,3	2,2
7.- AUSTRIA					8,8	2,6	1,7
8.- IRLANDA					4,8	1,4	0,9
9.- FINLANDIA					5,5	1,6	1,1
10.- GRECIA					10,7	3,1	2,1
11.- PORTOGALLO					10,3	3,0	2,0
12.- SLOVACCHIA					5,4	1,6	1,1
13.- LUSSEMBURGO					0,6	0,2	0,1
14.- LITUANIA					2,8	0,8	0,5
15.- SLOVENIA					2,1	0,6	0,4
16.- CIPRO					0,9	0,3	0,2
17.- ESTONIA					1,3	0,4	0,3
18.- LETTONIA					1,9	0,6	0,4
19.- MALTA					0,5	0,1	0,1
<u>UNIONE EUROPEA - 28 PAESI</u>					512,4	150,2	100,0
(19 EURO + 9 NON EURO)							
20.- REGNO UNITO					66,3	19,4	12,9
21.- POLONIA					38,0	11,1	7,4
22.- SVEZIA					10,1	3,0	2,0
23.- DANIMARCA					5,8	1,7	1,1
24.- REPUBBLICA Ceca					10,6	3,1	2,1
25.- ROMANIA					19,5	5,7	3,8
26.- UNGHERIA					9,8	2,9	1,9
27.- CROAZIA					4,1	1,2	0,8
28.- BULGARIA					7,0	2,1	1,4
<u>TOTALE 9 PAESI NON-EURO</u>					171,2	50,2	33,4

We will now discuss to the nominal per capita GDP (see Table 4) and real per capita GDP (see Table 5), which, despite patent limitations, may indicate the degree of development of the various European economies. In the following section we will integrate this indicator with per capita GDP measured at purchasing power parity.

In 2018 the real per capita GDP average of the 28 EU countries was equal to 30,970 euros. The euro area countries had an average of 33,910 euros.

In Table 5 we have indicated the relative positions of all countries.

Compared to the EU average, the euro area has an average 9.5% higher, while the nine non-euro countries have an average of 81% of the EU average. Within them, however, the three most advanced countries are all well above the average: Denmark with almost 68% more than the average, Sweden with 54% and the United Kingdom with 15%. For the other six non-euro countries, only the Czech Republic exceeds 50% of the average with its 62% while all others are well below the European average, with Poland and Hungary at 44% and Bulgaria at a minimum 23 %.

In the euro area, three countries stand clearly apart from the average of the euro area itself: Luxembourg with 164% of the average, Ireland with 94% and the Netherlands with 34%. It is well known that in these three economies, financial and insurance activities make a decisive contribution to GDP growth. In Luxembourg they make up about 26.5% of the country's GDP, more than six times the euro area average, which is around 4%. In Ireland and the Netherlands, the contribution of financial and insurance activities is almost double the average.

The data from the other sixteen countries shows that five countries are well above the average: Austria +23%, Finland + 19%, Germany +17%, Belgium +14%, France +6%. The other eleven countries are all below the euro zone average.

Among the large economies only Italy and Spain have a per capita GDP below the average. In fact, in 2018 the Italian figure is below the average by around 14% and the Spanish one by around 22%.

Table 4

2018						
<u>PIL NOMINALE PRO-CAPITE</u>				% su EUROZONA=100	% su UE=100	
<u>Migliaia di euro</u>						
<u>EUROZONA - 19 PAESI</u>				33,910	100,00	109,5
1.- GERMANIA				41,106	121,2	132,7
2.- FRANCIA				35,097	103,5	113,3
3.- ITALIA				28,975	85,4	93,6
4.- SPAGNA				24,805	73,1	80,1
5.- OLANDA				44,942	132,5	145,1
6.- BELGIO				39,561	116,7	127,7
7.- AUSTRIA				43,864	129,4	141,6
8.- IRLANDA				66,250	195,4	213,9
9.- FINLANDIA				42,545	125,5	137,4
10.- GRECIA				17,290	51,0	55,8
11.- PORTOGALLO				19,612	57,8	63,3
12.- SLOVACCHIA				16,667	49,1	53,8
13.- LUSSEMBURGO				98,333	290,0	317,5
14.- LITUANIA				16,071	47,4	51,9
15.- SLOVENIA				21,905	64,6	70,7
16.- CIPRO				23,333	68,8	75,3
17.- ESTONIA				20,000	59,0	64,6
18.- LETTONIA				15,789	46,6	51,0
19.- MALTA				24,000	70,8	77,5
<u>UNIONE EUROPEA - 28 PAESI</u>				30,970	91,3	100,0
(19 EURO + 9 NON EURO)						
20.- REGNO UNITO				36,033	106,3	116,3
21.- POLONIA				13,079	38,6	42,2
22.- SVEZIA				46,238	136,4	149,3
23.- DANIMARCA				51,379	151,5	165,9
24.- REPUBBLICA CECA				19,528	57,6	63,1
25.- ROMANIA				10,410	30,7	33,6
26.- UNGHERIA				13,469	39,7	43,5
27.- CROAZIA				12,439	36,7	40,2
28.- BULGARIA				7,857	23,2	25,4
<u>TOTALE 9 PAESI NON-EURO</u>				25,111	74,1	81,1

Table 5

PIL REALE PRO-CAPITE					% su EUROZONA=100	% su UE=100
<u>Migliaia di euro</u>						
<u>EUROZONA - 19 PAESI</u>					30,973	100,00
						109,5
1.- GERMANIA					36,136	116,7
2.- FRANCIA					32,945	106,4
3.- ITALIA					26,694	86,2
4.- SPAGNA					24,004	77,5
5.- OLANDA					41,628	134,4
6.- BELGIO					35,351	114,1
7.- AUSTRIA					38,182	123,3
8.- IRLANDA					60,208	194,4
9.- FINLANDIA					36,727	118,6
10.- GRECIA					17,850	57,6
11.- PORTOGALLO					17,864	57,7
12.- SLOVACCHIA					15,741	50,8
13.- LUSSEMBURGO					81,667	263,7
14.- LITUANIA					13,214	42,7
15.- SLOVENIA					20,000	64,6
16.- CIPRO					20,000	64,6
17.- ESTONIA					15,385	49,7
18.- LETTONIA					12,632	40,8
19.- MALTA					20,000	64,6
<u>UNIONE EUROPEA - 28 PAESI</u>					28,279	91,3
(19 EURO + 9 NON EURO)						100,0
20.- REGNO UNITO					32,519	105,0
21.- POLONIA					12,553	40,5
22.- SVEZIA					43,564	140,7
23.- DANIMARCA					47,414	153,1
24.- REPUBBLICA Ceca					17,642	57,0
25.- ROMANIA					8,667	28,0
26.- UNGHERIA					12,449	40,2
27.- CROAZIA					11,951	38,6
28.- BULGARIA					6,571	21,2
<u>TOTALE 9 PAESI NON-EURO</u>					22,909	74,0
						81,0

In the European Union the total number of employed is almost 220 million. Of these 220 million, just over 143 million are in the euro area (65% of the EU) and 76 million in non-euro countries (35% of the EU), of which 30 million are in the United Kingdom and 16 million in Poland; together they represent 21% of total EU employment and 60% of non-euro country employment (see Table 6).

Table 6

<u>2018</u>			
<u>OCCUPAZIONE</u>	<u>MIGLIAIA</u>	<u>% su EUROZONA</u>	<u>% su UE</u>
<u>EUROZONA - 19 PAESI</u>	143471	100,00	65,4
1.- GERMANIA	39552	27,6	18,0
2.- FRANCIA	25757	18,0	11,7
3.- ITALIA	22480	15,7	10,2
4.- SPAGNA	19002	13,2	8,7
5.- OLANDA	7949	5,5	3,6
6.- BELGIO	4646	3,2	2,1
7.- AUSTRIA	4102	2,9	1,9
8.- IRLANDA	2120	1,5	1,0
9.- FINLANDIA	2392	1,7	1,1
10.- GRECIA	3737	2,6	1,7
11.- PORTOGALLO	4575	3,2	2,1
12.- SLOVACCHIA	2519	1,8	1,1
13.- LUSSEMBURGO	275	0,2	0,1
14.- LITUANIA	1313	0,9	0,6
15.- SLOVENIA	950	0,7	0,4
16.- CIPRO	387	0,3	0,2
17.- ESTONIA	622	0,4	0,3
18.- LETTONIA	868	0,6	0,4
19.- MALTA	225	0,2	0,1
<u>UNIONE EUROPEA - 28 PAESI</u>	219494	153,0	100,0
(19 EURO + 9 NON EURO)			
20.- REGNO UNITO	30097	21,0	13,7
21.- POLONIA	16051	11,2	7,3
22.- SVEZIA	4784	3,3	2,2
23.- DANIMARCA	2625	1,8	1,2
24.- REPUBBLICA CECA	5124	3,6	2,3
25.- ROMANIA	8294	5,8	3,8
26.- UNGHERIA	4383	3,1	2,0
27.- CROAZIA	1610	1,1	0,7
28.- BULGARIA	3055	2,1	1,4
<u>TOTALE 9 PAESI NON-EURO</u>	76023	53,0	34,6

Just fewer than 17 million are unemployed in the entire European Union. Just over 13 million of which are in the euro area and 3.5 million are in other non-euro countries (see Table 7).

The unemployment rate in 2018 had an overall average of 6.8%, with the euro area a little above average at 8.2% (Table 8).

Still with respect to the average unemployment of the European Union, six countries have a rate well above the average with Greece at 19.3%, Spain at 15.3%, Italy at 10.6%, France at 9, 1%, Croatia 8.5% and Cyprus 8.4%.

Table 7

<u>2018</u>			
<u>DISOCCUPAZIONE</u>	MIGLIAIA	% su EUROZONA	% su UE
<u>EUROZONA - 19 PAESI</u>	13386	100,00	79,3
1.- GERMANIA	1468	11,0	8,7
2.- FRANCIA	2700	20,2	16,0
3.- ITALIA	2755	20,6	16,3
4.- SPAGNA	3479	26,0	20,6
5.- OLANDA	350	2,6	2,1
6.- BELGIO	301	2,2	1,8
7.- AUSTRIA	220	1,6	1,3
8.- IRLANDA	137	1,0	0,8
9.- FINLANDIA	202	1,5	1,2
10.- GRECIA	915	6,8	5,4
11.- PORTOGALLO	363	2,7	2,1
12.- SLOVACCHIA	180	1,3	1,1
13.- LUSSEMBURGO	16	0,1	0,1
14.- LITUANIA	90	0,7	0,5
15.- SLOVENIA	53	0,4	0,3
16.- CIPRO	37	0,3	0,2
17.- ESTONIA	38	0,3	0,2
18.- LETTONIA	73	0,5	0,4
19.- MALTA	9	0,1	0,1
<u>UNIONE EUROPEA - 28 PAESI</u>	16887	126,2	100
(19 EURO + 9 NON EURO)			
20.- REGNO UNITO	1348	10,1	8,0
21.- POLONIA	659	4,9	3,9
22.- SVEZIA	344	2,6	2,0
23.- DANIMARCA	150	1,1	0,9
24.- REPUBBLICA Ceca	121	0,9	0,7
25.- ROMANIA	380	2,8	2,3
26.- UNGHERIA	172	1,3	1,0
27.- CROAZIA	154	1,2	0,9
28.- BULGARIA	173	1,3	1,0
<u>TOTALE 9 PAESI NON-EURO</u>	3501	26,2	20,7

Table 8

2018						
<u>TASSO DI DISOCCUPAZIONE %</u>					<u>RISPETTO A EUROZONA</u>	<u>RISPETTO A UE</u>
<u>EUROZONA - 19 PAESI</u>					8,2	0,0
						1,4
1.- GERMANIA					3,4	-4,8
2.- FRANCIA					9,1	0,9
3.- ITALIA					10,6	2,4
4.- SPAGNA					15,3	7,1
5.- OLANDA					3,8	-4,4
6.- BELGIO					6,0	-2,2
7.- AUSTRIA					4,9	-3,3
8.- IRLANDA					5,8	-2,4
9.- FINLANDIA					7,4	-0,8
10.- GRECIA					19,3	11,1
11.- PORTOGALLO					7,1	-1,1
12.- SLOVACCHIA					6,5	-1,7
13.- LUSSEMBURGO					5,6	-2,6
14.- LITUANIA					6,2	-2
15.- SLOVENIA					5,1	-3,1
16.- CIPRO					8,4	0,2
17.- ESTONIA					5,4	-2,8
18.- LETTONIA					7,4	-0,8
19.- MALTA					3,7	-4,5
<u>UNIONE EUROPEA - 28 PAESI</u>					6,8	-1,4
(19 EURO + 9 NON EURO)						0,0
20.- REGNO UNITO					4,0	-4,2
21.- POLONIA					3,9	-4,3
22.- SVEZIA					6,3	-1,9
23.- DANIMARCA					5,0	-3,2
24.- REPUBBLICA Ceca					2,2	-6
25.- ROMANIA					4,2	-4
26.- UNGHERIA					3,7	-4,5
27.- CROAZIA					8,5	0,3
28.- BULGARIA					5,2	-3
<u>TOTALE 9 PAESI NON-EURO</u>					n.d.	n.d.

We end this brief review of the "weights" of the 28 member countries of the EU with the data regarding the value in euro of the Public Debt at the end of 2018. In the following section we will also refer to the data regarding the ratio between Debt and GDP.

In 2018 the total Public Debt of the EU amounted to 12.715 billion euros, of which 9.859 billion is due to the countries of the euro area (Table 9).

Just less than 80% of this debt is due to five countries: Italy, France, Germany, the United Kingdom and Spain. The remaining 20% of the Debt refers to the other twenty-three countries in the EU. The record in absolute terms pertains to Italy with its 2,322 billion, followed by France with 2,315 billion, Germany with 2,063, the United Kingdom with 2,054 and a bit further down the line by Spain with its 1,173 billion.

Within the euro area, four countries account for about 80% of the total euro area debt. Three countries (Italy, France and Germany) for well over 20% each and the fourth (Spain) for around 12%.

We all remember the different sovereign debt crises of recent years. The fact is, however, that according to 2018 figures, the public debt of Greece is equal to 3.4% of the total of the euro area, that of Portugal is equal to 2.5% and that of Ireland is equal to 2, 1%. Put together these three countries express a Public Debt that appears to be well below that of Spain and equal to about a third compared to both the government debt of Italy, France, or Germany.

As it was somewhat recognized *ex-post*, perhaps for these three countries the measures taken should have been timelier and in some respects, especially for Greece, even different, as recently stated by both the International Monetary Fund and the European Commission, unfortunately for all the parties involved, this acknowledgment came in *retrospect*.

Table 9

<u>2018</u>							
<u>DEBITO PUBBLICO</u>					<u>MLD EURO</u>	<u>% RISPETTO A EUROZONA</u>	<u>% RISPETTO A UE</u>
<u>EUROZONA - 19 PAESI</u>					9859,5	100,0	77,5
1.- GERMANIA					2063,2	20,9	16,2
2.- FRANCIA					2315,3	23,5	18,2
3.- ITALIA					2322,0	23,6	18,3
4.- SPAGNA					1173,1	11,9	9,2
5.- OLANDA					405,4	4,1	3,2
6.- BELGIO					459,7	4,7	3,6
7.- AUSTRIA					284,8	2,9	2,2
8.- IRLANDA					206,2	2,1	1,6
9.- FINLANDIA					137,5	1,4	1,1
10.- GRECIA					334,6	3,4	2,6
11.- PORTOGALLO					244,9	2,5	1,9
12.- SLOVACCHIA					44,1	0,4	0,3
13.- LUSSEMBURGO					12,6	0,1	0,1
14.- LITUANIA					15,4	0,2	0,1
15.- SLOVENIA					32,2	0,3	0,3
16.- CIPRO					21,3	0,2	0,2
17.- ESTONIA					2,2	0,0	0,0
18.- LETTONIA					10,6	0,1	0,1
19.- MALTA					5,7	0,1	0,0
<u>UNIONE EUROPEA - 28 PAESI</u>					12715,2	129,0	100,0
(19 EURO + 9 NON EURO)							
20.- REGNO UNITO					2054,2	20,8	16,2
21.- POLONIA					240,5	2,4	1,9
22.- SVEZIA					181,3	1,8	1,4
23.- DANIMARCA					101,4	1,0	0,8
24.- REPUBBLICA Ceca					67,4	0,7	0,5
25.- ROMANIA					70,8	0,7	0,6
26.- UNGHERIA					92,9	0,9	0,7
27.- CROAZIA					38,4	0,4	0,3
28.- BULGARIA					12,5	0,1	0,1
<u>TOTALE 9 PAESI NON-EURO</u>					2855,7	29,0	22,5

1.2 - GDP growth and Government Debt: trends from 2000 to 2018

2018 is the last year for which we have the historical Eurostat data to which we referred in the previous section to present the situation and weights of individual countries both with respect to the entirety of the European Union, and with respect to the euro area. In summary, we wanted to provide a picture of Europe as it was last year.

In this section we refer to the series of historical data that goes from 2000 to 2018 and that therefore can represent the individual annual frames that describe how European countries have changed during this period. In other words, we intend to reconstruct the film that expresses the various economic and financial *performances* of the individual countries, of the EU and of the euro area, for a fairly long period.

In Table 10 we report the series of GDP at current prices and in Table 11 that at constant 2010 prices.

In that period the European Union appears to have had a real GDP growth of 30% while the euro area has grown by 25%.

On these data at least two considerations must be made.

The first is that, if the modest performance of Italy is excluded from the euro zone, having grown by only 3.8% in eighteen years, the rest of the single currency area has had a real GDP increase of 30%, exactly like the entire EU. Furthermore, if we also exclude the modest performance of Greece which remained practically at a standstill at the real GDP level of 2000, but weighs in relative terms much less than Italy, the rest of the euro area experienced a growth of over 30%, a growth slightly higher than the one experienced by the EU.

The second consideration to be made regards the presence of economies that started from very low GDP levels and therefore could experience much higher growth than the average. As seen in fact in Table 11, in the euro area the highest percentage growth refers to Ireland (+128% starting, however, from a total GDP of 127 billion euros in 2000), to Lithuania (+103% starting from a GDP of 18 billion euros), to Slovakia (+103% starting from a GDP of 42 billion) and to Latvia and Malta (both with around +92%).

The same phenomenon occurs among non-euro countries. In particular, it occurred in Romania, with a +104% growth starting from a GDP of only 83 billion euros in 2000, in Poland with a +94% growth starting from 246 billion euros, and in Bulgaria, with a +88% growth starting from a GDP of only 24 billion euros in 2000.

From these first data on the total real GDP two considerations must be made.

The first is that, both within the European Union and in the euro area, a positive integration effect has been determined in the sense that the countries that started from more modest and disadvantaged positions have grown much more. In other words, the so-called *catching-up* phenomenon is clearly shown. It should be noted that these countries are those that entered the European Union with the process of "widening" towards the East, i.e. the Baltic countries and those of central and southern Europe, and towards the South, Malta and Cyprus.

The second consideration is that among these countries, those belonging to the euro area have grown a little more than those not belonging to the euro. Therefore, at least with reference to these countries, belonging to the euro and the consequent commitment to respect its parameters certainly cannot be considered as an obstacle to their growth.

Table 10

PIL A PREZZI CORRENTI																						
MILIARDI DI EURO		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	VAR. % 2018/2000	
EUROZONA - 19 PAESI		7.030,3	7.356,1	7.611,9	7.830,5	8.164,3	8.460,8	8.906,0	9.404,6	9.640,7	9.296,2	9.552,2	9.805,6	9.846,8	9.944,0	10.175,2	10.534,7	10.827,7	11.205,3	11.573,9	64,6	
1.- GERMANIA		2116,5	2179,9	2209,3	2220,1	2270,6	2300,9	2393,3	2513,2	2561,7	2460,3	2580,1	2703,1	2758,3	2826,2	2938,6	3048,9	3159,8	3277,3	3386,0	60,0	
2.- FRANCIA		1478,6	1538,2	1587,8	1630,7	1704,0	1765,9	1848,2	1941,4	1992,4	1936,4	1995,3	2058,4	2088,8	2117,2	2149,8	2198,4	2228,6	2291,7	2349,0	58,9	
3.- ITALIA		1239,3	1298,9	1345,8	1390,7	1448,4	1489,7	1548,5	1609,6	1632,2	1572,9	1604,5	1637,5	1613,3	1604,6	1621,8	1652,1	1689,8	1727,4	1757,0	41,8	
4.- SPAGNA		646,3	699,5	749,3	803,5	861,4	930,6	1008,0	1080,8	1116,2	1079,1	1080,9	1070,4	1039,8	1025,7	1037,8	1081,2	1118,7	1166,3	1208,2	87,0	
5.- OLANDA		452,0	481,9	501,1	512,8	529,3	550,9	584,5	619,2	647,2	624,8	639,2	650,4	653,0	660,5	671,6	690,0	708,3	737,0	773,4	71,1	
6.- BELGIO		258,2	265,8	275,1	282,6	298,7	311,5	326,7	344,7	354,1	348,8	365,1	379,1	387,5	392,3	400,1	411,1	424,6	439,2	450,5	74,5	
7.- AUSTRIA		213,6	220,5	226,7	231,9	242,3	254,1	267,8	284,0	293,8	288,0	295,9	310,1	318,7	323,9	333,1	344,3	356,2	369,9	386,1	80,8	
8.- IRLANDA		108,4	122,0	136,0	145,6	156,1	170,2	185,0	197,2	187,8	170,1	167,7	171,1	175,2	179,9	195,3	262,5	273,2	294,1	318,5	193,8	
9.- FINLANDIA		136,3	144,4	148,3	151,6	158,5	164,4	172,6	186,6	193,7	181,0	187,1	196,9	199,8	203,3	205,5	210,0	216,1	223,9	233,6	71,4	
10.- GRECIA		143,0	152,2	163,5	178,9	193,7	199,2	217,9	232,7	242,0	237,5	226,0	207,0	191,2	180,7	178,7	177,3	176,5	180,2	184,7	29,2	
11.- PORTOGALLO		128,5	135,8	142,6	146,2	152,4	158,7	166,2	175,5	178,9	175,4	179,9	176,2	168,4	170,3	173,1	179,8	186,5	194,6	201,6	56,9	
12.- SLOVACCHIA		22,3	23,9	26,3	30,1	34,7	39,3	45,5	56,2	66,0	64,0	67,6	70,6	72,7	74,2	76,1	79,1	81,2	84,9	90,2	303,6	
13.- LUSSEMBURGO		23,1	23,8	25,1	26,2	27,9	30,0	33,8	37,2	38,1	37,0	40,2	43,2	44,1	46,5	49,8	51,6	53,3	55,3	58,9	155,1	
14.- LITUANIA		12,5	13,7	15,2	16,7	18,2	21,0	24,1	29,0	32,7	26,9	28,0	31,3	33,3	35,0	36,6	37,4	38,8	42,2	45,1	261,2	
15.- SLOVENIA		21,9	23,2	25,1	26,3	27,7	29,2	31,6	35,2	38,0	36,2	36,3	36,9	36,1	36,2	37,6	38,9	40,4	43,0	45,9	109,6	
16.- CIPRO		10,8	11,6	12,1	12,9	13,9	15,0	16,3	17,6	19,0	18,7	19,3	19,7	19,5	18,1	17,6	17,7	18,5	19,6	20,7	91,9	
17.- ESTONIA		6,2	7,0	7,8	8,7	9,7	11,3	13,5	16,2	16,5	14,1	14,7	16,7	17,9	18,9	20,1	20,7	21,7	23,6	25,7	315,8	
18.- LETTONIA		8,6	9,4	10,2	10,5	11,7	13,7	17,3	22,7	24,4	18,7	17,8	20,2	22,1	22,8	23,6	24,3	25,0	27,0	29,5	242,9	
19.- MALTA		4,4	4,5	4,7	4,8	4,9	5,1	5,4	5,8	6,1	6,1	6,6	6,8	7,2	7,6	8,5	9,6	10,3	11,3	12,3	180,3	
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)		9.661,0	10.059,3	10.427,5	10.583,2	11.109,7	11.604,4	12.272,0	13.005,7	13.086,5	12.330,6	12.841,5	13.217,5	13.484,2	13.596,8	14.072,0	14.828,6	14.958,3	15.382,6	15.877,0	64,3	
20.- REGNO UNITO		1787,3	1816,2	1881,2	1809,1	1934,5	2030,9	2150,3	2252,5	1984,0	1725,4	1850,5	1894,9	2089,6	2074,0	2287,9	2611,9	2403,4	2338,0	2393,7	33,9	
21.- POLONIA		186,4	212,4	210,1	192,3	206,1	246,2	274,6	313,9	366,2	317,1	361,8	380,2	389,4	394,7	411,2	430,3	426,5	467,3	496,5	166,4	
22.- SVEZIA		282,2	268,2	281,0	293,8	307,8	313,6	335,3	356,9	352,7	310,0	369,5	405,4	423,8	436,2	433,1	449,2	463,1	475,2	467,0	65,5	
23.- DANIMARCA		178,0	184,0	189,8	193,4	202,4	212,8	225,5	233,4	241,6	231,3	243,2	247,9	254,6	258,7	265,8	273,0	282,1	292,8	297,6	67,2	
24.- REPUBBLICA Ceca		66,8	75,4	87,1	88,2	96,0	109,6	123,9	138,3	161,3	148,7	156,7	164,0	161,4	157,7	156,7	168,5	176,4	191,7	206,8	209,4	
25.- ROMANIA		40,6	45,1	48,7	51,1	60,4	79,2	97,2	127,6	146,6	125,2	125,4	131,9	133,1	143,8	150,5	160,3	170,4	187,5	202,9	399,8	
26.- UNGHERIA		51,3	60,1	71,9	75,5	83,8	90,9	91,8	102,2	108,1	94,3	98,8	101,3	99,5	101,9	105,5	110,9	113,9	124,1	131,9	157,0	
27.- CROAZIA		23,6	26,0	28,5	30,7	33,4	36,5	40,2	43,9	48,1	45,1	45,2	44,8	44,0	43,8	43,4	44,6	46,6	49,0	51,5	118,3	
28.- BULGARIA		14,3	15,8	17,3	18,7	20,9	23,9	27,2	32,4	37,2	37,3	38,2	41,3	41,9	41,9	42,8	45,3	48,1	51,7	55,2	285,7	
TOTALE 9 PAESI NON-EURO		2.630,6	2.703,2	2.815,6	2.752,7	2.945,4	3.143,7	3.366,0	3.601,1	3.445,9	3.034,4	3.289,3	3.411,9	3.637,4	3.652,7	3.896,8	4.294,0	4.130,6	4.177,2	4.303,1	63,6	

Table11

PIL A PREZZI COSTANTI 2010																						
MILIARDI DI EURO																						
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	VAR. % 2018/2000		
EUROZONA - 19 PAESI																						
1.- GERMANIA																						
2.- FRANCIA																						
3.- ITALIA																						
4.- SPAGNA																						
5.- OLANDA																						
6.- BELGIO																						
7.- AUSTRIA																						
8.- IRLANDA																						
9.- FINLANDIA																						
10.- GRECIA																						
11.- PORTOGALLO																						
12.- SLOVACCHIA																						
13.- LUSSEMBURGO																						
14.- LITUANIA																						
15.- SLOVENIA																						
16.- CIPRO																						
17.- ESTONIA																						
18.- LETTONIA																						
19.- MALTA																						
UNIONE EUROPEA - 28 PAESI																						
(19 EURO + 9 NON EURO)																						
20.- REGNO UNITO																						
21.- POLONIA																						
22.- SVEZIA																						
23.- DANIMARCA																						
24.- REPUBBLICA Ceca																						
25.- ROMANIA																						
26.- UNGHERIA																						
27.- CROAZIA																						
28.- BULGARIA																						
TOTALE 9 PAESI NON-EURO																						

We have already illustrated in the previous section the size and weight of individual European countries in terms of population in 2018.

In Table 12 we report the entire series for the years from 2000 to 2018 of the population functional to the construction of data related to the per capita GDP.

Note, however, that the population has increased in the European Union by circa 25 million people, almost 21 million more in the euro area and over 4 million in non-euro countries.

In the latter, however, the United Kingdom has had an increase of 7.5 million people and therefore the remaining non-euro countries have lost about 3 million people. The reduction in population appears to be very strong in Romania (-3 million) and in Bulgaria (-1.2 million) with a percentage loss of around 13-14%.

It could be of some interest to note that the population of Poland remained almost unchanged throughout this period at about 38 million. "The danger of the Polish plumber" that a few years back was feared would invade the rest of Europe seems thus to find no empirical foundation.

In the euro area, the 20.8 million additional residents are concentrated in three countries, namely France (+6.4 million), Spain (+6.2 million) and Italy (+3.6 million). Germany with +600 thousand has in fact kept its population almost constant.

Table 12

POPOLAZIONE, milioni di unita'																						
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Var 2018 su 2000	Var %	
EUROZONA - 19 PAESI	320,4	321,4	322,8	324,6	326,3	328,1	329,7	331,2	333,1	334,5	335,3	334,6	335,3	336,0	337,8	338,6	339,8	340,5	341,2	20,8	6,5	
1.- GERMANIA	82,2	82,3	82,4	82,5	82,5	82,5	82,4	82,3	82,2	82,0	81,8	80,2	80,3	80,5	80,8	81,2	82,2	82,5	82,8	0,6	0,8	
2.- FRANCIA	60,5	61,0	61,4	61,9	62,3	62,8	63,2	63,6	64,0	64,4	64,7	65,0	65,3	65,6	66,2	66,5	66,6	66,8	66,9	6,4	10,5	
3.- ITALIA	56,9	57,0	57,0	57,1	57,5	57,9	58,1	58,2	58,7	59,0	59,2	59,4	59,4	59,7	60,8	60,8	60,7	60,6	60,5	3,6	6,3	
4.- SPAGNA	40,5	40,7	41,0	41,8	42,5	43,3	44,0	44,8	45,7	46,2	46,5	46,7	46,8	46,7	46,5	46,4	46,4	46,5	46,7	6,2	15,3	
5.- OLANDA	15,9	16,0	16,1	16,2	16,3	16,3	16,3	16,4	16,4	16,5	16,6	16,7	16,7	16,8	16,8	16,9	17,0	17,1	17,2	1,3	8,3	
6.- BELGIO	10,2	10,3	10,3	10,4	10,4	10,4	10,5	10,6	10,7	10,8	10,8	11,0	11,1	11,1	11,2	11,2	11,3	11,4	11,4	1,2	11,3	
7.- AUSTRIA	8,0	8,0	8,1	8,1	8,1	8,2	8,3	8,3	8,3	8,3	8,4	8,4	8,4	8,5	8,5	8,6	8,7	8,8	8,8	0,8	10,2	
8.- IRLANDA	3,8	3,8	3,9	4,0	4,0	4,1	4,2	4,3	4,5	4,5	4,5	4,6	4,6	4,6	4,6	4,7	4,7	4,8	4,8	1,1	27,9	
9.- FINLANDIA	5,2	5,2	5,2	5,2	5,2	5,2	5,3	5,3	5,3	5,3	5,4	5,4	5,4	5,4	5,5	5,5	5,5	5,5	5,5	0,3	6,6	
10.- GRECIA	10,8	10,8	10,9	10,9	10,9	11,0	11,0	11,0	11,1	11,1	11,1	11,1	11,1	11,0	10,9	10,9	10,8	10,8	10,7	0,0	-0,3	
11.- PORTOGALLO	10,2	10,3	10,4	10,4	10,5	10,5	10,5	10,5	10,6	10,6	10,6	10,6	10,5	10,5	10,4	10,4	10,3	10,3	10,3	0,0	0,4	
12.- SLOVACCHIA	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	5,4	0,0	0,8	
13.- LUSSEMBURGO	0,4	0,4	0,4	0,4	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,6	0,6	0,6	0,6	0,2	38,8	
14.- LITUANIA	3,5	3,5	3,5	3,4	3,4	3,4	3,3	3,2	3,2	3,2	3,1	3,1	3,0	3,0	2,9	2,9	2,9	2,8	2,8	-0,7	-20,0	
15.- SLOVENIA	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,1	2,1	2,1	2,1	2,1	2,1	2,1	2,1	0,1	4,0	
16.- CIPRO	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,8	0,8	0,8	0,8	0,8	0,9	0,9	0,9	0,8	0,8	0,9	0,9	0,2	30,3	
17.- ESTONIA	1,4	1,4	1,4	1,4	1,4	1,4	1,4	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	-0,1	-7,2	
18.- LETTONIA	2,4	2,4	2,3	2,3	2,3	2,2	2,2	2,2	2,2	2,2	2,1	2,1	2,0	2,0	2,0	2,0	2,0	2,0	1,9	-0,4	-18,8	
19.- MALTA	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,4	0,5	0,5	0,5	0,1	28,6	
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)	487,3	488,2	489,0	490,7	492,6	494,6	496,4	498,3	500,3	502,1	503,2	503,0	504,0	505,2	507,2	508,5	510,2	511,4	512,4	25,1	5,2	
20.- REGNO UNITO	58,8	59,0	59,2	59,5	59,8	60,2	60,6	61,1	61,6	62,0	62,5	63,0	63,5	63,9	64,4	64,9	65,4	65,8	66,3	7,5	12,8	
21.- POLONIA	38,3	38,3	38,2	38,2	38,2	38,2	38,2	38,1	38,1	38,1	38,0	38,1	38,1	38,1	38,0	38,0	38,0	38,0	38,0	-0,3	-0,7	
22.- SVEZIA	8,9	8,9	8,9	8,9	9,0	9,0	9,0	9,1	9,2	9,3	9,3	9,4	9,5	9,6	9,6	9,7	9,9	10,0	10,1	1,2	14,0	
23.- DANIMARCA	5,3	5,3	5,4	5,4	5,4	5,4	5,4	5,4	5,5	5,5	5,5	5,6	5,6	5,6	5,6	5,7	5,7	5,7	5,8	0,5	8,8	
24.- REPUBBLICA Ceca	10,3	10,2	10,2	10,2	10,2	10,2	10,2	10,3	10,3	10,4	10,5	10,5	10,5	10,5	10,5	10,5	10,6	10,6	10,6	0,3	3,1	
25.- ROMANIA	22,5	22,4	21,8	21,6	21,5	21,4	21,3	21,1	20,6	20,4	20,3	20,2	20,1	20,0	19,9	19,9	19,8	19,6	19,5	-3,0	-13,2	
26.- UNGHERIA	10,2	10,2	10,2	10,1	10,1	10,1	10,1	10,1	10,0	10,0	10,0	10,0	9,9	9,9	9,9	9,9	9,8	9,8	9,8	-0,4	-4,1	
27.- CROAZIA	4,5	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,2	4,2	4,2	4,2	4,1	-0,4	-8,8	
28.- BULGARIA	8,2	8,1	7,9	7,8	7,7	7,7	7,6	7,6	7,5	7,5	7,4	7,4	7,3	7,3	7,2	7,2	7,2	7,1	7,0	-1,2	-14,5	
TOTALE 9 PAESI NON-EURO	166,9	166,8	166,1	166,1	166,2	166,5	166,8	167,1	167,2	167,6	167,9	168,4	168,8	169,1	169,5	170,0	170,4	170,8	171,2	4,4	2,6	

In Table 13 and in Figs. 3-5 we have reproduced the time profile of GDP per capita at current prices, once more for the period 2000-2018.

