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# CONTROCORRENTE

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Political and economic uncertainty, dispute and frequent near-crisis often appears a constant within the disparate European Union member states. By contrast, we know that Europe is home to many of the world's most innovative and successful companies. Italy is perhaps the best example of this seeming mismatch, so we invited former Italian Prime Minister, Matteo Renzi to our Research Conference to put forward the positive case for Europe and to consider the political scene more generally. We discovered that he, just like Walter Scott, is an advocate for long-term thinking. Here, we share an extended extract from his speech in Edinburgh.



**MATTEO RENZI**

Matteo Renzi is the youngest person to serve as Italian Prime Minister, from 2014 to 2016. Matteo is currently an Italian Senator and leader of the Italia Viva party. He has a wealth of experience in the field of political and economic issues, both at home and abroad and he continues to wield considerable influence over contemporary politics.

*“I was the youngest Prime Minister of Italy. But that is not all good news because the second youngest was Benito Mussolini”*

Timing is crucial for investors. For people who invest, timing is about how many years you need for a return on investment. In politics, time is a problem because in recent years we have transformed politicians into ‘influencers’; people don’t look at the long term and think only about the short term.

They think about how many reactions there are on Twitter or Instagram and not about how many jobs you can create in the next ten years. That is a problem. Democracy needs votes. That requires consensus and to achieve that you need brilliant initiatives for the people. But once you decide to transform a politician into an influencer, you lose the credibility of politics. In the past, great politicians made history. Today, they create a story on Instagram that has a life of 24 hours, not 24 years.

*“Once you decide to transform a politician into an influencer, you lose the credibility of politics”*

Thinking about time, 75 years ago, the UK decided the future of Pakistan and India. Today in London, there is a Prime Minister with Indian heritage, and in Edinburgh, a First Minister of Pakistani descent. That is a wonderful signal of great change in the world.

But if you reduce the time from 75 years to the last three years, to the start of the pandemic, you can understand how many things have changed in such

a short space of time. For investors, three years is not that long but in Italian politics it’s a lot because the Prime Minister changes every year. Then last year Britain had a Prime Minister for just 44 days and I finally got my revenge. We don’t just export food and fashion, but instability too.

Joking apart, thinking about the last three years and the changes we have seen. After the pandemic and after the war in Ukraine, everything has changed. Brexit is already a great game-changer in the history of Europe, but the war will also change Europe because the European Union will expand eastwards. Once the war ends, Ukraine will become a member of the European Union and with that it will become the biggest country in Europe; double the size of Germany. Poland will become the most important country for weapons. Everything is changing.

My goal is to try to offer to you a very brief panorama about geopolitical change around the world. Starting with China, which has become a global player and as important as the United States. That is absolutely revolutionary compared with 30 years ago but also compared with ten years ago when Xi Jinping started his tenure. Xi Jinping has changed the strategy of China. China has to play a role everywhere. Saudi Arabia and Iran signed an agreement in Beijing under the leadership of China’s Foreign Minister. And look at Brazil. A few weeks ago, former President Dilma Rousseff became President of the New Development Bank, an important financial institution set up by the BRICS countries and headquartered in Shanghai.

And if I continue my panoramic view, China is now the most important player in Africa. Why? Because Europe lost this historical opportunity. Europe lost the possibility to have a greater role in Africa.

Coming to the United States of America. I’m a great fan of the United States of America and I was so happy to serve in a strong friendship both between the US and Europe, and the US and Italy. But today, there is a very important debate in the US about the future of democracy. The economy is good. Ok there is a problem with inflation but the real risk is the modality of the electoral campaign. The United States of America will continue to be the United States of America but, I think, they have some problem with the weakness of internal debate.

I think there is a great opportunity for Europe, but only if it stops talking about bureaucracy, and instead tries to have a vision. Europe has proved to be the biggest challenge in the history of political science; 27 countries staying together. We will see continued expansion in the direction of the Balkan regions.

*“Europe has proved to be biggest challenge in the history of political science”*

After the end of the Ukraine war, which we hope will be over in the coming months, Europe needs to come back to being a place for politics, not for bureaucracy. And for that we have to come back to our roots and our vision. Because the world of artificial intelligence, of greater investment in healthcare and new personalised medicine, investment in space, these should sit in the new Europe.

If you think about artificial intelligence, this is considered a risk by politicians. Elon Musk asked to stall investment in artificial intelligence because it could be a potential problem for the future of humanity. But I’m more worried about natural stupidity than artificial intelligence.

And it was stupidity that blocked the vision of the future as a great possibility.

Geopolitics today shows how different things are in respect to the past. We have some problems but at the same time, we have to give some words of hope.

Think about demography. I was born in 1975. In Italy in 1975, we had one million new babies. Last year, we had 400,000. Over the last half century, there is not a decline in demography, there's a collapse. And history shows – the Roman Empire included – the risks if we don't understand the importance of demography. In the next 20 to 25 years, Nigeria will be bigger than the whole of Europe. Because the predictions suggest Nigeria will have 450 million citizens.

*“Over the last half century, there is not a decline in demography, there's a collapse”*

I believe in politics. Despite everything I have said. We live in a difficult time but if there is politics, there is a possibility for an economy to invest. If there is a good political approach, you can give to the people who work in finance or in manufacturing the possibility to invest in the future because the future will be better than our expectations.

Migrants from Turkey found a vaccine for Covid in a short time and the new

mRNA vaccine technology holds the promise of new ways to fight cancer.

If we combine the reality with the great efforts of innovation, we can write a new page with innovation and investment not only in artificial intelligence, but also in natural intelligence, not natural stupidity.

*“We can write a new page with innovation and investment”*

*This is an edited transcript of a speech given by Matteo Renzi at Walter Scott's Research Conference in Edinburgh on 10 May 2023.*

## IMPORTANT INFORMATION

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