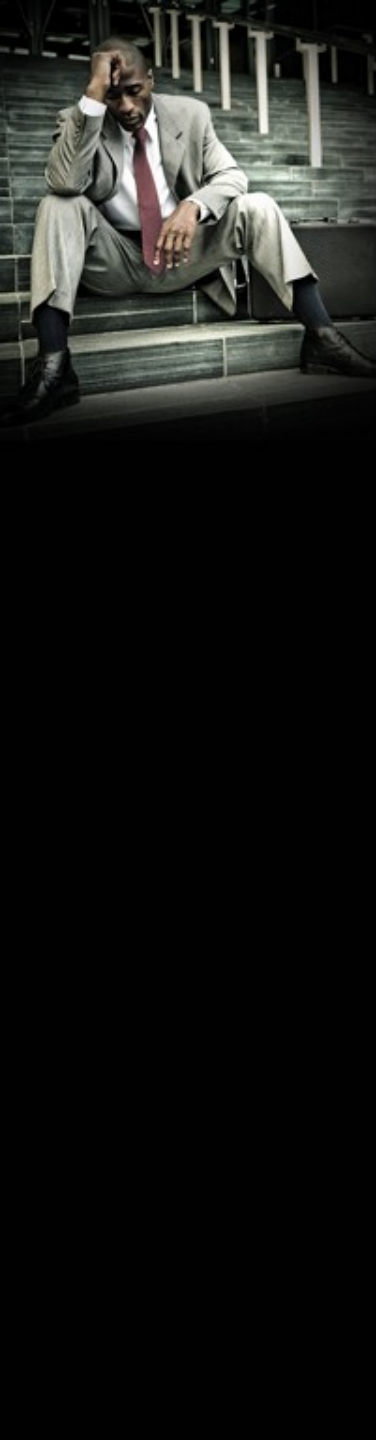


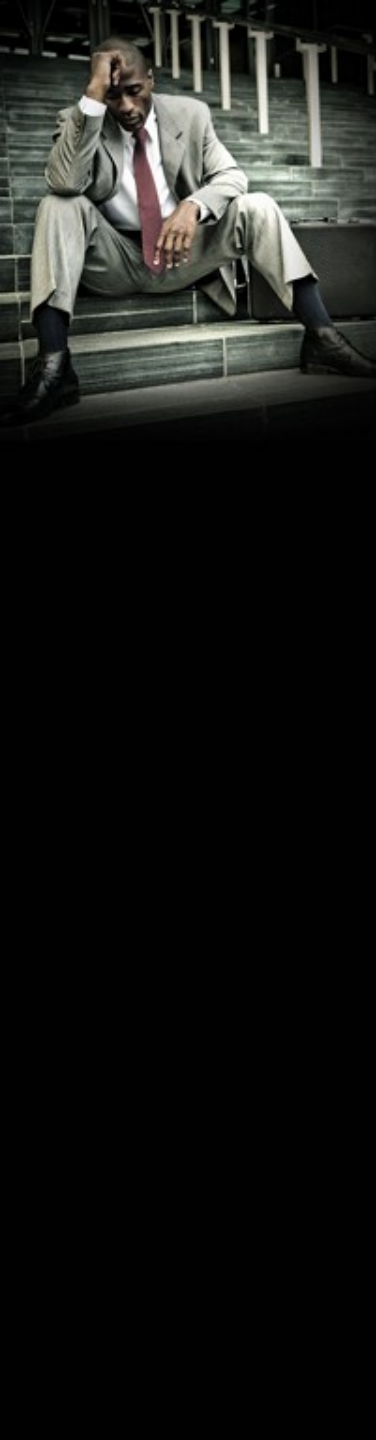
# Lecture 7: The Eurozone crisis and the acceleration of decline (II)





