

As Others See Us

Judith Harris (February 09, 2014)



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ROME - In his poem "To a Louse", inspired by seeing one of the tiny beasties crawling on a lady's hat in church, Robert Burns wrote, O wad some Pow'r the giftie gie us/To see oursels as ithers see us. Indeed, this is a good moment to consider how others are seeing Italy and advancing suggestions on What Is To Be Done. Otherwise these are days stasis.

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who heads the government in the name of the Partito Democratico, are expected to remain at polite loggerheads with no definitive solution over the future of the government. Behind their jittery quiet lurks the risk of new elections, which both say they do not want. Given this time vacuum, a consideration of the points of view of political outsiders, both Italian and foreign, may be useful.

First, the somewhat ominous political agenda:

--Feb. 15 - The crucial Chamber of Deputies debate begins Tuesday over the revised electoral law dubbed the "Italicum," elaborated by Partito Democratico (PD) secretary Matteo Renzi and former premier Silvio Berlusconi of Forza Italia. If it does not pass a government crisis may result.

--Feb. 20 - The PD meets for the second time so far this year for a "countdown," in the words of Corriere della Sera. Renzi is demanding immediate enactment of reforms or else the government will sink like a stone.

--Feb. 21 - Premier Enrico Letta's law decree which goes under the name "Destinazione Italia" goes before the Chamber of Deputies for enactment. The decree is aimed at making Italy more competitive abroad and more attractive to foreign investors (he is just back from Abu Dhabi where he negotiated an investment).

--Feb. 21 - The Senate is to vote on a prison reform bill nicknamed "Svuota Carceri" (Empty Prisons). In what became a formal vote of confidence the bill, which would release convicts with minor offenses but also some with convictions for Mafia, has passed in the Chamber of Deputies, but continues to be contested by Beppe Grillo's Movimento 5 Stelle (M5S) and the Northern League.

--Feb. 26 - A bill which would promote political transparency by eliminating much of the public financing of political parties by 2017 must be voted by the Senate or lapse. Letta's Council of Ministers approved it as a law decree in December. It was passed in the Chamber of Deputies in mid-December with 288 votes versus 115 nays and 7 abstentions.

In the meantime, others are speaking. At January's 44th World Economic Forum at Davos the struggling Italian economy was analyzed by several prestigious participants. Harvard economist Kenneth Rogoff called the youth unemployment statistics, with Italy stalled at 50%, "really horrific" for the loss of the valuable resources of its youth. British businessman Sir Martin Sorrell agreed: "You cannot have a situation where 50% of your young people are out of work.... It is politically and socially unacceptable." Sorrell said he is concerned that, between the "bookends of Europe" (i.e., the UK and Germany), the three big problem areas remain France, Spain and Italy, which is "bumping on the bottom."

Many are pleading for more attention to be paid to Italy's culture heritage as an economic tool. Making a strong case for this is economist Marco Magnani, 40, in his new book *Come sara' l'Italia del 2020, Sfide e opportunita' di crescita per sopravvivere alla crisi* (Italy in 2020, Challenges and grown opportunities to survive the crisis, published by Utet). "Culture is our shale gas," says Magnani, a graduate of the University of Rome with a master's from Columbia and experience at J.P. Morgan in New York, Mediobanca in Milan and in U.S. think tanks. He considers culture a source of development because it encourages the sort of creativity which has always distinguished Italy.

Magnani criticizes Italy for devoting too little attention to research and development. Italy's R & D investment amounts to only 1.25% of its GDP, miniscule when compared with that of Finland (3.78%), Germany (2.84%) and France (2.25%). In a recent interview with Riccardo Stagliano of *Il Venerdì*, Magnani urged what he terms "low-cost innovation. By this I mean not only technological innovation, but innovative production methods, logistics, organization and governance." Smaller and mid-sized companies, which are the heart of Italian manufacturing today, should make greater distinction between family ownership and the management.



Specializations within the framework of culture should be encouraged along with creation of more schools where they are taught, essential for creating jobs as art restorer, exhibition curator, shipper and insurer and in cinema, music and the like. "The tourist 'mines' should be our country's key industry and exploit the role of the principle cities while rediscovering the provinces, their foods and wine, their fairs and crafts."

Others are demanding greater emphasis on the cultural heritage, but in other ways. Last week the Financial Times reported that Italy is suing the big international ratings agencies for damages because, in their drastic downgrading of Italy last year, they did not take into account the wealth represented by the nation's rich and complex heritage, from the Colosseum to movies like La Dolce Vita. There seems to be no lawsuit yet, but a magistrate is examining the possibility.

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