

# Van Wittel/Vanvitelli Roundtable Policy Report

by Eleonora Poli, Monika Sie Dhian Ho and Brigitte Dekker



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#### ABSTRACT

On 14 December 2020, the Istituto Affari Internazionali (IAI) and the Clingendael Institute, in cooperation with the Italian Ministry of Foreign Affairs and International Cooperation and the Dutch Ministry of Foreign Affairs, and with the support of Fondazione Compagnia di San Paolo, organised the second edition of the Italian–Dutch Van Wittel/Vanvitelli Roundtable. The event aimed at identifying new synergies both at the bilateral and multilateral levels on the implementation of the Next Generation EU plan and on the improvement of migration and labour market integration policies.

Italy | Netherlands | European Union | Migration | Labour market



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#### Introduction

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Ferdinando Nelli Feroci, President of the IAI, and Tom de Bruijn, President of the Clingendael Institute, opened the event by emphasising the importance of this Italian–Dutch dialogue as an initiative that goes beyond the Franco-German focus of the European Union to develop an effective, more Europe-wide collaboration, in this case between the Netherlands and Italy. After the welcome remarks, the Ministers of Foreign Affairs each gave inspirational speeches. The Italian Minister, Luigi Di Maio, emphasised the need for a more structural relationship between the Netherlands and Italy. While taking into account the different sensitivities and perspectives among EU countries, the success of the NextGenEU will depend

<sup>&</sup>lt;sup>1</sup> A video of the event is available in IAI website: https://www.iai.it/en/node/12437.

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largely on the ability of national governments to translate the plan into ambitious actions for vital economic and technological reforms. The Dutch Minister of Foreign Affairs, Stef Blok, highlighted shared values such as democracy and the rule of law, on which Dutch–Italian cooperation has been built. In a forward-looking view, the Minister discussed climate change, migration and strategic autonomy. While climate change is a separate issue from the COVID-19 pandemic, he posited that they both need to be tackled in synergy in order to create a resilient European Union. With regard to migration, the Netherlands and Italy must strive to prevent irregular migration, promote the return of irregular migrants and cooperate closely with the countries of origin and transit for mutually beneficial partnerships. Finally, concerning strategic autonomy, Minister Blok emphasised the need to maintain a strong EU industrial base and continue to strive for an open and free economy and society.

The discussion then developed in closed-door dialogues among experts, respectively focusing on NextGenEU and member states' priorities (Dialogue I) and on migration and the labour market (Dialogue II).

#### Dialogue I: Next Generation EU and member states' priorities

In Dialogue I, participants noted that, while containing the spread of the COVID-19 pandemic, member states need also to focus on climate change and the Paris Agreement. Within this framework, NextGenEU is certainly a unique opportunity for member states to develop greener and more resilient economies. While NextGenEU is a temporary recovery tool, it is up to member states to make it effective by implementing the structural reforms needed for more sustainable, equal and competitive national economies. Another objective of NextGenEU is to make public perceptions of the EU more favourable, both in Italy and in the Netherlands, and it is now up to national governments to live up to citizens' expectations.

According to the participants, the Italian government has acknowledged its responsibility to use the NextGenEU funds for the public good by tackling the various bottlenecks that currently limit economic growth. In implementing the NextGenEU plan, Italy aims to carry out three strategic initiatives: country-wide modernisation, ecological transition, social, territorial inclusion and gender equality. Within these initiatives, six missions are articulated: i) digitalisation, innovation and competitiveness of the production system; ii) green revolution and ecological transition; iii) infrastructure for mobility; iv) education, training, research and culture; v) social, gender and territorial equity; and vi) health. Italy is ahead of the Netherlands in organising the implementation of the recovery funds, due to the upcoming parliamentary elections in the Netherlands in March 2021. Nevertheless, the Netherlands is taking tax avoidance seriously. The criticism received from other EU member states translated into an ambitious plan consisting of unilateral measures to ensure that tax flows to low-tax regions will be avoided by taxing companies at source.

With the above in mind greater Italian–Dutch cooperation should aim at:

1) People, planet and prosperity: as with the G20 Italian Agenda, it was agreed that the people, the planet and their prosperity should be at the centre of the current Italian–Dutch cooperation. While governments focus on how to overcome the pandemic and meet the challenges of the economic recession, climate change and the need to implement greener economies should not be forgotten. The NextGenEU plan shows how different perspectives can come together: the Italians strive for greater fiscal integration while the Dutch focus on the importance of member states rebuilding stable economic foundations. This was possible because both countries shared the goal of creating more resilient and inclusive economies. To avoid rebuilding old economic models, national implementation plans, both in Italy and in the Netherlands, should develop coordinated green policies to put the EU on track for zero emission and achieve carbon neutrality by 2050.

2) Cross-cutting green policies: governments in Italy and the Netherlands should prioritise cross-cutting green policies across all their national agendas, as climate change has an impact on many policy areas, including health, inequality, social and economic inclusion. Moreover, the digital agenda should be directly linked to green policies, to support structural and sustainable reforms and connect economies at large.

