
Deposits and Loans Fund, from postal savings to Autostrade. But profits are needed

Who knows whether some 27 million Italians purchasing postal savings bonds and passbook savings accounts are aware that a large share of the billions raised by Poste Italiane – the Italian postal service - (€265 bn in 2019) are made available to Cassa Depositi e Prestiti – CDP, Italian Deposits and Loans Fund- for its business financing activities, for various social initiatives and to purchase shares of large companies. They probably aren't. Citizens trust Poste Italiane, the Italian postal service, whose majority is State-owned, and consequently they also trust the somewhat mysterious acronym with a 145-year-long public presence, wanting much more due to its origins dating back to the Sabaudian Kingdom. *CDP has played a major role over the last few years; its intervention is requested to protect public interest in the economy or in desperate cases: ILVA, Alitalia, and now to restore to public ownership the toll motorway service Autostrade privatized in 1999 in favour of Atlantia owned by the Benetton family. The collapse of the Morandi bridge, that killed 43 people and left many displaced from their homes, with repercussions on the region's economy, forced former private management to step back into State ownership. Hence the toll motorway network managed by ASPI, Autostrade per l'Italia (Highways for Italy) has returned under government control, which plans to decrease its 51% to remain the largest shareholder with 30% of shares in a public company: in finance this term does not mean state-owned but refers to a publicly traded company, whose profits and dividends must be distributed among its shareholders. There is not much room to reduce motorway tolls. It is now up to the State to guarantee safety, quality maintenance and investments. The debate that sparked off in the last few hours, denouncing the reinstatement of "State-controlled policy"; "politics regaining dominance", the "revival of a new IRI" (Italian Institute for Industrial Reconstruction which, until the 1990s controlled banks, large companies eventually privatized),*

is, as often happens, markedly ideological.

CDP has some operational nuances that should be noted: it is a quasi-bank lacking direct branches, it is not completely controlled by the government since banking foundations own just over 16% and designate the president. This is another reason why CDP and, consequently, its subsidiaries and shareholdings, are not instantly included in Government budget; the same happens in France with CDC and in Germany with KfW. *If CDP - as in recent years - has a positive balance, there will be no problems, only advantages. However, should its administrators select negative investments, sooner or later Italian citizens will be faced with greater national public debt.* Managing a physical monopoly such as toll motorways is not that hard and the Benetton family chose Autostrade also because it was a "cash cow." It is not possible not to pay, and the money goes from the toll gate straight into the managers' pockets. A positive balance for Alitalia, and for other foreign companies, struggling with new losses and fierce competitors, aggravated by the Covid crisis, is a greater challenge. The most important shareholdings owned by CDP include Telecom Italia, Eni, Fincantieri and Poste Italiane itself. Now also Autostrade. *Probably more will come, all of them need to generate profits. For the benefit of public accounts and for the shareholders.* If not, the whole system will collapse.

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