Table 13

PIL PRO CAPITE A PREZZI CORRENTI																					
MIGLIAIA DI EURO		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	VAR. % 2018/2000
EUROZONA - 19 PAESI		21,9	22,9	23,6	24,1	25,0	25,8	27,0	28,4	28,9	27,8	28,5	29,3	29,4	29,6	30,1	31,1	31,9	32,9	33,9	54,6
1.- GERMANIA		25,8	26,5	26,8	26,9	27,5	27,9	29,0	30,5	31,2	30,0	31,5	33,7	34,3	35,1	36,4	37,5	38,5	39,7	40,9	58,8
2.- FRANCIA		24,4	25,2	25,9	26,4	27,4	28,1	29,2	30,5	31,1	30,1	30,9	31,7	32,0	32,3	32,5	33,1	33,4	34,3	35,1	43,7
3.- ITALIA		21,8	22,8	23,6	24,3	25,2	25,7	26,7	27,6	27,8	26,7	27,1	27,6	27,2	26,9	26,7	27,2	27,9	28,5	29,0	33,4
4.- SPAGNA		16,0	17,2	18,3	19,2	20,2	21,5	22,9	24,1	24,4	23,3	23,3	22,9	22,2	22,0	22,3	23,3	24,1	25,1	25,9	62,2
5.- OLANDA		28,5	30,1	31,1	31,7	32,6	33,8	35,8	37,9	39,5	37,9	38,6	39,0	39,0	39,4	39,9	40,8	41,7	43,1	45,0	58,0
6.- BELGIO		25,2	25,9	26,7	27,3	28,7	29,8	31,1	32,6	33,2	32,4	33,7	34,5	35,0	35,2	35,8	36,6	37,5	38,7	39,5	56,7
7.- AUSTRIA		26,7	27,5	28,1	28,6	29,8	31,0	32,4	34,3	35,4	34,6	35,4	37,0	37,9	38,3	39,2	40,1	40,9	42,2	43,8	63,9
8.- IRLANDA		28,7	31,8	34,9	36,7	38,8	41,4	44,0	45,4	42,1	37,6	36,9	37,4	38,2	39,0	42,1	56,1	57,8	61,5	65,9	129,8
9.- FINLANDIA		26,3	27,9	28,5	29,1	30,4	31,4	32,8	35,4	36,5	34,0	35,0	36,6	37,0	37,5	37,7	38,4	39,4	40,7	42,4	60,8
10.- GRECIA		13,3	14,0	15,0	16,4	17,7	18,2	19,8	21,1	21,9	21,4	20,3	18,6	17,2	16,4	16,4	16,3	16,4	16,7	17,2	29,6
11.- PORTOGALLO		12,5	13,1	13,7	14,0	14,5	15,1	15,8	16,7	16,9	16,6	17,0	16,7	16,0	16,2	16,6	17,3	18,0	18,9	19,6	56,3
12.- SLOVACCHIA		4,1	4,4	4,9	5,6	6,5	7,3	8,5	10,5	12,3	11,9	12,5	13,1	13,5	13,7	14,0	14,6	15,0	15,6	16,6	300,3
13.- LUSSEMBURGO		53,2	54,2	56,5	58,4	61,4	65,1	72,1	78,1	78,8	74,9	80,0	84,3	84,0	86,6	90,6	91,6	92,5	93,6	97,8	83,7
14.- LITUANIA		3,6	3,9	4,4	4,9	5,4	6,3	7,3	8,9	10,2	8,5	8,9	10,2	11,1	11,8	12,4	12,8	13,4	14,8	16,1	351,6
15.- SLOVENIA		11,0	11,7	12,6	13,2	13,9	14,6	15,8	17,5	18,9	17,8	17,7	18,0	17,6	17,6	18,2	18,8	19,6	20,8	22,2	101,6
16.- CIPRO		15,6	16,6	17,1	18,0	19,3	20,5	21,9	23,2	24,5	23,4	23,6	23,5	22,6	21,0	20,5	21,0	21,8	23,0	23,0	47,2
17.- ESTONIA		4,4	5,0	5,6	6,3	7,1	8,3	10,0	12,1	12,3	10,6	11,0	12,5	13,5	14,3	15,2	15,7	16,5	17,9	19,7	348,2
18.- LETTONIA		3,6	4,0	4,4	4,6	5,1	6,1	7,7	10,3	11,1	8,7	8,4	9,7	10,8	11,3	11,8	12,2	12,7	13,9	15,3	322,2
19.- MALTA		11,3	11,6	12,0	12,1	12,2	12,8	13,3	14,2	15,0	14,9	15,9	16,5	17,2	18,1	19,8	21,9	23,0	24,6	24,6	118,0
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)		19,8	20,6	21,3	21,6	22,6	23,5	24,7	26,1	26,2	24,6	25,5	26,3	26,8	26,9	27,7	29,2	29,3	30,1	31,0	56,3
20.- REGNO UNITO		30,4	30,8	31,8	30,4	32,4	33,7	35,5	36,9	32,2	27,8	29,6	30,1	32,9	32,5	35,6	40,3	36,8	35,5	36,1	18,7
21.- POLONIA		4,9	5,6	5,5	5,0	5,4	6,4	7,2	8,2	9,6	8,3	9,5	10,0	10,2	10,4	10,8	11,3	11,2	12,3	13,1	168,2
22.- SVEZIA		31,9	30,2	31,5	32,9	34,3	34,8	37,1	39,2	38,4	33,5	39,6	43,1	44,7	45,6	44,9	46,1	47,0	47,5	46,2	45,2
23.- DANIMARCA		33,4	34,4	35,4	35,9	37,5	39,3	41,6	42,8	44,1	42,0	43,9	44,6	45,6	46,2	47,2	48,2	49,4	50,9	51,3	53,6
24.- REPUBBLICA CECA		6,5	7,4	8,5	8,7	9,4	10,7	12,1	13,5	15,6	14,3	15,0	15,6	15,4	15,0	14,9	16,0	16,7	18,1	19,5	200,0
25.- ROMANIA		1,8	2,0	2,2	2,4	2,8	3,7	4,6	6,0	7,1	6,1	6,2	6,5	6,6	7,2	7,5	8,1	8,6	9,5	10,4	475,5
26.- UNGHERIA		5,0	5,9	7,1	7,4	8,3	9,0	9,1	10,1	10,8	9,4	9,9	10,1	10,0	10,3	10,7	11,3	11,6	12,7	13,5	168,0
27.- CROAZIA		5,2	6,0	6,6	7,1	7,8	8,5	9,3	10,2	11,2	10,5	10,5	10,4	10,3	10,3	10,2	10,6	11,1	11,8	12,6	139,4
28.- BULGARIA		1,7	1,9	2,2	2,4	2,7	3,1	3,6	4,3	4,9	5,0	5,2	5,6	5,7	5,7	5,9	6,3	6,7	7,3	7,9	351,4

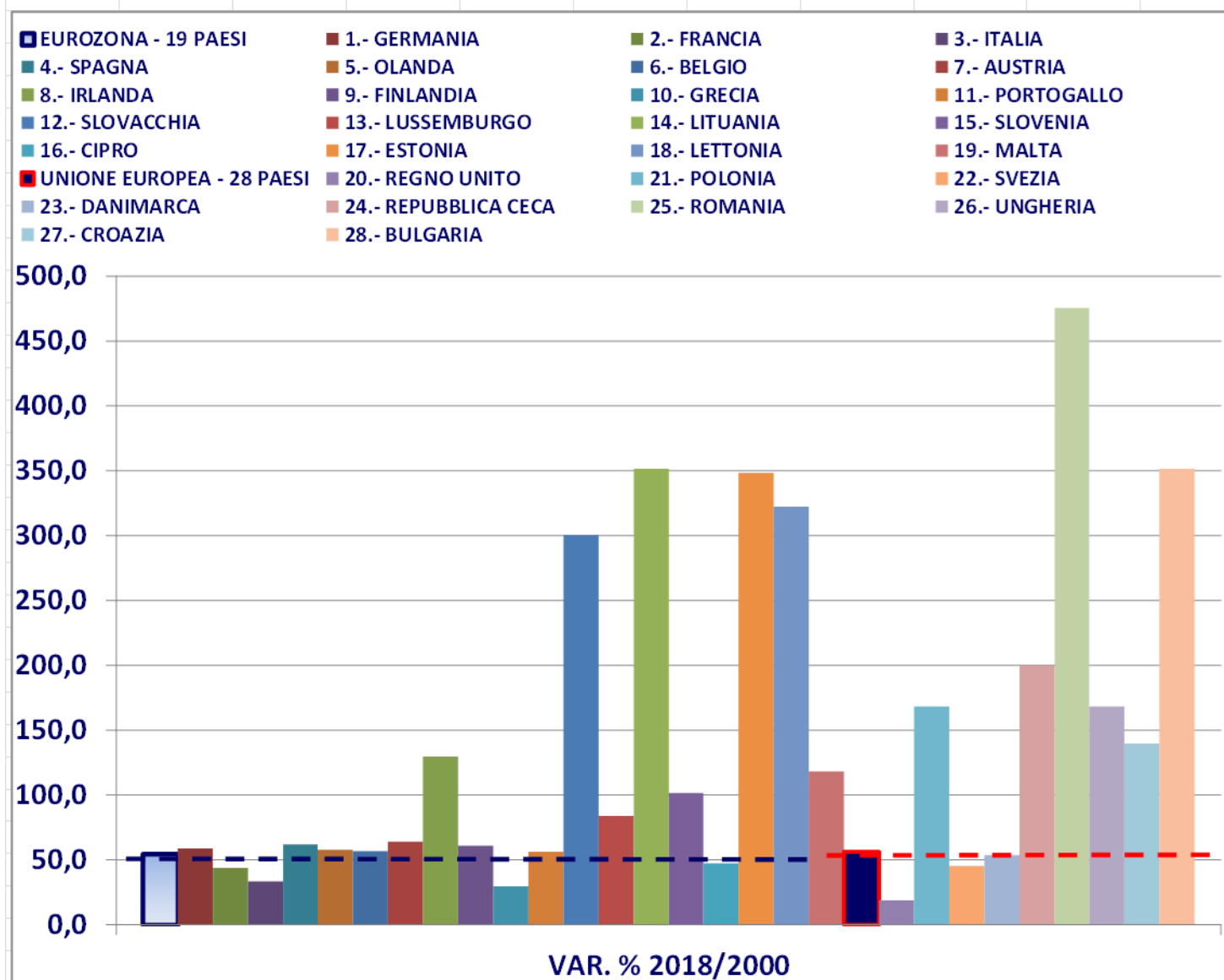
Fig. 3**AUMENTO PIL PRO CAPITE A PREZZI CORRENTI DAL 2000 AL 2018**

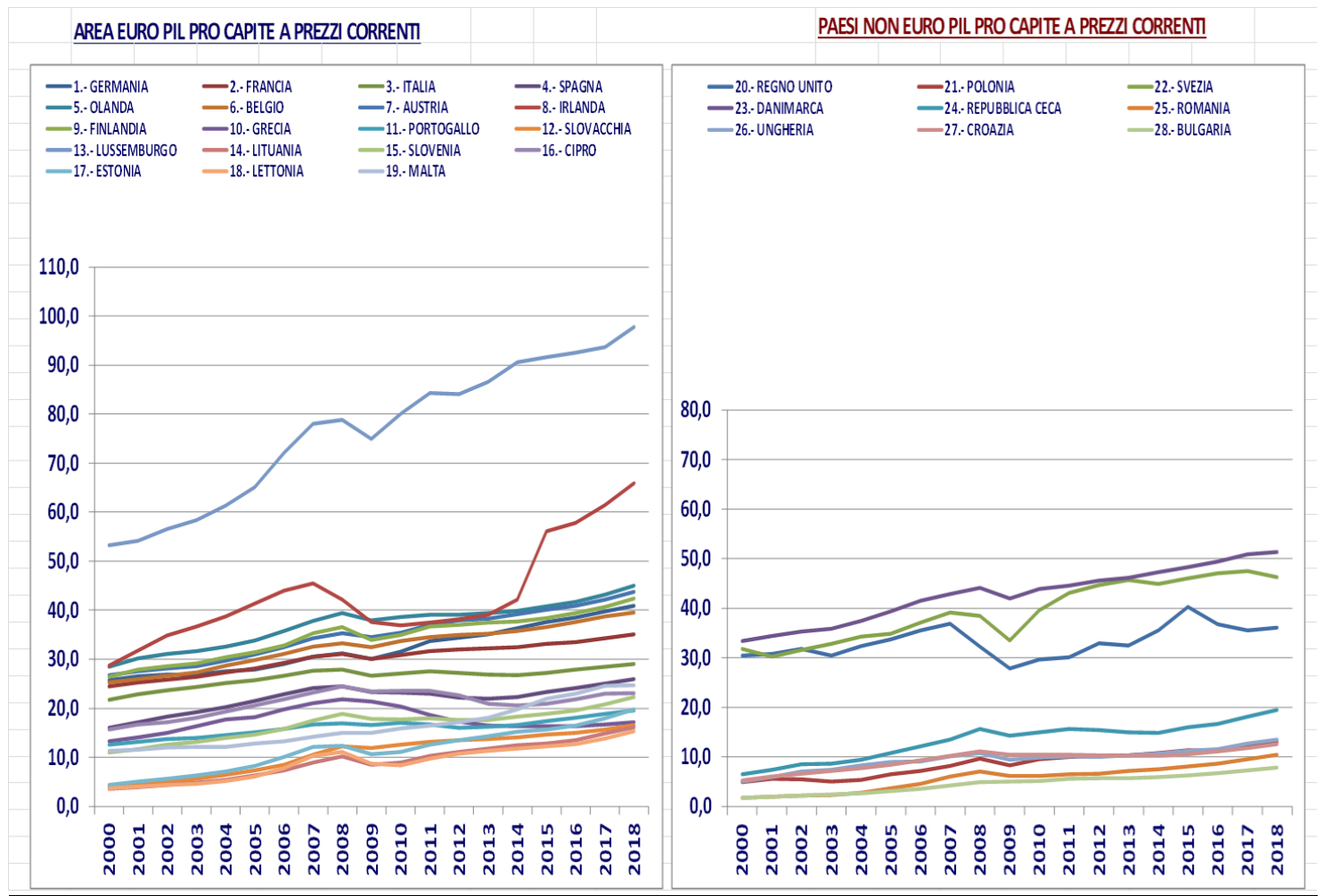
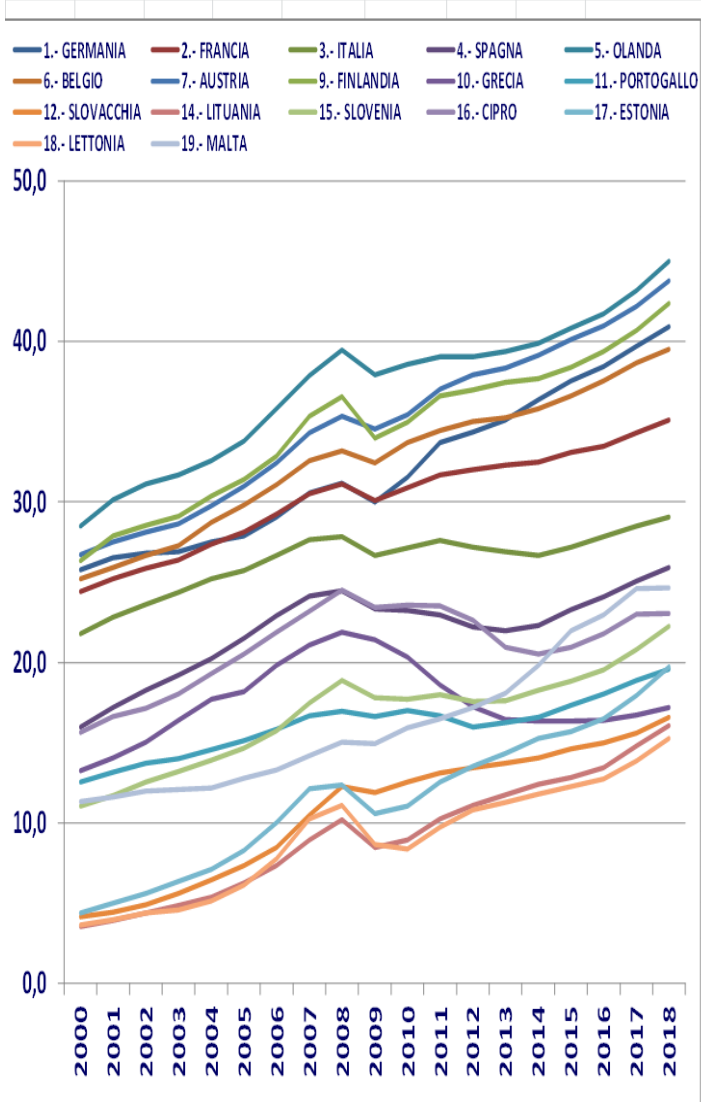
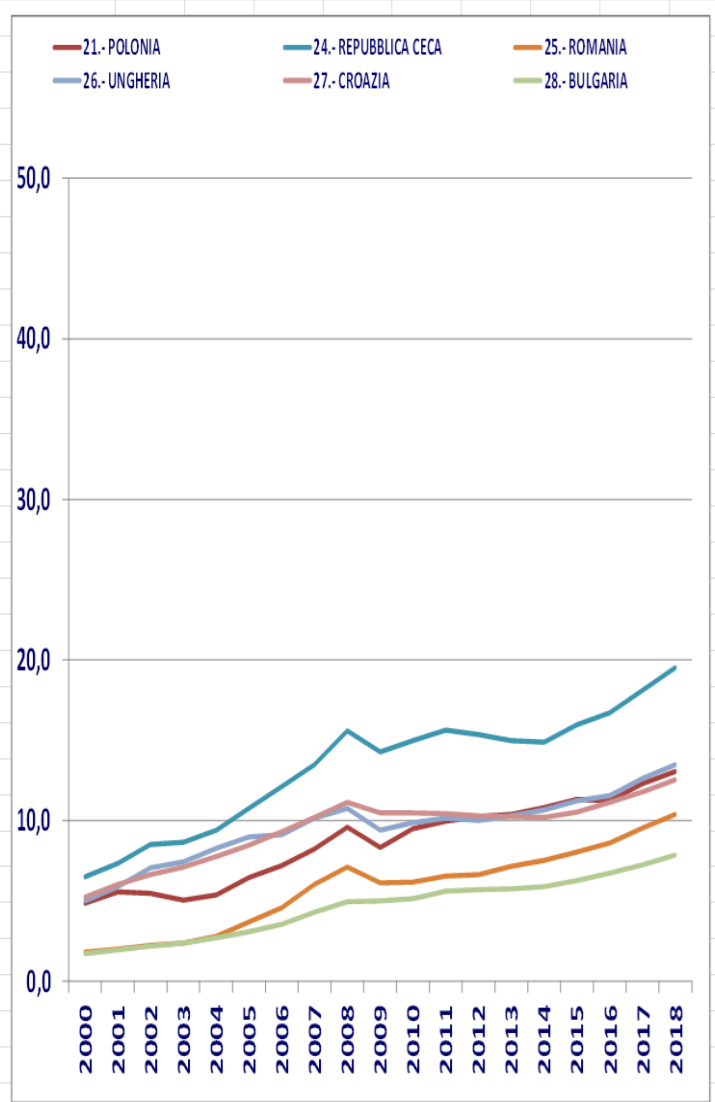
Fig. 4

Fig. 5

SENZA IRLANDA E LUSSEMBURGO



SENZA REGNO UNITO SVEZIA DANIMARCA



In Table 14 and in Figs. 6-8, we present the data relating to the real per capita GDP expressed at constant 2010 prices.

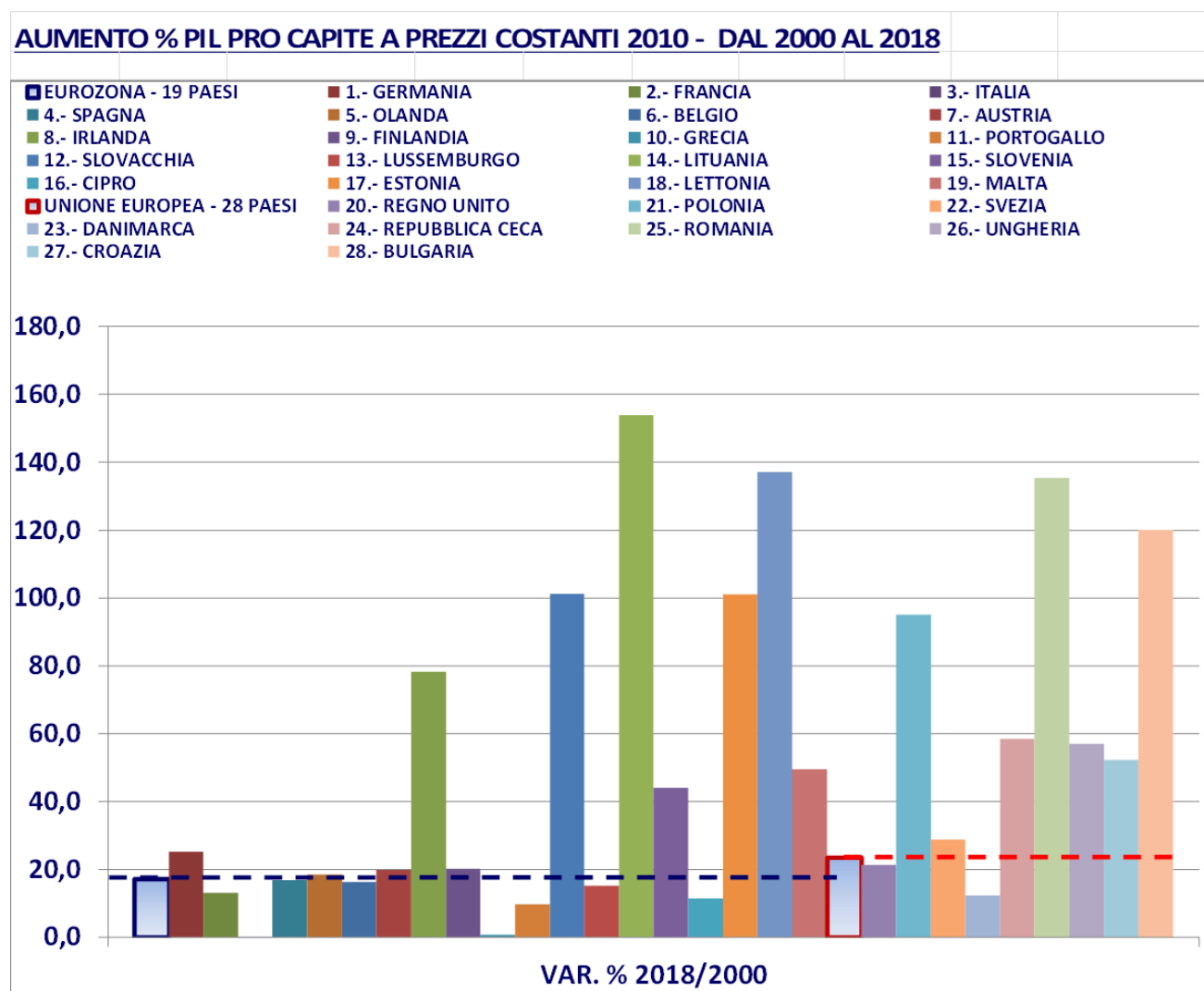
Between 2000 and 2018, the European Union had an increase in real GDP per capita of 23.5%, while the euro area had an increase of 17.2%. As already noted above on the total real GDP data, in this case as well, if we exclude Italy and Greece, the real GDP in the other seventeen countries of the euro area has increased on average by 22%, quite in line with the increase experienced in the EU average.

In countries that started from a lower per capita income there was the highest increase as well. In fact, among the non-euro countries, Romania shows an increase of 135%, Bulgaria of 120%, Poland of 95%.

In the euro countries, Lithuania has increased its real per capita GDP by 154%, Latvia by 137%, Estonia and Slovakia by 101%.

Therefore, the phenomenon of *catching-up*, which is best expressed in the following figures, is also and best highlighted in terms of real GDP per capita. Among the twenty-eight countries of the EU and among the nineteen of the euro area, the only country that has seen its real per capita income fall is Italy, which in 2018 had an income lower than that of 2000, with a decrease of -2, 3%. Greece presents a non-comforting trend as well; nonetheless, in 2018 Greece had a per capita real GDP slightly higher than in 2000 with a +0.8% increase. All other countries show a significant increase in their per capita income. The data presented in Fig. 6 shows in visual terms these observations.

PIL PRO CAPITE A PREZZI COSTANTI 2010																								
					2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	VAR. % 2018/2000
EUROZONA - 19 PAESI					26,4	26,9	27,1	27,1	27,6	27,9	28,7	29,4	29,4	28,0	28,5	29,0	28,7	28,6	28,8	29,4	29,8	30,5	31,0	17,2
1.- GERMANIA					28,7	29,2	29,1	28,9	29,2	29,4	30,5	31,6	31,9	30,2	31,5	33,3	33,5	33,5	34,2	34,6	34,9	35,5	35,9	25,1
2.- FRANCIA					29,1	29,5	29,6	29,6	30,2	30,5	31,0	31,6	31,5	30,4	30,9	31,4	31,3	31,4	31,4	31,6	31,9	32,5	32,9	13,1
3.- ITALIA					27,3	27,8	27,8	27,8	28,1	28,2	28,6	29,0	28,5	26,7	27,1	27,2	26,4	25,8	25,4	25,6	26,0	26,4	26,7	-2,3
4.- SPAGNA					21,4	22,2	22,6	22,9	23,2	23,7	24,3	24,8	24,5	23,4	23,3	22,9	22,2	21,9	22,3	23,1	23,8	24,5	25,1	16,9
5.- OLANDA					35,2	35,7	35,6	35,4	36,0	36,6	37,8	39,2	39,9	38,3	38,6	39,0	38,4	38,2	38,7	39,3	39,9	40,8	41,7	18,4
6.- BELGIO					30,4	30,5	30,9	31,0	32,0	32,6	33,2	34,1	34,1	33,0	33,7	33,8	33,6	33,5	33,8	34,2	34,5	35,0	35,3	16,3
7.- AUSTRIA					31,7	32,1	32,4	32,6	33,3	33,8	34,8	35,9	36,3	34,9	35,4	36,4	36,5	36,3	36,3	36,4	36,6	37,2	38,0	19,8
8.- IRLANDA					33,5	34,8	36,2	36,7	38,5	39,8	40,9	41,8	38,9	36,4	36,9	38,1	38,0	38,3	41,4	51,4	53,4	56,6	59,8	78,2
9.- FINLANDIA					30,6	31,3	31,7	32,3	33,5	34,3	35,6	37,3	37,4	34,1	35,0	35,7	35,0	34,6	34,2	34,3	35,1	35,9	36,7	20,1
10.- GRECIA					17,6	18,2	18,9	19,9	20,9	20,9	22,1	22,7	22,6	21,6	20,3	18,5	17,2	16,7	17,0	17,0	17,1	17,4	17,8	0,8
11.- PORTOGALLO					16,3	16,5	16,5	16,3	16,5	16,6	16,9	17,2	17,2	16,7	17,0	16,7	16,1	16,0	16,2	16,6	17,0	17,5	17,9	9,8
12.- SLOVACCHIA					7,8	8,0	8,4	8,9	9,3	10,0	10,8	12,0	12,7	12,0	12,5	12,9	13,1	13,2	13,6	14,2	14,6	15,0	15,6	101,3
13.- LUSSEMBURGO					71,0	71,9	73,8	74,3	75,9	77,2	79,8	85,2	82,8	77,6	80,0	80,5	78,2	79,2	80,7	81,9	82,0	81,2	81,7	15,1
14.- LITUANIA					5,2	5,6	6,0	6,7	7,2	7,9	8,6	9,7	10,1	8,7	8,9	9,7	10,3	10,7	11,2	11,5	12,0	12,6	13,2	154,0
15.- SLOVENIA					14,0	14,4	15,0	15,4	16,0	16,7	17,5	18,7	19,3	17,6	17,7	17,8	17,3	17,1	17,5	17,9	18,5	19,4	20,2	44,0
16.- CIPRO					20,3	20,8	21,4	21,7	22,5	23,2	24,0	24,7	25,0	23,9	23,6	23,1	21,8	20,5	20,4	21,1	22,0	22,9	22,5	11,3
17.- ESTONIA					7,6	8,1	8,7	9,4	10,0	11,1	12,3	13,3	12,6	10,8	11,0	11,9	12,5	12,8	13,2	13,4	13,9	14,6	15,3	101,1
18.- LETTONIA					5,2	5,6	6,0	6,6	7,2	8,1	9,2	10,2	9,9	8,6	8,4	9,1	9,6	10,0	10,3	10,6	11,0	11,6	12,2	137,0
19.- MALTA					13,9	13,9	14,2	14,4	14,4	14,8	15,0	15,6	16,0	15,5	15,9	16,1	16,4	17,0	18,1	19,6	20,2	21,1	20,7	49,4
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)					22,8	23,3	23,6	23,8	24,3	24,7	25,5	26,2	26,2	25,0	25,4	25,9	25,7	25,7	26,1	26,6	27,1	27,7	28,2	23,5
20.- REGNO UNITO					26,8	27,5	28,1	28,9	29,4	30,1	30,7	31,2	30,9	29,3	29,6	29,8	30,1	30,5	31,2	31,6	31,9	32,3	32,5	21,3
21.- POLONIA					6,4	6,5	6,7	6,9	7,3	7,5	8,0	8,5	8,9	9,2	9,5	10,0	10,1	10,3	10,6	11,0	11,4	11,9	12,6	95,1
22.- SVEZIA					33,9	34,3	34,9	35,6	37,0	37,9	39,5	40,6	40,0	37,7	39,6	40,3	39,9	40,1	40,7	42,1	42,8	43,0	43,6	28,8
23.- DANIMARCA					42,3	42,4	42,5	42,5	43,6	44,5	46,1	46,3	45,8	43,3	43,9	44,3	44,3	44,5	45,0	45,8	46,5	47,2	47,5	12,3
24.- REPUBBLICA CECA					11,2	11,5	11,8	12,2	12,8	13,6	14,5	15,3	15,6	14,7	15,0	15,2	15,1	15,0	15,4	16,2	16,5	17,2	17,7	58,4
25.- ROMANIA					3,7	3,9	4,2	4,4	4,8	5,1	5,5	6,0	6,7	6,4	6,2	6,3	6,5	6,8	7,0	7,3	7,7	8,3	8,7	135,4
26.- UNGHERIA					7,9	8,2	8,6	9,0	9,5	9,9	10,3	10,4	10,5	9,8	9,9	10,1	10,0	10,2	10,6	11,0	11,3	11,8	12,4	56,9
27.- CROAZIA					7,8	8,5	8,9	9,4	9,8	10,2	10,7	11,2	11,5	10,6	10,5	10,5	10,3	10,3	10,3	10,6	11,1	11,5	11,9	52,2
28.- BULGARIA					3,0	3,1	3,4	3,6	3,9	4,2	4,5	4,9	5,2	5,1	5,2	5,3	5,3	5,4	5,5	5,7	6,0	6,3	6,6	120,0

Fig. 6

In Fig. 7 the data of Table 14 are subdivided between euro countries and non-euro countries. The graphics show that among the euro countries, Luxembourg and Ireland are "anomalous" as they have a per capita GDP that is greatly higher than the average. Ireland above all due to the impressive growth performance recorded since 2015. As noted above, in these countries the weight of financial and insurance activities is significant, as well as their physical attractiveness.

Among non-euro countries is patent the superiority of the three advanced development countries, the United Kingdom, Sweden and Denmark.

Therefore in Fig.8 we have excluded these positively "anomalous" countries, in order to better assess the convergence between the remaining countries. This convergence would appear even more accentuated if we excluded the "downward anomaly," i.e. Italy.

