



THE ITALIAN PRODUCTIVITY REPORT

CARLO ALTOMONTE



- Productivity is the decisive factor in sustaining **economic growth**.
- There is no silver bullet. **Productivity depends on the interaction** between industrial, fiscal, labor, education, competition, and innovation policies.
- An **integrated approach** is needed, which coordinates measures at the central and local level, evaluates synergies and substitution effects, and privileges choices based on evidence and **long-term** orientation.



- The Union Recommendation 2016/C 349/01 invited Member States to establish *National Productivity Boards* to develop analyses on productivity trends and formulate recommendations for *evidence-based* public policies. Italy established this body (the last of the eurozone countries) in 2024.
- The determination of the President of the CNEL no. 69 of July 2024 established the Italian Productivity Committee, composed of **independent experts**: C. Altomonte (Coord., CNEL & U. Bocconi), Maria De Paola (U. della Calabria and INPS), Vincenzo Galasso (U. Bocconi), Anna Giunta (U. Roma Tre), Cecilia Jona –Lasinio (LUISS), Giuseppe Nicoletti (LUISS), Fabiano Schivardi, supported by experts from the Bank of Italy (Francesco Damuri) and ISTAT (Stefano Menghinello)
- The Committee analyzes the evolution of the productivity of the Italian economy, also in comparison with other EU countries, and publishes an **Annual Report**.
- It also proposes **reforms and policies** for productivity, promoting coordination between levels of government and dialogue with international bodies and other European Committees.

Il Comitato italiano nel contesto europeo

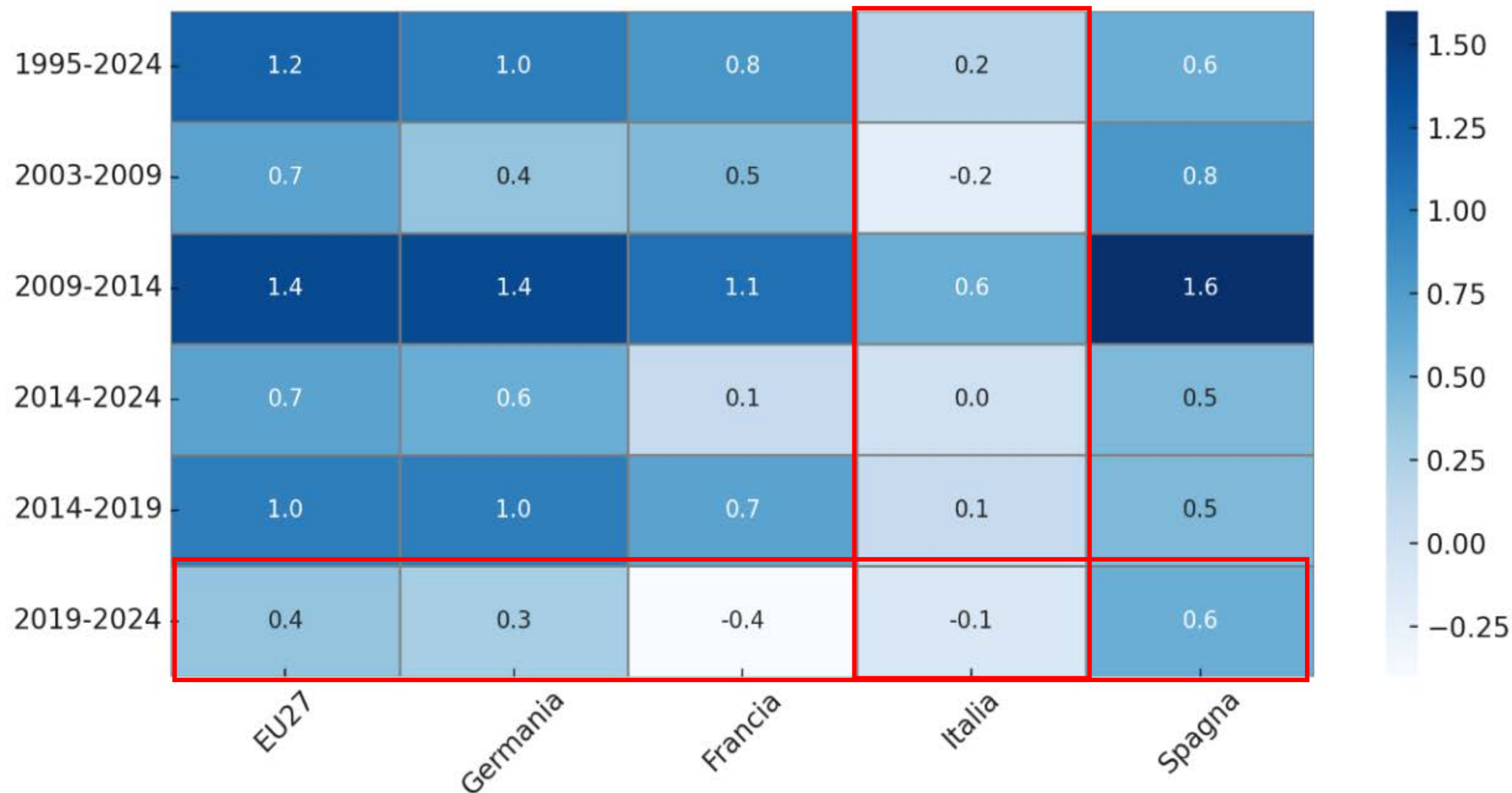
	Formato Board e Segretariato		Altri Formati
	<i>Incorporato in istituzione esistente</i>	<i>Non incorporato</i>	<i>Incorporato in istituzione esistente</i>
Composizione tecnica e politica	Irlanda, Croazia, Malta, Spagna	Slovacchia, Lussemburgo, Austria, Lettonia, Cipro	
Composizione tecnica	Germania, Italia	Belgio, Finlandia, Francia	Danimarca, Lituania, Paesi Bassi, Slovenia, Portogallo, Grecia

