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**Meeting with Manuel Valls in the Santa Chiara auditorium**

## **RENZI: RECOVERING CREDIBILITY TO CHANGE EUROPEAN POLICY**

**The meeting taking place today in the Santa Chiara auditorium in Trento between the Italian Premier, Matteo Renzi and the French Prime Minister, Manuel Valls, was marked by harmony at human and political level, as they responded to the questions of the journalist Lilli Gruber. There was wide-ranging discussion of many issues of international relevance, from economic growth, employment, reforms and the role of Europe, to the response to immigration, combating populism and alternatives to budgetary rigour to create development. The recovery of credibility for Italy and reform of the public administration are the main objectives for the Italian government.-**

The meeting between Renzi and Valls began with some entertaining quips, which gave a clear idea of the climate between the two political leaders, as regards who should be placed more to the left, in relation not only to the presenter, but also the political panorama. The first question for Valls was indeed entirely political: what does being left-wing mean today? According to the Prime Minister it means abandoning existing dogma and considering reforms in a positive light. For Renzi, in pre-election silence in relation to internal policy, "giving reformism the ability to attract dreams is a magnificent challenge", whereas the dogma of the radical wing of the left in relation to employment law should be abandoned.

As regards the legitimisation of the two governments, the Italian Premier recalled that in both France and Italy it is a parliamentary vote of confidence that legitimises the Prime Minister. In terms of political commitments, Renzi said that he is ready for the challenge of changing European economic policy: "The idea that European policy should be based only on austerity and rigour is unacceptable", he stated. "Europe must invest in growth and change direction. Italy will aim for this, once it has carried out the reforms it needs and recovered credibility, asking Europe if there is any sense basing policy on austerity alone". To explain why European policy needs to be changed, Renzi took as an example the Municipality of Trento and the cuts it has made in public investment. The equation is easy: a high level of debt means cuts in investment, this has a negative effect on growth and contributes to further increasing debt.

On fiscal matters Valls recommended prudence and recalled that growth takes place both by reducing the tax burden for companies and by increasing the spending capacity of families. "We must consider whether an idea of Europe capable of more intense growth is necessary to combat populism" said Renzi. "The idea behind the Treaty of Lisbon has failed, the dream of a Europe leading the world has not worked. Today we must focus on innovation, talent and quality; the model based on austerity alone has failed".

As regards finance Valls recalled that while Europe has done much to regulate the field, there is still a lot to do around the world. "Finance is not the enemy", echoed Renzi "but it must act as a stimulus for the real economy, as took place in Florence in the 13th century, and not represent merely speculation. I prefer the stock exchange to relational capitalism".

According to the French Prime Minister, France must deal with three problems: very high public spending that needs to be reduced; the excessively high level of unemployment which has existed for many years and must be eliminated; the loss of competitiveness. "Without reforms", said Valls "no progress at all can be made". "With the Italian employment reform", added Renzi, "it is easier to hire people, and this is left-wing". "It is necessary to introduce flexibility for small and medium-sized enterprises", explained Valls "without forgetting that France and Italy are in the G7 because they are major economies. We must carry out

reforms together in order to impose ourselves on the European scene and encourage growth ".

"If we had implemented reforms earlier", recalled the Italian Premier "today we would be in a different situation. Italy missed a major opportunity. Despite this we are two great countries, also in economic terms. Around the world there are 800 million new consumers about to enter the market and looking for beauty and quality, and here Italy and France come into play. Jobs are created in factories, by removing obstacles for entrepreneurs. We must not be afraid of those who create jobs". For Valls, being left-wing means fighting inequality.

The discussion was then dominated by the question of immigration. Renzi recalled that for the first time immigration has become a European issue. However, international cooperation projects should be reintroduced. "With the economic and demographic growth of Africa", explained Valls "if the European Union, which was set up with the task of reconciling peoples and nations after wars, does not concern itself with what is happening in the south, the problems faced today will be nothing as compared to those we face tomorrow. A common project is needed to support Africa and Italy must be able to count on the solidarity of other European countries and thus also of France ".

"Presenting an idea of Europe based on bureaucracy and austerity", added Renzi "means giving a helping hand to those who say it should be destroyed ". In Italy, recalled the Premier, there is inequality not only between generations and social classes but also between geographical areas. "I believe", he said "that the left-wing reduces inequality; this does not mean ensuring that everyone arrives at the same point, but rather allowing them all to start from the same level".

According to the French Prime Minister, terrorism, economic challenges and the question of identity are among the most demanding issues to be dealt with and he concluded by saying that "the left-wing must speak to all social classes". "For us", concluded Renzi "the biggest challenge is public administration reform. It is a question of dignity. I don't know how long it will take us, but we will sort out the system ".

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