Fig. 7

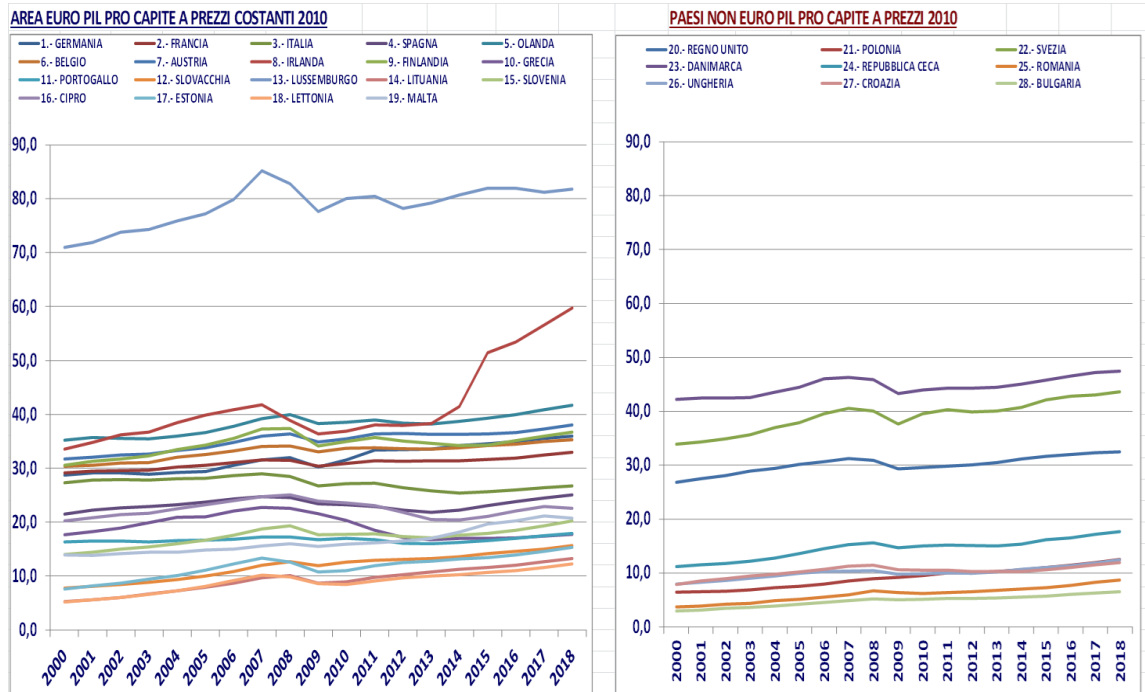
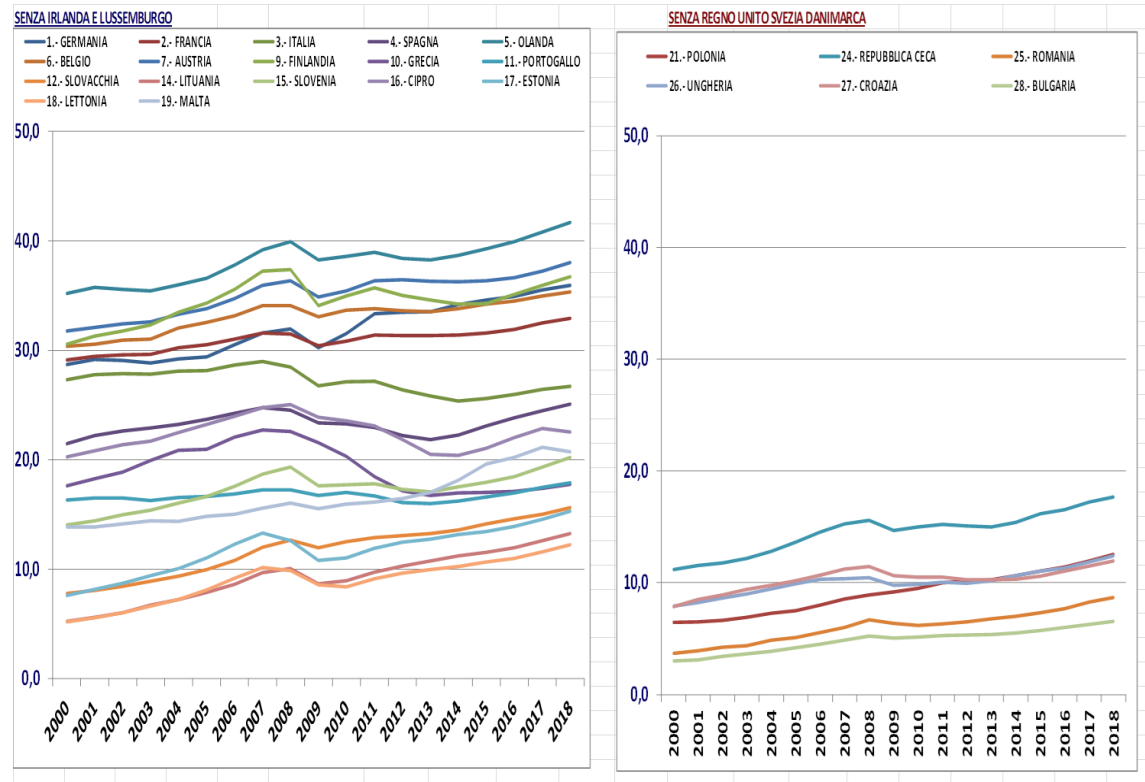


Fig. 8



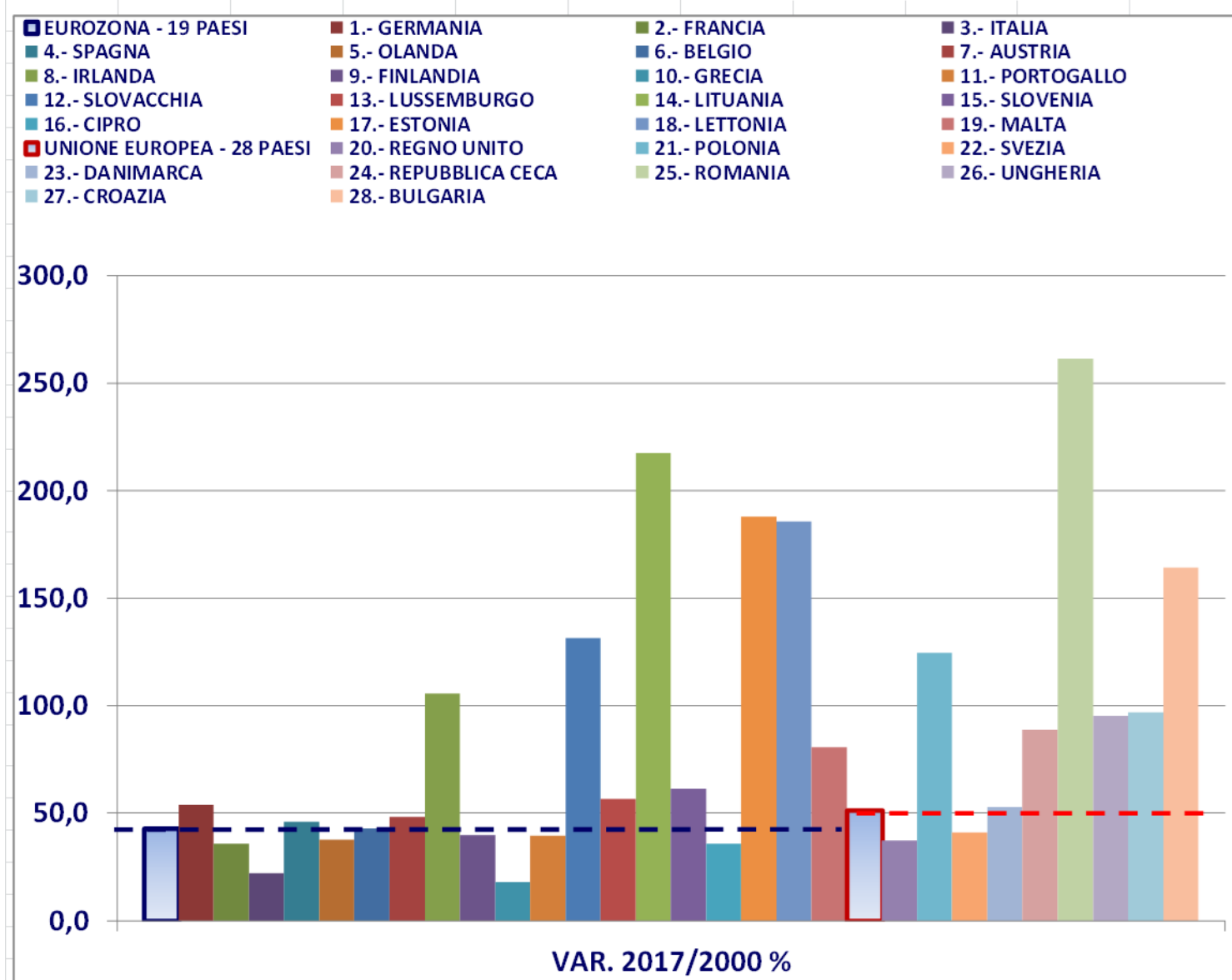
In addition to data on real GDP per capita at constant 2010 prices, Eurostat provides data on the per capita income available with purchasing power parity. That is, it considers the same basket of goods for the different countries and verifies what the cost would be in each of them. If the country adopts a currency other than the euro, the change of the national currency towards the euro is also considered.

In Table 15 we report data from 2000 to 2017.

As can be seen more intuitively from Fig. 9, for the same period, per capita GDP at purchasing power parity increases in each country; even if the differences are slightly attenuated with respect to the per capita GDP data at constant prices analyzed before, nonetheless, a outline emerges that is similar to what has already been observed.

Table 15

<u>PIL PRO CAPITE - PARITA' POTERE D'ACQUISTO</u>																				
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	<u>VAR. 2017/2000 %</u>	
EUROZONA - 19 PAESI	22,300	23,100	23,800	23,800	24,700	25,700	27,000	28,500	28,400	26,600	27,500	28,200	28,600	28,700	29,500	30,900	31,100	31,900	43,0	
1.- GERMANIA	24,100	25,000	25,500	25,700	26,900	27,500	28,800	30,500	30,600	28,700	30,500	32,200	32,900	33,200	34,800	36,100	36,300	37,100	53,9	
2.- FRANCIA	22,900	23,900	24,500	23,900	24,600	25,900	26,900	28,100	27,700	26,400	27,500	28,300	28,500	29,000	29,600	30,700	30,500	31,100	35,8	
3.- ITALIA	23,700	24,200	24,600	24,600	24,900	25,400	26,600	27,900	27,800	26,000	26,500	27,100	27,000	26,400	26,600	27,700	28,400	28,900	21,9	
4.- SPAGNA	18,900	19,900	20,900	21,300	22,200	23,500	25,500	26,900	26,400	24,600	24,400	24,200	24,200	24,000	24,900	26,300	26,700	27,600	46,0	
5.- OLANDA	27,900	28,800	29,600	28,900	30,300	32,000	33,900	36,200	36,700	33,900	34,500	35,200	35,700	36,200	36,300	37,800	37,400	38,400	37,6	
6.- BELGIO	24,500	25,100	26,200	26,300	27,300	28,300	29,300	30,400	30,100	28,900	30,600	31,300	32,200	32,100	33,000	34,400	34,500	35,000	42,9	
7.- AUSTRIA	25,700	25,800	26,800	27,200	28,6	29,800	31,100	32,500	32,700	31,100	32,200	33,500	35,100	35,200	36,000	37,500	37,600	38,100	48,2	
8.- IRLANDA	26,400	28,300	30,200	30,700	32,700	34,400	36,600	38,500	34,900	31,600	33,100	33,900	35,000	35,300	37,800	51,900	51,700	54,300	105,7	
9.- FINLANDIA	23,400	24,100	24,500	24,600	26,300	27,200	28,400	31,100	31,600	28,800	29,600	30,700	30,700	30,300	30,600	31,700	31,800	32,700	39,7	
10.- GRECIA	17,100	18,200	19,400	20,200	21,500	21,700	23,600	24,100	24,400	23,100	21,500	19,700	19,100	19,200	19,800	20,200	19,800	20,200	18,1	
11.- PORTOGALLO	16,500	17,000	17,500	17,700	18,200	19,300	20,400	21,200	21,000	20,100	20,900	20,200	20,000	20,500	21,200	22,300	22,600	23,000	39,4	
12.- SLOVACCHIA	9,900	10,700	11,400	12,000	12,800	14,100	15,600	17,400	18,600	17,400	19,000	19,500	20,100	20,500	21,300	22,300	22,500	22,900	131,3	
13.- LUSSEMBURGO	48,400	48,500	50,400	50,900	54,200	57,900	64,500	69,100	68,400	62,500	65,400	69,300	69,200	70,000	74,400	77,300	76,200	75,900	56,8	
14.- LITUANIA	7,400	8,200	9,000	10,200	11,000	12,300	13,600	15,700	16,400	13,800	15,400	17,200	18,600	19,600	20,800	21,700	22,000	23,500	217,6	
15.- SLOVENIA	15,800	16,500	17,400	17,900	19,300	20,300	21,300	22,700	23,400	20,900	21,200	21,700	21,800	21,900	22,700	23,800	24,100	25,500	61,4	
16.- CIPRO	18,700	19,900	20,200	20,600	21,900	23,600	24,800	27,100	27,500	25,800	25,400	25,000	24,100	22,500	22,400	23,700	24,500	25,400	35,8	
17.- ESTONIA	8,200	8,900	9,900	11,000	12,200	14,000	15,900	18,100	17,900	15,600	16,500	18,500	19,600	20,200	21,300	22,000	22,500	23,600	187,8	
18.- LETTONIA	7,000	7,800	8,600	9,400	10,300	11,800	13,000	14,900	15,400	12,800	13,400	14,900	16,100	16,700	17,500	18,600	18,800	20,000	185,7	
19.- MALTA	16,000	16,000	16,800	17,600	18,100	18,900	19,200	20,500	20,700	19,900	21,300	21,600	22,200	22,800	24,500	26,800	27,400	28,900	80,6	
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)	19,800	20,600	21,300	21,600	22,500	23,400	24,700	26,100	26,100	24,500	25,500	26,200	26,600	26,800	27,700	29,100	29,300	30,000	51,5	
20.- REGNO UNITO	23,000	23,900	24,800	25,600	26,900	27,600	28,600	29,200	28,800	26,500	27,600	27,800	28,600	29,000	30,100	31,600	31,200	31,600	37,4	
21.- POLONIA	9,300	9,600	10,100	10,400	11,300	11,800	12,500	13,800	14,500	14,500	15,900	17,000	17,800	17,900	18,600	19,900	19,900	20,900	124,7	
22.- SVEZIA	25,700	25,800	26,300	26,700	28,400	28,900	31,000	33,500	33,100	30,200	31,900	33,100	33,800	33,600	34,300	36,400	35,700	36,300	41,2	
23.- DANIMARCA	25,100	25,600	26,300	26,100	27,900	29,000	30,900	32,100	32,600	30,700	32,900	33,500	33,900	34,300	35,300	36,900	36,900	38,400	53,0	
24.- REPUBBLICA Ceca	14,200	15,200	15,600	16,500	17,600	18,600	19,600	21,500	21,900	20,900	21,100	21,700	22,000	22,400	23,800	25,300	25,600	26,800	88,7	
25.- ROMANIA	5,200	5,600	6,200	6,600	7,700	8,300	9,700	11,400	13,200	12,500	13,000	13,500	14,300	14,500	15,200	16,300	17,400	18,800	261,5	
26.- UNGHERIA	10,400	11,500	12,500	13,100	13,700	14,500	15,100	15,700	16,300	15,700	16,500	17,200	17,500	18,000	18,800	19,800	19,500	20,300	95,2	
27.- CROAZIA	9,400	10,100	10,900	11,500	12,300	13,000	14,400	15,900	16,500	15,200	15,100	15,600	16,000	16,000	16,300	17,300	17,900	18,500	96,8	
28.- BULGARIA	5,600	6,100	6,600	7,000	7,700	8,600	9,200	10,400	11,100	10,600	11,200	11,800	12,200	12,200	12,900	13,700	14,200	14,800	164,3	

Fig.9**AUMENTO % PIL PRO CAPITE A PARITA' DI POTERE D'ACQUISTO - DAL 2000 AL 2017**

In Table 16 we compared the per capita income of the various countries as an index of the average per capita income of the euro area to assess how the relative positions of each country has changed over the years.

Among the countries of the euro area, Ireland has a strongly "anomalous" profile. Although still above the euro area average, until 2010 its relative per capita income had decreased, but then it started to grow again with respect to the average and finally jumped to a record 193% of the 2018 average for the area. Another country that presents an "anomalous" situation is Luxembourg, which was already starting from a very high level, equivalent to about 269 compared to the 100 average, and although slightly reducing its position, it remains in 2018 at a level of around 274.

The six countries that most recently joined the EU and the euro area saw a sharp increase in their relative position with respect to the average income of the euro area: Slovakia +21, Slovenia +12, Lithuania +23, Latvia +20, Estonia +21, Malta +14.

Among the countries that have lost positions, Italy is in the lead, having dropped by 17 points, starting from a per capita GDP of 103.4 (above average) in 2000, which dropped to 86 in 2018 (14 points below average). Greece, which follows Italy in this relative loss, presents in 2018 an index down by 9 points compared to its position in 2000. The other euro countries to lose their position in the same period show much smaller indicators: in fact, France, Portugal and Cyprus lost a little less than 4 points.

Among the nine non-euro countries, the high-income positions of the United Kingdom, Sweden and Denmark are maintained, although the latter has lost about 7 points in 2018 showing nonetheless a per capita GDP still over 50% above the average of the euro area.

The six non-euro countries that most recently joined the EU show strong signs of improvement in their per capita income compared to the euro area average: Poland +16, Czech Republic +15, Romania +14, Hungary +10, Bulgaria +10, Croatia +9. Obviously, these countries still have a per capita GDP that is still far from the average, but their strong improvement in relative terms is evident compared to the euro area average. It should also be noted that the improvement in the position of these non-euro countries is somewhat lower than that of recently joined the euro area. At the very least, therefore, belonging to the euro area does not appear to have had any

negative effects on these countries, indeed they have obtained slightly better results than non-euro ones.

Fig. 10 shows the data of Table 16.

Luxembourg and Ireland, between the euro countries, and Denmark, among the non-euro countries, clearly present the anomalies described above.

Therefore in Fig. 11, we have compared all countries except for the three that we have just mentioned.

As it can be seen from the graphic, there appears to be a clear convergence, although not a very strong one. However, it should be noted that in any case the countries that started from lower positions had the best *performances*.

Table 16

PIL PRO CAPITE A PREZZI COSTANTI 2010: % su AE	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	VAR 2018-2000
EUROZONA - 19 PAESI	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	
1.- GERMANIA	108,6	108,3	107,4	106,4	105,7	105,3	106,4	107,2	108,6	108,1	110,7	114,9	116,6	117,4	118,5	117,8	117,1	116,6	115,9	7,4
2.- FRANCIA	110,1	109,4	109,2	109,2	109,5	109,3	108,1	107,2	107,0	108,7	108,3	108,1	109,2	109,8	108,9	107,6	106,9	106,6	106,3	-3,8
3.- ITALIA	103,4	103,2	102,8	102,5	101,7	100,8	99,8	98,4	96,8	95,6	95,1	93,7	92,0	90,4	88,1	87,2	87,0	86,7	86,2	-17,2
4.- SPAGNA	81,1	82,4	83,6	84,4	84,1	84,8	84,6	84,1	83,4	83,5	81,6	79,0	77,3	76,5	77,2	78,7	79,9	80,4	80,9	-0,2
5.- OLANDA	133,1	132,7	131,3	130,5	130,3	131,1	131,7	133,0	135,7	136,7	135,4	134,3	133,8	133,8	134,1	133,7	133,9	134,0	134,5	1,4
6.- BELGIO	114,9	113,4	114,2	114,4	116,1	116,6	115,6	115,7	115,9	118,1	118,2	116,4	117,2	117,3	117,3	116,5	115,6	114,7	114,0	-0,9
7.- AUSTRIA	120,1	119,1	119,7	120,1	120,6	121,1	121,1	122,0	123,5	124,6	124,4	125,3	127,0	127,0	125,9	123,9	122,8	122,2	122,8	2,7
8.- IRLANDA	126,8	129,3	133,8	135,3	139,4	142,7	142,5	141,8	132,1	130,1	129,4	131,2	132,3	134,1	143,7	175,0	179,0	185,6	192,9	66,0
9.- FINLANDIA	115,6	116,3	117,2	119,1	121,3	122,8	123,9	126,5	127,0	121,9	122,7	123,0	122,0	121,1	118,7	116,7	117,7	117,9	118,5	2,9
10.- GRECIA	66,7	67,8	69,7	73,4	75,6	75,0	76,9	77,2	76,8	77,0	71,3	63,6	59,8	58,6	58,9	58,0	57,3	57,0	57,3	-9,3
11.- PORTOGALLO	61,7	61,3	61,0	60,0	59,9	59,5	58,7	58,6	58,6	59,7	59,7	57,6	56,0	55,9	56,3	56,5	56,9	57,4	57,8	-3,9
12.- SLOVACCHIA	29,4	29,9	31,1	32,7	33,8	35,7	37,7	40,7	43,0	42,7	44,0	44,4	45,5	46,4	47,2	48,2	48,9	49,3	50,4	21,1
13.- LUSSEMBURGO	268,6	267,1	272,5	273,9	274,7	276,4	278,2	289,4	281,5	277,5	280,9	277,4	272,5	277,3	280,1	279,0	274,8	266,4	263,8	-4,8
14.- LITUANIA	19,7	20,8	22,3	24,7	26,1	28,2	30,1	33,0	34,3	31,0	31,3	33,6	35,8	37,6	39,0	39,3	40,1	41,4	42,8	23,0
15.- SLOVENIA	53,1	53,6	55,2	56,6	58,0	59,6	61,1	63,5	65,7	63,0	62,2	61,3	60,2	59,7	60,8	61,0	61,9	63,5	65,2	12,2
16.- CIPRO	76,6	77,4	78,9	79,9	81,4	83,2	83,6	84,0	85,1	85,4	82,7	79,5	76,1	71,7	70,7	71,7	73,9	75,0	72,8	-3,8
17.- ESTONIA	28,8	30,2	32,1	34,6	36,4	39,6	42,7	45,1	42,9	38,5	38,7	41,0	43,4	44,6	45,7	45,7	46,5	47,8	49,4	20,6
18.- LETTONIA	19,5	20,7	22,3	24,4	26,2	29,0	31,9	34,5	33,6	30,6	29,4	31,4	33,5	34,9	35,6	36,3	36,8	38,0	39,5	20,0
19.- MALTA	52,5	51,5	52,3	53,1	52,1	53,1	52,3	52,9	54,5	55,4	55,9	55,5	57,3	59,5	62,9	66,8	67,8	69,3	66,9	14,4
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)	86,3	86,5	87,0	87,7	88,0	88,5	88,7	88,8	89,0	89,2	89,3	89,2	89,6	90,1	90,5	90,7	90,8	90,9	91,0	4,6
20.- REGNO UNITO	101,5	102,1	103,6	106,4	106,5	107,9	106,9	106,0	104,9	104,8	103,9	102,9	104,7	106,6	108,1	107,7	107,1	106,0	105,0	3,5
21.- POLONIA	24,3	24,2	24,6	25,4	26,3	26,9	27,8	29,0	30,3	32,7	33,4	34,4	35,3	36,0	36,9	37,6	38,2	39,2	40,5	16,2
22.- SVEZIA	128,1	127,4	128,9	131,3	134,0	135,7	137,7	137,8	136,1	134,6	138,8	138,9	138,9	140,3	141,3	143,4	143,4	141,3	140,7	12,6
23.- DANIMARCA	159,8	157,7	156,9	156,8	157,7	159,2	160,5	157,3	155,8	154,8	154,2	152,7	154,2	155,7	156,2	156,0	155,9	155,0	153,2	-6,6
24.- REPUBBLICA Ceca	42,2	42,8	43,4	45,0	46,3	48,8	50,6	51,9	52,9	52,5	52,6	52,4	52,5	52,4	53,4	55,0	55,4	56,5	57,0	14,8
25.- ROMANIA	14,0	14,4	15,6	16,1	17,5	18,3	19,3	20,3	22,8	22,8	21,7	21,8	22,6	23,6	24,3	24,9	25,8	27,2	28,1	14,1
26.- UNGHERIA	29,9	30,6	31,9	33,1	34,3	35,4	35,9	35,2	35,6	35,0	34,6	34,7	34,7	35,6	36,9	37,6	38,0	38,8	40,1	10,1
27.- CROAZIA	29,7	31,6	32,9	34,7	35,4	36,4	37,2	38,1	39,0	38,0	36,8	36,2	35,8	35,9	35,7	36,1	37,1	37,7	38,5	8,9
28.- BULGARIA	11,3	11,5	12,6	13,3	14,0	15,0	15,7	16,6	17,7	18,1	18,1	18,2	18,5	18,8	19,1	19,5	20,1	20,6	21,2	9,9

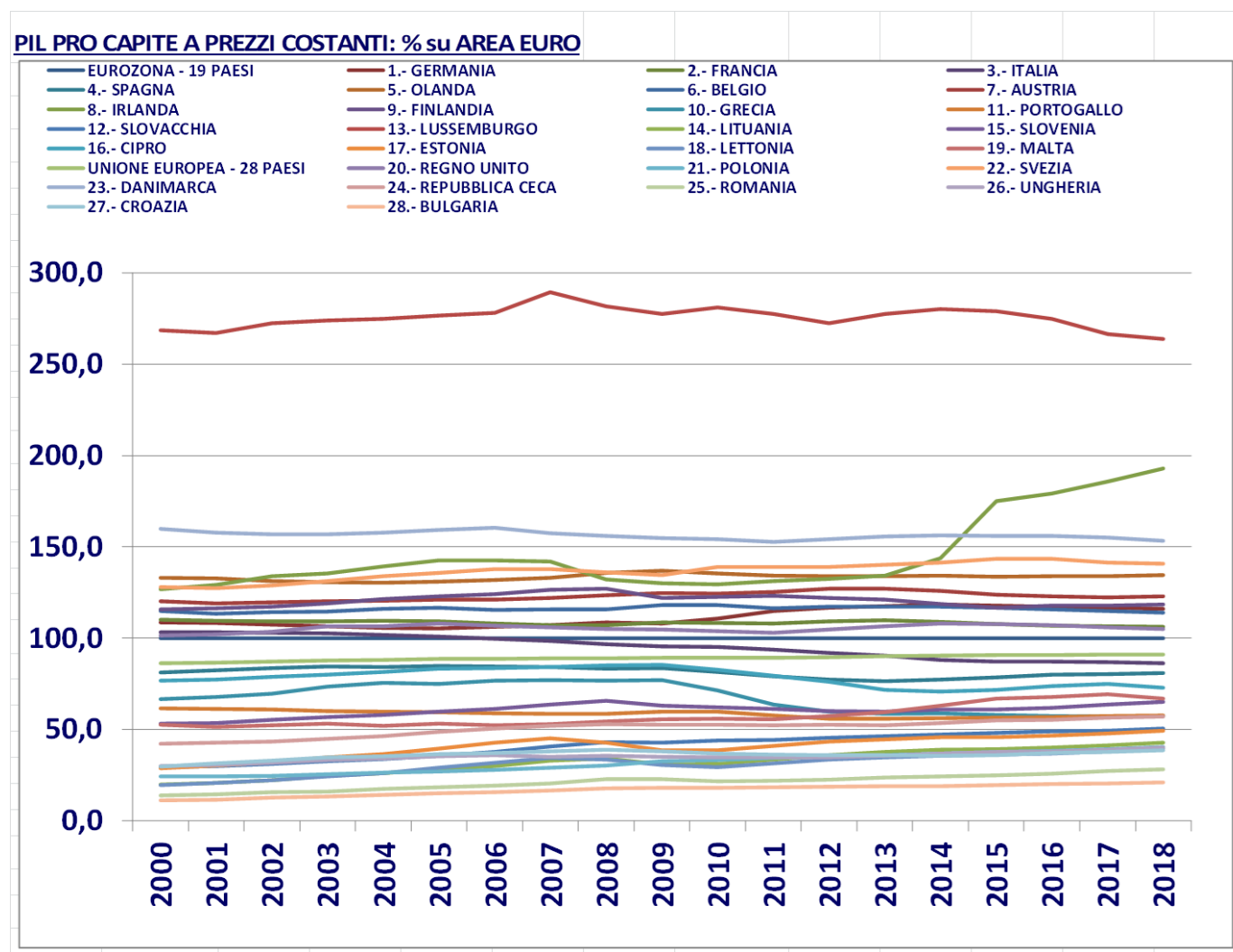
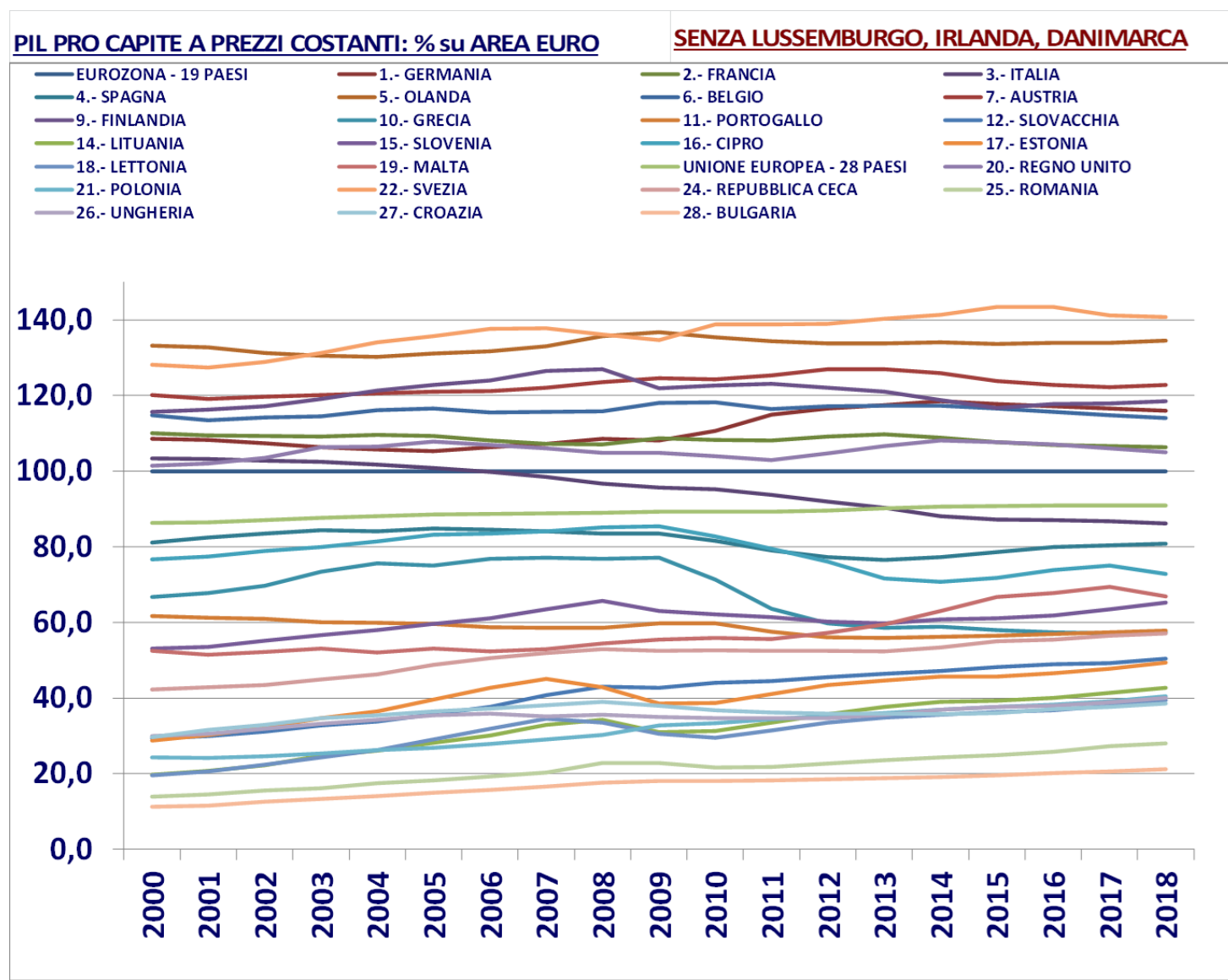
Fig. 10

Fig. 11

We will now evaluate the same data, comparing it with the average per capita income of the entire European Union; see Table. 17.

As is evident from the data and the subsequent graphics, in the last eighteen years the European Union has experienced a substantial process of "convergence." Per capita GDP, measured in comparison to the EU average, does indeed lose some position in the richest and most advanced countries, which in any case improve their real per capita income over time, and the countries that started from more rearward positions strongly gain relative positions.

As shown in Fig. 12, in this case as well Luxembourg, Ireland and Denmark present "anomalous" conditions that do not fully express the process now indicated, even considering the reduced weight of the GDP of these three countries on the total of the EU.

If we refer to Fig. 13, where we have excluded the aforementioned countries, the convergence of per capita incomes achieved by the European Union from 2000 to 2018 appears in all its evidence.

The two dashed lines show the convergence between the euro area and the European Union. The other lines referring to the individual countries show that those who started from higher relative positions fell slightly and those who started from lower positions rose strongly.

It appears now necessary to recall some of the founding elements of Welfare Economics, especially the stance taken almost fifty years ago by John Rawls in his book "A Theory of Justice" published in 1971. Indeed, "his" function of collective welfare indicates that the condition of society improves "only" when the condition of the poorest improves. As is well known, this implies a function of welfare with 90-degree angled isoquants.

Well, both in the euro area and with respect to the twenty-eight European Union countries, the data shows a strong improvement in the income conditions of the countries that started from more backward positions. According to Rawls this indicates a clear improvement in the conditions of "collective" welfare, that is, the welfare of everyone. In the historical data analyzed above, even the richest countries have improved their conditions over time but relatively less than countries with more rearward initial positions.

In Table 18 we present an index that summarizes the previous assessments. This is the well-known calculation of the "variance" which indicates the increase or decrease in the extent of the distribution of the values of the individual States compared to the average of the euro area. In this case it is the "variance" of per capita incomes between the various countries starting from 2000 and up to 2018. For simplicity we have limited the table data to the initial and final year of the period.