Fonte: Altomonte et al. (2025), CNEL CNP WP 1/2025.

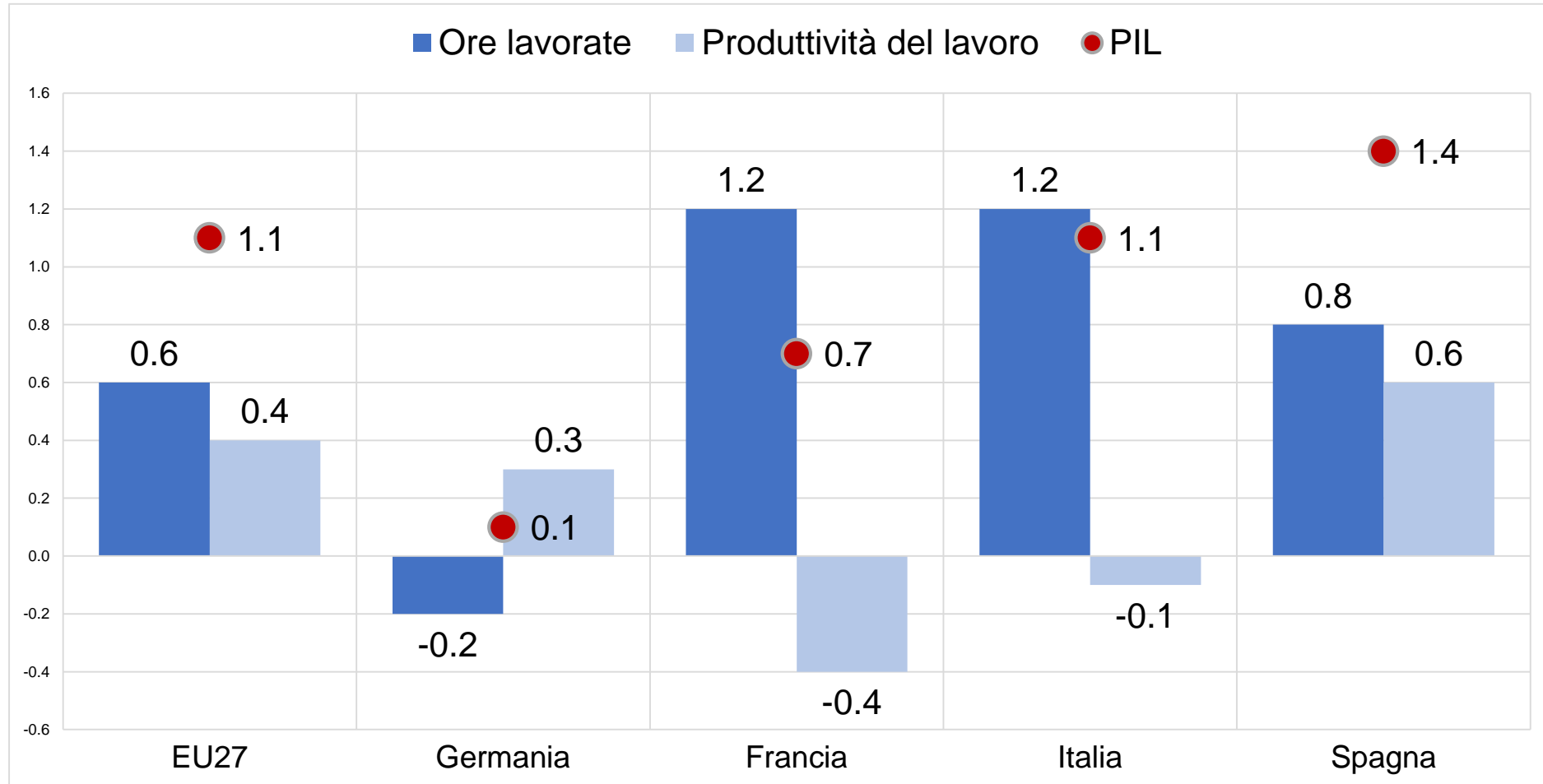


1. PRODUCTIVITY IN ITALY. ANALYSIS AND POLICIES
2. DYNAMICS OF LABOR PRODUCTIVITY IN THE INTERNATIONAL CONTEXT
3. ANALYSIS OF PRODUCTIVITY AT THE TERRITORIAL LEVEL
4. COMPANIES AND PRODUCTIVITY DIFFERENTIALS

