

ITFA 29th Conference- Livorno 2019
Round Table: *The future of the European Union*
Vittorio Valli, University of Turin

- **Luigi Einaudi, a well known Italian economist (who, after WWII became governor of the Bank of Italy and then President of the Italian Republic) wrote in 1917 and reiterated in 1947:**
- **“the European States have become a “historical anachronism.....”.**
- **«... the worst enemy of civilization and of prosperity... is the myth of the absolute sovereignty. This deadly myth is the real generator of wars; it arms the states for the conquest of their vital space; it pronounces the excommunication against the immigrants from the poor countries; it creates the trade barriers and, impoverishing the populations, it pushes them to imagine that going back to the predatory economy of the savages, they could conquer wealth and power...”**

Einaudi's Vision

- **The first statement is due to the fact that in an era of semi-continental states, as the United States and the Soviet Union, the single European states were small and weak and they were doomed to decline as in the XVI Century it had happened to the rich and proud, but small, Italian towns, republics and seignories confronted with larger and powerful national states as Spain and France.**
- **The second statement urges the need to create a real United States of Europe in which the national governments “...will renounce to a part of their sovereignty to the advantage of a house of Deputies elected in proportion of the number of inhabitants and a house of the states.. where each state could have one Representative... “**
- **Something has been made on this direction, but how far are we from Einaudi 's vision!**

Shares of world GDP (PPP) in selected countries between 2016 and 2050 (Sources: IMF, PwC)

