



### THE ASYMMETRY BETWEEN THE REFORM OF THE STABILITY AND GROWTH PACT AND THE TEMPORARY STATE AID FRAMEWORK

The industrial policy plan, named Green Deal, set out by the European Commission, has the aim to eliminate net emissions by 2050. The new industrial revolution is characterized both by the innovation and diffusion of renewable energy sources and by the possibility of their use by companies, through the modernization and the creation of new green industries.

The Green Deal identified State aid as one of the financial tools for the creation of a zero-emission industry. The Commission has enacted temporary provisions in this regard. So the implementation of the green transition will hit the finances of Member States. In fact the State aid will burden the state budget, increasing public spending necessarily.

In parallel with the growth of the public deficit, the Commission, incomprehensibly, carries out an opposite conduct through the reform of the Stability and Growth Pact, thus frustrating the green transition. States are obliged to keep public spending under control. Furthermore the cost of State aid is not excluded from state budgets.

This inclusion will lead to market fragmentation, in the short term. In fact, the States, which have a financial condition next to the parameters of the Pact, will be able to grant aid. Those companies, by the fact that are located in States characterized by virtuous balance sheets, will assume, on the base of granted measures, a position of pre-eminence on the internal market, thus reducing competition from other industries, that are established in Member States afflicted by a very limited capacity of spending due to high levels of public debt.