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COMUNICATO n. 1389 del 02/06/2015

The Minister of Economy and Finance visits the Festival

PIER CARLO PADOAN: "IN EUROPE WE NEED MORE AMBITION AND RISK SHARING "

From the process of European integration, the question of pensions and prospects of growth to Greece's possible withdrawal from the Euro and the main priority for Europe, unemployment; Pier Carlo Padoan, Minister of Economy and Finance and the protagonist today at the Festival, touched on many issues. Interviewed by Ferdinando Giuliano from the Financial Times, the Minister exchanged ideas with Daniel Gros, Director of the Centre for European Policy Studies in Brussels on the stage of the Teatro Sociale.
"The economic data for the first three months", said Padoan "tell us that we are going in the right direction, although I remain cautious. Later on I expect even more favourable signs of growth and demand; investment will begin to increase and this is already happening. In this way the climate will change and there will be increased confidence, with positive prospects for employment, while consumption is also starting to pick up".-

Europe needs greater integration, knocking down the barriers that still exist, but above all sharing the risks. Pier Carlo Padoan continued to insist on this during the course of the session. "The monetary policy of the Central Bank has been very useful for introducing liquidity to the system", he stated at the beginning "but it is only a window that sooner or later will close. Governments must take advantage of this opportunity in a responsible manner, in order to pass the structural reforms that the President of the Bank, Draghi, talks about continually. In Italy we are doing this; Parliament is currently discussing measures related to competition that introduce further deregulation, while reform of the civil justice system and education is in arrival, elements making it possible to create the right environment for investment by companies".
Questioned on the subject of pensions, the Minister clarified that the government has no intention of going back on the Fornero reform. "However, we are evaluating the possibility of considering forms of flexibility for retiring", he explained "leaving the world of employment slightly early in exchange for appropriate pension benefits, a choice that could also facilitate the entry of younger generations". Padoan was then asked about the so-called Grexit, namely Greece's withdrawal from the euro. According to Daniel Gros, even in Athens nobody knows exactly what will happen. "The Grexit is undoubtedly possible, but not to be wished for", said the Minister: "nobody can say today how Greece's withdrawal could be managed, but undoubtedly the euro zone would be different from the one we imagined, namely reversible, with the possibility of leaving". At all events, the Minister reiterated that he is convinced that an agreement will be reached: "It is a question of taking a last political step not towards the void or towards the dark, but rather thinking of it as a narrow and painful route, necessary for the purpose of the country's growth and recovery".
Immigration was also discussed, recalling that the problem concerns the whole European Union. "It is a question of understanding to what extent the approach can be national and when Europe needs to step in and of recognising European frontiers and European questions, including humanitarian issues" stated the Minister."The refugee problem is complex", he added "due to the variety of reasons for which people move and the various reasons of those who intend to accept immigrants or refuse them".

Finally, it was the turn of the unemployment issue, the fundamental problem for the eurozone according to the Minister, who recalled that Italy sent Brussels a proposal promoting common support for unemployment measures based on greater risk sharing. "I know that it cannot be implemented in many countries", said Padoan "but it is indispensable for a very clear reason, which yesterday's elections perhaps reminded us, namely that the EU must be seen as the solution and not as the problem". In this context the Minister hoped for greater ambition from European countries. "More integration is needed", he affirmed "knocking down barriers and creating common mechanisms for growth. There is an enormous potential that must be exploited. "Precisely now that we are coming out of this great recession, we must be aware that it is necessary to adjust the European framework".
"The question of unemployment cannot be solved completely and immediately", answered the Minister in response to a question from the public at the end of his presentation at the Teatro Sociale "but I am convinced that we are going rapidly in the right direction, more rapidly than one might think".
"Unemployment", he concluded "including youth unemployment, is at the centre of the government's concerns and is being dealt with through a series of reforms". -

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