THE EUROPEAN COMPARISON – Labor productivity



THE EUROPEAN COMPARISON – GDP breakdown 2019-2024

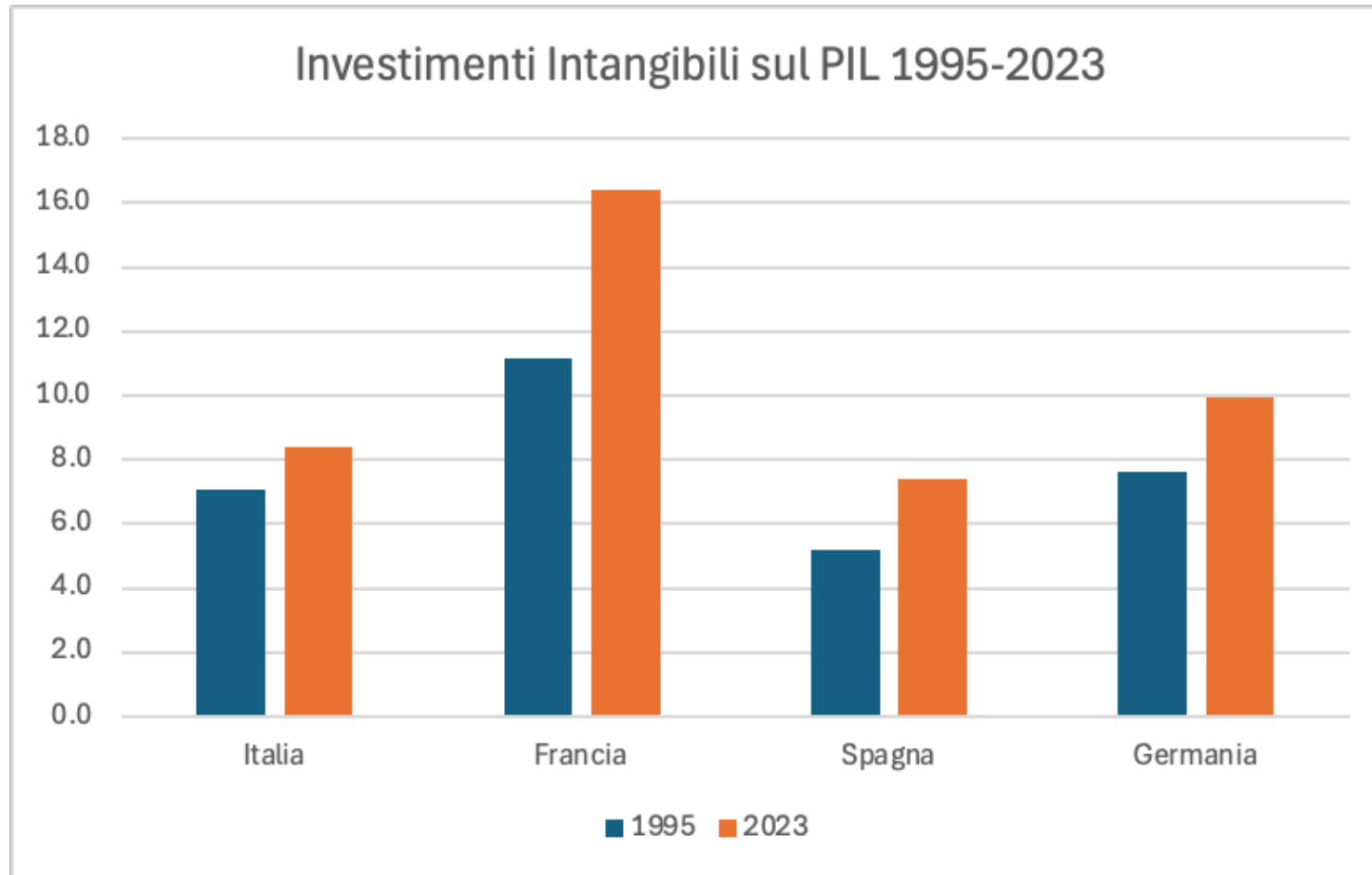




- Recent growth has been driven **by the increase in employment and hours worked**, rather than by efficiency gains.
- Traditional **labor-intensive** sectors have supported the expansion of **employment**, with a low capital contribution.
- **Exports** depend largely on 1% of the largest and most productive exporting companies (about 1,300 companies, 55% of the total value exported), while micro and small businesses (90% of operators) contribute only 16%.