As already noted, in the real per capita GDP trend, three countries have “positively anomalous” profiles mainly due to the strong component of the financial sector in their economy and to the degree of fiscal competitiveness they exercise compared to other member states. These are Ireland, Luxembourg and the Netherlands. As can be seen from the table data, if we include all the countries, including the three mentioned above, the "variance" appears to have increased. We consider it more correct to exclude these three countries also in reason of their modest weight on the total GDP of the euro area and of the EU. We then find that, among the remaining 25 countries of the EU and the 16 countries of the euro, the variance with respect to the euro area average is reduced to 2018 compared to 2000 both with respect to the countries of the European Union and between the single currency countries. For both sets of countries, therefore, there is a process of convergence to the average per capita GDP of the euro area.

As indicated above, in the historical period under review, real per capita income has grown in all countries, except for Italy. Therefore, the reduction of variance expresses a process of convergence towards the "top". This process could be considered modest and too slow. However, the data express an improvement for everyone. Moreover, the decrease in variance appears to be much more consistent "among" the countries belonging to the euro (-2.9) compared to the decrease in variance referring to all EU countries (-0.3).

What stated above seems thus to debunk a false myth spread among those that support the return to national sovereignty: the idea that European integration is indeed favorable to some and less favorable to others. Often, the idea that belonging to the single currency would create greater benefits for someone and even greater disadvantages for others is also expressed.

Historical data show the exact opposite. In fact, the countries of the euro have had greater growth in real per capita GDP and greater convergence towards the average per capita GDP of the area when compared to the non-euro countries of the EU.

This analysis refers to the trend in the average real per capita income of each country. Therefore, nothing can be inferred from it regarding the distribution of income "within" each country compared to the average of the same country. But this task of internal redistribution of incomes lies with the national governments and national parliaments. In fact, what we have had so far is a substantially intergovernmental Europe with a common European budget of around 1% of the GDP and with almost all the relevant functions left to the powers of the national states.

What appears clear here, however, is that the distribution of "internal" incomes to individual states, whether improved or not, does not depend on the European process of integration but on the choices of the different national states. It is equally clear that the European process of integration and that of the single currency have "improved" the conditions of welfare "among" the states.

Table 17

PIL PRO CAPITE A PREZZI COSTANTI: % su UE										2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	VAR 2018-2000
EUROZONA - 19 PAESI										115,8	115,6	114,9	114,1	113,6	113,0	112,7	112,6	112,3	112,1	112,0	112,1	111,6	111,0	110,4	110,2	110,1	110,0	109,9	-5,9
1.- GERMANIA										125,8	125,2	123,4	121,3	120,1	119,0	119,9	120,7	122,0	121,1	124,0	128,8	130,0	130,3	130,9	129,8	128,9	128,3	127,4	1,7
2.- FRANCIA										127,5	126,5	125,5	124,5	124,4	123,4	121,9	120,8	120,2	121,8	121,3	121,2	121,8	121,8	120,3	118,6	117,7	117,3	116,8	-10,7
3.- ITALIA										119,7	119,3	118,1	117,0	115,5	113,9	112,5	110,8	108,7	107,1	106,6	105,0	102,6	100,3	97,3	96,1	95,8	95,4	94,7	-25,0
4.- SPAGNA										94,0	95,3	96,0	96,3	95,6	95,8	95,3	94,6	93,7	93,6	91,4	88,6	86,2	84,9	85,3	86,7	88,0	88,4	88,9	-5,1
5.- OLANDA										154,2	153,4	150,8	148,9	148,0	148,1	148,5	149,8	152,4	153,3	151,6	150,5	149,2	148,5	148,2	147,3	147,4	147,4	147,9	-6,3
6.- BELGIO										133,0	131,1	131,3	130,5	131,8	131,7	130,3	130,3	130,2	132,4	132,4	130,5	130,7	130,2	129,5	128,4	127,3	126,2	125,3	-7,7
7.- AUSTRIA										139,1	137,7	137,6	137,0	137,0	136,8	136,5	137,4	138,8	139,7	139,3	140,4	141,7	141,0	139,0	136,5	135,1	134,5	135,0	-4,1
8.- IRLANDA										146,9	149,4	153,7	154,3	158,3	161,2	160,7	159,7	148,4	145,8	145,0	147,0	147,6	148,8	158,8	192,9	197,1	204,2	212,0	65,1
9.- FINLANDIA										133,9	134,4	134,7	135,8	137,8	138,8	139,7	142,5	142,7	136,6	137,5	137,9	136,1	134,4	131,1	128,6	129,6	129,8	130,2	-3,7
10.- GRECIA										77,2	78,4	80,1	83,7	85,9	84,7	86,7	86,9	86,3	86,3	79,9	71,3	66,7	65,0	65,1	63,9	63,1	62,8	63,0	-14,2
11.- PORTOGALLO										71,5	70,8	70,1	68,5	68,0	67,3	66,2	65,9	65,9	67,0	66,9	64,5	62,5	62,1	62,1	62,3	62,6	63,2	63,5	-7,9
12.- SLOVACCHIA										34,0	34,6	35,7	37,3	38,4	40,3	42,5	45,8	48,3	47,9	49,3	49,8	50,8	51,5	52,1	53,1	53,8	54,2	55,4	21,4
13.- LUSSEMBURGO										311,1	308,7	313,1	312,3	312,1	312,3	313,6	325,9	316,2	311,0	314,7	310,9	303,9	307,8	309,4	307,5	302,5	293,1	290,0	-21,1
14.- LITUANIA										22,9	24,0	25,6	28,2	29,7	31,9	33,9	37,1	38,5	34,7	35,1	37,6	39,9	41,7	43,0	43,3	44,1	45,6	47,0	24,1
15.- SLOVENIA										61,5	61,9	63,4	64,6	65,9	67,4	68,9	71,5	73,8	70,6	69,6	68,7	67,1	66,2	67,2	67,3	68,1	69,9	71,7	10,2
16.- CIPRO										88,7	89,5	90,7	91,1	92,5	94,0	94,2	94,6	95,6	95,7	92,6	89,1	84,8	79,5	78,1	79,0	81,3	82,5	80,0	-8,8
17.- ESTONIA										33,3	34,9	36,9	39,5	41,3	44,7	48,2	50,8	48,2	43,2	43,4	46,0	48,4	49,5	50,4	50,4	51,2	52,6	54,3	21,0
18.- LETTONIA										22,6	23,9	25,6	27,8	29,8	32,8	36,0	38,8	37,7	34,3	33,0	35,2	37,4	38,7	39,3	40,0	40,5	41,8	43,4	20,8
19.- MALTA										60,8	59,5	60,0	60,6	59,2	60,0	59,0	59,6	61,2	62,1	62,7	62,2	63,9	66,0	69,5	73,6	74,7	76,3	73,5	12,8
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)										100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	
20.- REGNO UNITO										117,5	118,0	119,0	121,3	120,9	121,9	120,5	119,4	117,8	117,5	116,4	115,3	116,8	118,4	119,4	118,7	117,9	116,6	115,4	-2,1
21.- POLONIA										28,2	28,0	28,2	29,0	29,8	30,4	31,3	32,7	34,0	36,7	37,4	38,6	39,4	39,9	40,8	41,5	42,1	43,1	44,5	16,3
22.- SVEZIA										148,3	147,3	148,1	149,7	152,2	153,3	155,2	155,1	152,9	150,9	155,5	155,6	155,0	155,7	156,1	158,0	157,9	155,4	154,7	6,3
23.- DANIMARCA										185,1	182,2	180,3	178,8	179,2	179,9	181,0	177,1	175,1	173,5	172,8	171,2	172,0	172,8	172,5	171,9	171,7	170,5	168,4	-16,7
24.- REPUBBLICA CECA										48,9	49,5	49,9	51,3	52,6	55,1	57,0	58,5	59,4	58,9	58,9	58,7	58,5	58,2	59,0	60,7	61,0	62,1	62,7	13,8
25.- ROMANIA										16,2	16,7	17,9	18,3	19,9	20,6	21,8	22,9	25,6	25,6	24,3	24,5	25,3	26,2	26,9	27,4	28,4	29,9	30,8	14,7
26.- UNGHERIA										34,7	35,4	36,6	37,8	38,9	40,0	40,5	39,6	40,0	39,2	38,8	38,9	38,7	39,6	40,8	41,5	41,8	42,7	44,1	9,4
27.- CROAZIA										34,4	36,5	37,9	39,6	40,3	41,2	41,9	42,9	43,8	42,6	41,3	40,5	40,0	39,9	39,4	39,8	40,8	41,5	42,4	8,0
28.- BULGARIA										13,1	13,3	14,5	15,2	16,0	16,9	17,7	18,6	19,9	20,2	20,3	20,4	20,7	20,9	21,1	21,5	22,1	22,6	23,3	10,2

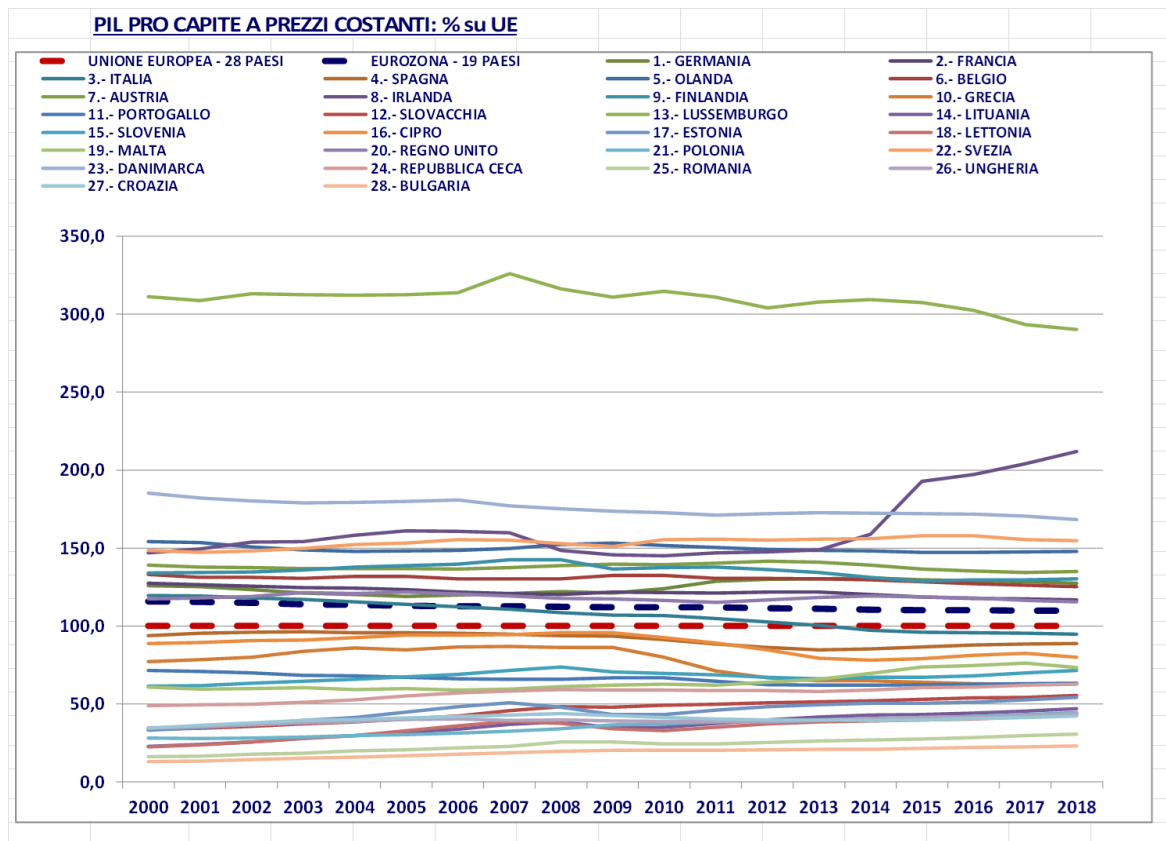
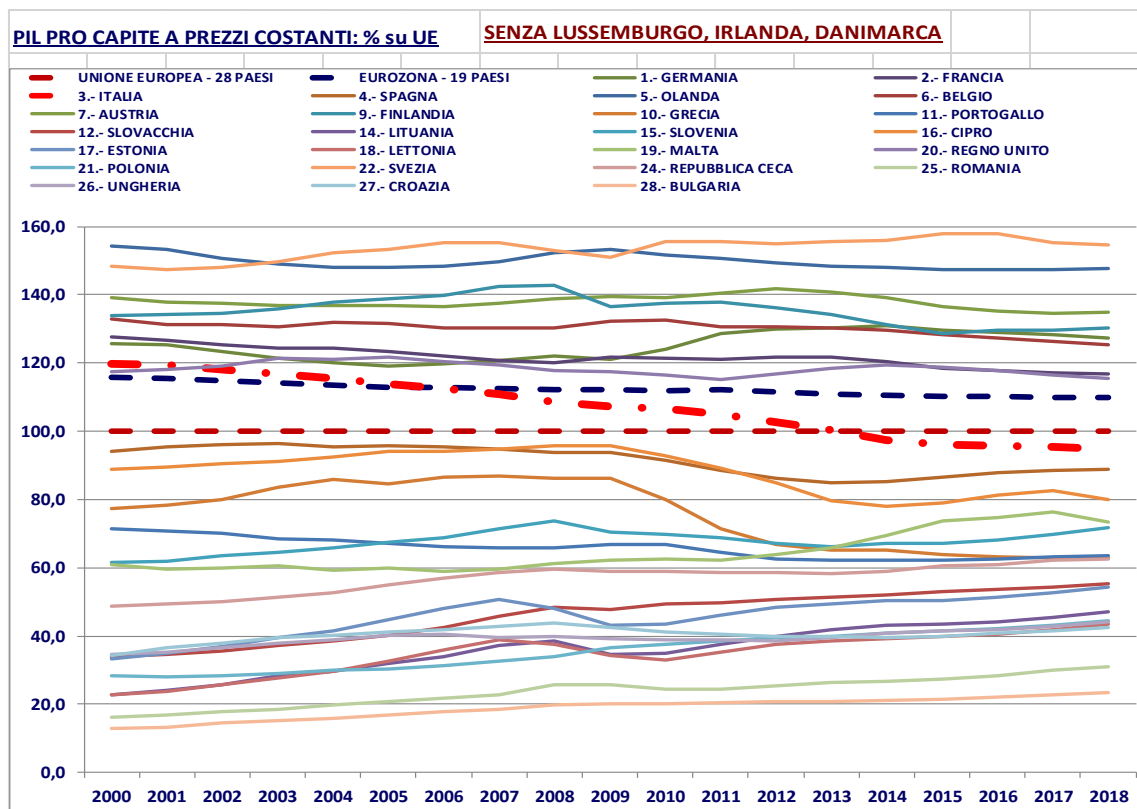
Fig.12**Fig. 13**

Table 18**PER-CAPITA INCOME VARIANCE at CONSTANT PRICES 2010**

			<u>ANNI</u>	<u>2000</u>	<u>2018</u>	<u>VA. 2018-2000</u>	
<u>VARIANZA</u>	<u>SU MEDIA</u>	<u>AREA EURO</u>					
<u>TRA I 19 PAESI MEMBRI</u>				15,1	17,0		1,9
			<u>SENZA OLANDA, IRLANDA E LUX</u>	11,8	8,9		-2,9
<u>VARIANZA</u>	<u>SU MEDIA</u>	<u>AREA EURO</u>					
<u>TRA I 28 PAESI MEMBRI DELL'UE</u>				15,9	17,2		1,3
			<u>SENZA OLANDA, IRLANDA E LUX</u>	14	13,7		-0,3

Against the previous temporal outlines of the GDP we now set the trends of public debt in absolute value and its relationship with GDP in all countries.

Table 19 shows debt data in billions of euros and Table 20 shows their correlation with GDP. In the European Union and in the euro area public debt has more than doubled, going from 5,804 billion in 2000 to 12,715 in 2018 in the Union (+119%) and from 4,792 to 9,860 in the euro area (+106%).

The trend for the Debt / GDP ratio is more significant.

In the European Union as a whole, the Debt / GDP ratio increased by around 20 percentage points, from 60% to 80%. In the euro area, it went from 68% in 2000 to 85% in 2018 (+17 points). Therefore, this ratio has increased more in the euro area than in the rest of the EU.

Among the non-euro countries, the United Kingdom has increased its public debt in relation to GDP by almost 50 percentage points, from 37% to 87% and, given the significant size of its economy, largely dominates the whole area of non-euro countries. Bulgaria, Denmark and Sweden have instead significantly reduced the Debt / GDP ratio. In any case, excluding the United Kingdom, all non-euro countries have a Debt / GDP ratio well below or just above the 60% limit established as the euro area target.

Among the single currency countries, Greece and Portugal increased the ratio by well over 70 percentage points. An increase of more or near 40 points occurred for Slovenia, Cyprus, Spain and France.

In the same period, Italy increased its Debt / GDP ratio by 27 points but started from a level that was already 105% in 2000 and reaching over 132% in 2018 (over 133% expected in 2019). On the other hand, Belgium, although starting from a ratio that was the absolute highest at 109% in 2000, has subsequently reduced it to 102%.

Excluding Greece, Italy is today the country with the highest ratio of public debt to GDP not only in the euro area, but in the entire Europe, and is also the only country that has maintained over all these years a ratio well above 100%.

In the last column of Table 20 we reported the real growth of per capita GDP that was determined in the same period.

Certainly, from these data emerges no positive relationship between greater debt and greater growth. On the contrary, countries with a lower Debt / GDP ratio or that have reduced it or perhaps increased it slightly show a greater growth in real GDP per capita.

For example, Germany has increased its ratio by 2 percentage points against a per capita GDP growth of over 25%.

By contrast, the countries with the highest Debt / GDP ratio to date are also those that have achieved lower real growth in per capita GDP. Portugal, that had a ratio increase of 71 percentage points, which brought it to 121% in 2018, had real growth below 10% in the same period. Greece, that had an increase of 76 points and a ratio of 181% of GDP in 2018, has undergone growth below 1% in that period. Even worse, Italy, which has lived for these eighteen years with a debt always well above 100% of the GDP and brought it above 132% in 2018 and 133% in 2019, had a decrease in real per capita GDP. In 2018 it was lower than in 2000, when it was at -2.3%, making Italy the only country in the entire European Union which has seen its real per capita GDP reduced compared to 2000.

All other countries in the euro area that have reduced or slightly increased their debt have had greater GDP growth.

Excluding the United Kingdom, the same trend also applies to all other non-euro countries in the European Union that have reduced or contained the increase in the Debt / GDP ratio, achieving sustained growth in their per capita GDP.

In summary, we have calculated the correlation between the Debt / GDP ratio and real per capita GDP growth for all EU countries and those in the euro area. The correlation index is -0.61 for the 28 of the EU and -0.64 for the 19 countries of the euro area. It means that the correlation between public debt and growth in European data over the last twenty years is strongly negative. This result seems to debunk another myth, namely the idea that with higher deficit and sovereign debt can be achieved greater real income growth.

Table 19

DEBITO PUBBLICO MLD EURO																						
ANNI			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Aumento % 2018-2000
EUROZONA - 19 PAESI			4791,8	4936,0	5097,1	5339,4	5593,8	5860,8	6003,4	6113,2	6626,5	7363,6	8078,8	8495,3	8828,4	9103,9	9340,0	9467,5	9643,3	9731,5	9859,5	105,8
1.- GERMANIA			1245,8	1258,7	1312,4	1400,3	1470,6	1541,4	1591,3	1600,0	1669,0	1785,7	2088,7	2125,3	2202,9	2188,1	2189,6	2159,7	2143,9	2092,8	2063,2	65,6
2.- FRANCIA			870,6	897,4	956,8	1050,4	1123,6	1189,9	1194,1	1252,9	1370,3	1608,0	1701,1	1808,0	1892,5	1977,7	2039,8	2101,2	2188,3	2257,8	2315,3	165,9
3.- ITALIA			1302,5	1360,3	1371,7	1397,5	1449,7	1518,6	1588,1	1606,2	1671,4	1770,2	1851,8	1908,0	1990,1	2070,3	2137,3	2173,4	2219,6	2263,5	2322,0	78,3
4.- SPAGNA			374,6	378,9	384,1	382,8	389,9	393,5	392,1	384,7	440,6	569,5	650,1	744,3	891,5	979,0	1041,6	1073,9	1107,2	1144,4	1173,1	213,2
5.- OLANDA			235,4	238,3	244,6	256,4	266,2	274,4	264,3	266,2	354,0	354,8	378,8	401,3	432,4	446,9	455,7	446,1	438,4	419,8	405,4	72,2
6.- BELGIO			280,9	286,0	288,0	285,8	288,3	294,9	297,4	300,0	327,6	347,2	364,1	388,9	404,3	413,7	430,4	437,5	450,4	454,0	459,7	63,7
7.- AUSTRIA			141,2	147,2	151,3	152,7	158,0	174,4	180,3	184,7	201,8	230,0	244,7	255,7	261,0	263,2	280,0	291,9	295,8	289,7	284,8	101,6
8.- IRLANDA			39,1	40,5	41,5	43,6	44,1	44,4	43,7	47,1	79,6	104,7	144,2	189,7	210,0	215,3	203,4	201,6	200,7	201,3	206,2	427,4
9.- FINLANDIA			57,9	59,2	59,7	64,9	67,7	65,8	65,9	63,4	63,3	75,5	88,2	95,5	107,7	114,8	123,7	133,2	136,2	137,3	137,5	137,4
10.- GRECIA			148,2	163,0	171,4	181,5	199,3	214,0	225,6	239,9	264,8	301,1	330,6	356,2	305,1	320,5	319,6	311,7	315,0	317,4	334,6	125,8
11.- PORTOGALLO			64,6	72,6	80,1	85,7	94,5	106,9	115,0	120,1	128,2	146,7	173,1	196,2	212,6	219,7	226,0	231,5	241,0	242,8	244,9	278,9
12.- SLOVACCHIA			10,8	11,7	11,6	12,6	14,6	13,7	15,2	17,0	19,5	23,2	27,8	30,8	37,9	40,6	40,7	41,3	42,1	43,2	44,1	310,1
13.- LUSSEMBURGO			1,7	1,7	1,8	1,8	2,1	2,2	2,6	2,9	5,7	5,8	8,0	8,1	9,7	11,0	11,3	11,4	11,0	12,7	12,6	653,5
14.- LITUANIA			2,9	3,2	3,4	3,4	3,4	3,7	4,2	4,6	4,8	7,5	10,2	11,6	13,3	13,6	14,8	15,9	15,5	16,6	15,4	428,8
15.- SLOVENIA			5,5	6,0	6,7	6,9	7,4	7,7	8,2	8,0	8,3	12,5	13,9	17,2	19,4	25,5	30,2	32,1	31,8	31,9	32,2	487,2
16.- CIPRO			6,0	6,7	7,3	8,2	9,1	9,6	9,6	9,5	8,7	10,1	11,0	13,1	15,6	18,7	19,0	19,2	19,5	18,8	21,3	253,6
17.- ESTONIA			0,3	0,3	0,4	0,5	0,5	0,5	0,6	0,6	0,7	1,0	1,0	1,0	1,7	1,9	2,1	2,0	2,0	2,1	2,2	597,1
18.- LETTONIA			1,0	1,3	1,3	1,4	1,6	1,6	1,6	1,8	4,4	6,7	8,3	8,7	9,1	8,9	9,7	9,0	10,1	10,8	10,6	948,5
19.- MALTA			2,7	3,0	2,9	3,3	3,4	3,6	3,5	3,6	3,8	4,2	4,5	4,8	4,9	5,2	5,4	5,6	5,7	5,7	5,7	114,8
UNIONE EUROPEA - 28 PAESI (19 EURO + 9 NON EURO)			5804,0	5966,9	6134,3	6387,9	6768,3	7137,3	7376,5	7479,1	7947,4	9038,1	10120,6	10758,9	11299,4	11648,4	12157,8	12518,8	12455,5	12550,7	12715,2	119,1
20.- REGNO UNITO			645,9	637,0	625,6	632,1	718,7	806,3	888,7	877,4	824,1	1103,3	1387,6	1590,8	1745,9	1799,0	2060,3	2269,9	2022,2	2013,1	2054,2	218,0
21.- POLONIA			70,7	83,3	84,2	83,8	102,9	119,2	131,1	145,9	143,3	165,3	193,2	190,2	214,8	222,1	203,0	216,5	228,8	240,8	240,5	240,0
22.- SVEZIA			137,0	139,3	141,3	146,7	152,1	152,3	150,8	137,1	117,8	132,8	151,7	155,4	163,6	173,3	190,7	202,0	194,5	189,9	181,3	32,4
23.- DANIMARCA			93,1	89,5	93,2	89,1	89,4	79,5	71,2	63,8	80,5	93,0	103,5	114,5	114,0	113,9	117,8	108,5	105,3	104,1	101,4	8,9
24.- REPUBBLICA Ceca			11,6	18,3	22,0	24,5	28,7	31,4	35,4	39,6	42,3	49,8	59,1	62,3	71,8	67,1	65,6	68,0	64,9	68,5	67,4	482,7
25.- ROMANIA			7,5	10,9	10,8	10,3	11,8	12,4	12,6	14,1	16,6	27,4	36,9	44,2	49,4	53,4	58,5	59,5	62,9	64,6	70,8	839,9
26.- UNGHERIA			27,8	32,7	40,9	42,2	50,4	54,0	62,1	66,3	73,0	76,1	78,6	72,4	77,2	78,6	79,2	83,3	86,9	90,5	92,9	233,7
27.- CROAZIA			8,4	9,6	10,4	11,6	13,2	15,1	15,5	16,4	18,4	21,9	25,5	28,2	30,4	35,0	36,4	37,2	37,3	38,1	38,4	354,9
28.- BULGARIA			10,2	10,3	8,9	8,1	7,5	6,4	5,7	5,3	4,8	5,1	5,9	6,3	7,0	7,1	11,6	11,9	14,2	13,2	12,5	22,9
TOTALE 9 PAESI NON-EURO			1012,3	1030,9	1037,2	1048,5	1174,6	1276,5	1373,1	1365,8	1320,9	1674,5	2041,8	2263,6	2471,0	2544,5	2817,8	3051,3	2812,3	2819,2	2855,7	182,1

RAPPORTO % DEBITO PUBBLICO/PII																									
ANNI		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	DP/PII	PII PROCAPITE A PREZZI COSTANTI 2010			
																					VARIAZIONE 2018-2000	VAR. %2018/2000			
EUROZONA - 19 PAESI		68,2	67,1	67,0	68,2	68,5	69,3	67,4	65,0	68,7	79,2	84,6	86,6	89,7	91,6	91,8	89,9	89,1	86,8	85,1	16,9	17,2			
1.- GERMANIA		58,9	57,7	59,4	63,1	64,8	67,0	66,5	63,7	65,2	72,6	81,0	78,6	79,9	77,4	74,5	70,8	67,9	63,9	60,9	2,0	25,1			
2.- FRANCA		58,9	58,3	60,3	64,4	65,9	67,4	64,6	64,5	68,8	83,0	85,3	87,8	90,6	93,4	94,9	95,6	98,2	98,5	98,4	39,5	13,1			
3.- ITALIA		105,1	104,7	101,9	100,5	100,1	101,9	102,6	99,8	102,4	112,5	115,4	116,5	123,4	129,0	131,8	131,6	131,4	131,2	132,2	27,1	-2,3			
4.- SPAGNA		58,0	54,2	51,3	47,6	45,3	42,3	38,9	35,6	39,5	52,8	60,1	69,5	85,7	95,5	100,4	99,3	99,0	98,1	97,1	39,1	16,9			
5.- OLANDA		52,1	49,5	48,8	50,0	50,3	49,8	45,2	43,0	54,7	56,8	59,3	61,7	66,2	67,7	67,9	64,6	61,9	57,0	52,4	0,3	18,4			
6.- BELGIO		108,8	107,6	104,7	101,1	96,5	94,7	91,1	87,0	92,5	99,5	99,7	102,6	104,3	105,5	107,6	106,5	106,1	103,4	102,0	-6,8	16,3			
7.- AUSTRIA		66,1	66,7	66,7	65,9	65,2	68,6	67,3	65,0	68,7	79,9	82,7	82,4	81,9	81,3	84,0	84,8	83,0	78,3	73,8	7,7	19,8			
8.- IRLANDA		36,1	33,2	30,6	29,9	28,2	26,1	23,6	23,9	42,4	61,5	86,0	110,9	119,9	119,7	104,1	76,8	73,4	68,4	64,8	28,7	78,2			
9.- FINLANDIA		42,5	41,0	40,2	42,8	42,7	40,0	38,2	34,0	32,7	41,7	47,1	48,5	53,9	56,5	60,2	63,6	63,0	61,3	58,9	16,4	20,1			
10.- GRECIA		104,9	107,1	104,9	101,5	102,9	107,4	103,6	103,1	109,4	126,7	146,2	172,1	159,6	177,4	178,9	175,9	178,5	176,1	181,1	76,2	0,8			
11.- PORTOGALLO		50,3	53,4	56,2	58,7	62,0	67,4	69,2	68,4	71,7	83,6	96,2	111,4	126,2	129,0	130,6	128,8	129,2	124,8	121,5	71,2	9,8			
12.- SLOVACCHIA		49,6	48,3	42,9	41,6	40,6	34,1	31,0	30,1	28,5	36,3	41,2	43,7	52,2	54,7	53,5	52,2	51,8	50,9	48,9	-0,7	101,3			
13.- LUSSEMBURGO		7,2	7,3	7,0	6,9	7,3	7,4	7,8	7,7	14,9	15,7	19,8	18,7	22,0	23,7	22,7	22,2	20,7	23,0	21,4	14,2	15,1			
14.- LITUANIA		23,5	22,9	22,1	20,4	18,7	17,6	17,2	15,9	14,6	28,0	36,2	37,2	39,8	38,8	40,5	42,6	39,9	39,4	34,2	10,7	154,0			
15.- SLOVENIA		25,9	26,1	27,3	26,7	26,8	26,3	26,0	22,8	21,8	34,6	38,4	46,6	53,8	70,4	80,4	82,6	78,7	74,1	70,1	44,2	44,0			
16.- CIPRO		55,7	57,3	60,5	63,8	64,8	63,4	59,3	54,0	45,6	54,3	56,8	66,2	80,1	103,1	108,0	108,0	105,5	96,1	102,5	46,8	11,3			
17.- ESTONIA		5,1	4,8	5,7	5,6	5,1	4,5	4,4	3,7	4,5	7,0	6,6	6,1	9,7	10,2	10,5	9,9	9,2	8,7	8,4	3,3	101,1			
18.- LETTONIA		12,1	13,8	13,0	13,7	14,0	11,4	9,6	8,0	18,2	35,8	46,8	42,7	41,2	39,0	40,9	36,8	40,3	40,0	35,9	23,8	137,0			
19.- MALTA		60,9	65,2	63,2	69,0	71,9	70,0	64,5	62,3	62,6	67,6	67,5	70,1	67,7	68,4	63,7	58,6	56,3	50,9	46,0	-14,9	49,4			
UNIONE EUROPEA - 28 PAESI		60,1	59,3	58,8	60,3	60,9	61,5	60,1	57,5	60,7	73,3	78,8	81,4	83,8	85,7	86,4	84,4	83,3	81,6	80,0	19,9	23,5			
(19 EURO + 9 NON EURO)																									
20.- REGNO UNITO		37,0	34,3	34,4	35,6	38,6	39,8	40,7	41,7	49,7	63,7	75,2	80,8	84,1	85,2	87,0	87,9	87,9	87,4	86,8	49,8	21,3			
21.- POLONIA		36,5	37,3	41,8	46,6	45,0	46,4	46,9	44,2	46,3	49,4	53,1	54,1	53,7	55,7	50,4	51,3	54,2	50,6	48,9	12,4	95,1			
22.- SVEZIA		50,7	52,2	50,2	49,7	48,9	49,1	43,9	39,2	37,7	41,3	38,6	37,8	38,1	40,7	45,5	44,2	42,4	40,8	38,8	-11,9	28,8			
23.- DANIMARCA		52,4	48,5	49,1	46,2	44,2	37,4	31,5	27,3	33,3	40,2	42,6	46,1	44,9	44,0	44,3	39,9	37,9	36,1	34,1	-18,3	12,3			
24.- REPUBBLICA Ceca		17,0	22,8	25,9	28,3	28,5	27,9	27,7	27,5	28,3	33,6	37,4	39,8	44,5	44,9	42,2	40,0	36,8	34,7	32,7	15,7	58,4			
25.- ROMANIA		22,4	25,7	24,8	21,3	18,6	15,7	12,3	11,9	12,4	22,1	29,7	34,0	36,9	37,6	39,2	37,8	37,3	35,1	35,0	12,6	135,4			
26.- UNGHERIA		55,3	51,9	55,3	57,9	58,7	60,5	64,5	65,5	71,6	77,8	80,2	80,5	78,4	77,1	76,6	76,6	75,9	73,3	70,8	15,5	56,9			
27.- CROAZIA		35,5	36,5	36,6	38,1	40,3	41,2	38,6	37,2	39,0	48,3	57,3	63,8	69,4	80,4	84,0	83,7	80,2	77,5	74,6	39,1	52,2			
28.- BULGARIA		71,2	65,0	51,4	43,7	36,0	26,8	21,0	16,3	13,0	13,7	15,3	15,2	16,7	17,1	27,1	26,2	29,6	25,6	22,6	-48,6	120,0			

1.3 - Italy: the only "divergent" country... not for the European Union, not for the euro. why: the structural parameters of real economy and public finance

In the previous sections we verified that, from 2000 to 2018, there was a process of "upward" convergence of real per capita incomes between the different European countries, stronger among the countries belonging to the euro area. Real growth of per capita incomes was also shown to be stronger in countries with a lower Debt / GDP ratio and in countries that reduced or only slightly increased such ratio.

Of all the 28 countries of the Union and the 19 countries with a common currency, the only one that presents negative and anomalous trends is Italy.