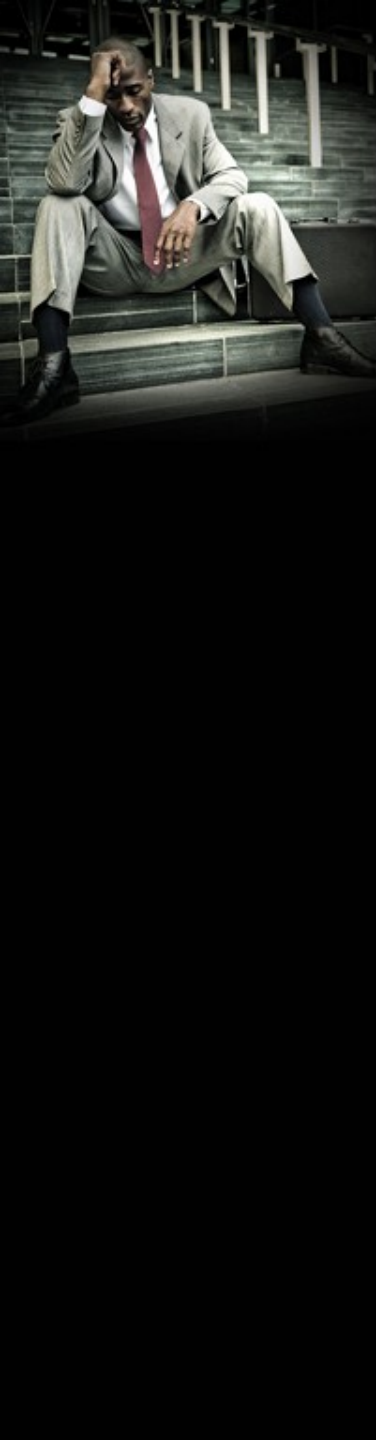
# Political Landscape After the Crisis

- Fragmentation of traditional parties
- Rise of anti-establishment sentiment
- Increasing distrust in EU institutions
- Growing debate on Italy's role in the Eurozone



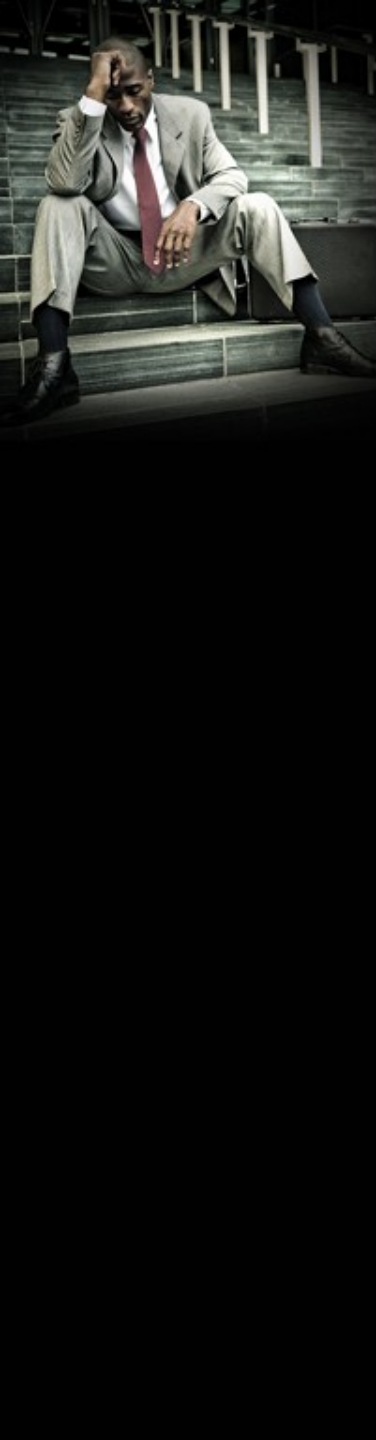
# Emergence of the Five Star Movement (M5S)

- Founded by Beppe Grillo in 2009
- Anti-establishment and anti-corruption platform
- Direct democracy and internet-based participation
- Rapid growth in popularity (2013-2018)