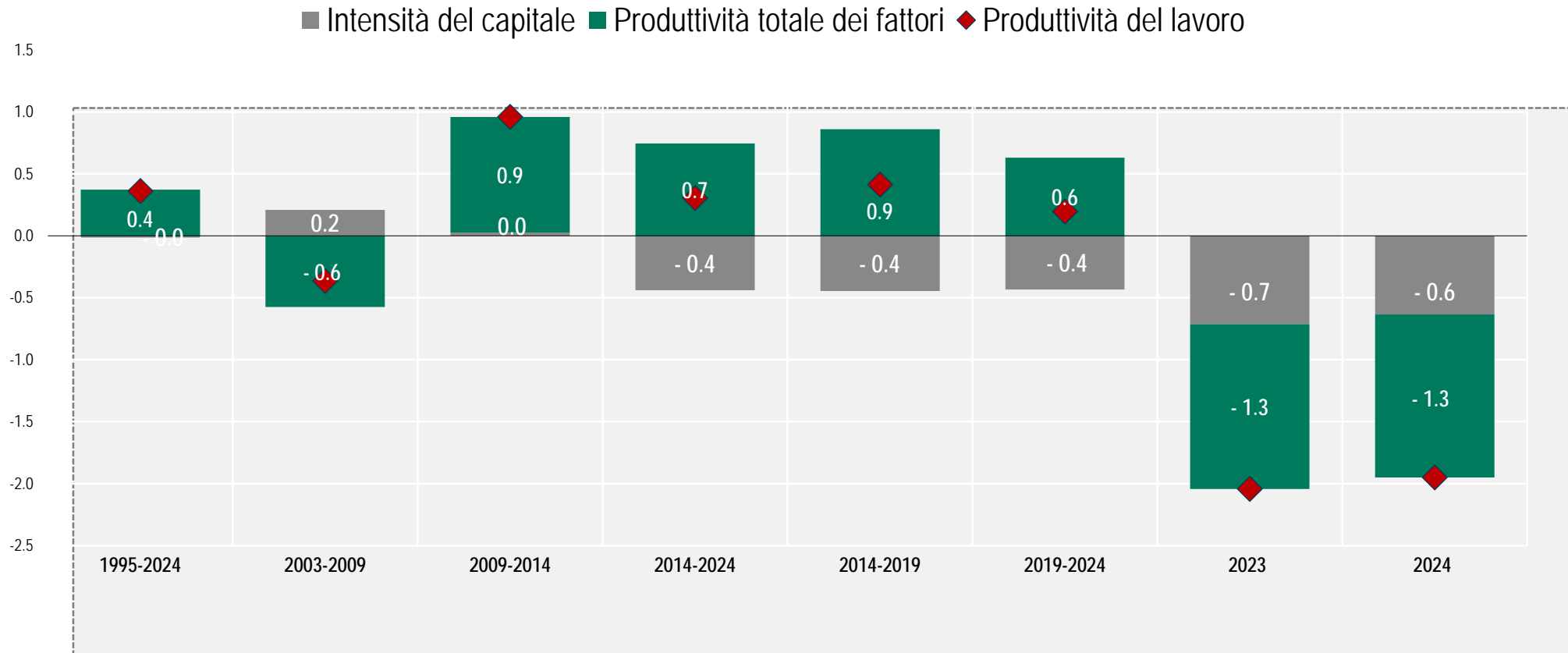


- In the main European economies, investments in **intangible capital** (R&D, software, organizational capital) are growing much more than those in tangible capital.
- In Italy, the opposite dynamic is observed: physical investments prevail, while intangible investments slow