

Can the Italian debt be repudiated?

Wednesday 26 June 2019, by [DE LELLIS Antonio](#), [QUINTAVALLA Cristina](#) (Date first published: 24 June 2019).

Debt is not a natural disaster, nor is it the effect of excessive social expenditure: its odious nature derives from its negative consequences on the population. The Italian case.

"If Salvini really wanted to fight Brussels, as he says, he would have to push for the government to stop repaying the 360 billion euros of Italian securities held by the ECB. He may deny this, but I believe he will not, otherwise he would thwart the interests of the Italian bankers and the financial institutions that support him". Thus the historian and political scientist Eric Toussaint, from Cadtm, answering a question on the Italian situation, at a meeting on the debt at the Di.re news agency [1].

During the event in Rome the Italian translation of his book, *Il Sistema, Storia del debito sovrano e del suo ripudio* (*The System, History of Sovereign Debt and its Repudiation*, preface by Marco Bersani, Bordeaux editions) was presented, as well as in Taranto, Parma and Milan.

It has been emphasized that the debt system as an instrument of domination is the corner stone of capitalism. The operational arm consists of institutions such as the International Monetary Fund, the World Bank, the World Trade Organization, which destabilize markets and states, by using debt as blackmailing tool, imposing 'rescue' policies on the conditions they set. This happens at the expense of the people in the poorest countries, who, faced with the obligation of repaying their previous debts, give up resources, lands and products. With the support of Western governments, big multinational corporations, monopolize mining activities, impose their products, destroy the small peasant economy, devastate the territories.

Even the European institutions, such as the ECB and the European Commission, have set up devices that force the euro-zone states themselves to use the speculative market to finance themselves.

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Toussaint argued that odious debts should and can be repudiated, as many peoples and governments have tried to do over the past two centuries, in most cases with success. "In order for a debt contracted by a regular government in an equally regular manner to be considered odious, it must be demonstrated that the objectives for which the debts were contracted were clearly contrary to the interests of all or part of the territory and that the creditors were aware of the odious purpose when the loan was issued".

The causes of Italian public debt are: bank bailouts (13.5 bn), lack of tax revenue due to the reductions that benefited the highest incomes (295 bn), financial speculation (467 bn in the years 1992 / 2007/2011 only), the interest on the debt (from 1992 to 2017 2,094 billion, of which 1,299 in debt), tax avoidance and evasion (on average 120 billion a year). In light of these data and other expenses, such as those for armaments and large useless and harmful works, can the Italian public debt be repudiated?

We think so, provided we know how to build a vast front of opposition and interconnections,

intertwining analyzes and concentrating on the deterioration of living and working conditions. To accept this challenge we must consider that, while today there are many languages, but a single-minded approach, we should have ways of thinking but a single language, common to all and rooted in struggle, which expresses itself through the construction of a shared ethics, with the goal of a dignified life for all the people who live on the territory, within another model of society.

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P.S.

• CADTM, 24 June 2019:
<http://www.cadtm.org/Can-the-Italian-debt-be-repudiated>

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Footnotes

[1] <http://italia.cadtm.org/presentazioni-del-libro-il-sistema-storia-del-debito-sovrano-e-del-suo-ripudio/>