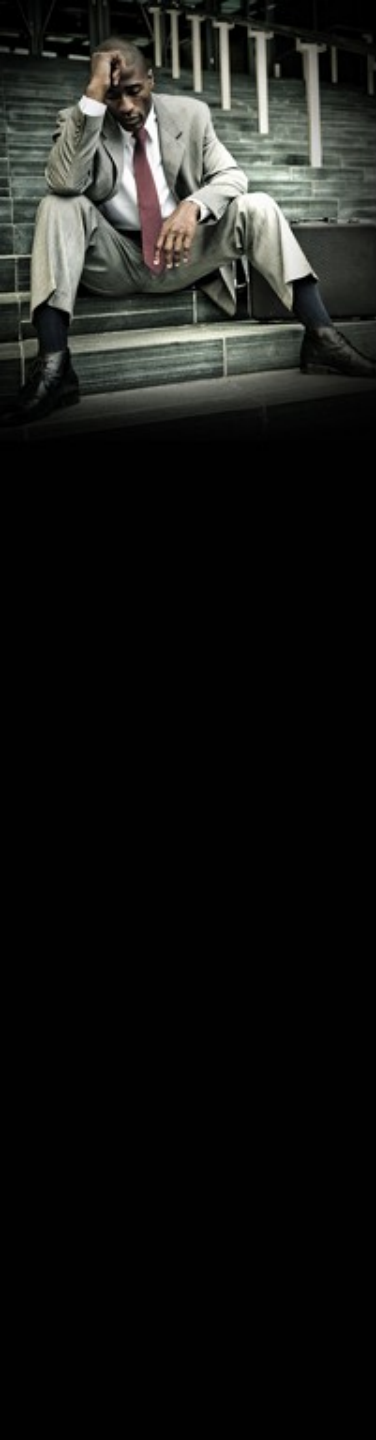
# M5S's Position on the EU and Euro

- Initial Eurosceptic stance
- Calls for a referendum on Euro membership
- Criticism of EU austerity measures
- Evolution of views over time



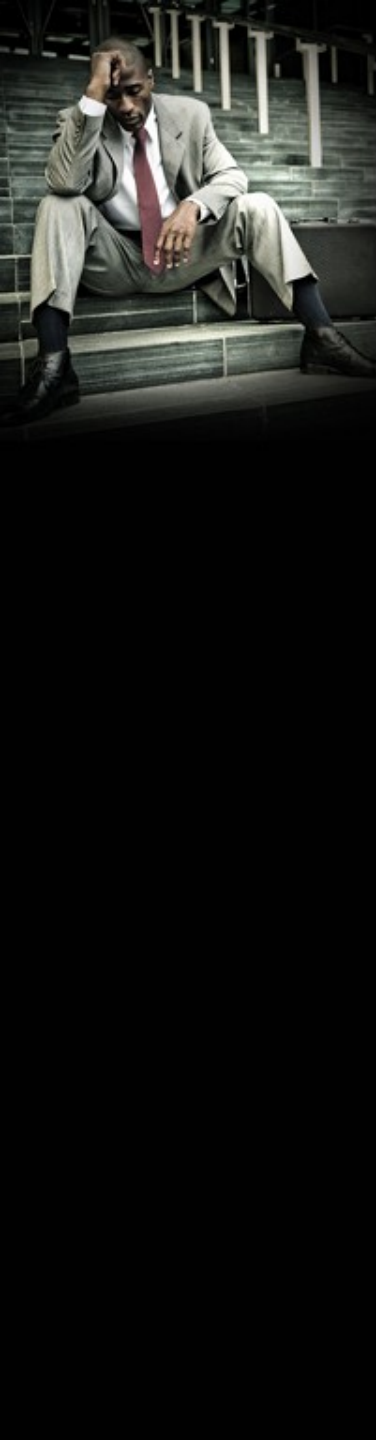
# Transformation of the Northern League to Lega

- From regional party to national movement
- Matteo Salvini's leadership (2013-present)
- Shift to anti-immigration and Eurosceptic positions
- Alliance with other European far-right parties