down. In 2023 and 2024, **capital growth** (both tangible and intangible) was **negative**.
- This limits **the capacity for innovation** and productivity growth in the long run.



Percentage of GDP
Source: Global INTAN Invest

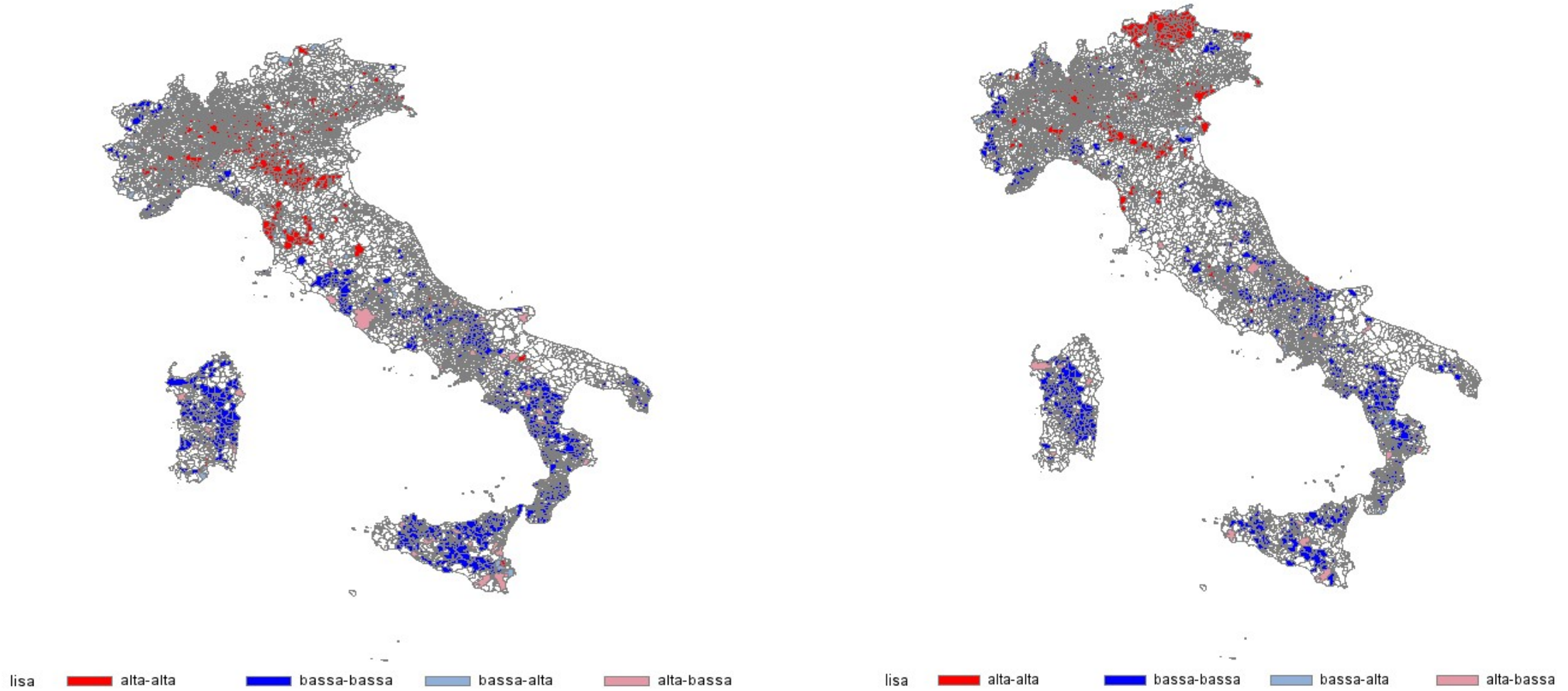
CONTRIBUTIONS TO THE GROWTH OF LABOR PRODUCTIVITY