3) *Greener financial sectors*: while "green" is becoming the new norm, both countries should facilitate the financial sector's incorporation of climate-related risk management. The governments of Italy and in the Netherlands need to stress the importance of sustainable investment. To date, over 70 central banks cooperate within the Network for Greening Financial System to advance greener investments.<sup>2</sup> Yet further action is needed. A good starting point could be the organisation of bilateral competitions on the most cost-effective green investments. National governments could also promote communication on the better guarantees green assets may provide to private investments.

4) Digital transformation: the governments of Italy and the Netherlands need to express support for an ambitious digital agenda. Digital transition plays an important part in the EU's economic recovery strategy and the Netherlands welcomes the guidance provided by the European Commission on this matter. The EU's policy to foster innovation is aimed to ensure a competitive market for all EU companies, irrespective of size and origin, and to strengthen the EU's digital single market, while at the same time securing fundamental rights and common EU values.

5) Local level inclusion: cooperation between Italian and Dutch green agendas should also include cities. Cities are key actors in developing and testing the

<sup>2</sup> For more information see the official website: https://www.ngfs.net/en/about-us/membership.

coherence and effectiveness of environmental policies and in responding to people's needs, especially those in conditions of socio-economic marginality. One idea posited was to implement town-twinning programmes to develop local cooperation in the design and implementation of green policies.

#### Dialogue II: Migration and the labour market

In Dialogue II, participants stressed the need for more effective and aligned migration policies. It was contended that the EU as a whole should develop coherent and effective partnerships with third countries based on shared interests, to stop human trafficking and irregular migration. While the EU needs to reform the Dublin system and the border procedures now in place, solidarity among member countries is essential, especially regarding the redistribution and the relocation of migrants. It is also important to go beyond the current narrative that is primarily focused on stopping irregular migration and on asylum. A new narrative focusing on controlled legal migration for work and study, as part of a sustainable migration partnership between third countries and EU countries, is long overdue. Moreover, in the upcoming years, climate migration will be increasingly visible and relevant.

According to the participants, in the last 20 years, the nature of labour migration partnerships developed by the Italian government has significantly evolved. The first-generation agreements were based on quotas. Today, partnerships and similar models are based more on the circular mobility of labour migration, with the promotion of vocational training to foster youth employability in partner countries. Dutch experts at the roundtable stressed that, in the Netherlands, regular migration has a significant impact on society, increasing the Dutch population by 100,000 annually. In addition to the potential negative impact on society, such as housing shortages, the positive elements of regular migration need to be quantified, and the potential for legal circular migration explored in order to create a balanced overview and help policymakers to navigate through the complexities of the issue.

Within this framework, it was recommended that greater Italian–Dutch cooperation in the field of migration and labour market integration should aim at:

1) Positive narratives on migration: Italian and Dutch national narratives developed around migration should allow for positive framing, to avoid depicting migration only as a problem rather than as an opportunity. Migration should be more than asylum policies and security issues. There are several positive aspects of migration relating to economic and demographic development, infrastructure development and cultural exchange that Italy and the Netherlands should better explore and quantify.

2) Ambitious and multilevel partnerships: to date, coordination between member states and EU institutions to assess the level and the efficacy of partnerships with third countries is not sufficient for determining possible additional measures.

Adequate funding and political investment, as well as the involvement of civil society and labour organisations in third countries, are key to making such partnerships successful and sustainable in the long term. Moreover, legal (intellectual) corridors for talented individuals and for low- and medium-skilled workers should be created.

3) Digitalisation of information: more and better information on legal migration trajectories to various EU member states, and on individual potential migrants, would have a twofold result. On the one hand it could allow effective best practices to be replicated. On the other hand, the development of a digital portfolio of candidates for regular migration in state employment offices in the countries of origin, to be shared with relevant stakeholders, could support regular migration programmes based on national labour market shortage, ensuring a good match between the employer and the third country employee.

4) Circular migration and EU status: the Netherlands and Italy should share best practices on circular migration. Talent schemes that allow migrants to receive training in an EU country and then work remotely for the same company but under conditions relevant to their country of origin are promising. Migrants should also be allowed and encouraged to apply for EU status that enables them to work in countries across the EU. The ICT sector may be particularly suited to such a proposal. It is always important to take into account the aspirations and capabilities of potential migrants in these schemes, to find a common denominator that serves the interest of the migrants, the country of origin and the guest country in the EU.

#### Conclusion and follow-up/prospect

The Van Wittel/Vanvitelli Roundtable is a unique opportunity for Italy and the Netherlands to positively engage in dialogue and explore new synergies. The year 2020 was challenging for both Italy and the Netherlands, and yet the two countries have the potential to cooperate further on post-COVID recovery plans and reconstruction as well as on the management of migratory flows. Despite differences in ideas and rhetoric, Italy and the Netherlands both prioritise the development of more inclusive and sustainable economies and a more effective labour market integration system, especially given their shared challenge of migration. In this respect, the Roundtable was successful in allowing participants to have an open and frank conversation and identify key policy recommendations for fostering effective cooperation. At the next round table, every effort will be made to identify specific niches and synergies for bilateral cooperation and cooperation within the EU and to broaden participation to include people from a greater diversity of backgrounds, including from the private sector.

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