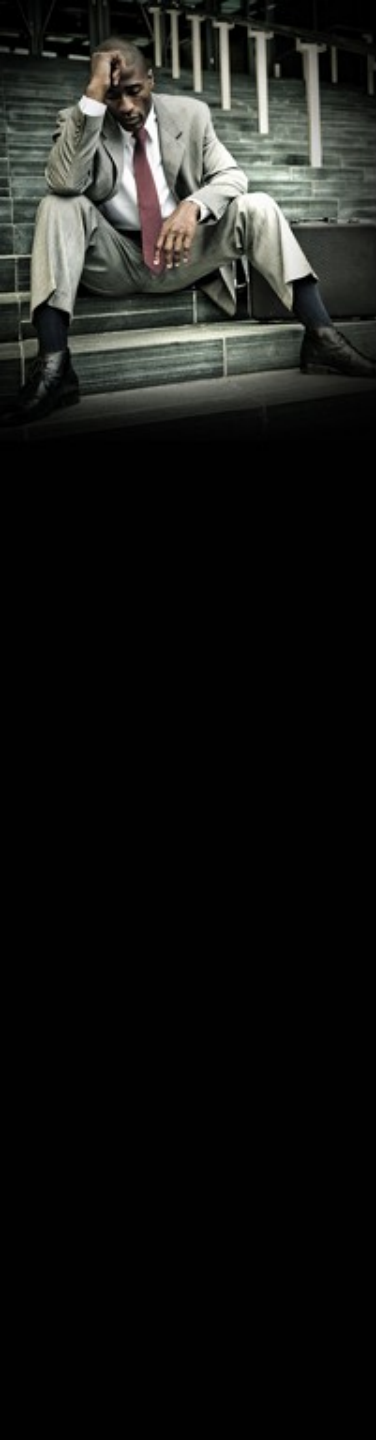
# Lega's Euro-critical Stance

- Opposition to EU fiscal rules
- Proposal for "mini-BOTs" as parallel currency
- Critique of Germany's role in the Eurozone
- Calls for greater national sovereignty



# The Debate on Exiting the Euro

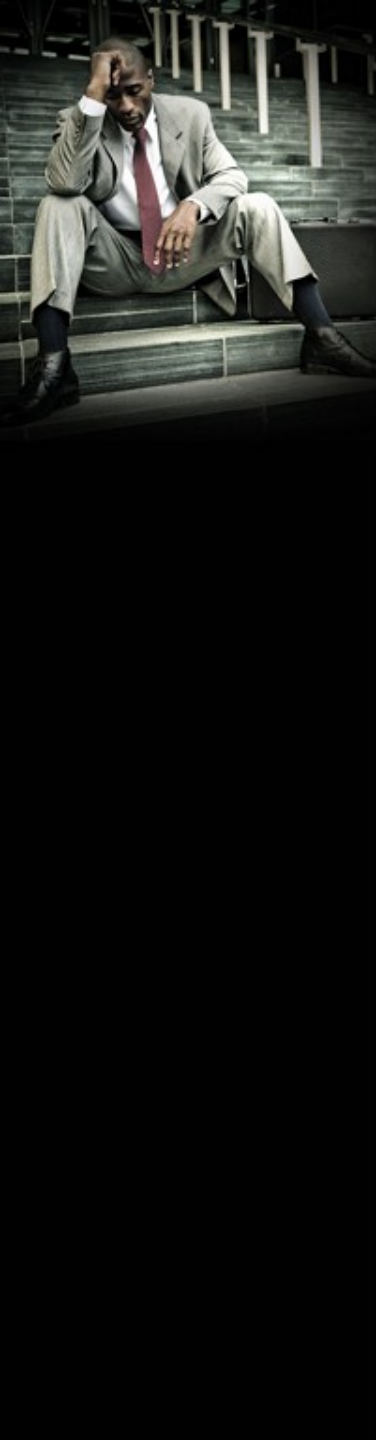
- Economic arguments for and against "Italexit"
- Legal and practical challenges of leaving the Eurozone
- Public opinion on Euro membership
- International reactions to Italy's Euro debate



# 2018 Elections and Government Formation

- Electoral success of M5S and Lega
- Formation of the "yellow-green" coalition
- Appointment of Giuseppe Conte as Prime Minister
- Initial confrontation with EU over budget