Capital intensity and TFP; average annual rates of change and percentage points

- GDP and productivity growth was on average **more robust in the Center-North**, with greater capacity for recovery after crises.
- In the post-pandemic period (2019-2023), per capita GDP growth was **more dynamic in the South** (+1.5% per year). Growth was *job-driven*, dependent on employment rather than productivity. The contribution of productivity **remains marginal or negative**.
- At the provincial and municipal level, the analyses confirm these gaps, showing areas of the country (not necessarily according to the North-South axis) with **low productivity, low agglomeration capacity and unfavorable demographics** (emigration of educated young people, low share of graduates, weak social capital).

LOCAL SPATIAL CORRELATION INDICATORS (LISA) FOR PRODUCTIVITY LEVELS



Municipal level in manufacturing (left) and services (right), 2022



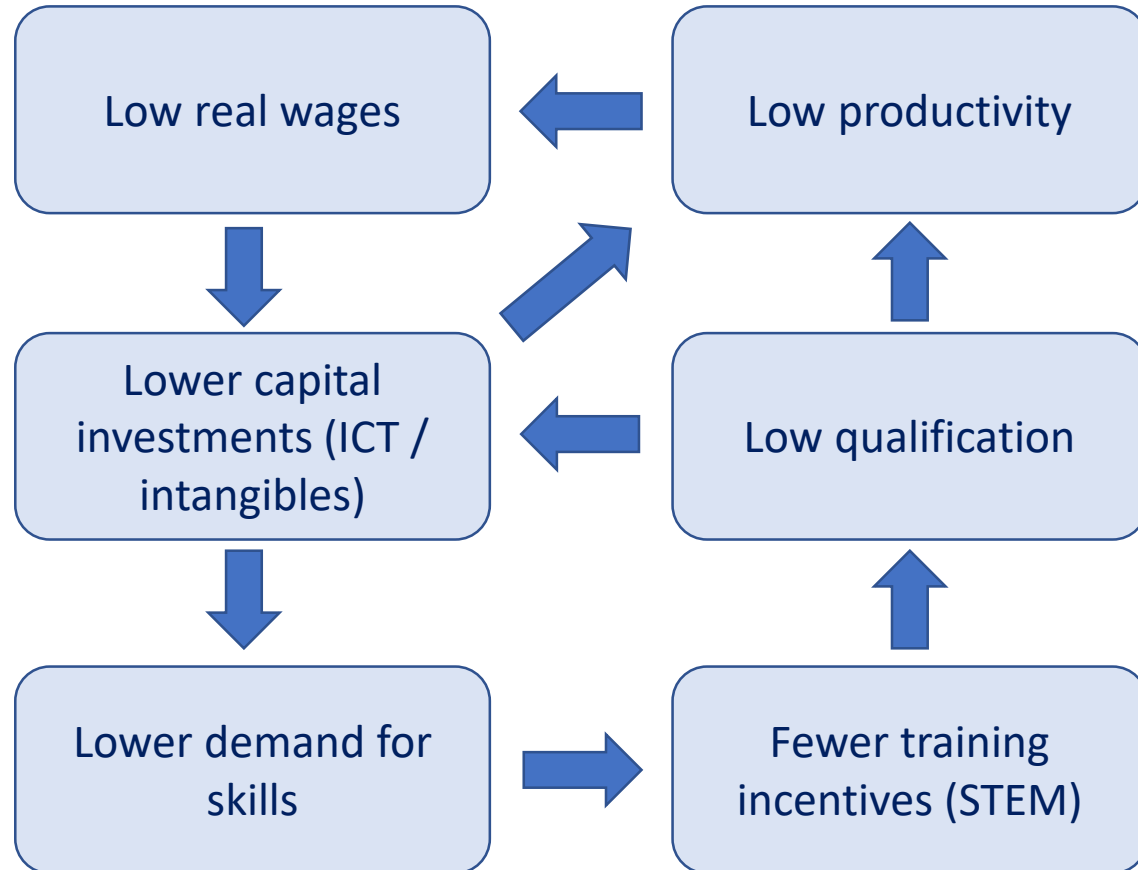
- **Exporting** enterprises have a significant **productivity premium**, increasing with size; even exporting micro-enterprises outperform non-exporting SMEs.
- **Digitization** generates a premium estimated at 15-30%, stronger in high-knowledge services, weaker in traditional sectors; benefits grow with the scale of the enterprise.
- **Innovation** increases productivity by an average of 20%, especially in sectors with a higher content of intangible capital (pharmaceuticals, electronics, ICT), with positive effects **also on SMEs**.
- **Size, export, digitization, and innovation** are interconnected and decisive factors, but the prevalence of micro-enterprises hinders their full dissemination.

