



## SPRING 2010 REFORM BAROMETER - ITALY

### 1. SUMMARY TABLE

<u>Italy</u>				<u>Rank among 29 **</u>			<u>Relative Gap</u>	
	2008	2009	Change	2008	2009	Change	EU 5 top performers 2009	Gap to EU 5 top performers 2009
<b>GDP per capita (Purchasing Power Parity - PPP)</b>	<b>24957</b>	<b>23341</b>	<b>-6.5%</b>	15	15	0	LU, IE, NL, AT, BE	-31%
<b>GDP per capita (€ at 2000 prices)</b>	<b>21336</b>	<b>20226</b>	<b>-5.2%</b>	14	14	0	LU, DK, SE, IE, UK	-41%
<b>Labour Utilisation (Annual hours worked per capita)</b>	<b>697</b>	<b>674</b>	<b>-3.3%</b>	25	24	1	CY, SI, GR, CZ, PL	-24%
Annual hours worked per person employed	1802	1773	-1.6%	13	13	0	GR, HU, PL, SI, CZ	-12%
Employment as % of labour force (100-unemployment rate)	93.2	92.2	-1.0	19	13	6	NL, DK, AT, CY, LU	-3
Labour participation (labour force as % of active population)	63.0	62.7	-0.4	26	27	-1	NL, DK, SE, DE, UK	-20
Dependency ratio (working age population as % of total population)	65.9	65.8	-0.1	27	27	0	SK, PL, CY, CZ, RO	-7
<b>Labour Productivity (GDP per hour worked, in PPP)</b>	<b>32.8</b>	<b>31.7</b>	<b>-3.3%</b>	15	15	0	LU, BE, NL, FR, DE	-26%
<b>Labour Productivity (GDP per hour worked, € at 2000 prices)</b>	<b>28.0</b>	<b>27.5</b>	<b>-2.0%</b>	14	14	0	LU, SE, BE, DK, FR	-42%
Capital deepening (capital stock per hour worked)*	4.9	5.0	1.2%	13	14	-1	IE, FR, LU, AT, SE	-14%
Total Factor Productivity (level of economic efficiency per hour worked)*	5.7	5.5	-3.2%	14	14	0	LU, UK, DK, SE, BE	-36%
<b>Corporate Investment (private investment excluding non-residential, % GDP)</b>	<b>12.9</b>	<b>10.9</b>	<b>-2.0</b>	12	10	2	BE, RO, AT, DK, SK	-2.2
<b>Current Account Balance (as % GDP)</b>	<b>-3.0</b>	<b>-2.4</b>	<b>0.6</b>	12	18	-6	LU, SE, LV, DE, EE	-8.8
<b>Export market share measured in volume relative to main 35 trading partners (from 2000)</b>	<b>-24.2</b>	<b>-30.1</b>	<b>-5.8</b>	29	29	0	RO, LT, HU, CZ, PL	-84.8
<b>Unit labour Costs relative to main 35 trading partners (from 2000)</b>	<b>6.1</b>	<b>7.2</b>	<b>1.2</b>	15	16	-1	DE, PL, AT, SE, GR	14.3
<b>Government gross debt (as % GDP)</b>	<b>105.8</b>	<b>114.6</b>	<b>8.8</b>	29	29	0	EE, LU, BG, RO, LT	96.7
<b>Net lending/net borrowing of general government (as % GDP)</b>	<b>-2.7</b>	<b>-5.3</b>	<b>-2.5</b>	17	15	2	BG, DK, SE, LU, FI	-3.3
<b>Required budgetary adjustment related to ageing (as % GDP)</b>	<b>N/A</b>	<b>1.4</b>	<b>N/A</b>	N/A	8	N/A	PL, EE, HU, BG, SE	1.3
<b>Public Investment (as % total public expenditure)</b>	<b>4.9</b>	<b>5.2</b>	<b>0.3</b>	23	22	1	BG, RO, EE, CZ, PL	-11.1
<b>Tax burden (as % GDP)</b>	<b>42.8</b>	<b>42.8</b>	<b>0.0</b>	24	26	-2	LV, RO, IE, SK, LT	14.9

**Note:** Labour utilisation and productivity are a product of its sub-components.

\* Rank refers to EU15   \*\* EU 27, Norway and Switzerland

Source : European Commission, Eurostat

A methodological note can be found in the report or [here](#)

Note: Italy's low score on export market shares needs qualification. Its export performance in constant prices presented in the table above is in contrast with that at current prices and seems to not fully reflect the improvement in product quality made by Italian firms in recent years. Further improvement in the measurement of export prices is warranted.



**2. PRIORITIES FOR REFORM: ANSWERS FROM CONFINDUSTRIA (ITALY)**

	1. Priority areas	2. Concrete Recommendations	3. Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	<b>Competition policy framework</b>	Simplification of the business regulatory framework; reform of the Public Administration; reform of the fiscal system.	X	
Priority 2	<b>Sector-specific regulation (telecom, energy)</b>	Liberalization of the services sector by removing, in particular, all legal barriers to competition in many services and professions.		X
Priority 3	<b>Education and life-long learning</b>	Reforming the education system in order to increase the percentage of graduates and highly skilled professionals among the population. Developing training programs aimed at re-introducing in the labour market people who have lost their job.	X	
Priority 4	<b>R&amp;D and Innovation</b>	Incentives should be introduced to invest in R&D and facilitate the use and installation of new technologies in production processes.		X
Priority 5	<b>Active labour market policies</b>	Policies must be implemented to enhance labour participation, especially among women. There is also the need to raise the retirement age or encourage workers to voluntarily postpone their retirement age.	X	