Previous historical data also shows that this Italian "anomaly" does not appear to depend on its belonging to the EU, nor on its belonging to the euro, nor on the binding parameters of public finance "imposed" by the Treaties, which have not been respected anyway, having Italy benefited from great flexibility.

The last statement is proven by two facts.

The first is that it does not seem to apply to all the other 18 countries of the euro area.

The second is that in fact Italy has, still today, a Debt / GDP ratio of 133%, the highest after Greece, and has kept it abundantly above 100% for the whole period. The Italian data compared with those of other countries, therefore, deny that greater growth can be achieved only with more deficit and more debt.

In these twenty years, compared to all the other European countries, both those in and out of the euro area, Italy has had more debt and less growth!

In this section, therefore, we shall evaluate some decisive parameters of the public budget and the real economy that perhaps better explain the Italian "anomaly," that is the *performance* that Italy has experienced from 2000 to 2018, the worst compared to all other European countries.

We shall first clarify a key aspect of the public budget.

The impact of the public budget on the economy cannot in fact be limited to considering the deficit and the public debt simplistically. The possible push or obstacle the public budget can represent for the economy is linked to the level and composition of the expenditure and to the level and composition of the revenues. To know whether the public budget has a positive or

negative effect on growth and employment, it is fundamental to know what creates deficit and debt.

In all these years fake news has spread, attributing to the "austerity" policies imposed by Europe the result of an asphyxiated growth and high unemployment in Italy.

Well, let's look at the historical data on public deficit (the Maastricht criteria), on the cash requirement (that determines the effective increase in public debt in absolute value from one year to the next) and on the trend in absolute value of Public Debt, from 2000 to 2018.

Table (20 bis)

ITALIA																						
ANNI	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018 su 2000		
DEBITO PUBBLICO	1303	1360	1372	1397	1450	1519	1588	1606	1671	1770	1852	1908	1990	2070	2137	2173	2220	2263	2322	1019	AUMENTO 2018- su 2000	
FABBISOGNO DI CASSA	-16,1	-57,7	-11,4	-25,8	-52,2	-69,0	-69,4	-18,1	-65,2	-98,8	-81,6	-56,2	-82,1	-80,1	-67,1	-36,1	-46,2	-43,9	-58,5	-54,5	MEDIA 2018-2000	
DEFICIT DI COMPETENZA	-30,2	-44,1	-40,3	-46,4	-50,6	-61,2	-54,6	-23,6	-42,9	-82,5	-67,6	-60,2	-47,1	-46,9	-49,3	-43,2	-42,9	-41,1	-37,5	-48,0	MEDIA 2018-2000	
PIL NOMINALE	1239	1299	1346	1391	1448	1490	1548	1610	1632	1573	1605	1637	1613	1605	1622	1652	1690	1727	1757	1552	MEDIA 2018-2000	
DEBITO PUBBLICO % DEL PIL	105,1	104,7	101,9	100,5	100,1	101,9	102,6	99,8	102,4	112,5	115,4	116,5	123,4	129,0	131,8	131,6	131,3	131,0	132,2	114	MEDIA 2018-2000	
FABBISOGNO DI CASSA % PIL	-1,3	-4,4	-0,8	-1,9	-3,6	-4,6	-4,5	-1,1	-4,0	-6,3	-5,1	-3,4	-5,1	-5,0	-4,1	-2,2	-2,7	-2,5	-3,3	-3,5	MEDIA 2018-2000	
DEFICIT DI COMPETENZA % PIL	-2,4	-3,4	-3	-3,3	-3,5	-4,1	-3,5	-1,5	-2,6	-5,2	-4,2	-3,7	-2,9	-2,9	-3	-2,6	-2,5	-2,4	-2,1	-3,1	MEDIA 2018-2000	
AVANZO/DISAVANZO CORRENTE % PIL	0,5	-0,5	-0,6	-0,3	-0,5	-1,1	-0,6	1,4	0,4	-1,8	-1,3	-0,9	-0,3	-0,5	-0,7	-0,4	-0,4	-0,2	0,0	-0,4	MEDIA 2018-2000	
INVESTIMENTI PUBBLICI % PIL	2,9	2,9	2,4	3,0	3,0	3,0	2,9	2,9	3,0	3,4	2,9	2,8	2,6	2,4	2,3	2,2	2,1	2,2	2,1	2,7	MEDIA 2018-2000	
SPESA PUBBLICA TOTALE % PIL	46,6	47,5	46,8	47,2	46,8	47,1	47,6	46,8	47,8	51,2	49,9	49,4	50,8	51,1	50,9	50,3	49,0	48,9	48,6	48,7	MEDIA 2018-2000	
SPESA PUBBLICA CORRENTE % PIL	43,8	44,6	44,4	44,2	43,8	44,1	44,7	43,9	44,9	47,7	47,0	46,6	48,2	48,7	48,6	48,0	46,9	46,7	46,5	46,0	MEDIA 2018-2000	
SPESA PUBBLICA CORRENTE NETTO INTERESSI % PIL	37,6	38,5	39,0	39,3	39,2	39,6	40,2	39,1	39,9	43,3	42,7	41,9	43,0	43,8	44,0	43,9	43,0	42,9	42,8	41,3		
INTERESSI % PIL	6,1	6,1	5,5	5,0	4,6	4,5	4,4	4,8	4,9	4,4	4,3	4,7	5,2	4,8	4,6	4,1	3,9	3,8	3,7	4,7	MEDIA 2018-2000	
SPESA PUBBLICA TOTALE	577,7	617,2	629,6	657,0	678,4	702,3	737,5	753,1	780,7	804,7	800,5	808,6	819,3	819,4	825,5	830,4	828,7	844,9	853,6	276	AUMENTO 2018- su 2000	
ENTRATE PUBBLICHE TOTALI	547,4	573,1	589,3	610,6	627,7	641,2	683,0	729,5	737,7	722,1	732,9	748,3	772,3	772,5	776,2	787,3	785,7	803,8	816,1	269	AUMENTO 2018- su 2000	
INVESTIMENTI PUBBLICI	35,3	37,7	31,9	41,8	43,8	44,7	45,5	46,8	48,6	54,2	46,8	45,3	41,4	38,6	37,0	36,6	35,8	38,8	37,1	1,8	AUMENTO 2018- su 2000	
AVANZO/DISAVANZO CORRENTE	5,6	-6,5	-8,5	-4,1	-6,9	-16,4	-8,7	22,7	6,2	-27,6	-20,6	-15,3	-5,4	-8,0	-11,6	-6,3	-6,4	-2,7	0,2	-6,3	MEDIA 2018-2000	
SPESA PUBBLICA CORRENTE	542,3	579,5	597,8	615,2	634,6	657,6	692,1	706,3	732,1	750,4	753,7	763,3	777,9	780,8	788,5	793,8	792,9	806,1	816,5	274	AUMENTO 2018- su 2000	
INTERESSI	76,0	79,0	73,4	69,1	66,7	67,2	68,9	76,7	80,5	69,5	68,8	76,4	83,6	77,6	74,4	68,1	66,3	65,6	65,0	-11	AUMENTO 2018- su 2000	
SPESA PUBBLICA CORRENTE NETTO INTERESSI	466,4	500,5	524,4	546,1	567,9	590,4	623,2	629,7	651,6	681,0	684,9	686,9	694,3	703,2	714,1	725,7	726,6	740,5	751,6	285	AUMENTO 2018- su 2000	

According to the official data reported in Table 20 bis, in these almost twenty years we have had a deficit of "on average" 48 billion euros per year, that is 3.1% of the GDP. The cash requirement was "on average" of 54.5 billion euros per year, or 3.5% of the GDP. As a result,

the Public Debt in absolute value increased by 1019 billion euros, from 1303 billion in 2000 to 2322 in 2018.

Therefore, in terms of deficit and debt, in these almost twenty years Italy has not undergone "austerity" and has never suffered "external constraints."

As aforementioned, however, the effect of the government budget on the real economy depends mainly on the level and composition of public expenses and revenues.

The very same official figures indicate that total public spending has increased by 276 billion, going from 578 billion in 2000 to 854 billion in 2018. On the other hand, total public Revenue (taxes paid by Italians) increased, almost parallel to spending, by 270 billion, going from 547 billion in 2000 to 816 in 2018.

The real problem is that the increase in total expenditure was due entirely to the increase in current expenditure with investments stationary at 35-36 billion. The investments in fact increased in the first decades up to a peak of 54 billion in 2010 to be then cut by 45% and reduced to 37 billion in 2018.

Moreover, net current expenditure increased even more (-285 billion between 2000 and 2018) while interest on national debt decreased by 11 billion compared to 2000 and by 18 billion compared to the peak of 2012, before the Draghi effect and the monetary policies adopted by the ECB with his presidency. Finally, the Italian public budget had an average current account deficit of over 6 billion per year, equal to 0.4% of the GDP, which means that private savings were "destroyed" for that amount by negative public savings.

Therefore, the budgetary policy of Italy in these twenty years was aimed at increasing current spending, increasing taxes and cutting public investments. Deficit and debt have therefore been increased to finance net current expenditure, penalizing investment expenditure. This government budget "mix" is, as well known, strongly restrictive for a country's real economy and the consequences it entails are summed up in the increase in the ratio between public debt and GDP, which has gone from 105% in 2000 to 132.2% in 2018.

Hence (and it is not a paradox but a concrete analysis of economic theory and empirical evidence) Italy has not implemented "austerity measures" in terms of deficit and debt but has implemented a "restrictive" budgetary policy that has held back growth and employment. And

since such measures have not been imposed on us by European parameters but were due to "internal" choices made by the various governments that have occurred over time, what we have called "the Italian anomaly" compared to the rest of the European countries is the result of endogenous factors and certainly cannot be attributed to "bad foreign jailers".

We shall then evaluate the consequences of such reality in terms of the most relevant real parameters, reported for all the countries of the Eurozone for which Eurostat provides the official data. We refer here to: total investments divided between public and private investments, total public expenditure, current public expenditure and current surplus / deficit, interest expenditure on public debt, total factor productivity, as well as the contribution to the growth rate determined by the various factors of production (work, capital, and productivity).

In Table 21 we report the percentage of public investments compared to GDP.

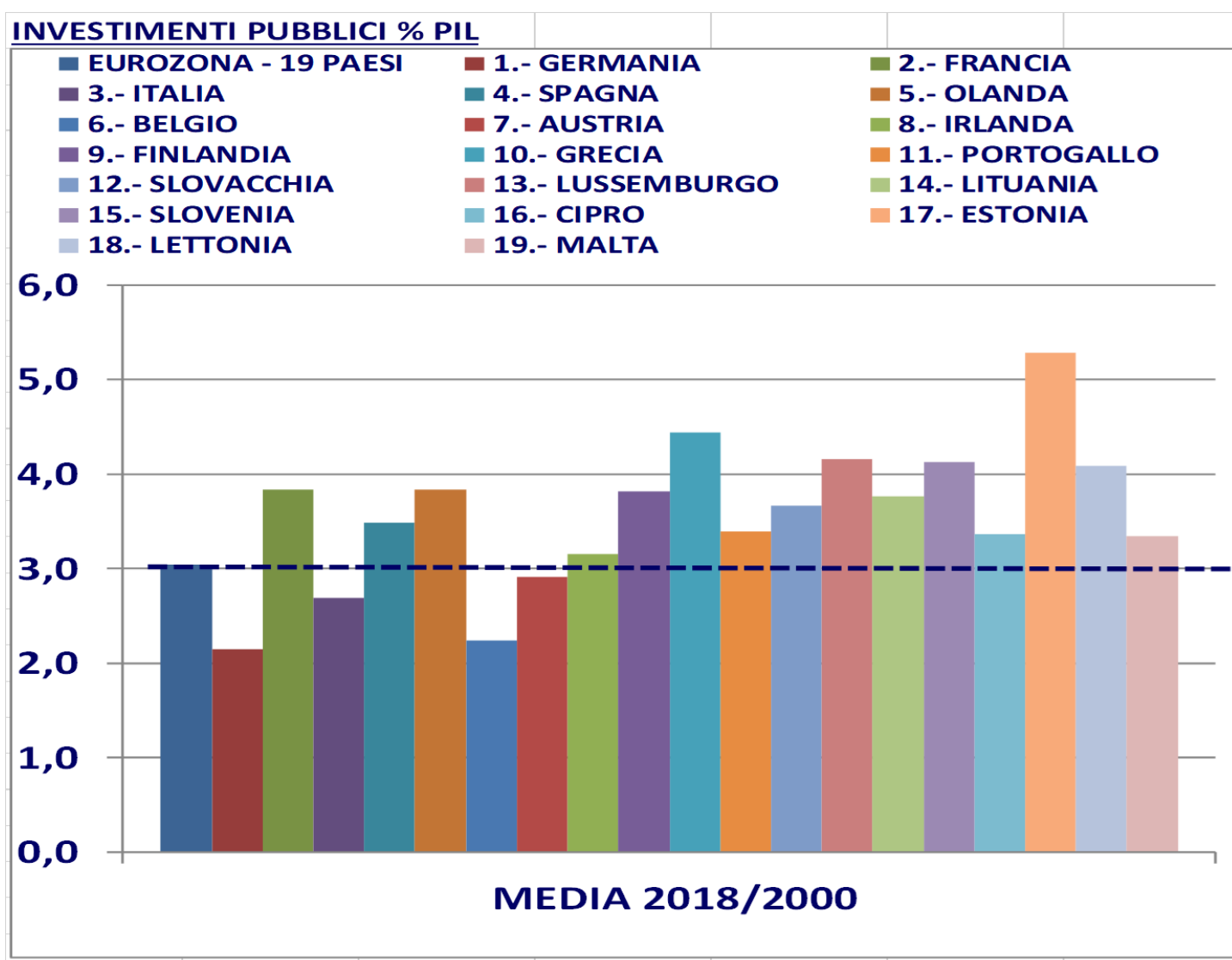
In the euro area average, the percentage of public investments to GDP was equal to 3% per year. Fifteen countries within the euro area are well above this average and only four are below the average.

Among the first ones, Estonia stands out, with an average public investment over 5% of the GDP over eighteen years. Latvia, Slovenia, Greece and Luxembourg closely follow, with an average over 4%. With an average between 3% and 4% there are France, Holland, Finland, Slovakia, Spain, Portugal, Ireland, Cyprus and Malta.

Among the latter, Austria is at 2.9%, Italy at 2.7%, Germany and Belgium at 2.2%. From its 3.4% peak reached in 2009, Italy has steadily fallen to reach 2.1% in 2018.

Table 21

INVESTIMENTI PUBBLICI % PIL	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	MEDIA 2018/2000
EUROZONA - 19 PAESI	3,1	3,2	3,1	3,2	3,2	3,1	3,2	3,2	3,3	3,6	3,4	3,1	2,9	2,8	2,7	2,7	2,6	2,6	2,7	3,0
1.- GERMANIA	2,3	2,3	2,2	2,1	1,9	1,9	2,0	1,9	2,1	2,4	2,3	2,3	2,2	2,1	2,1	2,1	2,2	2,2	2,3	2,2
2.- FRANCIA	3,9	3,9	3,8	3,9	4,0	4,0	3,9	3,9	3,9	4,3	4,2	4,0	4,0	4,0	3,7	3,4	3,4	3,3	3,4	3,8
3.- ITALIA	2,9	2,9	2,4	3,0	3,0	3,0	2,9	2,9	3,0	3,4	2,9	2,8	2,6	2,4	2,3	2,2	2,1	2,2	2,1	2,7
4.- SPAGNA	3,7	3,8	4,0	4,1	4,0	4,2	4,3	4,6	4,6	5,1	4,7	3,7	2,5	2,2	2,1	2,5	1,9	2,0	2,1	3,5
5.- OLANDA	3,7	3,9	4,2	4,2	3,9	3,7	3,9	3,8	4,0	4,3	4,2	4,1	3,8	3,7	3,5	3,6	3,5	3,4	3,4	3,8
6.- BELGIO	2,4	2,2	2,1	2,2	2,1	2,1	2,0	2,0	2,1	2,3	2,3	2,4	2,5	2,4	2,3	2,3	2,2	2,2	2,4	2,2
7.- AUSTRIA	2,7	2,4	2,6	2,5	2,4	2,9	2,9	3,0	3,2	3,4	3,2	3,0	2,9	3,0	3,0	3,0	3,0	3,1	3,0	2,9
8.- IRLANDA	3,5	4,2	4,2	3,7	3,5	3,5	3,8	4,7	5,3	3,8	3,4	2,5	2,0	2,0	2,2	1,8	1,9	1,8	2,0	3,2
9.- FINLANDIA	3,5	3,4	3,7	3,8	3,9	3,7	3,4	3,5	3,6	4,0	3,7	3,8	4,0	4,2	4,2	3,9	4,1	4,1	4,2	3,8
10.- GRECIA	5,1	5,9	4,9	5,9	5,7	4,4	5,7	4,9	5,6	5,7	3,7	2,5	2,5	3,4	3,7	3,8	3,5	4,4	3,0	4,4
11.- PORTOGALLO	4,6	5,0	4,6	4,4	4,4	4,1	3,4	3,2	3,7	4,1	5,3	3,5	2,5	2,2	2,0	2,2	1,5	1,8	2,0	3,4
12.- SLOVACCHIA	3,6	3,9	4,1	3,2	2,9	3,4	3,8	3,2	3,4	3,9	3,6	3,8	3,4	3,3	4,0	6,3	3,2	3,2	3,6	3,7
13.- LUSSEMBURGO	3,8	4,4	4,7	4,8	4,8	5,2	3,4	3,6	3,7	4,3	4,8	4,2	4,0	3,6	3,7	3,9	4,0	4,2	4,1	4,2
14.- LITUANIA	2,4	2,3	3,0	3,1	3,6	3,6	4,3	5,4	5,4	4,4	5,0	4,7	4,0	3,7	3,5	3,7	3,0	3,2	3,2	3,8
15.- SLOVENIA	3,7	3,9	3,7	3,7	3,9	3,8	4,3	4,5	4,7	5,0	5,0	4,1	4,1	4,3	5,1	4,7	3,1	3,1	3,6	4,1
16.- CIPRO	3,3	3,2	3,6	4,0	4,2	3,5	3,4	3,1	3,2	4,2	4,2	4,0	2,9	2,3	2,1	2,2	2,5	2,7	5,5	3,4
17.- ESTONIA	4,4	4,6	5,9	5,2	4,4	4,6	5,4	6,0	6,2	6,2	4,8	4,9	6,3	5,6	5,0	5,2	4,5	5,4	5,5	5,3
18.- LETTONIA	2,0	1,7	1,8	2,8	3,5	3,4	4,9	5,9	5,2	4,9	4,7	5,0	4,9	4,4	4,5	4,8	3,6	4,4	5,4	4,1
19.- MALTA	3,9	3,5	4,1	4,5	3,8	4,6	4,0	3,8	2,5	2,4	2,2	2,8	3,2	2,9	3,5	4,2	2,5	2,3	2,9	3,3

Fig. 14

Private investments as a percentage of GDP are reported in Table 22.

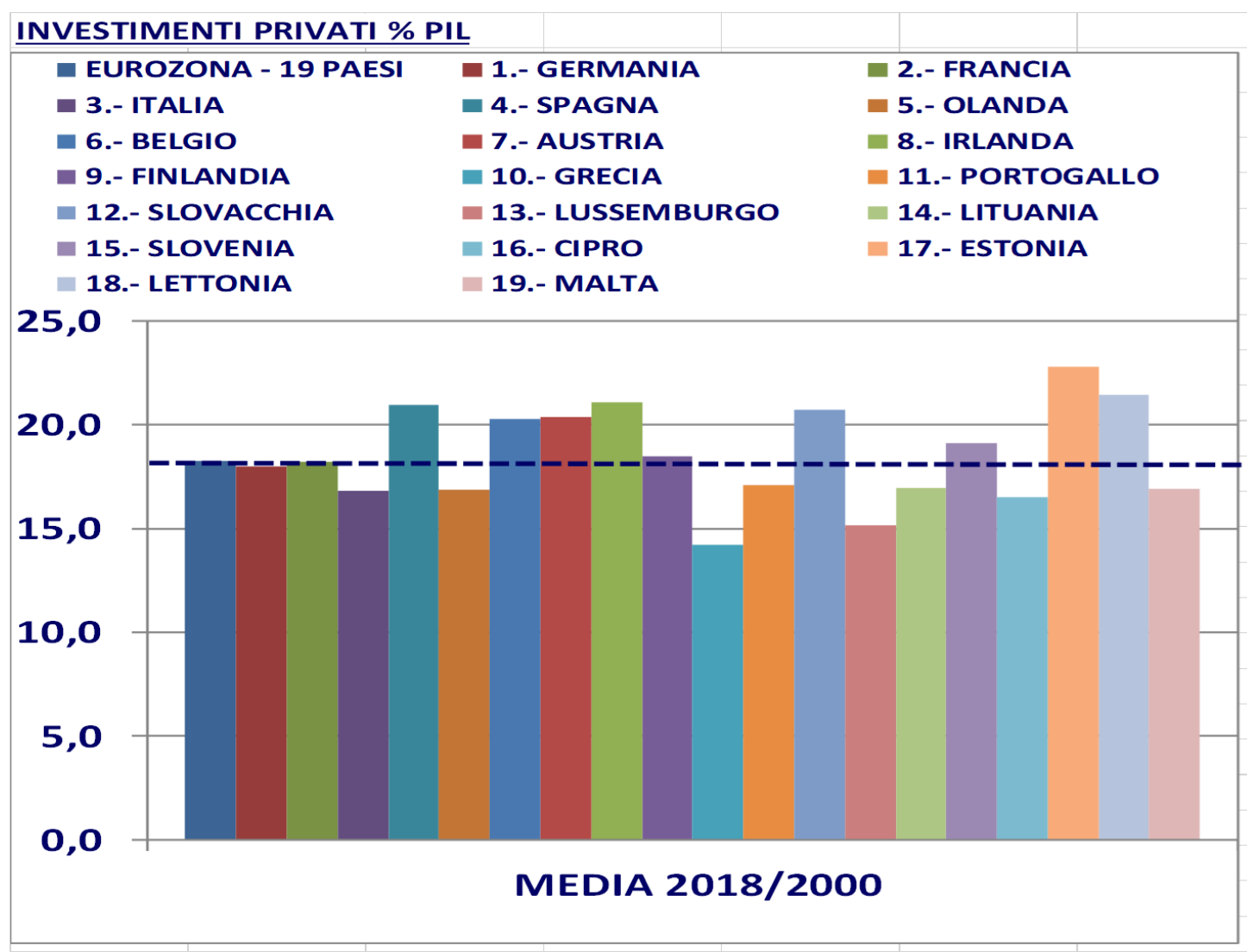
The euro area average is 18.3%. Nine countries are above average and ten below.

Among those with stronger private investments there are Estonia and Latvia, with an average between 22 and 23%.

Among the latter, with an average below 17%, we find Italy, Greece, Cyprus and Luxembourg. Here, too, Italy stands out; since its peak of 18.7% in 2007, the country's private investments kept falling to reach 15.9% of the GDP in 2018.

Table22

INVESTIMENTI PRIVATI % PIL	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	MEDIA 2018/2000
EUROZONA - 19 PAESI	19,6	19,1	18,6	18,3	18,5	18,9	19,6	20,1	19,7	17,5	17,3	17,6	17,3	16,8	16,9	17,3	17,8	17,9	18,3	18,3
1.- GERMANIA	20,7	19,4	17,8	17,4	17,2	17,2	17,8	18,2	18,3	16,8	17,1	18,0	17,9	17,6	17,9	17,8	17,9	18,1	18,4	18,0
2.- FRANCIA	17,6	17,7	17,2	17,1	17,4	17,8	18,5	19,2	19,6	17,8	17,9	18,5	18,4	18,1	18,1	18,1	18,5	19,2	19,5	18,2
3.- ITALIA	17,6	17,6	18,8	17,7	17,8	18,2	18,6	18,7	18,3	16,5	17,0	16,9	15,8	14,8	14,5	14,7	15,0	15,3	15,9	16,8
4.- SPAGNA	22,5	22,5	22,6	23,5	24,6	25,7	26,7	26,4	24,6	19,2	18,3	17,8	17,3	16,5	17,1	17,4	18,0	18,5	19,1	21,0
5.- OLANDA	18,8	18,3	16,9	16,4	16,4	16,7	17,1	19,5	18,2	17,0	15,5	16,0	15,0	14,7	14,1	18,5	16,5	17,1	17,5	16,8
6.- BELGIO	20,1	20,2	18,5	18,3	19,3	20,0	20,4	21,2	21,9	20,3	19,5	20,1	20,1	19,8	20,7	20,8	21,1	21,3	21,4	20,3
7.- AUSTRIA	23,0	22,4	20,9	21,6	21,2	20,1	19,7	19,9	20,0	19,0	18,3	19,4	19,7	20,0	19,7	19,7	20,2	20,5	20,9	20,3
8.- IRLANDA	20,3	19,7	19,4	21,2	23,4	26,3	27,2	24,0	19,5	17,3	14,1	14,4	17,7	16,6	18,5	22,4	33,8	21,7	22,9	21,1
9.- FINLANDIA	19,6	19,5	17,9	18,0	18,4	19,3	19,4	20,7	20,8	18,8	18,2	18,4	18,3	17,0	16,4	16,5	17,6	18,1	18,4	18,5
10.- GRECIA	19,6	18,8	18,7	19,4	18,7	16,4	18,0	21,2	18,2	15,1	13,9	12,8	10,1	8,7	7,9	7,7	8,6	8,5	8,0	14,2
11.- PORTOGALLO	23,4	22,3	21,2	19,4	19,0	19,0	19,1	19,3	19,1	17,0	15,3	14,9	13,4	12,6	13,0	13,2	13,9	14,8	15,1	17,1
12.- SLOVACCHIA	23,6	26,2	24,8	22,7	22,0	23,9	23,5	23,6	22,2	17,9	18,5	20,2	17,9	17,4	16,8	18,0	18,1	18,2	18,4	20,7
13.- LUSSEMBURGO	16,4	17,1	16,3	15,6	15,6	13,9	14,2	14,8	16,6	14,1	12,8	15,0	16,2	15,9	16,3	14,1	14,6	14,8	13,4	15,1
14.- LITUANIA	16,7	18,2	17,7	18,5	19,3	19,8	21,7	23,2	20,7	13,4	11,9	13,8	13,4	14,7	15,4	15,9	16,3	16,0	16,1	17,0
15.- SLOVENIA	23,6	22,4	21,0	21,5	22,2	22,9	23,5	24,2	24,9	19,3	16,4	16,1	15,2	15,5	14,3	14,1	14,4	15,4	16,1	19,1
16.- CIPRO	16,8	15,8	17,4	16,3	16,5	18,1	21,7	22,5	24,0	19,2	18,1	14,9	12,2	11,8	9,6	10,8	15,1	18,8	13,9	16,5
17.- ESTONIA	22,2	22,6	24,7	27,5	27,4	28,3	31,4	30,6	25,0	16,5	16,4	21,3	22,3	22,2	20,6	18,3	18,4	19,0	18,4	22,8
18.- LETTONIA	23,3	25,7	22,8	22,0	25,4	27,8	29,2	30,5	26,9	17,7	14,7	17,2	20,5	18,8	18,1	17,4	16,1	16,5	17,4	21,5
19.- MALTA	18,6	16,9	12,4	16,3	16,8	17,4	18,0	18,6	17,1	15,7	19,2	15,2	14,9	14,6	13,7	20,6	21,1	18,1	16,0	16,9

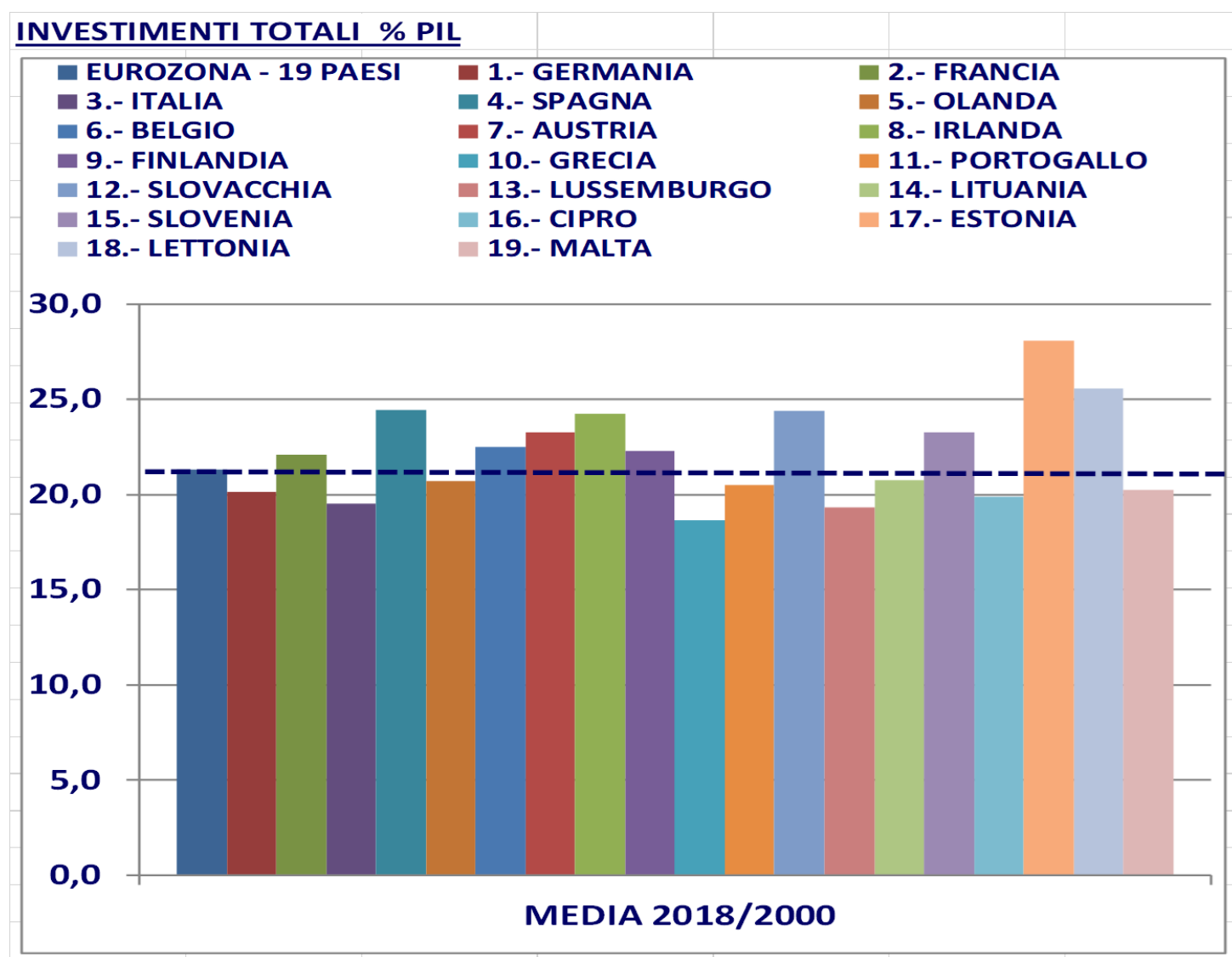
Fig.15

Adding together public investments and private investments, total investments are obtained, once again as a percentage of GDP.

The average of the euro countries for the entire period is 21.3%. Nine countries are below this average, from 18.7% in Greece to 20.7% in the Netherlands and Lithuania. Italy is at 19.5%, a little above there is Germany at 20.1%.

Table 23

<u>INVESTIMENTI TOTALI % PIL</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>MEDIA 2018/2000</u>
<u>EUROZONA - 19 PAESI</u>	22,7	22,3	21,6	21,5	21,7	22,0	22,8	23,3	23,0	21,1	20,7	20,8	20,2	19,6	19,6	20,0	20,4	20,5	21,0	21,3
1.- GERMANIA	23,0	21,7	20,0	19,5	19,2	19,1	19,8	20,1	20,3	19,2	19,4	20,3	20,1	19,7	20,0	19,9	20,1	20,3	20,8	20,1
2.- FRANCIA	21,5	21,5	21,0	21,0	21,4	21,8	22,5	23,2	23,6	22,1	22,1	22,4	22,5	22,0	21,8	21,5	21,9	22,5	22,9	22,1
3.- ITALIA	20,4	20,5	21,2	20,7	20,8	21,2	21,5	21,6	21,2	20,0	19,9	19,7	18,4	17,2	16,7	16,9	17,2	17,6	18,0	19,5
4.- SPAGNA	26,1	26,2	26,6	27,7	28,5	29,9	31,1	31,0	29,2	24,3	23,0	21,5	19,8	18,8	19,3	19,9	19,9	20,5	21,2	24,5
5.- OLANDA	22,5	22,1	21,1	20,6	20,3	20,4	21,0	23,3	22,1	21,3	19,7	20,1	18,8	18,4	17,6	22,1	20,0	20,5	20,9	20,7
6.- BELGIO	22,5	22,4	20,7	20,4	21,4	22,2	22,3	23,2	24,0	22,6	21,8	22,6	22,6	22,2	23,0	23,1	23,3	23,5	23,8	22,5
7.- AUSTRIA	25,6	24,8	23,5	24,1	23,6	23,1	22,6	22,9	23,3	22,4	21,6	22,5	22,6	23,0	22,7	22,7	23,2	23,6	23,9	23,2
8.- IRLANDA	23,8	24,0	23,6	24,9	27,0	29,8	31,0	28,7	24,8	21,1	17,5	16,8	19,7	18,7	20,7	24,2	35,7	23,5	24,9	24,2
9.- FINLANDIA	23,1	22,9	21,6	21,8	22,3	23,0	22,8	24,2	24,4	22,8	21,9	22,2	22,3	21,2	20,6	20,3	21,7	22,1	22,5	22,3
10.- GRECIA	24,6	24,7	23,6	25,3	24,4	20,8	23,7	26,0	23,8	20,8	17,6	15,3	12,6	12,2	11,5	11,6	12,1	12,9	11,1	18,7
11.- PORTOGALLO	28,0	27,4	25,8	23,7	23,4	23,1	22,5	22,5	22,8	21,1	20,5	18,4	15,8	14,8	15,0	15,5	15,5	16,6	17,1	20,5
12.- SLOVACCHIA	27,3	30,2	28,9	25,8	25,0	27,3	27,3	26,8	25,5	21,7	22,1	24,0	21,2	20,7	20,7	24,3	21,3	21,4	22,0	24,4
13.- LUSSEMBURGO	20,2	21,5	21,0	20,4	20,3	19,1	17,6	18,4	20,3	18,4	17,6	19,2	20,2	19,5	20,0	18,1	18,6	18,9	17,5	19,3
14.- LITUANIA	19,1	20,5	20,7	21,5	22,9	23,4	25,9	28,6	26,0	17,9	16,9	18,5	17,4	18,5	18,9	19,6	19,3	19,2	19,3	20,7
15.- SLOVENIA	27,3	26,4	24,7	25,2	26,2	26,6	27,8	28,8	29,6	24,3	21,3	20,2	19,2	19,8	19,4	18,8	17,5	18,5	19,7	23,2
16.- CIPRO	20,1	19,0	20,9	20,3	20,6	21,5	25,1	25,5	27,2	23,4	22,3	18,9	15,1	14,1	11,7	13,0	17,7	21,5	19,4	19,9
17.- ESTONIA	26,6	27,2	30,5	32,7	31,8	32,9	36,7	36,6	31,2	22,7	21,2	26,2	28,6	27,7	25,6	23,6	23,0	24,4	23,9	28,1
18.- LETTONIA	25,2	27,4	24,6	24,8	28,9	31,3	34,2	36,4	32,1	22,5	19,4	22,2	25,4	23,2	22,6	22,1	19,6	20,9	22,8	25,5
19.- MALTA	22,5	20,4	16,5	20,8	20,6	22,0	22,0	22,4	19,6	18,2	21,4	18,0	18,1	17,5	17,2	24,7	23,6	20,4	18,8	20,2

Fig.16

Let us now turn to the parameters of public finance referring to the percentage of total expenditure with respect to GDP (Table 24 and Fig. 17), to current expenditure (Table 25 and Fig. 18), to the current surplus / deficit (Table 25 bis) and to interest expenditure (Table 26 and Fig.19).

