Italy and the EU – what is the point in Euro countries debating economics in General Elections?

The biggest items in the Italian election were economic. Did the economy need a stimulus? Does Italy need lower taxes? Should it reverse some of the big cuts in spending made at the EU's request earlier this decade? Do people want a basic income from the state?

Voters answered clearly. In the north they wanted tax cuts and a boost. In the south they wanted better benefits and a boost. All across Italy they wanted to roll back the pensions cuts of 2011. They elected a Lega/Five Star government who set out to carry through their wishes.

To make the government more palatable to the EU they appointed a PM and a Finance Minister more to the EU's liking, with the two winning party leaders accepting Deputy Premierships. They constructed quite a modest budget by their standards, limiting how far they could go on tax, benefits and pension reform. The EU decided nonetheless to reject it and to tell them to produce a tougher one.

The EU argues that Italy has borrowed far too much in the past. The underlying reality it has also been borrowing too much recently, drawing down large sums at zero interest from the European Central Bank to keep its banking system liquid and to allow the state and companies to go on borrowing from banks. The custodians of the Euro are worried by the scale of this, now at Euro 500bn, and want to call a halt to it. They insist that if you are in the Euro the EU tells you how much you can borrow, as it is a matter of common interest. If a state does not comply the EU sends detailed proposals on taxes and spending to try to get a compliant budget. If the state still does not comply it will be fined. The ECB could also take action to make things very uncomfortable for Italian banks and the wider economy, as it did to Greece and Cyprus.

Greece went through this argument and lost. The radical Syriza government desperate to lift Euro austerity buckled when pressure was applied to the banking system. The absence of ECB support meant the banks had to close for some of the time and limit people's access to their own money. This makes carrying on normal business very difficult. They discovered that if you want to stay in the Euro the EU decides your budget. Italy says she wants to stay in the Euro, so she will be told the rules do apply for her.

What should the leaders of the Italian government do in this situation? They have a General Election mandate which the EU intends to veto. What is the point in General elections debating big economic issues, if the national government is not in charge? Who is and who should be accountable for Italy's budget? When will the EU complete the architecture of its political union, to make its power more accountable somehow?