



USITF Newsletter #16, Week of 16th – 22nd May, 2016
Written and edited by [Tommaso De Zan](#)

Welcome to another edition of the weekly USITF newsletter, “**Italian Politics This Week**,” a snapshot on past week’s major events, complete with news and analyses from national and international sources.

Is the economy doing any better in Italy? Official stats give mixed results. According to the national statistics agency ISTAT, Italy’s GDP will rise by [1.1%](#) in real terms in 2016, 0.3% lower than when it was forecasted last Autumn. The national authority also foresees that unemployment rate will drop from 11.9% to 11.3% in 2016. Pensions and social security agency INPS said on Monday claims for unemployment benefits [were down 27.3%](#) compared to last year. Moreover, last year there was an [increase](#) in full-time permanent contracts compared to temporary ones. However, other results cast a shadow on Italy’s economy. In 2015, at least [2.2 million families](#) were without job income in 2015, with a dramatic situation especially in the South. This year, instead, consumer prices remain “[very weak](#),” while the labor market is still “uncertain.”

Radical party leader Pannella dies at 86: The founder and chief of the Radical party Marco Pannella [died](#) on Wednesday at the age of 86. In his long political career, Pannella fought for prisoners and LGBT rights, the legalization of cannabis and euthanasia, among other things. "He marked the history of this country with battles that were controversial at times, but always fought bravely and fairly," [said](#) Prime Minister Matteo Renzi during a press conference in Rome with Dutch Prime Minister Mark Rutte.

EC approves Italy’s 2016 budget: Italy said on Tuesday the European Commission (EC) has [approved](#) Italian budget with a fiscal deficit of 2.3% of gross domestic product. The EC agreed to a 0.85% “flexibility,” ending long negotiations between Rome and Brussels on budget, but also adding Italy should pursue more belt-tightening measures in 2017. According to [Reuters](#), to meet its 2017 deficit target Italy “will require spending cuts or tax hikes of some 15 billion euros.” Renzi [suggested](#) he would have preferred more “flexibility.” European Economic Affairs Commissioner Pierre [Moscovici](#) said on Wednesday Italy’s budget will be [reexamined](#) in October and that Italian Finance Minister Pier Carlo Padoan pledged Italy will lower the deficit to 1.8% next year.

Renzi starts referendum’s campaign: Renzi started his political campaign on Saturday to win the October referendum on the new constitutional reform, saying that if the referendum fails it will step down as Prime Minister. Recent polls [suggest](#) that Italians would reject the referendum at the moment. In the current system, the Senate and the Chamber of the Deputies (the upper and lower houses of the Parliament) have equal powers. The reform would reconfigure the role and the power of the Senate, restricting its ability to veto legislation. Renzi [rejected](#) claims arguing he is “personalizing” the referendum.

No to new hotspots at sea: While [the economy of asylum seekers smuggling](#) is raising to unprecedented levels, Europol and Interpol [reported](#) that “in Libya alone, around 800,000 migrants are waiting to travel to the EU.” The joint report adds that “forced criminality may increase in the EU, as migrants may be coerced into criminal activities by their facilitators.” European Migration Commissioner Dimitris Avramopoulos [told](#) the media on Thursday that the idea to have migrant hotspots on ships “is a good idea.” Referring to new hotspots in Sicily, [Renzi](#) said they were not needed as “for the moment the number of migrants has finally started to come down. As of yesterday 32,000 migrants have arrived in Italy (this year), mostly by sea”.

The US-Italy Global Affairs Forum's Tommaso De Zan has recently obtained a new position and all the friends at the Forum are very proud of his new achievement. He will be busy for the next semester and hopes that someone will be able to take over the newsletter from him. If you are interested, please contact danielemoro@usitalyforum.com.