In the 2000-2018 average of all countries, total public expenditure is equal to 47.8% of the GDP, current expenditure is at 44.7%, the government budget shows a Current Surplus (positive public savings) of 0.3% and interest expenditure amounts to 2.8% of GDP.

France is the country with the highest public spending. In its average 2000-2018 it had a total expenditure equal to 54.8% of the GDP with a current expenditure of 51%. Nonetheless, France has an interest expenditure is at 2.5%, below the area average. Germany has a total expenditure of 45.2%, a current expenditure of 43% and an interest expenditure of 2.3%, all below the average of the euro countries.

Italy has a total expenditure of 48.7% and a current expenditure of 46%, both above average. Furthermore, in the average for that period the Italian public budget presented a current account deficit equal to -0.4% of the GDP. Worse than Italy are Greece, there are Portugal and Ireland, but Spain itself has a current deficit below -0.2%. All the others, on the other hand, had on average positive values of public savings even in their cyclical fluctuations.

This means that part of private savings is "destroyed" by the current deficit to the detriment of investment financing.

The anomaly previously reported in terms of public debt is expressed here in terms of interest payments on the same debt. The average for that period for Italy is 4.7%, which together with Greece's 4.8% represents the highest percentage. It should also be noted that, in the specific data regarding 2018, Italy, with its 3.7% also exceeds Greece, which has dropped to 3.3%. Furthermore, such expenditure in Italy accounted for over 6% at the beginning of the 2000s and fell to 3.7% last year, benefiting from low rates on the euro, despite paying more than all other countries due to the highest public debt and highest *spread*. It is evident here that a return to 2000-2001, with an interest expense equal to 6% of the GDP, would immediately result in an increase in debt service coverage of +65%, with the same lira / euro exchange rate at 1936, 27. Since the historical data of the previous Tables 19 and 20 show that in this period the Italian

public debt has increased by over 1000 billion euros and as a percentage of GDP it has gone from 105% to 133%, it appears that Italy has been able to lessen the burden of interest on its GDP because of its membership to the euro and because of the ECB low interest rate policy of Mario Draghi. Nonetheless, unfortunately, the high absolute public debt and its growth in relation to GDP impose to Italy the highest interest burden in relation to the GDP in the entire euro area. Greece, despite all that notably had to undergo, has now an interest of 3.3% of the GDP, against Italy's 3.7%.

Table 24

<u>SPESA PUBBLICA TOTALE % PIL</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>MEDIA 2018/2000</u>
<u>EUROZONA - 19 PAESI</u>	46,0	46,8	47,0	47,4	46,8	46,7	46,1	45,4	46,6	50,7	50,6	49,2	49,7	49,8	49,1	48,3	47,5	47,0	46,8	47,8
1.- GERMANIA	44,7	46,9	47,3	47,8	46,3	46,2	44,7	42,8	43,6	47,6	47,3	44,7	44,3	44,7	44,0	43,7	43,9	43,9	43,9	45,2
2.- FRANCIA	51,7	51,7	52,8	53,3	53,0	53,3	52,9	52,6	53,3	57,2	56,9	56,3	57,1	57,2	57,2	56,8	56,6	56,4	56,0	54,8
3.- ITALIA	46,6	47,5	46,8	47,2	46,8	47,1	47,6	46,8	47,8	51,2	49,9	49,4	50,8	51,1	50,9	50,3	49,0	48,9	48,6	48,7
4.- SPAGNA	39,2	38,5	38,6	38,3	38,7	38,3	38,3	39,0	41,2	45,8	45,6	45,8	48,1	45,6	44,8	43,7	42,2	41,0	41,3	41,8
5.- OLANDA	42,2	42,9	43,6	44,5	43,5	42,2	43,0	42,3	43,1	47,6	47,9	46,8	46,8	46,5	45,7	44,6	43,6	42,5	42,2	44,3
6.- BELGIO	49,1	49,2	49,5	50,7	48,9	51,6	48,5	48,2	50,3	54,2	53,3	54,5	55,9	55,8	55,3	53,7	53,1	52,1	52,4	51,9
7.- AUSTRIA	51,0	51,4	51,1	51,3	53,7	51,2	50,4	49,2	49,9	54,1	52,8	50,9	51,2	51,6	52,4	51,1	50,3	49,2	48,5	51,1
8.- IRLANDA	30,9	32,5	33,2	33,0	33,2	33,4	33,9	35,9	41,8	47,0	65,1	46,6	42,1	40,4	37,5	29,0	27,6	26,3	25,7	36,6
9.- FINLANDIA	48,0	47,3	48,5	49,4	49,3	49,3	48,3	46,8	48,3	54,8	54,8	54,4	56,2	57,5	58,1	57,0	55,9	54,2	53,1	52,2
10.- GRECIA	46,4	46,0	45,8	46,6	47,6	45,6	45,1	47,1	50,8	54,1	52,5	54,1	55,7	62,3	50,2	53,5	48,9	47,3	46,7	49,8
11.- PORTOGALLO	42,6	44,1	43,7	45,3	46,1	46,7	45,2	44,5	45,3	50,2	51,8	50,0	48,5	49,9	51,8	48,2	44,8	45,7	44,0	46,8
12.- SLOVACCHIA	52,0	44,4	45,1	39,9	37,8	39,8	38,8	36,3	36,9	44,1	42,1	40,8	40,6	41,4	42,0	45,1	41,5	40,2	40,6	41,6
13.- LUSSEMBURGO	37,8	38,2	41,4	43,5	43,8	43,6	39,7	37,8	39,7	45,1	44,1	42,4	44,1	43,3	42,0	41,9	41,9	43,0	43,1	41,9
14.- LITUANIA	39,4	37,1	35,1	33,6	34,0	34,1	34,3	35,3	38,1	44,9	42,3	42,5	36,1	35,5	34,6	34,9	34,1	33,1	34,0	36,5
15.- SLOVENIA	46,1	47,0	45,8	45,8	45,3	44,9	44,2	42,2	43,9	48,2	49,3	50,0	48,5	59,5	49,9	47,7	45,3	43,2	42,4	46,8
16.- CIPRO	34,4	35,3	37,0	40,5	38,5	39,3	38,7	37,6	38,4	42,1	42,0	42,3	41,9	41,9	48,8	40,6	38,0	37,4	44,7	40,0
17.- ESTONIA	36,4	35,0	36,1	35,2	34,3	34,0	33,6	34,1	39,7	46,1	40,5	37,4	39,3	38,5	37,8	39,6	39,5	39,3	39,5	37,7
18.- LETTONIA	37,3	34,8	35,1	33,4	34,7	34,2	36,0	34,0	37,6	44,6	45,4	40,5	38,0	37,7	38,1	38,2	37,0	37,8	38,5	37,5
19.- MALTA	40,2	41,7	41,4	45,2	42,2	42,2	42,3	41,1	42,6	41,9	41,1	41,2	42,7	41,9	41,1	39,6	36,5	35,7	36,8	40,9

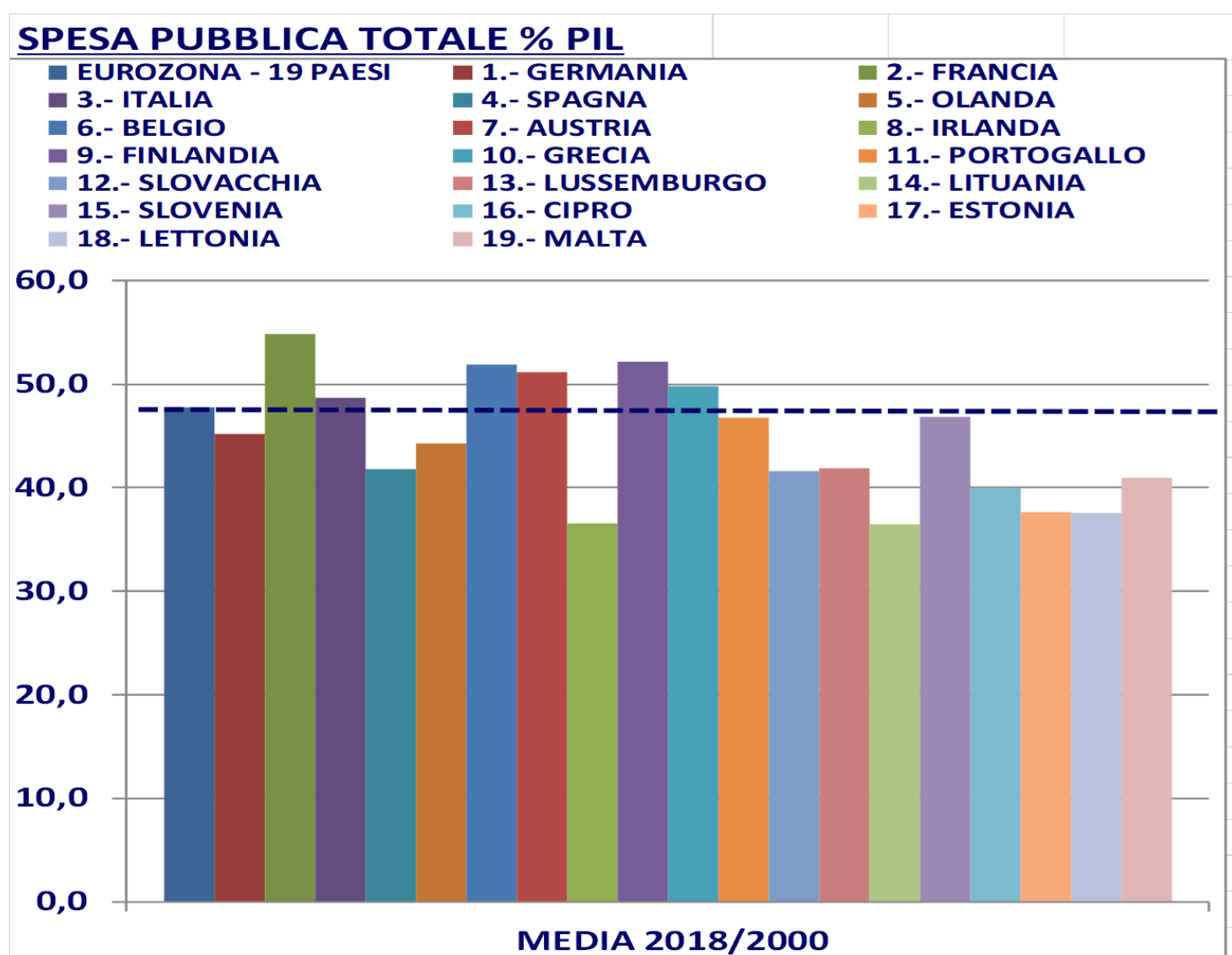
Fig.17

Table 25

SPESA PUBBLICA CORRENTE % PIL				2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	MEDIA 2018/2000
EUROZONA - 19 PAESI				42,9	43,6	43,9	44,2	43,7	43,6	42,9	42,1	43,3	47,1	47,2	46,1	46,8	47,0	46,4	45,6	44,9	44,4	44,1	44,7
1.- GERMANIA				42,4	44,7	45,1	45,7	44,4	44,3	42,7	40,9	41,5	45,2	45,0	42,4	42,1	42,6	41,9	41,6	41,7	41,7	41,5	43,0
2.- FRANCIA				47,7	47,9	49,0	49,4	49,0	49,3	48,9	48,6	49,3	52,9	52,7	52,3	53,1	53,2	53,5	53,4	53,2	53,0	52,6	51,0
3.- ITALIA				43,8	44,6	44,4	44,2	43,8	44,1	44,7	43,9	44,9	47,7	47,0	46,6	48,2	48,7	48,6	48,0	46,9	46,7	46,5	46,0
4.- SPAGNA				35,5	34,7	34,6	34,2	34,7	34,1	34,0	34,4	36,5	40,7	40,9	42,1	45,6	43,3	42,7	41,2	40,3	39,0	39,2	38,3
5.- OLANDA				38,4	39,0	39,4	40,3	39,5	38,5	39,1	38,5	39,2	43,3	43,7	42,7	43,0	42,8	42,2	41,0	40,1	39,1	38,8	40,5
6.- BELGIO				46,6	47,0	47,4	48,6	46,9	49,5	46,5	46,2	48,2	51,8	51,0	52,1	53,4	53,5	52,9	51,4	50,9	49,9	50,0	49,7
7.- AUSTRIA				48,4	48,9	48,4	48,8	51,3	48,2	47,5	46,3	46,6	50,8	49,6	47,9	48,3	48,6	49,5	48,2	47,3	46,1	45,5	48,2
8.- IRLANDA				27,4	28,3	29,0	29,3	29,7	29,8	30,1	31,3	36,6	43,3	61,7	44,1	40,0	38,3	35,3	27,2	25,6	24,5	23,7	33,4
9.- FINLANDIA				44,5	43,9	44,8	45,5	45,4	45,6	45,0	43,3	44,7	50,8	51,1	50,6	52,2	53,4	53,9	53,2	51,8	50,1	49,0	48,4
10.- GRECIA				41,4	40,0	40,9	40,6	41,9	41,1	39,4	42,2	45,3	48,4	48,8	51,6	53,2	58,9	46,5	49,6	45,4	43,0	43,7	45,4
11.- PORTOGALLO				38,0	39,1	39,1	40,9	41,6	42,6	41,9	41,3	41,6	46,1	46,6	46,5	46,1	47,8	49,8	46,0	43,3	43,8	42,0	43,4
12.- SLOVACCHIA				48,4	40,5	41,1	36,7	34,9	36,3	35,0	33,2	33,6	40,2	38,5	37,0	37,3	38,1	38,1	38,8	38,3	37,0	37,1	37,9
13.- LUSSEMBURGO				34,0	33,9	36,7	38,7	39,0	38,3	36,3	34,2	36,0	40,8	39,3	38,2	40,1	39,8	38,3	38,0	37,9	38,8	39,0	37,8
14.- LITUANIA				37,0	34,8	32,2	30,5	30,4	30,5	30,0	29,8	32,7	40,5	37,3	37,7	32,1	31,7	31,1	31,2	31,1	29,9	30,8	32,7
15.- SLOVENIA				42,4	43,0	42,1	42,1	41,4	41,2	39,9	37,6	39,2	43,2	44,3	45,9	44,5	55,2	44,8	43,0	42,2	40,1	38,7	42,7
16.- CIPRO				31,1	32,1	33,4	36,5	34,4	35,8	35,3	34,5	35,3	37,9	37,9	38,4	39,0	39,6	46,7	38,4	35,5	34,7	39,2	36,6
17.- ESTONIA				32,0	30,4	30,2	30,0	29,9	29,4	28,2	28,1	33,5	39,8	35,7	32,5	33,0	32,9	32,8	34,4	34,9	33,8	34,1	32,4
18.- LETTONIA				35,3	33,1	33,3	30,6	31,2	30,7	31,1	28,1	32,5	39,7	40,7	35,5	33,1	33,3	33,6	33,5	33,4	33,4	33,1	33,4
19.- MALTA				36,4	38,2	37,3	40,7	38,5	37,7	38,3	37,4	40,1	39,5	38,8	38,4	39,5	39,1	37,6	35,4	34,1	33,4	33,9	37,6

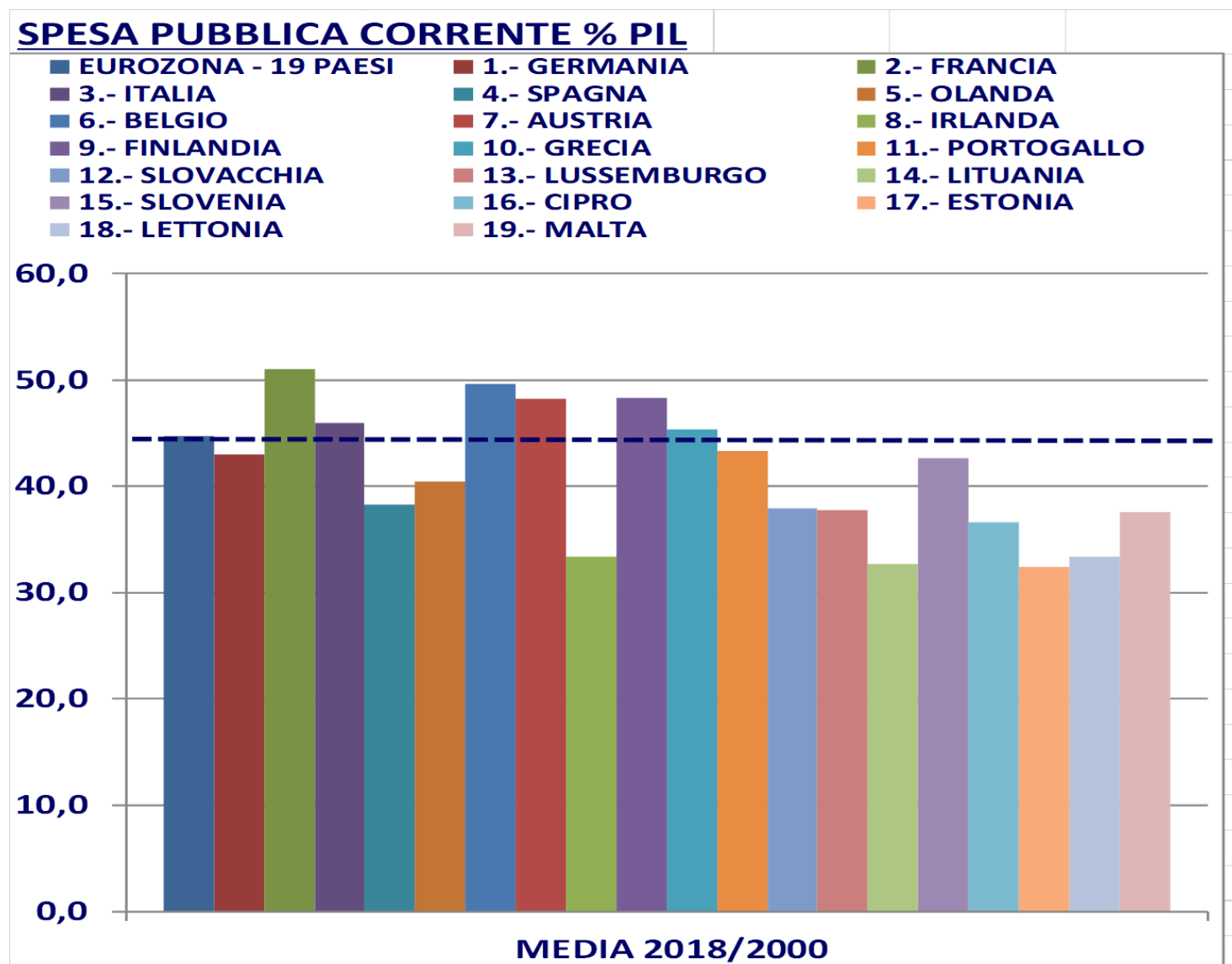
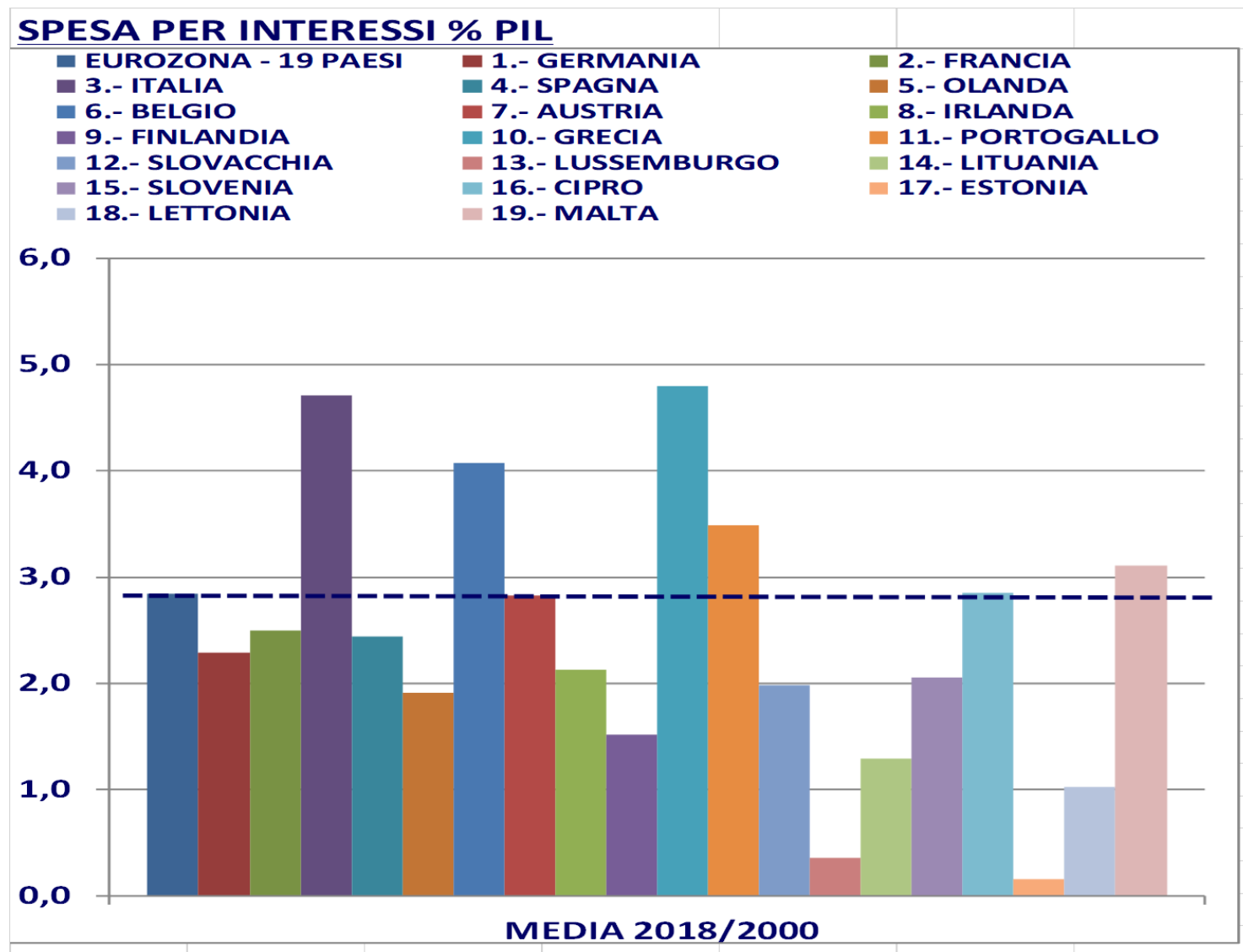
Fig.18

Table 25 bis

<u>AVANZO/DISAVANZO CORRENTE %PIL</u>			<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>MEDIA 2018/2000</u>
<u>EUROZONA - 19 PAESI</u>			3,0	1,6	0,5	0,0	0,3	0,6	1,6	2,3	0,8	-3,0	-3,0	-1,5	-1,4	-0,5	-0,2	0,4	0,9	1,6	2,1	0,3
1.- GERMANIA			3,2	-0,8	-1,7	-2,1	-1,8	-1,5	0,3	2,1	1,9	-0,8	-1,9	1,3	2,2	2,0	2,7	2,9	3,1	3,2	4,0	1,0
2.- FRANCIA			2,6	2,5	0,6	-0,1	0,4	0,6	1,5	1,3	0,6	-2,9	-2,7	-1,2	-1,0	-0,1	-0,2	-0,2	-0,1	0,5	0,9	0,2
3.- ITALIA			0,5	-0,5	-0,6	-0,3	-0,5	-1,1	-0,6	1,4	0,4	-1,8	-1,3	-0,9	-0,3	-0,5	-0,7	-0,4	-0,4	-0,2	0,0	-0,4
4.- SPAGNA			2,6	3,3	3,6	3,7	4,0	5,4	6,5	6,5	0,2	-5,9	-4,7	-5,9	-8,0	-4,8	-3,9	-2,8	-2,6	-1,1	-0,4	-0,2
5.- OLANDA			4,9	3,4	2,1	1,1	2,1	3,3	4,0	3,7	4,2	-0,8	-1,0	-0,3	-0,1	0,8	1,3	1,6	3,5	4,6	4,9	2,3
6.- BELGIO			2,3	2,4	2,1	0,4	1,9	-0,7	2,2	2,1	1,0	-3,1	-1,7	-1,1	-1,7	-0,7	-0,8	-0,1	-0,2	1,4	1,7	0,4
7.- AUSTRIA			0,3	1,7	1,2	0,7	-2,4	0,4	0,4	1,6	1,7	-1,9	-1,2	0,4	0,7	1,0	0,3	2,0	1,4	2,3	3,1	0,7
8.- IRLANDA			8,4	5,2	3,7	4,0	4,8	5,1	6,6	5,0	-1,7	-10,0	-28,7	-10,3	-6,1	-4,2	-1,4	-0,1	1,2	1,5	2,0	-0,8
9.- FINLANDIA			10,4	8,4	7,8	6,2	6,1	6,3	7,3	8,6	7,8	1,5	1,1	2,8	1,8	1,6	1,0	1,1	2,4	3,3	3,5	4,7
10.- GRECIA			1,0	0,4	-1,1	-1,9	-3,1	-1,8	-0,2	-1,8	-4,6	-9,4	-7,5	-7,8	-6,4	-9,8	0,1	-1,8	4,0	5,1	4,1	-2,2
11.- PORTOGALLO			1,4	0,2	1,3	0,0	-1,8	-2,1	-0,9	0,2	-0,1	-5,7	-5,9	-3,9	-3,2	-2,6	-5,2	-2,2	-0,5	-1,2	1,5	-1,6
12.- SLOVACCHIA			-8,4	-2,5	-4,0	0,5	0,6	0,5	0,2	1,3	1,0	-3,9	-3,9	-0,5	-0,9	0,6	1,3	3,7	1,0	2,4	2,9	-0,4
13.- LUSSEMBURGO			9,7	10,3	7,1	5,0	3,5	5,3	5,3	7,8	7,0	3,6	4,1	4,7	4,3	4,6	5,0	5,3	5,9	5,6	6,5	5,8
14.- LITUANIA			-0,8	-1,2	1,1	1,8	2,2	3,3	4,0	4,6	2,3	-4,7	-1,9	-4,2	0,9	1,1	2,9	3,4	3,2	3,7	3,9	1,3
15.- SLOVENIA			0,1	0,0	1,3	1,1	1,9	2,5	3,1	4,4	3,3	-0,8	-0,6	-2,6	0,1	-10,4	-0,4	1,9	1,2	3,1	4,3	0,7
16.- CIPRO			1,1	1,1	-0,5	-1,9	0,5	1,3	2,4	6,3	4,1	-1,2	-0,5	-1,7	-2,7	-2,8	-6,9	0,9	2,8	4,5	0,7	0,4
17.- ESTONIA			4,3	4,8	6,3	7,0	6,8	5,7	8,3	8,7	3,5	4,0	5,0	6,1	6,0	5,4	5,7	5,3	4,2	5,0	4,9	5,6
18.- LETTONIA			-0,7	-0,2	-0,5	1,3	2,6	3,0	4,4	5,4	1,0	-4,6	-3,9	0,7	3,7	3,2	3,1	3,4	3,7	3,8	4,4	1,8
19.- MALTA			-1,6	-2,6	-1,3	-4,5	-0,5	2,0	1,5	1,7	-1,7	-0,8	-0,2	0,4	-0,3	0,5	1,8	3,2	3,4	5,7	4,9	0,6

Table26

SPESA PER INTERESSI % PIL	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	MEDIA 2018/200
EUROZONA - 19 PAESI	3,8	3,7	3,4	3,2	3,0	2,9	2,8	2,9	2,9	2,8	2,8	3,0	3,0	2,8	2,6	2,3	2,1	2,0	1,8	2,8
1.- GERMANIA	3,1	3,0	2,9	2,9	2,8	2,7	2,7	2,7	2,7	2,6	2,5	2,5	2,3	2,0	1,6	1,4	1,2	1,0	0,9	2,3
2.- FRANCIA	2,9	3,0	3,0	2,8	2,8	2,7	2,6	2,7	2,9	2,5	2,5	2,7	2,6	2,3	2,2	2,0	1,8	1,7	1,7	2,5
3.- ITALIA	6,1	6,1	5,5	5,0	4,6	4,5	4,4	4,8	4,9	4,4	4,3	4,7	5,2	4,8	4,6	4,1	3,9	3,8	3,7	4,7
4.- SPAGNA	3,2	3,0	2,6	2,3	2,0	1,7	1,6	1,6	1,5	1,7	1,9	2,5	3,0	3,5	3,5	3,1	2,8	2,6	2,5	2,4
5.- OLANDA	3,3	2,9	2,6	2,4	2,3	2,2	2,0	2,0	2,0	2,0	1,8	1,8	1,7	1,6	1,5	1,3	1,2	1,0	0,9	1,9
6.- BELGIO	6,7	6,5	5,8	5,4	4,8	4,4	4,1	4,0	4,0	3,8	3,6	3,6	3,6	3,3	3,3	3,0	2,8	2,5	2,3	4,1
7.- AUSTRIA	3,6	3,6	3,4	3,2	3,0	3,2	3,1	3,1	2,9	3,1	2,9	2,8	2,7	2,6	2,4	2,3	2,1	1,8	1,7	2,8
8.- IRLANDA	1,9	1,4	1,3	1,2	1,1	1,0	1,0	1,0	1,3	2,0	2,8	3,4	4,2	4,3	3,9	2,6	2,3	2,0	1,6	2,1
9.- FINLANDIA	2,7	2,6	2,0	1,8	1,7	1,6	1,5	1,4	1,4	1,3	1,3	1,4	1,4	1,3	1,2	1,2	1,1	1,0	0,9	1,5
10.- GRECIA	6,9	6,3	5,6	4,9	4,8	4,7	4,4	4,5	4,8	5,0	5,9	7,3	5,1	4,0	3,9	3,5	3,2	3,1	3,3	4,8
11.- PORTOGALLO	3,0	3,0	2,8	2,7	2,6	2,6	2,8	2,9	3,1	3,0	2,9	4,3	4,9	4,9	4,9	4,6	4,2	3,8	3,5	3,5
12.- SLOVACCHIA	4,0	3,9	3,5	2,5	2,1	1,7	1,4	1,4	1,3	1,4	1,3	1,5	1,8	1,9	1,9	1,7	1,6	1,4	1,3	2,0
13.- LUSSEMBURGO	0,4	0,4	0,3	0,3	0,2	0,2	0,2	0,3	0,4	0,4	0,4	0,5	0,5	0,5	0,4	0,4	0,3	0,3	0,3	0,4
14.- LITUANIA	1,7	1,5	1,3	1,2	0,9	0,8	0,7	0,7	0,7	1,2	1,8	1,8	2,0	1,8	1,6	1,5	1,3	1,1	0,9	1,3
15.- SLOVENIA	2,4	2,3	2,1	1,9	1,7	1,5	1,4	1,2	1,1	1,3	1,6	1,9	2,0	2,6	3,2	3,2	3,0	2,5	2,0	2,1
16.- CIPRO	3,2	3,2	3,0	3,2	3,0	3,2	3,0	2,8	2,6	2,3	2,0	2,1	3,1	3,4	3,2	3,2	2,8	2,6	2,5	2,9
17.- ESTONIA	0,3	0,2	0,3	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,0	0,0	0,2
18.- LETTONIA	0,9	0,9	0,7	0,7	0,7	0,5	0,4	0,4	0,6	1,5	1,8	1,8	1,7	1,5	1,4	1,3	1,0	0,9	0,7	1,0
19.- MALTA	4,1	3,7	3,9	3,5	3,7	3,8	3,7	3,5	3,3	3,3	3,1	3,2	3,0	2,9	2,7	2,3	2,1	1,8	1,5	3,1

Fig.19

The trends on public and private investments and those on the structure of public spending considerably determine the trends of total factor productivity.

