

What It Takes to Realize Italy's Potential in the World

Letizia Airos (May 06, 2017)



Having coffee in New York with the president of Italy's Confindustria doesn't happen very often! But we got the chance to sit down with Vincenzo Boccia at the end of a lunch organized by the GEI (Gruppo Esponenti Italiani), where Mr. Boccia was being presented with a special award by GEI President Lucio Caputo.

Mr. Boccia, could you start by briefly explaining to our American readers what Confindustria is?

Italy is the second largest industrial country in Europe after Germany, and Confindustria is the largest trade association in Europe. We have 160,000 associates. Ninety percent of them are small to medium-sized companies with up to 100 employees, which reflect the structure of Italian industry. Our confederation is organized by industrial sector and is present in every Italian city. We support our associates in a variety of ways and we formulate policy proposals aimed at facilitating [their] growth.



Now would you tell us a bit about yourself?

I was born in 1964 in Salerno, a city in southern Italy. I graduated in Economics. I then joined the family business, a print-based graphics company now in its second generation. In theory, the industry shouldn't have a future, but that's not the case. True, the Internet caused a reduction in the amount of print material, but it actually broadened the printing industry market. By now, over 30% of our income comes from the European market. Later I developed a passion for associations, which led me to Confindustria through my involvement in the Young Entrepreneurs Association in my city. Less than a year ago, I became the president of Confindustria. If I have to present myself, that's what I would mention: my interest in economics, my passion for trade associations, and my love for my work—and for my country, naturally.

There have been two “firsts” for you recently: the first time in America and the first time as the President of Confindustria. Can you tell us about your trip in the US and what preceded it?

I traveled to Washington where we had a very interesting roundtable discussion at the Italian Embassy involving Confindustria, the Italian Bank Association, Bankitalia, and the Ministry of Economy and Finance. We strove to create a narrative for our country, its present conditions as well as its future potential. It's a way of connecting and working as a larger system, not only in the United States, and of telling the world about our recent progress in economic policy and explaining the benefits of investing in our country, because recently there has been a series of interesting “pluses.”

And you're correct. There are two firsts. A few weeks ago we met in Rome for the B7 Business Summit with the trade agencies of the seven most industrialized countries in the world. We signed a document against protectionism, which was approved by everyone, including the U.S. Chamber of Commerce. That document represented our shared idea of an open, inclusive society—a society in which growth and the economy have to be the prerequisites to eliminating inequality and poverty. This is consistent with Italy's industrial culture: a country's growth cannot and does not need to be the goal, but it must be the prerequisite to realize a different vision of society for the medium and long term.

Such vision is all the more significant coming from the Europe's second largest manufacturing industry. But it isn't well known, neither abroad nor in Italy. Why do you think that is?

It's not well known at all in Italy! Only 30% of Italians know it. In the past, we developed a tendency to draw attention to our conflicts rather than our potential—we even when we went abroad. This has to be corrected. In our Washington meeting, data from the WTO—not from our Centro Studi—revealed that out of 14 macro-sectors in the world economy, Italy is first in 3 of them, second in 5 of them, and sixth in 1 of them. In other words, in 9 out of 14 macro-sectors Italy is top tier. Evidently, we tend not to grasp who or what we are in relation to the world nor what we could be if we resolved at least some of our conflicts and stood as a cohesive system.

What can Italy do to reach that goal? Though a few large businesses do exist in Italy, the overall industrial structure is still fragmented into a host of small and medium businesses. What needs to happen to implement your vision for the future?

We have a few challenges to face. Some of them come from inside the industrial world. Italian businesses need to grow dimensionally as well as culturally. We need to build honest relationships with unions, a system of industrial relations based on collaboration to increase competitiveness. We call it “the salary-productivity exchange”—that is, increasing the productivity of a company must also mean increasing its workers' salaries. And we also need to work with the banks in order to bring them closer to the actual needs of the economy.

As for the country more generally, I think Italy must avoid short-term thinking—based on the next round of elections—and put forward its own idea for the future. We need to rebuild a vision of the country with a medium-term plan, to understand where we want to be, and to jointly take



responsibility and make sure that we are on a common path that works in the interest of Italy and the world.

I wonder if you could comment on Southern Italy. It is so often portrayed as an idle, stick-in-the-mud region, when in fact it has great energy.

What you said is exactly right. What we see from the data is that in any given area of the country—Southern, Central, Northern—we have businesses that are doing very well, very bad, and average. It's no longer a question of latitude. What has been missing in the South has been missing in all of Italy: an adequate attention to the so-called industrial question. But that is becoming increasingly clear, as you can see from the government's recent economic policies. In the past few weeks, the Senate approved a law providing tax benefits for those who invest in the South. You can't immediately reduce taxes for all Italy, but you can provide these types of incentives to investors. We started with the South, and positive results will be seen in the near future.

There is a human aspect emerging from this conversation. You talk about community. I know that in Washington you also visited NIAF, so that concept includes Italian communities living abroad. How important is a sense of community to you?

I believe that the sense of community is the essence of a country. One legitimate criticism of Italy is that for a period in our country's history, we lost that sense of community, which is the foundation of building a common vision. As Goethe said, it is not important that we get along but that we "strive in the same direction." In order to strive in the same direction, you have to feel you belong to a community. Sense of community is essential to Confindustria, and it gains a double significance for us, since we also see ourselves as part of the world community. It is something we must recover, and we have to do it by constructing a fresh narrative of the country and by building relationships with other countries' communities, including the Italian communities living abroad, without exclusion, with a strong dose of modesty and humility.

I have been living here for 20 years now and have this growing feeling that my fellow citizens in Italy are not aware of the love that the world feels for Italy. Don't you think that we should better reflect on this aspect when promoting our country? Love of Italy is a huge resource...

I always say, "A country dies of conflict but thrives on debate." It perfectly sums up what you just said. Firstly, we need to be aware that we live in a great country, that when we talk about beauty and balance, we are talking about Italy. We have to be more responsible when we talk about our country. It's a matter of cultural identity. We must create a different narrative from the one that perpetuates negativity; we cannot allow that narrative. We need a positive vision to realize Italy's potential in the world.

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