TAVOLA 4.3.2.

**Imprese che dichiarano di voler fare investimenti in tecnologie digitali
Biennio 2025-2026 per ambito di investimento, valori percentuali sul totale delle imprese con oltre dieci addetti**

	Internet of Things	Stampa 3D	Robotica	Cloud Computing	Vendite Online	Social Media	Data Analytics	Realtà Aumentata / Realtà Virtuale	Sicurezza informatica	Intelligenza Artificiale	Formazione Informatica	Nessun Investimento
Totale attività economiche	19,6	7,1	10,7	29,3	21,5	41,8	28,3	7,1	53,8	19,5	44,3	33,5
	Classe di addetti											
10-49	16,9	6,4	9	26,3	20,7	39,9	25	6,2	50,4	16,9	40,5	36,3
50-99	29,1	10,3	18,7	42,2	24,7	52	44	9,6	75,1	30,9	65	16,8
100-249	45,4	13,1	23,6	55,8	26	57,9	56,7	14,9	80	40,1	74,7	11,4
250 e più	57	19	32,7	68,5	37,4	64,5	69,1	25,9	86,1	60,5	81,5	9,6

Fonte: ISTAT, rilevazione sulle tecnologie dell'informazione e della comunicazione nelle imprese, anno 2024.



- **Skills and investments**
- **Structure of the production system**
- **Territorial gaps**



- ❑ Strengthen the **R&D tax credit for investments in digital technologies and human intangible capital** with continuous training, youth policies and strengthening of technical and tertiary education.
- ❑ Create a **Training 4.0 tax credit** for skills in sectors with high productivity potential (advanced manufacturing, ICT and digital services, high-efficiency construction, technological healthcare, smart logistics and renewable energy).
- ❑ Implementing the reform of the technological-professional training chain (Law 121/2024), strengthening ITS and the connection with university STEM courses through measurable targets and specific resources allocated for the purpose.



- ❑ Extending and strengthening programs to **support the managerialization and internationalization** of companies.
- ❑ Reforming the taxation of **inheritance and the transfer of family-owned shares**, in order to eliminate tax disincentives to the opening of capital and the transfer of control.
- ❑ Rationalize the different **size thresholds** of companies provided for by regulatory and contributory obligations, with the aim of eliminating disincentives to growth and promoting the transition from micro to medium size, within the framework of the Competition Law.

- ❑ **Systematically monitor the results of the implementation of the investment support tools of the single SEZ in the South.**
- ❑ **Continue to invest in the implementation capacity of the PA, particularly in the South, focusing on the mechanisms for evaluating and monitoring interventions. Invest in inland areas, improving physical and digital infrastructure.**
- ❑ **Support and conclude PNRR investments to reduce gaps in human capital and services.**

- ❑ Improving productivity requires an **integrated approach**: skills, businesses, territories.
- ❑ It is necessary **to coordinate** policies between Ministries, and between administrative levels (central-local; national-European), also in terms of **resource efficiency**.
- ❑ The priority is to support **long-term investments in** innovation, skills and digitization (PSBMT).