In Table 27 we therefore indicate the total factor productivity outline, again from the data made available by Eurostat.

On the one hand, the anomaly of Ireland emerges which until 2009 had fallen to 97 against the 100 index of 2000 and then exploded to almost 150 in 2018.

On the other hand, the negative figures for Greece (-4.1) and Italy (-3.9) are highlighted. Therefore, apart from Greece, total factor productivity has decreased, compared to 2000, only in Italy. Compared to the other countries, Italy has therefore lost 14 points compared to Germany, between 10 and 11 points compared to Holland, Belgium and Finland, 8.6 points compared to France and Austria, 7.6 points compared to Portugal and 6.6 compared to Spain.

Table 27

PRODUTTIVITA' TOTALE DEI FATTORI	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	VAR 2018-2000	ITALIA
DATABASE COMMISSIONE EUROPEA																					VERSO ALTRI
																					2018
1.- GERMANIA	100,0	101,2	101,0	100,6	101,2	101,7	104,5	106,3	106,2	100,1	103,7	106,3	105,7	105,6	107,0	107,9	109,1	110,1	110,3	10,3	-14,2
2.- FRANCIA	100,0	100,0	99,9	99,9	101,8	102,3	103,0	103,6	102,7	99,9	101,3	102,6	102,3	102,3	102,6	103,0	103,2	104,3	104,7	4,7	-8,6
3.- ITALIA	100,0	100,0	98,8	97,9	98,5	98,7	98,9	99,0	97,6	93,6	95,4	95,6	93,7	93,7	93,8	94,4	94,7	95,8	96,1	-3,9	0,0
4.- SPAGNA	100,0	100,1	99,8	99,4	99,0	98,7	98,6	98,4	97,8	97,1	98,0	98,2	98,1	98,3	98,9	100,2	101,2	102,1	102,7	2,7	-6,6
5.- OLANDA	100,0	100,3	99,9	100,1	101,9	103,1	104,4	105,4	105,5	101,7	103,1	103,8	102,8	103,3	104,8	105,3	106,2	107,1	107,5	7,5	-11,4
6.- BELGIO	100,0	99,2	100,5	100,9	103,3	103,8	105,0	106,6	105,5	102,7	104,7	105,2	104,8	104,8	105,3	105,9	105,9	106,1	106,1	6,1	-10,0
7.- AUSTRIA	100,0	99,8	100,7	100,4	101,9	102,6	104,3	106,1	105,6	101,3	102,3	103,6	103,1	102,3	101,9	102,1	102,8	103,6	104,7	4,7	-8,6
8.- IRLANDA	100,0	101,2	103,8	103,3	105,3	105,2	104,8	105,0	98,8	97,1	101,0	105,3	104,9	103,9	110,4	134,7	135,0	142,8	149,0	49,0	-52,9
9.- FINLANDIA	100,0	100,8	101,2	102,5	105,3	106,5	108,8	111,8	110,2	102,1	105,2	106,5	104,0	103,4	102,8	103,2	105,4	106,9	107,0	7,0	-10,9
10.- GRECIA	100,0	102,7	104,3	108,1	110,7	109,8	113,5	114,6	112,1	107,0	102,4	97,0	93,8	92,8	93,6	93,4	93,5	94,4	95,9	-4,1	0,2
11.- PORTOGALLO	100,0	99,2	98,4	97,1	98,3	98,5	99,0	100,6	99,8	98,0	100,4	99,7	98,5	99,5	99,8	101,0	102,1	103,0	103,7	3,7	-7,6
13.- LUSSEMBURGO	100,0	97,9	98,6	97,8	98,6	98,9	100,6	104,7	98,9	92,9	95,3	94,6	91,5	92,2	93,1	94,1	93,5	92,0	91,4	-8,6	4,7

Fig.20

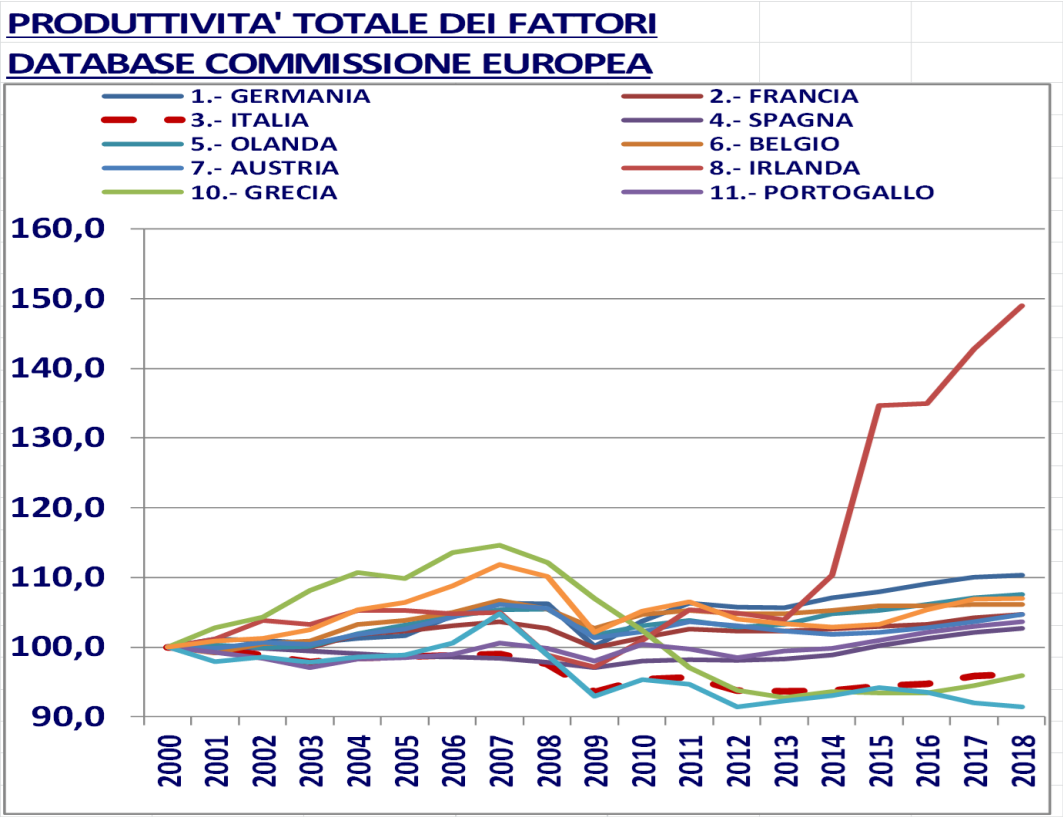
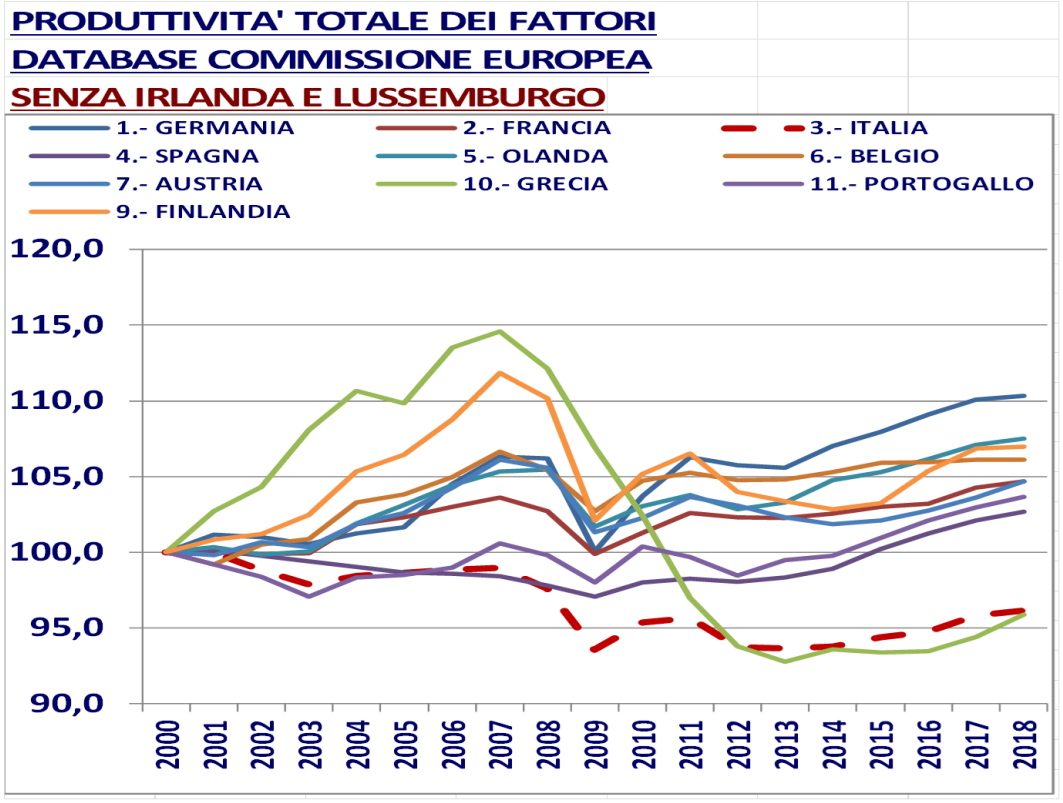


Fig.21



The growth of the Gross Domestic Product is supported by labor, capital, and productivity.

In Tables 28-31 and in Figures 22-25, according to the OECD data available for the various countries, we indicate GDP growth rates according to the contributions determined by the various production factors that are identified here in the number of hours worked, in ICT investments, in non-ICT investments and in total productivity.

For Italy, in average during that period, the contribution to GDP growth given by hours worked is equal to 0.1%, the absolute lowest, except for Greece and Portugal which have a negative contribution. The contribution of ICT capital is equal to 0.2%, the absolute minimum, while that of non-ICT capital is equal to 0.2%, by far the lowest value together with Germany's one. Germany too is mainly influenced, like Italy, by low public investments. Total factor productivity, which as seen above has reduced over the years taken into consideration, has reduced GDP growth by -0.2% on average per year. In the distant year 2000 this contribution was high, equal to 1.9%, which at the time was even higher than Germany's.

Table 28

<u>CONTRIBUTO % A CRESCITA PIL</u>				<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>MEDIA 2017/2000</u>
<u>TOTALE ORE LAVORATE</u>																						
1.- GERMANIA				0,3	-0,7	-0,9	-1,1	0,1	-0,6	1,3	1,2	0,6	-2,3	1,1	1,1	-0,1	-0,2	0,8	0,8	0,6	0,9	0,2
2.- FRANCIA				0,9	0,1	-1,3	0,2	1,3	0,6	0,0	2,2	0,7	-1,4	0,5	0,9	0,0	-0,6	0,0	0,2	0,8	0,6	0,3
3.- ITALIA				0,6	0,9	0,8	0,6	0,4	0,3	1,4	1,1	-0,3	-2,5	-0,4	0,1	-1,8	-1,8	0,0	0,5	1,1	0,7	0,1
4.- SPAGNA				3,6	3,0	2,1	2,1	2,2	2,5	2,7	1,9	0,5	-4,4	-1,6	-1,7	-3,4	-2,1	0,7	2,1	1,8	nd	0,7
5.- OLANDA				0,7	1,0	-0,4	-0,9	0,2	-0,2	1,4	2,1	1,2	-1,1	-0,5	0,7	-0,6	-0,6	0,5	0,7	1,4	1,4	0,4
6.- BELGIO				2,1	0,7	-0,4	-0,3	0,5	0,7	1,2	1,4	1,0	-1,2	0,4	1,6	0,3	-0,3	0,2	0,3	0,9	1,1	0,6
7.- AUSTRIA				0,7	0,0	-0,2	0,1	0,5	-0,1	0,6	0,9	1,1	-2,3	0,2	1,4	-0,3	-0,4	0,2	-0,3	1,5	1,2	0,3
8.- IRLANDA				3,2	2,1	0,4	0,7	2,1	4,0	3,2	2,6	-1,3	-6,9	-7,7	-1,0	-0,1	2,2	2,4	nd	nd	nd	0,4
9.- FINLANDIA				1,0	0,2	0,4	-0,3	0,5	0,7	1,2	1,5	1,3	-2,8	-0,2	0,7	0,1	-1,0	-0,5	-0,1	0,2	0,7	0,2
10.- GRECIA				0,3	0,0	1,5	0,9	1,5	2,6	1,0	0,5	0,8	-1,3	-4,0	-4,3	-3,8	-1,7	-0,7	0,9	0,3	1,6	-0,2
11.- PORTOGALLO				2,1	0,7	0,0	-1,0	-0,3	-0,3	-0,2	0,7	-0,2	-2,0	-0,9	-2,2	-3,5	-1,6	1,3	1,3	1,3	nd	-0,3
12.- LUSSEMBURGO				4,5	3,5	1,9	1,3	1,7	0,7	3,0	4,0	3,6	-1,7	1,4	2,2	1,5	1,1	2,1	2,4	2,3	2,2	2,1

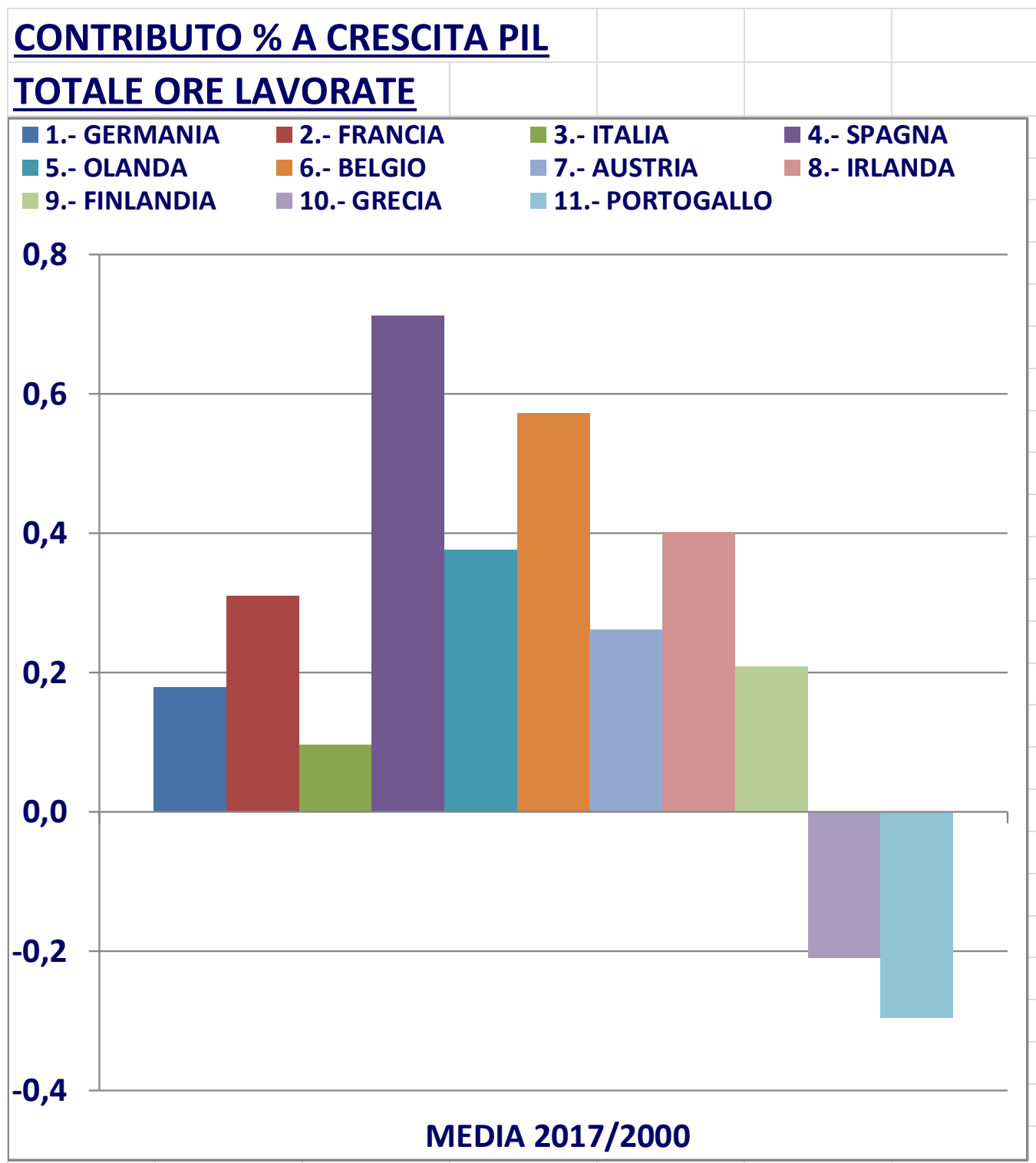
Fig.22

Table 29

<u>CONTRIBUTO % A CRESCITA PIL</u>				<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>MEDIA 2017/2000</u>
<u>ICT CAPITALE</u>																						
1.- GERMANIA				0,6	0,5	0,4	0,3	0,2	0,3	0,3	0,3	0,3	0,2	0,2	0,2	0,1	0,1	0,1	0,2	0,2	0,2	0,3
2.- FRANCIA				0,5	0,6	0,4	0,3	0,2	0,3	0,3	0,4	0,4	0,2	0,2	0,2	0,3	0,3	0,3	0,3	0,4	0,4	0,3
3.- ITALIA				0,5	0,4	0,4	0,3	0,2	0,2	0,2	0,3	0,2	0,1	0,2	0,1	0,2	0,2	0,2	0,2	0,2	0,1	0,2
4.- SPAGNA				0,4	0,4	0,3	0,4	0,3	0,3	0,3	0,4	0,3	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	nd	0,3
5.- OLANDA				0,7	0,6	0,4	0,3	0,4	0,5	0,5	0,8	0,5	0,3	0,3	0,3	0,3	0,4	0,3	0,7	0,4	0,4	0,4
6.- BELGIO				0,6	0,7	0,5	0,5	0,4	0,5	0,4	0,4	0,4	0,4	0,4	0,4	0,3	0,2	0,2	0,2	0,3	0,3	0,4
7.- AUSTRIA				0,6	0,7	0,6	0,5	0,4	0,3	0,3	0,3	0,3	0,3	0,3	0,4	0,3	0,4	0,3	0,4	0,4	0,4	0,4
8.- IRLANDA				0,6	0,5	0,3	0,2	0,2	0,2	0,3	0,3	0,2	0,2	0,3	0,5	0,4	0,4	0,3	nd	nd	nd	0,3
9.- FINLANDIA				0,4	0,3	0,2	0,3	0,3	0,3	0,3	0,3	0,3	0,2	0,2	0,2	0,1	0,1	0,2	0,2	0,2	0,1	0,2
10.- GRECIA				0,7	0,5	0,5	0,4	0,4	0,3	0,4	0,4	0,4	0,3	0,4	0,2	0,1	0,0	0,0	0,2	0,1	0,1	0,3
11.- PORTOGALLO				0,6	0,6	0,5	0,5	0,4	0,4	0,4	0,4	0,4	0,3	0,3	0,2	0,1	0,1	0,1	0,1	0,1	nd	0,3
12.- LUSSEMBURGO				0,9	0,8	0,4	0,5	0,4	0,1	0,1	0,3	0,2	0,2	0,2	0,1	0,2	0,3	0,5	0,3	0,3	0,3	0,3

Fig 23

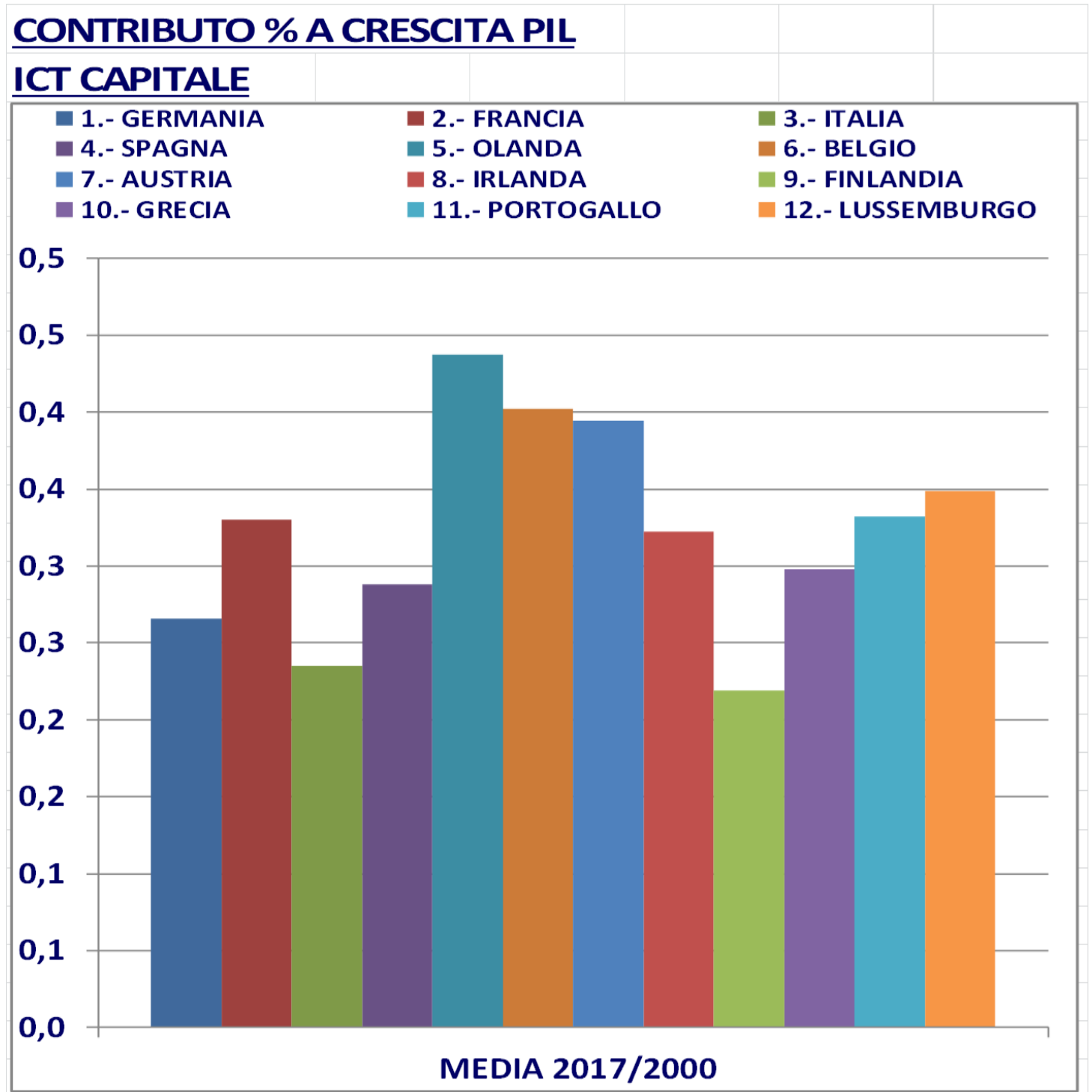


Table 30

<u>CONTRIBUTO % A CRESCITA PIL</u>				<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>MEDIA 2017/2000</u>
<u>CAPITALE NON ICT</u>																						
1.- GERMANIA				0,4	0,3	0,2	0,1	0,1	0,1	0,2	0,3	0,3	0,1	0,1	0,2	0,1	0,1	0,1	0,2	0,2	0,2	0,2
2.- FRANCIA				0,6	0,5	0,5	0,4	0,4	0,4	0,4	0,5	0,5	0,3	0,3	0,3	0,3	0,3	0,2	0,2	0,2	0,3	0,4
3.- ITALIA				0,6	0,6	0,6	0,5	0,5	0,5	0,5	0,5	0,4	0,2	0,2	0,2	-0,1	-0,2	-0,2	-0,2	-0,2	-0,1	0,2
4.- SPAGNA				0,9	0,9	0,9	0,9	0,9	1,0	1,1	1,2	1,1	0,8	0,7	0,6	0,4	0,4	0,4	0,4	0,4	nd	0,8
5.- OLANDA				0,5	0,4	0,3	0,3	0,2	0,2	0,3	0,6	0,3	0,2	0,1	0,2	0,1	0,1	0,1	0,8	0,1	0,1	0,3
6.- BELGIO				0,8	0,8	0,6	0,5	0,7	0,7	0,6	0,7	0,7	0,4	0,3	0,4	0,3	0,3	0,4	0,5	0,5	0,5	0,5
7.- AUSTRIA				0,6	0,6	0,5	0,5	0,5	0,4	0,4	0,5	0,5	0,4	0,3	0,4	0,4	0,4	0,3	0,3	0,4	0,4	0,4
8.- IRLANDA				1,1	1,3	1,5	1,5	1,5	1,9	1,9	1,8	1,5	1,3	1,0	0,9	1,4	1,0	1,3	nd	nd	nd	1,4
9.- FINLANDIA				0,5	0,6	0,4	0,4	0,4	0,4	0,3	0,5	0,5	0,3	0,2	0,2	0,1	0,0	0,0	-0,1	0,0	0,1	0,3
10.- GRECIA				1,0	1,2	1,1	1,3	1,0	0,7	1,0	1,3	1,2	0,8	0,4	-0,1	-0,4	-0,5	-0,5	-0,5	-0,4	-0,3	0,5
11.- PORTOGALLO				1,2	1,1	0,9	0,8	0,7	0,7	0,7	0,8	0,9	0,7	0,7	0,4	0,1	0,1	0,1	0,2	0,2	nd	0,6
12.- LUSSEMBURGO				0,7	0,8	0,7	0,5	0,7	0,7	0,6	0,8	1,0	0,6	0,8	1,0	1,2	0,9	0,9	0,7	0,7	0,7	0,8

Fig 24

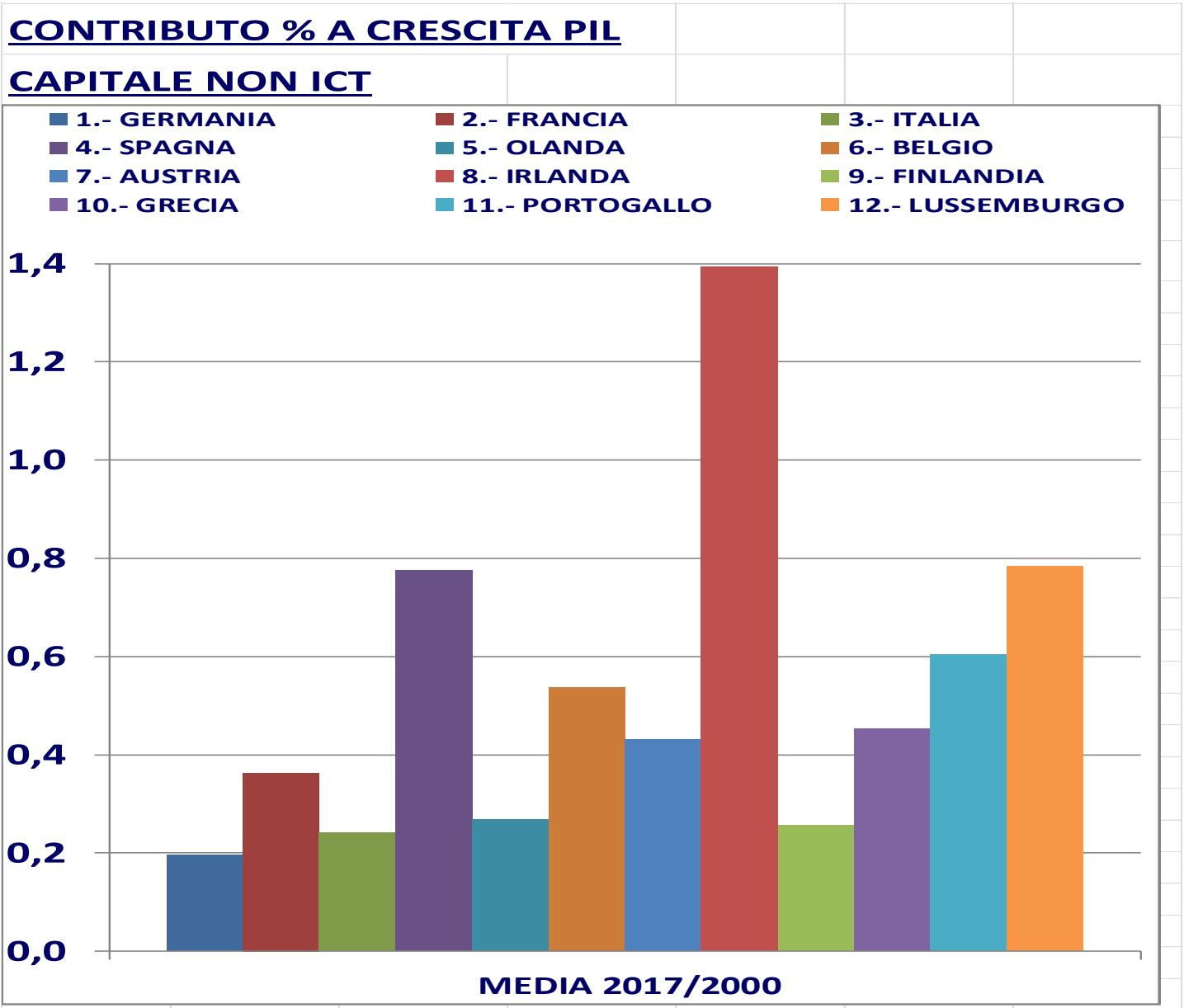
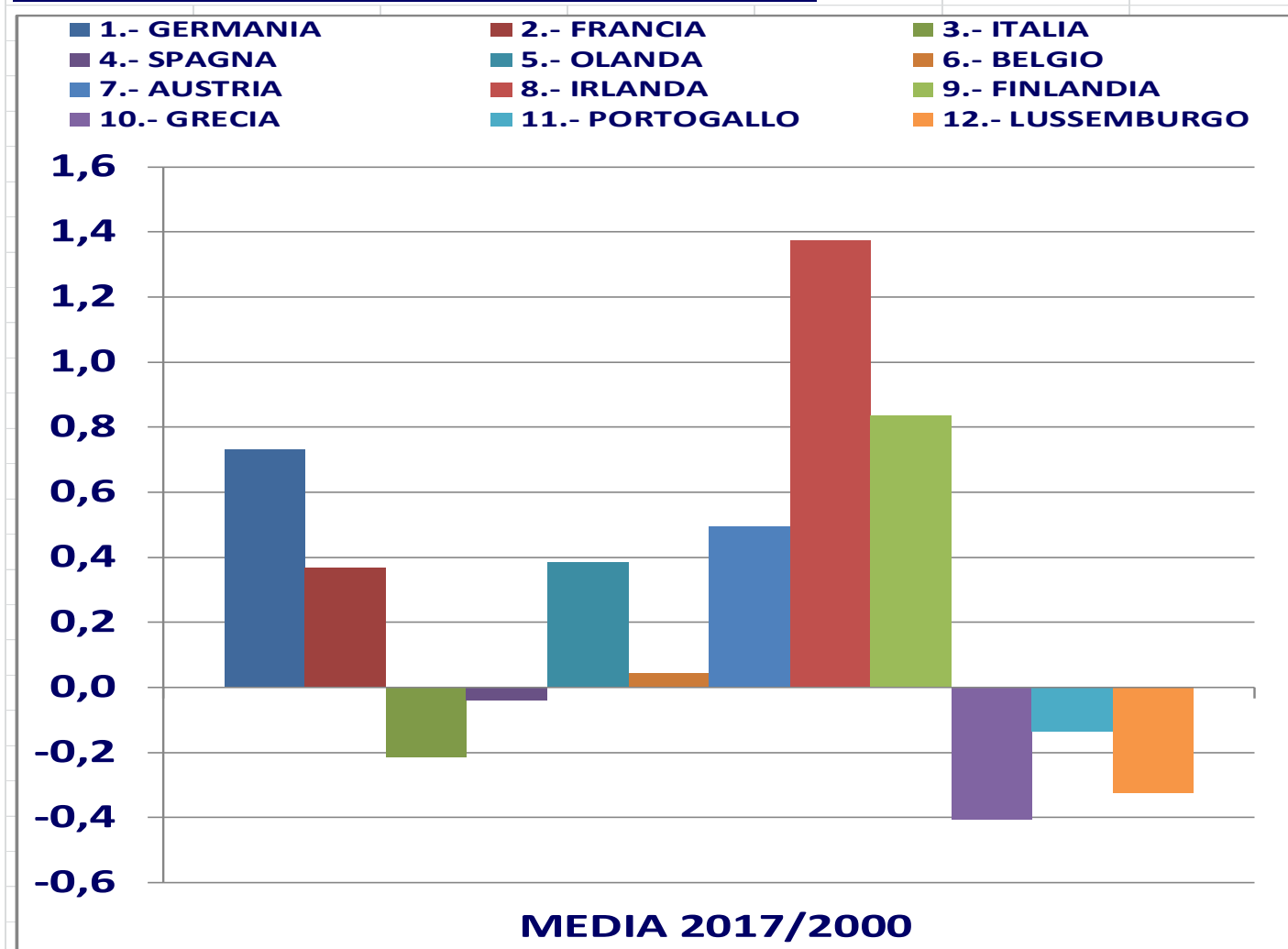


Table 31

<u>CONTRIBUTO % A CRESCITA PIL</u>				<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>MEDIA 2017/2000</u>
<u>PRODUTTIVITA' TOTALE DEI FATTORI</u>																						
1.- GERMANIA				1,6	1,5	0,3	-0,1	0,7	0,9	1,8	1,3	-0,2	-3,7	2,6	2,0	0,3	0,5	1,0	0,5	1,2	0,8	0,7
2.- FRANCIA				1,8	0,8	1,6	-0,1	0,8	0,4	1,7	-0,6	-1,3	-2,0	0,9	0,8	-0,2	0,6	0,4	0,3	-0,3	0,8	0,4
3.- ITALIA				1,9	-0,2	-1,5	-1,3	0,4	0,0	-0,2	-0,4	-1,4	-3,5	1,7	0,2	-1,2	0,1	0,2	0,4	0,0	0,8	-0,2
4.- SPAGNA				0,2	-0,3	-0,4	-0,3	-0,4	-0,2	0,0	0,3	-0,9	-0,2	0,7	-0,2	-0,3	-0,2	0,1	0,8	0,6	nd	0,0
5.- OLANDA				2,2	0,3	-0,1	0,4	1,2	1,6	1,2	0,3	0,1	-3,2	1,5	0,4	-0,8	0,0	0,6	-0,2	0,4	1,0	0,4
6.- BELGIO				0,1	-1,4	1,0	0,0	2,0	0,2	0,3	0,8	-1,3	-2,0	1,6	-0,7	-0,8	0,0	0,4	0,7	-0,2	-0,2	0,0
7.- AUSTRIA				1,3	0,0	0,7	-0,2	1,3	1,6	2,1	2,0	-0,4	-2,2	1,0	0,7	0,3	-0,3	-0,2	0,8	-0,2	0,6	0,5
8.- IRLANDA				4,3	1,8	3,9	0,6	2,6	-0,2	0,0	0,3	-4,4	0,7	8,2	2,6	-1,7	-1,9	4,0	nd	nd	nd	1,4
9.- FINLANDIA				3,7	1,5	0,6	1,6	2,7	1,4	2,2	2,7	-1,4	-6,3	2,8	1,5	-1,8	0,1	-0,3	0,1	2,1	1,9	0,8
10.- GRECIA				1,9	2,3	0,7	3,0	2,0	-3,0	3,1	1,0	-2,7	-4,2	-2,4	-5,4	-3,4	-1,1	1,9	-1,0	-0,1	0,1	-0,4
11.- PORTOGALLO				-0,2	-0,4	-0,7	-1,2	0,9	-0,1	0,6	0,6	-0,8	-2,0	1,8	-0,2	-0,9	0,3	-0,6	0,3	0,3	nd	-0,1
12.- LUSSEMBURGO				1,8	-2,6	0,7	-0,7	0,7	1,5	1,3	2,9	-6,1	-3,6	2,4	-0,8	-3,2	1,2	0,7	0,5	-0,9	-1,7	-0,3

Fig. 25

CONTRIBUTO % A CRESCITA PIL
PRODUTTIVITA' TOTALE DEI FATTORI



In Table 32, we have synthesized the major real and financial variables that can explain which are the most relevant parameters that determined, compared to the 2000-2018 data, this Italian "anomaly" in respect to all the other countries of the euro area and of the European Union.

