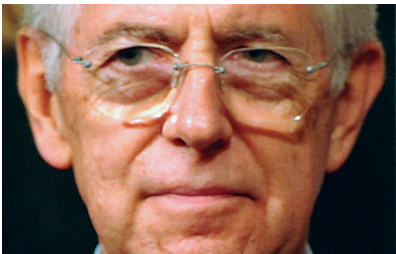


Italy austerity measures

Italy's new prime minister, Mario Monti, is set to outline the government's reform agenda



■ **Pensions:** Tightening of eligibility for **seniority pensions** – system whereby many workers can retire long before standard retirement age. Also expected to bring women's retirement age in line with men's

■ **Labour market:** Reform "dual" system which sees excessive protection for payroll workers but virtually none to those on temporary contracts. Expected to ease firing restrictions on payroll workers and to improve unemployment benefits

■ **Political costs:** Reduce generous pensions and other benefits awarded to politicians – seen as token gesture to public. Likely to reduce number of lawmakers and abolish some layers of local government

■ **Liberalisation:** De-regulate entry requirements and tariffs for professionals, like accountants, lawyers or pharmacists. Privatisation of local public services

■ **Wealth/property tax:** Tax savings or assets of high-earners and restore property tax abolished by Berlusconi, which could raise €3.5 billion a year