RECOMMENDATION 1. CORONA BONDS

The COVID-19 health emergency runs the risk of having devastating effects on the economic systems and the response can only come from the European Union.

In recent days, the European Commission has launched a 100 billion euro plan for the European reinsurance of income support instruments for workers.

The plan is a first and partial response to address the complexity of this crisis in terms of income and employment protection, as well as the fight against poverty.

Europe can and must do more.

There is only one strategy that is both mandatory and successful: the significant increase in public debt to support companies and workers.

It is therefore necessary for the European Union to issue also common debt instruments (Eurobonds) guaranteed by a European institution in order to allocate resources to support the European health system and an extraordinary plan of investment in tangible, intangible and social infrastructure, taken out of the deficit calculation.

RECOMMENDATION 2. TAX ISSUES

In Italy the tax burden on workers and pensioners is one of the highest in the European Union.

With the 2020 Budget Law and the related decree implementing the agreement reached between the Government and the social partners, the tax wedge on labour has begun to decrease.

A comprehensive tax reform focused on the constitutional criteria of progressivity and equality needs to be implemented so as to reduce the tax burden on wages and pensions and envisage a negative tax for the poor people.

A comprehensive review of local taxation should also be carried out, also through a fairer distribution of the real estate taxes.

The Covid-19 emergency makes the fight against tax evasion and the recovery of tax claims even more essential to support labour and pension incomes.

Measures have been taken in the last Budget Law to combat tax evasion, but we need to continue along this path.

RECOMMENDATION 3. INVESTMENT and REGIONAL GAPS

Public investment is important to foster economic growth and have a positive impact on private investment and employment.

In Italy the downward trend of public investment is continuing: in 2018 it fell to 2.1% of GDP, compared to 2.2% in 2017, while in the pre-crisis period (2008), it was 3% of GDP.

We need to implement an investment plan that can envisage a yearly 0.3% increase of GDP over the next 5 years, so as to bring investment to 6% of GDP.

Investment needs to be targeted to sustainable development, social and physical infrastructure, urban regeneration, energy conversion, the fight against climate change and the funding of the just transition to accompany and assist workers in this phase.

The gap between Southern Italy and the rest of the country remains significant and is even widening.

In the coming months it is important to concretely implement the plan for Southern Italy recently launched by the Government and step up the spending of EU and national cohesion funds.

RECOMMENDATION 4. CREATE JOBS

The universality and sustainability of welfare and of the National Health Service, in particular, were already strongly at risk as a result of the cuts made in the past. Now, more than ever, besides the increase in public investment and the strengthening of the Public Administration - which the COVID-19 emergency have made even more necessary - there is the need for an extraordinary Recruitment Plan going well beyond the mere turnover, matched with a staff training scheme.

It is essential to combat unemployment and poverty also through the improvement of existing income support schemes for employees and compensation measures for self employed and through the creation of quality jobs for the inclusion in the labour market of women and youth through work-life balance measures and improving training, all the more so considering the current risks of recession and economic depression.

Enhancing the quality of Public Administration and public services is essential, also with a view to creating a positive impact on the business environment, on investment and private innovation.