

"Best in Class Awards Ceremony", Remarks by Ambassador David H. Thorne



Best in Class Awards Ceremony

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La Sapienza University, Faculty of Economics

as prepared for delivery

Professor Ciccarone, Professor Celant, faculty members, current and former students of the Faculty of Economics of La Sapienza University. Thank you for your invitation to join today's gathering for the "Best in Class" Awards Ceremony. You honor me with your welcome at this time-honored and greatly respected university and with your interest in hearing my ideas and views.

Just minutes ago, I had the pleasure of meeting the 10 "Best in Class Award" recipients – men and women who reinforced my confidence in Italy's future. Their awards reflect achievement, innovation, and dynamism in their respective fields of endeavor. They are just the kind of leaders that Italy needs, and they are just the sort of people that will bring energy, competitiveness, and growth to Italy's economy and Italian society as a whole. I congratulate them, and I congratulate La Sapienza University, American Express and the Chamber of Commerce in Rome for recognizing their achievements.

The recipients of this award, all managers of public and private companies, are keenly aware of the need for economic growth, a subject that I would like to address today. It is a topic that is on the minds of Italians, Americans, and all of us in the developed nations of the world.

From my perspective in Rome, I see an Italy that is working hard to reinvigorate its own economy and to sustain the unity of Europe. Both President Obama and Secretary Clinton have lauded Prime

Minister Monti for the confidence engendered in Italy and throughout Europe by his policies and for the effectiveness of his stewardship.

From Rome, I also see an economic crisis in Europe that is still very much with us. Overcoming it will require steady and intelligent progress toward further integration over the coming months and years. But Europe has faced greater crises as the recent awarding of the Nobel Peace Prize to the European Union reminds us. Ever greater cooperation and ever greater integration in Europe will underpin economic recovery and political stability.

And as always, the United States stands ready to lend its support to Europe's efforts. I believe that Europe's leaders are right to increasingly focus on how to encourage economic growth – growth that will create jobs, boost people's standards of living, and decrease the large levels of debt that threaten to weaken European unity. Growth is fundamental. Just as in the United States, impediments to economic dynamism in Europe – including Italy – need to be identified and removed.

I am following with great interest Italy's efforts to ease the restrictive rules and regulations that American companies tell me inhibit investment, stifle job creation, and discourage innovation. While often politically difficult, measures that encourage companies to boost investment, improve labor productivity, and reduce labor costs are in any country's economic interests, especially to increase GDP and create jobs.

Prime Minister Monti's reform measures are designed to achieve these goals, and I applaud his and other political leaders' commitment to keep up the reform momentum, even after next spring's elections. Regardless of who may lead Italy next year –it is vital to continue making reforms. Remember, the current reform process began less than a year ago. While its gains are admirable, they are also tenuous and will need to be reinforced over many years with additional measures and robust implementation if Italy is to regain its status as a vibrant, growing economy that competes confidently on the world stage.

I am convinced that much of the current and future growth in all of our economies will depend on three general areas: digital technologies; increasing women's participation in the workforce; and encouraging meritocracy. First, increasing the use of the digital technologies is fundamental to the viability, competitiveness, and expansion of small and medium enterprises. Companies with an active online presence experience greater growth than companies with a minimal or nonexistent web presence. In the United States we have seen that 37 percent of our recent growth is being driven by the digital economy.

Last month, I was pleased to see that Italy has launched a Digital Agenda plan. To my mind, encouraging digitalization throughout the economy will catalyze innovation, entrepreneurship, and job creation. For this reason, I initiated the Digital Economy Forum through the U.S. Embassy, a series of programs to raise awareness of the benefits of digitalization by bringing entrepreneurs and digital proponents from our two countries together. We also initiated a new State Department-sponsored program to encourage innovation and creativity in the sciences and industry, the Fulbright Best Program. I am told that two La Sapienza students, Antonella Chierichello of the Faculty of Engineering, and Andrea La Mesa of your own Faculty of Economics, recently studied in the United States under this program. These kinds of international exchanges between Italian and U.S. organizations, as well as from the rest of Europe, promote entrepreneurship and digital culture that in turn can contribute to market access and transparency that will create a more "level playing field" for trade, commerce, and governance.

An additional factor that I believe will strengthen the Italian economy – as well as economies around the world – is increasing the participation of women in the workforce. We have seen in recent decades that adding large numbers of women to the workforce boosts economic growth. A Goldman Sachs report found that reducing barriers to women’s participation in the labor force would increase America’s GDP by 9 percent, the Euro Zone’s by 13 percent, and in Italy, which currently has the lowest percentage of women in the workforce of any European country, by 22 percent. Prime Minister Monti and Labor Minister Elsa Fornero have been active in undertaking reforms to include more women and youth, and they have been vocal about the need for women to play a greater role in the Italian economy. I congratulate them on their efforts.

I am also convinced that no country can sustain a dynamic economy without broad-based meritocracy, where ability, education, and potential are recognized and rewarded and a person’s economic future is not determined by personal connections. To do otherwise in a competitive, globalized marketplace risks discouraging a country’s most dynamic and industrious individuals, especially among the younger generation. I am certain that today’s Best in Class award recipients will agree with me on the need to invest in young people. Young people are the assets of every country. In order to learn and grow, they need to be invested in, to be given opportunities like internships and mentoring programs, and to be allowed to take risks. Creating meritocracy and having increased flexibility in the labor market take time. But we cannot afford not to invest in our youth and in our futures.

Many challenges remain, in Italy as in the United States. But let me close by saying that I remain – as I always am – positive about Italy’s future, as well as that of my own country. Thank you very much again for your very cordial welcome and kind attention. And again my congratulations to today’s award recipients.