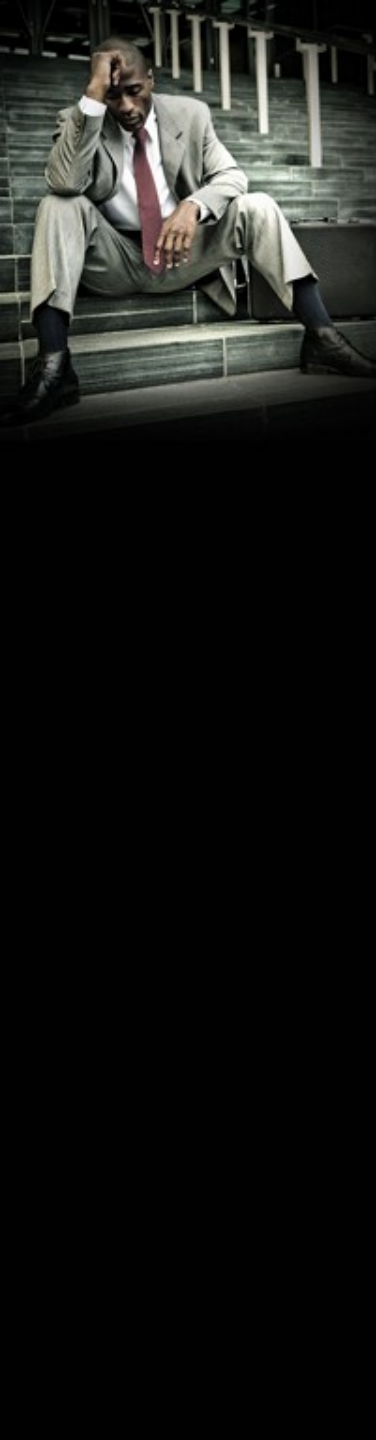
# Economic Policies of the Populist Government

- "Citizens' Income" welfare program
- "Quota 100" pension reform
- Attempts to increase deficit spending
- Tensions with EU over fiscal rules



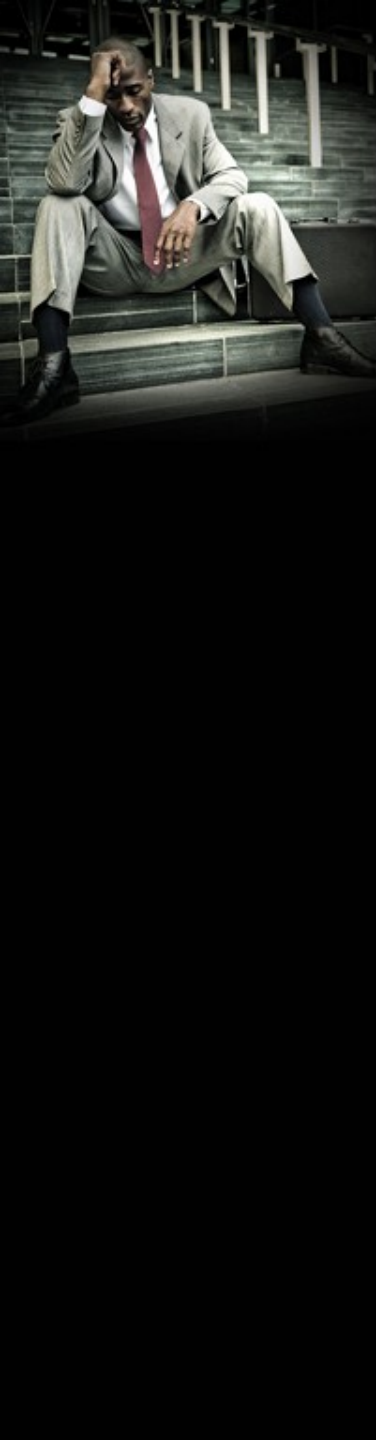
# Impact on Italy-EU Relations

- Deterioration of diplomatic relations
- Increased market volatility and spread widening
- Debates on EU reform and fiscal flexibility
- Italy's isolation in EU decision-making processes



# Changing Attitudes Towards Euro Exit

- Moderation of M5S stance on Euro
- Lega's evolving position on Eurozone membership
- Role of economic realities in shaping political discourse
- Public opinion trends on Euro membership



# Lessons from the Populist Experience

- Challenges of translating anti-EU rhetoric into policy
- Constraints of Eurozone membership on national policies
- Persistence of structural economic issues
- Ongoing debate on Italy's future in the EU and Eurozone