

## **Manufacturing Industry. Nobel Joseph Stiglitz: "The United States Should Take Italy as an Example"**

Letizia Airos (October 10, 2010)



Italy, thanks to the Chicago Office of the Italian Trade Commission, was present with its "Machines Italia" project at World Business Forum. The ITC also organized a discussion entitled "Challenges of Global manufacturing: Improving North American and European Competitiveness Through Cooperation". In the historical Manhattan "Club 21", journalists and experts of the field, including American and Italian scholars, gathered together for a special work lunch. And an outstanding personality was their guest: Professor Joseph Stiglitz

The [World Business Forum](#) [2] (WBF) is an important event for the international business community. Economic world leaders, opinion leaders and decision makers, representatives of companies and of the academic world come together to discuss strategies and innovation and share experiences from



different fields and markets.

In New York this year, among the various personalities who spoke at the WBF meeting held in New York last week, were former Vice President Al Gore, Nobel prize for Economics Joseph Stiglitz, and David Gergen, a journalist and longtime White House advisor. And for the first time an Italian was among the lecturers on the stage.

The high honor went to Luca Majocchi, managing director of [Meccano SpA](#) [3] and former CEO of [Seat Pagine Gialle](#) [4] and [Unicredit](#). [5]

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This aims at making the world know that Italy is a prime industrial machines producer. In the words of Pasquale Bova, director of ITC's Chicago office: "We need to send a clear message: people must understand that Italy is not only a food, fashion and consumer goods producer, but also a country capable of offering cutting edge technological solutions."

In addition to spreading information about excellence in specific market sectors, the Machines Italia project also assesses the demand for Italian products. And the numbers of Italy's mechanical industry are noticeable: 14 market sectors encompassing more than 10 thousand companies, including mechanical engineering among others.

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An outstanding personality was their guest: Professor Joseph Stiglitz, Nobel prize for Economics in 2001, former Vice President and Chief Economist at the World Bank (1997-2000) and renowned author of several books, including the world best seller "Globalization and Its Discontents" (2002).

Among the other panelists: the directors of the Italian Trade Commission in Chicago Pasquale Bova, and in New York Aniello Musella, the director of the ISTUD foundation Luigi Serio, the President of Federmacchine Alberto Sacchi, and Luca Majocchi.

In his examination of the causes of the current economic crisis in the U.S., Mr. Stiglitz emphasized that the United States "need to change course and specialize. They need to create a network of medium and small enterprises." According to the Nobel Prize, the Government should promote these companies and bet on them in order to give impulse to an economy that as of now is witnessing the disappearance of jobs that were supposed to belong to the new generations.

Aiming at quality and specialization, as well as betting on a network of medium and small enterprises, is what Italy has been doing for decades, and not surprisingly Mr. Stiglitz acknowledged it by saying that "The United States should take Italy as an example" in this field.

While talking about the manufacturing industry he forecasted that the "occupancy in the manufacturing sector in the US will keep declining. Like Italy, the States should increase the specialization in machinery and keep alive and kicking the manufacturing industries.

In order to push through this moment the United States have to radically change their economy in the coming years. Before the crisis, people were over-investing in the real estate sector, because it was a source of market demand and occupancy, but now those jobs are gone."

Important comments came also from Luigi Serio, who presented a poll commissioned by ITC about the American perception of Italian machinery. "In the USA there are people who use Italian machines and people who don't—Mr. Serio said rather straightforwardly.— Those who use them, appreciate them for their quality and durability. They are covered by a solid warranty and are flexibly adjustable



to new necessities. Those who do not use them, have an older point of view. They buy according to different criteria.”

A direct question from i-Italy about what are the main strengths and weaknesses of the Italian companies got answered by Mr. Serio in an equally straightforward manner: “Italian companies have three sources of strength: high quality, durability and flexibility of their products. The weakness instead is a relatively fragile system that lacks an adequate and structured sales infrastructure.”

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