

Brussels cash warms south's sentiment

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ROME/Communitaire enthusiasm has not been taxed – yet, says **John Hooper**

EUROSCPTICS remain thin on the ground in the European Union's southern belt. But their numbers are edging up as the costs of belonging to the EU become clearer.

Most of those who question further unification do so for reasons that are the opposite of those evoked by Britain's Eurosceptics. They tend to be leftwingers, usually communists, whose main concern is not that the Social Chapter will strangle the free market but that the EU is in danger of becoming a paradise for neoliberals.

Sentiment plays a big role in the way the EU is viewed. It is less than 25 years since Spain, Portugal and Greece were ruled by dictatorships at a time when the countries of the EEC were free. For many, "Europe" is synonymous with liberty, democracy and political maturity.

There is an equally strong linkage between "Europe" and prosperity.

In 1994/95, Spain's net per-capita receipts from the EU were equivalent to £64 per head of population. The figures for Portugal and Greece were far higher — £148 and £298 respectively. Yet it is the Portuguese and Greeks who have been most critical among southern Europeans in their appraisal of the EU.

In Portugal, the two biggest parties have a common line on Europe. But the Popular Party, on the right, and the communists oppose the Maastricht terms for monetary union as too demanding for such a poor country.

In Greece, attitudes have been conditioned more by the refusal of the EU to back some of Athens's foreign-policy stances. A new test is looming over Cyprus, which is due soon to begin negotiations for membership. The Greeks would like them carried out exclusively with the Greek Cypriots.

The most uncomplainingly *communitaire* of Mediterranean nations has been Spain,

although the leaders of its third biggest national party, the communist-dominated United Left, have long been opposed to the Maastricht route to a single currency.

José María Tortosa, professor of sociology at the University of Alicante and author of a book on nationalism in contemporary Europe, says the situation may be changing.

"My impression is that Euroscepticism is on the rise," he says. Prof Tortosa points to the damage done to the fishing fleet and to broad swaths of Spanish agriculture. "Those who have come out on top have been the French farmers," he argues.

Italy is now a net contributor to the EU — and a bigger one than Britain. But monetary union offers Italy a reward far in excess of its annual "subscription": the chance to pay off its huge public debt on the cheap.

Expectations that the lira will be dissolved into a more stable currency have already helped cut the long-term interest rate on lira-denominated debt and thereby the cost of servicing the Italian government's huge borrowings.

To promote its chances of making the grade, Italy's prime minister, Romano Prodi, is extracting sacrifices which are stoking resentment. Last Thursday, workers opened their pay packets to find the first instalment of a special "Euro-tax", deducted at a rate of between 1 and 3.5 per cent of earnings.

It is clear, moreover, that if Italy is going to be able to compete successfully with its EU partners without the advantage of a weak currency, even more painful changes will be needed. A mini-budget next month is expected to begin the process of cutting welfare provision.

Yet Giuliano Ferrara, a minister in Silvio Berlusconi's 1994 cabinet, says he cannot discern much Euroscepticism. "Italy has too much to gain," he says.