Let's compare the average euro area data (considering that Italy's worst figure also contributes to said average) with those regarding Italy.

Real GDP growth in the euro area during that period was almost 25%; in Italy it was only 3.8%.

Real per capita GDP increased by over 17%, while in Italy it decreased by 2.3%.

The debt / GDP ratio increased by 17 percentage points, in Italy by 27.

In the euro area, the Debt / GDP ratio went from 68% in 2000 to 85% in 2018, in Italy from 105% to 132%, which became 133% in the 2019 forecasts.

In terms of relative weights measured based on the 2018 data, Italy has 15.3% of the total GDP of the euro area and 17.7% of the population. Per capita real GDP is 86.2% of the euro area average (in 2000 it was above average at 103.4% with a loss of over 17 points). Italian employment accounts for 15.7% of the total euro area, with unemployment which, however, weighs 20.6% in the area, due to an unemployment rate higher than the average of 2.4%.

Italy also accounts for 23.6% of the total euro area public debt, the highest share of all.

In the 2000-2018 average, public investments for GDP growth in Italy was equal to 2.7%, while in the euro area it was 3%; private investments were 16.8% against the 18.3% of the area. It follows that total investments were in Italy 19.5% against the 21.3% in the euro area. The resulting average annual difference of 1.8% of the GDP must be considered in its cumulative effects for that period. Therefore, by 2018 Italy has cumulated 32% less public and private capital than the euro area average.

In terms of relevant public budget parameters, it appears that total public expenditure in Italy was on average equal to 48.7% of the GDP, while in the euro area it was 47.8% of the GDP; current expenditure was at 46% compared to the 44.7% of the euro area; the current deficit at -0.4% against +0.3%; and interest expenditure at 4.7% against 2.8% of the euro area average. Therefore, the public budget in Italy has helped destroying savings with its current account deficit of 0.4% of the GDP, while in the average in the euro area there was a surplus of 0.3%. From 2000 to 2018, the Italian public budget has destroyed savings for almost € 7 billion a

year, which in the 18 years of that period caused a loss in potential capital accumulation of almost € 129 billion. On the other hand, Italy, having paid 1.9% more GDP per year for interest on debt, on average over the years. Since the average nominal GDP for the period was € 1.551 billion, every year from 2000 to 2018 Italy paid "more" than the average of the euro countries, over 29 billion a year. This means that during that period Italy has paid 551 additional billion euros; moreover, those billions were put towards a vicious public debt spiral.

The parameters analyzed so far are certainly relevant in explaining total factor productivity trends. The TFP (Total Factor Productivity) in Italy decreased by -3.5%, against an increase of +10.6% in Germany, +5.4% in France, +8% in the Netherlands and +3.3% in Spain.

Finally, factors of production contributed to GDP growth by 0.5% for labor and capital and -0.2% for TFP. It follows that the growth in GDP induced was on average just over 0.3%. In Germany a 0.7% positive contribution from TFP was added to the labor and capital contribution of 0.7%, which led to an average annual growth rate of 1.4%; more than three times and a half the Italian one.

On the other hand, Spain, despite having had no contribution from TFP, benefited from a contribution of 0.7% from labor and a capital contribution of 1.1% and therefore the growth rate of Spanish GDP increased to 1.7% on an annual average; a little more than the German rate and more than four times the Italian rate. Not surprisingly, therefore, in 2018, Spain maintained its real GDP per capita at around 81% of the average in the euro area, while Italy went from 3% above to -14% below, losing as previously stated, 17 percentage points.

The analysis of these data on the relevant parameters of real economy (investments, productivity) and on the structure of the public budget (public investments, current expenditure, current account deficit and interest) shows that the economic and social crisis and the fragile conditions of Italian public finance do not seem to be connected to the external parameters "imposed by Europe", but rather to the parameters set all these years "within" the country, by governments and parliaments and also by "national" private behavior.

Recently someone has argued that the European and international institutions and centers of analysis and research neglect the solid foundations on which the Italian economy is structurally based and therefore their highly critical judgments may be pre-judgments.

The two Italian pillars that appear to be neglected and that in reality would be sufficient elements to define Italy as a solid and reliable economy are, on the one hand, the high propensity to add up savings and, on the other hand, the considerable export competitiveness of Italian companies.

These two "historical and typical" traits of the Italian economy are certainly exhibited.

However, we must first consider that our high and structural private propensity to build up savings has almost halved over the last ten years. It remains high, but we were historically around 15%, we dropped to about 7-8%. And the current deficit of the public budget disrupted savings.

Secondly, it is true that we have had, and have, a surplus in our current account balance set between 2 and 3% of the GDP. Certainly, it is not the 7-8% of Germany, but in any case, it is a large surplus. Our companies' success in exporting, however, increasingly refers to a small number of companies, to an increasingly smaller national production base, while many businesses operating on the domestic market have closed up shop or are in serious troubles. The real question then is whether the "engine of successful export enterprises" is and / or will be able to move the entire IRR of the Italian economy. Moreover, the current account surplus, positive if seen as the competitive aptitude of our companies, also means that an important part of our national savings goes to finance growth and development abroad, in other economies.

The two pillars on which we should rest our judgment of the Italian economy as a solid one do not appear then... so solid and certain, at least for the future. Our historic high private propensity to save has halved, the current account deficit of our public budget partially destroys said savings and a substantial part of it goes to support growth and employment abroad through the current balance of payments surplus.

Perhaps the real and financial parameters to which we referred earlier and their comparison with the *performances* of all the other European countries can better contribute to formulating severe and distressed judgments about the solidity of the Italian system and about the long-term sustainability of our public finance. It is indeed true that the solvency of public debt depends on its relationship with GDP and above all on its growth or reduction trend, rather than on its level. It should in fact be known that a country with a Debt / GDP ratio of 200%, which, however,

gives certainty of reducing it towards 150%, is more solvent than a country that has a Debt / GDP ratio of 100% but expresses, however, a determination to make new debt and bring its ratio up to 150%!

It is arithmetically trivial to say that the Debt / GDP ratio tends to fall if debt grows less than GDP. Here then appears to be meaningless to reaffirm this arithmetic banality and then to hint that Italy could be a solvent country even if the Debt / GDP ratio traveled towards 200%. It would be true only on two conditions. The first is that in the face of that 200% there is still a serious, credible and operational plan that pushes it downwards. The second is that, in the meantime, someone issues zero-risk securities, transfers the liquidity to Italy and in fact takes care of the country risk Italy.

Table 32 A

REAL AND FINANCIAL VARIABLES SYNTHESIS

	ANDAMENTO 2000-2018			PESI AL 2018	% su EUROZONA			OCCUPAZIONE	DISOCCUPAZIONE	DEBITO PUBBLICO	DIFF % DISOCCUPAZIONE RISPETTO A EUROZONA
	PIL A PREZZI COSTANTI 2010	PIL PROCAPITE A PREZZI COSTANTI 2010	RAPPORTO % DEBITO PUBBLICO/P		PIL REALE	POPOLAZIONI	PIL REALE PRO-CAPITE				
	VAR. % 2018/2000	VAR. % 2018/2000	VARIAZIONE 2017-2000								
EUROZONA - 19 PAESI	24,8	17,2	19	100,0	100,0	100,0		100,0	100,0	100,0	0
1.- GERMANIA	26,1	25,1	5	28,1	24,1	116,7		27,6	11,0	21,5	-4,8
2.- FRANCIA	25,1	13,1	40	20,9	19,6	106,4		18,0	20,2	23,2	0,9
3.- ITALIA	3,8	-2,3	26	15,3	17,7	86,2		15,7	20,6	23,3	2,4
4.- SPAGNA	34,7	16,9	40	11,1	14,3	77,5		13,2	26,0	11,8	7,1
5.- OLANDA	28,2	18,4	4,9	6,8	5,0	134,4		5,5	2,6	4,3	-4,4
6.- BELGIO	29,5	16,3	-5,4	3,8	3,3	114,1		3,2	2,2	4,7	-2,2
7.- AUSTRIA	32,1	19,8	12	3,2	2,6	123,3		2,9	1,6	3,0	-3,3
8.- IRLANDA	127,9	78,2	32	2,7	1,4	194,4		1,5	1,0	2,1	-2,4
9.- FINLANDIA	28,0	20,1	19	1,9	1,6	118,6		1,7	1,5	1,4	-0,8
10.- GRECIA	0,5	0,8	71	1,8	3,1	57,6		2,6	6,8	3,3	11,1
11.- PORTOGALLO	10,2	9,8	75	1,7	3,0	57,7		3,2	2,7	2,5	-1,1
12.- SLOVACCHIA	102,9	101,3	1,3	0,8	1,6	50,8		1,8	1,3	0,4	-1,7
13.- LUSSEMBURGO	59,8	15,1	16	0,5	0,2	263,7		0,2	0,1	0,1	-2,6
14.- LITUANIA	103,1	154,0	16	0,4	0,8	42,7		0,9	0,7	0,2	-2
15.- SLOVENIA	49,8	44,0	48	0,4	0,6	64,6		0,7	0,4	0,3	-3,1
16.- CIPRO	45,1	11,3	40	0,2	0,3	64,6		0,3	0,3	0,2	0,2
17.- ESTONIA	86,6	101,1	3,6	0,2	0,4	49,7		0,4	0,3	0,0	-2,8
18.- LETTONIA	92,5	137,0	28	0,2	0,6	40,8		0,6	0,5	0,1	-0,8
19.- MALTA	92,2	49,4	-10	0,1	0,1	64,6		0,2	0,1	0,1	-4,5

Table 29-B.**SINTESI VARIABILI REALI E FINANZIARIE**

	DATI MEDI ANNUI 2000-2018						
	INVESTIMENTI PUBBLICI	INVESTIMENTI PRIVATI	INVESTIMENTI TOTALI	SPESA PUBBLICA TOTALI	SPESA PUBBLICA CORRENTE	AVANZO/DISAV. CORRENTE	SPESA PER INTERESSI
	% PIL	% PIL	% PIL	% PIL	% PIL	% PIL	% PIL
EUROZONA - 19 PAESI	3,0	18,3	21,3	47,8	44,7	0,3	2,8
1.- GERMANIA	2,2	18,0	20,1	45,2	43,0	1,0	2,3
2.- FRANCIA	3,8	18,2	22,1	54,8	51,0	0,2	2,5
3.- ITALIA	2,7	16,8	19,5	48,7	46,0	-0,4	4,7
4.- SPAGNA	3,5	21,0	24,5	41,8	38,3	-0,2	2,4
5.- OLANDA	3,8	16,8	20,7	44,3	40,5	2,3	1,9
6.- BELGIO	2,2	20,3	22,5	51,9	49,7	0,4	4,1
7.- AUSTRIA	2,9	20,3	23,2	51,1	48,2	0,7	2,8
8.- IRLANDA	3,2	21,1	24,2	36,6	33,4	-0,8	2,1
9.- FINLANDIA	3,8	18,5	22,3	52,2	48,4	4,7	1,5
10.- GRECIA	4,4	14,2	18,7	49,8	45,4	-2,2	4,8
11.- PORTOGALLO	3,4	17,1	20,5	46,8	43,4	-1,6	3,5
12.- SLOVACCHIA	3,7	20,7	24,4	41,6	37,9	-0,4	2,0
13.- LUSSEMBURGO	4,2	15,1	19,3	41,9	37,8	5,8	0,4
14.- LITUANIA	3,8	17,0	20,7	36,5	32,7	1,3	1,3
15.- SLOVENIA	4,1	19,1	23,2	46,8	42,7	0,7	2,1
16.- CIPRO	3,4	16,5	19,9	40,0	36,6	0,4	2,9
17.- ESTONIA	5,3	22,8	28,1	37,7	32,4	5,6	0,2
18.- LETTONIA	4,1	21,5	25,5	37,5	33,4	1,8	1,0
19.- MALTA	3,3	16,9	20,2	40,9	37,6	0,6	3,1

Tav. 32-C

SINTESI VARIABILI REALI E FINANZIARIE

	VARIAZIONI 2000-2018		CONTRIBUTO % A CRESCITA PIL MEDIA 2000-2017					
	PRODUTTIVITA'	TOTALE DEI FATTORI	TOTALE ORE LAVORATE	ICT CAPITALE	CAPITALE NON ICT	TFP	TOTALE	
							CONTRIBUTO	
EUROZONA - 19 PAESI	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	
1.- GERMANIA	10,6		0,2	0,3	0,2	0,7	1,37	
2.- FRANCIA	5,4		0,3	0,3	0,4	0,4	1,37	
3.- ITALIA	-3,5		0,1	0,2	0,2	-0,2	0,36	
4.- SPAGNA	3,3		0,7	0,3	0,8	0,0	1,73	
5.- OLANDA	8,0		0,4	0,4	0,3	0,4	1,46	
6.- BELGIO	6,2		0,6	0,4	0,5	0,0	1,55	
7.- AUSTRIA	5,5		0,3	0,4	0,4	0,5	1,58	
8.- IRLANDA	54,6		0,4	0,3	1,4	1,4	3,49	
9.- FINLANDIA	7,7		0,2	0,2	0,3	0,8	1,52	
10.- GRECIA	-0,7		-0,2	0,3	0,5	-0,4	0,13	
11.- PORTOGALLO	5,7		-0,3	0,3	0,6	-0,1	0,51	
12.- SLOVACCHIA	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	
13.- LUSSEMBURGO	-8,9		2,1	0,3	0,8	-0,3	2,90	
14.- LITUANIA	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	
15.- SLOVENIA	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	
16.- CIPRO	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	
17.- ESTONIA	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	
18.- LETTONIA	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	
19.- MALTA	n.d.		n.d.	n.d.	n.d.	n.d.	n.d.	

2.- A balanced, "Additional" federal budget, equal to 1% of the GDP, i.e. 120 billion euros in income and expenditure

The EU budget represents around 1% of the GDP. In the United States, the federal budget is around 25% of the GDP.

Following globalization, for over twenty years now, individual European sovereign states have lost "sovereignty" in the sense that some fundamental public goods can no longer be supplied by individual national governments. Sovereignty in these sectors can only be recovered in terms of European integration. This is the axis of the necessary deepening process.

A "small" step forward has therefore been proposed in this sense, namely the possibility of agreeing on an "additional budget" equal to 1% of the GDP, that is about 120 billion euros, to be applied to the euro area as suggested by the European Movement in Italy in its Appeal of June 2018 *"For a shared prosperity,"* with allocative functions for investments and border security and with redistributive functions for the fight against unemployment.

To assess the possible impact of this additional budget, it is necessary to specify where the resources could be found and how they would be used.

In this sense, therefore, we are talking about a "balanced budget" that does not result in any debt or any need to issue debt securities.

In the next section we will outline the structure in terms of resources and uses of said additional budget.

In the following section we report the effects of this budget on the economy of the euro area, on the individual countries participating in it, as well as the effects induced on other non-euro countries and on the total European Union.

2.1- Resources and Employment

In Table 33 we show where the 120 billion of resources and of autonomous fiscal capacity could come from, and for which purposes and expense items they could be employed.

About 30 billion euros could allegedly come from the taxation of multinationals operating in Europe, including those operating on the web, which today enjoy wide swathes of tax avoidance and tax evasion⁵. A European financial transaction tax could allow revenues for about 10 billion euros and 35 billion could come from gambling taxation. These three items would not affect the direct tax burden on citizens, even though they represent revenue to cover expenses in terms of an additional federal budget.

The remaining 45 billion in revenue (of which 30 billion would come from a *carbon tax* and 15 from cigarette taxation) would instead represent an increase in the tax burden on citizens.

In terms of expenditure, 90 billion should be allocated to large European tangible and intangible infrastructures and this amount would be distributed among the euro countries based on their GDP. To security and control of the "external" borders could be allocated 10 billion which would become greater current public expenditure distributed among the various countries once again based on GDP. Finally, around 20 billion would go to a European unemployment fund distributed among countries based on their weight on total unemployment in the area.

Table 33

⁵ In the G20 meeting of finance ministers and central bank governors, held in Fukuoka in Japan on 8 and 9 June 2019, the idea of such a type of taxation was supported by all. The euro area could therefore pave the way and then ask for an implementation of said taxation in the rest of the world, as it was called for by the G20.

BILANCIO "AGGIUNTIVO" EUROPEO

RISORSE

1.- RECUPERO ELUSIONE MULTINAZIONALI, INCLUSO DIGITALE	30
2.- FINANCIAL TRANSACTIONS	10
3.- TASSAZIONE GIOCHI D'AZZARDO	35
4.- CARBON TAX AL NETTO DI CARBON DIVIDEND	30
5.- TASSAZIONE SIGARETTE	15

<u>TOTALE RISORSE</u>	<u>120</u>
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IMPIEGHI

1.- INVESTIMENTI INFRASTRUTTURE	90
2.- FONDO PER LA SICUREZZA ED IL CONTROLLO DELLE FRONTIERE ESTERNE	10
2.- FONDO EUROPEO PER LA DISOCCUPAZIONE	20

<u>TOTALE IMPIEGHI</u>	<u>120</u>
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2.2- Effects on growth, employment and public finances or "a positive sum game for all"

Based on the Oxford Economics Model, integrated for the whole world economy and above all among the countries of the European Union and those belonging to the euro area, we proceeded to define a Base projection according to all the information available in April 2019.

On this basis, with the quantities and criteria indicated in the previous section, we have simulated and quantified the effects that the "additional budget" could have, over four years, on the euro area, on its individual member states and on other members of the European Union not belonging to the euro area. In other words, we have assumed that the additional budget is implemented starting from 2020 and we project the simulation into 2023⁶.

In Tables 34-36 we present the results obtained in terms of higher growth rate, greater real absolute GDP, and greater real per capita GDP.

In Tables 37-39 we refer to the effects that would be produced on the labor market in terms of lower unemployment rate, lower number of unemployed and greater number of employed.

Finally, in Tables 40-43, we evaluate the effects on public finance starting from public investments, public deficit as a percentage of GDP, greater primary surplus in absolute value and as a percentage of GDP, and the lower outline of Public Debt, also in absolute value and in relation to the GDP.

Our estimates of the effects that an additional budget of around 1% of the GDP of the euro area would have indicate greater growth. In the four years considered, said growth would be equal to 2.4% in the euro area and 2% in the entire Union. Positive effects would also occur in countries that are not members of the euro, albeit smaller than the effects produced in euro countries.

The real GDP in absolute terms would increase by 269 billion in the euro area and by 312 billion in the Union, with an additional 43 billion increase in non-euro countries, of which 22 billion would be produced in the United Kingdom.

In terms of per capita GDP, the euro area average would increase by circa 790 euros, while the EU average per capita GDP would increase by 604 euros.

⁶ Theoretically, the results of these simulations could be read as referring to the year 1,2,3,4.

On the labor market, in four years the unemployment rate would fall by 1.1% in the euro area and by 0.8% in EU member states. In absolute terms there would be 2,136,700 fewer unemployed people in the European Union, of which 1,814,000 among the euro countries and 323,000 in non-euro countries. The number of employed persons would rise to a total of 2,226,000, of which 1,863,000 in the euro countries and 363,800 in non-euro countries.

From the point of view of real economy, therefore, there is a "positive sum game" for everyone. In fact, all the countries of the euro and even those not belonging to the single currency would have more growth, more per capita GDP, less unemployment and more employment.

Table 34

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>					<u>MAGGIORE CRESCITA % 2023-2019</u>	
<u>EUROZONA - 19 PAESI</u>						2,4
1.- AUSTRIA						2,8
2.- BELGIO						2,9
3.- FINLANDIA						2,4
4.- FRANCIA						2,9
5.- GERMANIA						2,3
6.- GRECIA						1,3
7.- IRLANDA						1,9
8.- ITALIA						2,3
9.- OLANDA						1,8
10.- PORTOGALLO						3,0
11.- SLOVACCHIA						1,5
12.- SPAGNA						2,0
13-19.- ALTRI *						0,8
*Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia						
<u>UNIONE EUROPEA - 28 PAESI</u>						2,0
(19 EURO + 9 NON EURO)						
20.- REGNO UNITO						0,9
21.- POLONIA						1,3
22.- SVEZIA						0,9
23.- DANIMARCA						0,9
24.- REPUBBLICA Ceca						1,9
25.- ROMANIA						0,8
26.- UNGHERIA						1,9
27.- CROAZIA						1,2
28.- BULGARIA						0,8
<u>TOTALE 9 PAESI NON-EURO</u>						n.d.

Table 35

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>					<u>MAGGIORE PIL REALE</u>
<u>EUROZONA - 19 PAESI - MILIARDI DI EURO</u>					269,0
1.- AUSTRIA					10,4
2.- BELGIO					13,5
3.- FINLANDIA					5,2
4.- FRANCIA					71,4
5.- GERMANIA					73,4
6.- GRECIA					2,7
7.- IRLANDA					6,7
8.- ITALIA					37,9
9.- OLANDA					14,1
10.- PORTOGALLO					5,9
11.- SLOVACCHIA					1,4
12.- SPAGNA					24,7
13-19.- ALTRI *					1,7
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia					
<u>UNIONE EUROPEA - 28 PAESI</u>					312,3
<u>(19 EURO + 9 NON EURO)</u>					
			<u>CAMBIO</u>	<u>VAL. NAZ.</u>	
20.- REGNO UNITO	€ per £	1,1	24,2		22,27
21.- POLONIA	Zloty	4,3	27,55		6,5
22.- SVEZIA	Kronor	10,0	47,81		4,9
23.- DANIMARCA	Kroner	7,5	19,07		2,5
24.- REPUBBLICA Ceca	Koruna	26,0	1,949		0,1
25.- ROMANIA	Lei	4,7	4,7		1,0
26.- UNGHERIA	Forint	319	1884		6,0
27.- CROAZIA	Kuna	7,4	4,714		0,6
28.- BULGARIA	Lei	2	0,754		0,4
<u>TOTALE 9 PAESI NON-EURO</u>					43,3

Table 36

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>			<u>MAGGIORE PIL REALE PRO-CAPITE AL 2023</u>		
<u>EUROZONA - 19 PAESI</u>					789
<u>IN EURO</u>					
1.- AUSTRIA					1141
2.- BELGIO					1148
3.- FINLANDIA					1044
4.- FRANCIA					937
5.- GERMANIA					879
6.- GRECIA					263
7.- IRLANDA					1323
8.- ITALIA					628
9.- OLANDA					812
10.- PORTOGALLO					584
11.- SLOVACCHIA					253
12.- SPAGNA					527
13-19.- ALTRI *					247
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia					
<u>UNIONE EUROPEA - 28 PAESI</u>					604
(19 EURO + 9 NON EURO)					
			<u>IN VALUTA NAZIONALE</u>	<u>IN EURO</u>	
20.- REGNO UNITO			355	401	
21.- POLONIA			729	171	
22.- SVEZIA			4487	437	
23.- DANIMARCA			3225	433	
24.- REPUBBLICA CECA			9475	370	
25.- ROMANIA			241	51	
26.- UNGHERIA			60000	188	
27.- CROAZIA			1171	158	
28.- BULGARIA			112	57	
<u>TOTALE 9 PAESI NON-EURO</u>				<u>n.d.</u>	

Table 37

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>					<u>DISOCCUPAZIONE %</u>
<u>EUROZONA - 19 PAESI</u>					-1,1
1.- AUSTRIA					-1,2
2.- BELGIO					-1,5
3.- FINLANDIA					-1,0
4.- FRANCIA					-1,0
5.- GERMANIA					-1,0
6.- GRECIA					-0,8
7.- IRLANDA					-1,2
8.- ITALIA					-1,1
9.- OLANDA					-1,4
10.- PORTOGALLO					-1,4
11.- SLOVACCHIA					-1,1
12.- SPAGNA					-1,1
13-19.- ALTRI *					n.d.
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia					
<u>UNIONE EUROPEA - 28 PAESI</u>					-0,8
(19 EURO + 9 NON EURO)					
20.- REGNO UNITO					-0,6
21.- POLONIA					-0,3
22.- SVEZIA					-0,2
23.- DANIMARCA					-0,5
24.- REPUBBLICA Ceca					-0,3
25.- ROMANIA					-0,1
26.- UNGHERIA					-0,3
27.- CROAZIA					-0,3
28.- BULGARIA					-0,6
<u>TOTALE 9 PAESI NON-EURO</u>					n.d.

Table 38

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>					<u>TOTALE DISOCCUPATI</u>
<u>EUROZONA - 19 PAESI</u>					-1814
1.- AUSTRIA					-59,3
2.- BELGIO					-76,2
3.- FINLANDIA					-27,4
4.- FRANCIA					-312,1
5.- GERMANIA					-468,7
6.- GRECIA					-35,2
7.- IRLANDA					-30,0
8.- ITALIA					-297,0
9.- OLANDA					-120,7
10.- PORTOGALLO					-70,1
11.- SLOVACCHIA					-29,0
12.- SPAGNA					-249,4
13-19.- ALTRI *					-38,6
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia					
<u>UNIONE EUROPEA - 28 PAESI</u>					-2136,7
(19 EURO + 9 NON EURO)					
20.- REGNO UNITO					-195,0
21.- POLONIA					-51,3
22.- SVEZIA					-13,6
23.- DANIMARCA					-14,6
24.- REPUBBLICA Ceca					-14,2
25.- ROMANIA					-11,0
26.- UNGHERIA					-16,3
27.- CROAZIA					-4,2
28.- BULGARIA					-2,8
<u>TOTALE 9 PAESI NON-EURO</u>					-323,0

Table 39

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>					<u>TOTALE OCCUPATI</u>
<u>EUROZONA - 19 PAESI</u>					1863
1.- AUSTRIA					59,3
2.- BELGIO					78,2
3.- FINLANDIA					27,4
4.- FRANCIA					316,1
5.- GERMANIA					497,8
6.- GRECIA					35,2
7.- IRLANDA					30,0
8.- ITALIA					300,8
9.- OLANDA					121,5
10.- PORTOGALLO					70,1
11.- SLOVACCHIA					29,0
12.- SPAGNA					258,5
13-19.- ALTRI *					38,6
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia					
<u>UNIONE EUROPEA - 28 PAESI</u>					2226,3
(19 EURO + 9 NON EURO)					
20.- REGNO UNITO					215,8
21.- POLONIA					62,1
22.- SVEZIA					14,9
23.- DANIMARCA					14,6
24.- REPUBBLICA Ceca					18,5
25.- ROMANIA					11,0
26.- UNGHERIA					19,9
27.- CROAZIA					4,2
28.- BULGARIA					2,8
<u>TOTALE 9 PAESI NON-EURO</u>					363,8

On the public finance front, as shown in Table 40, it should immediately be pointed out that the 90 billion more investments planned in the additional budget would produce positive effects already in the first year, activating further additional investments for 3.3 billion. These would become about 10 additional billion by the fourth year: at this point the total public investments of the euro area would be about 101 billion higher (11 more billion than the 90 starting ones). The positive results of this effect would be distributed in all 19 countries of the euro area.

Table 40

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>					<u>MAGGIORI INVESTIMENTI PUBBLICI MLD EURO</u>	
					<u>2020</u>	<u>2023</u>
<u>EUROZONA - 19 PAESI</u>					93,3	100,9
1.- AUSTRIA					3,1	3,5
2.- BELGIO					3,6	4,0
3.- FINLANDIA					1,9	2,0
4.- FRANCIA					18,8	20,4
5.- GERMANIA					28	29,8
6.- GRECIA					1,5	1,6
7.- IRLANDA					2,6	2,7
8.- ITALIA					14	15,0
9.- OLANDA					6,3	7,5
10.- PORTOGALLO					1,6	1,7
11.- SLOVACCHIA					0,9	1,0
12.- SPAGNA					9,7	10,4
13-19.- ALTRI *					1,3	1,3
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia						

The public deficit in relation to GDP would go to zero in 2023 for the whole area, reducing the deficit or increasing the surplus in all member states.

Table 41

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>					<u>DEFICIT TOTALE %PIL</u>	
					<u>2019</u>	<u>2023</u>
<u>EUROZONA - 19 PAESI</u>					-1,0	0,0
1.- AUSTRIA					0,0	1,0
2.- BELGIO					-1,4	0,3
3.- FINLANDIA					-0,3	0,8
4.- FRANCIA					-3,4	-2,3
5.- GERMANIA					1,0	0,9
6.- GRECIA					0,1	0,4
7.- IRLANDA					0,0	0,4
8.- ITALIA					-2,6	-1
9.- OLANDA					1,3	1,2
10.- PORTOGALLO					-0,5	1
11.- SLOVACCHIA					-1,0	0,2
12.- SPAGNA					-2,3	-2
13-19.- ALTRI *					0,0	0
*Cipro, Estonia, Lettonia,Lituania, Lussemburgo, Malta, Slovenia						

The primary surplus, by the fourth year, would be 126 billion higher in the entire euro area, about +1% of the GDP, with improvements in all member countries, as shown in Table 42.

Table 42

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>				<u>MAGGIORE AVANZO PRIMARIO</u>	
				<u>MLD EURO</u>	<u>% PIL</u>
<u>EUROZONA - 19 PAESI</u>				126,1	0,9
1.- AUSTRIA				5,6	1,1
2.- BELGIO				9,4	1,7
3.- FINLANDIA				2,0	0,7
4.- FRANCIA				28,8	1,0
5.- GERMANIA				36,9	0,9
6.- GRECIA				0,8	0,3
7.- IRLANDA				0,3	0,1
8.- ITALIA				18,0	0,8
9.- OLANDA				8,4	0,8
10.- PORTOGALLO				3,5	1,4
11.- SLOVACCHIA				0,6	0,5
12.- SPAGNA				9,8	0,6
13-19.- ALTRI *				2,0	0,5
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia					

Finally, public debt would be reduced by 308 billion euros with a percentage reduction on the euro area's GDP of 4.5% and therefore there would be a Debt / GDP ratio of 74% against the 79% we would have without the additional budget. The debt reduction would occur in all countries, with Italy and Portugal in the lead; the two countries would have a higher reduction in their Debt / GDP ratio, which would decrease by almost 7 percentage points. Italy would move from 134% to 127% in the fourth year and Portugal from 108% to 101%.

Table 43

<u>EFFETTI BILANCIO "AGGIUNTIVO"</u>				<u>MINORE DEBITO PUBBLICO AL 2023</u>		<u>% DEBITO PUBBLICO/PIL AL 2023</u>			
						<u>MLD EURO</u>	<u>% PIL</u>	<u>CON BIL. AGGIUNTIVO</u>	<u>SENZA BIL. AGGIUNTIVO</u>
<u>EUROZONA - 19 PAESI</u>						-308,1	-4,5	74,0	79
1.- AUSTRIA						-12,8	-5,1	58	63
2.- BELGIO						-22	-7,2	86	93
3.- FINLANDIA						-4,5	-2,9	50	53
4.- FRANCIA						-65,1	-5,7	92	98
5.- GERMANIA						-86,2	-3,3	68	71
6.- GRECIA						-2,7	-3	145	148
7.- IRLANDA						0,2	-7	50	57
8.- ITALIA						-50,1	-6,8	127	134
9.- OLANDA						-24,9	-4,1	36	40
10.- PORTOGALLO						-8,9	-6,8	101	108
11.- SLOVACCHIA						-1,3	-4	39	43
12.- SPAGNA						-29,9	-4	85	89
13-19.- ALTRI *						-4	-2	27	29
* Cipro, Estonia, Lettonia, Lituania, Lussemburgo, Malta, Slovenia									