

## Generali's Philippe Donnet: Let me help invest EU recovery fund

Insurance executive sees coronavirus initiative as EU integration move, not just economic stimulus.



by [John Rega](#)

Sep 11, 2020, 11:57 AM

EU leaders made history in agreeing to a coronavirus recovery fund. The harder part may be putting that [€750 billion](#) to work.

Governments should look to insurance companies for help in moving that money into the economy, Assicurazioni Generali Chief Executive Philippe Donnet said in a pitch for an industry role in choosing investments.

As politicians pledge to direct the funds to goals including fighting climate change and promoting digital business, they must also select sound financial investments — at speed.

“I’m ready to sit together with the Italian state to design that,” Donnet said in an interview.

“We could help. We could help accelerate the timing and help to select the right targets,” he said by videoconference from Generali’s Venice outpost. “My proposal is that member states should leverage the know-how of their institutional investors.”

The comments come as governments work to draw up their economic recovery plans, with the three-year fund still subject to ratification by national parliaments before money can begin flowing in 2021.

Italy presented its [draft program](#) to parliament on Thursday and expects to receive €209 billion from the [EU fund](#), although it’s impossible to know precisely how much each country will be entitled to.

Asked if the offer to help is just a self-serving push for more business, Donnet argued that insurers are already investing €11 trillion of customers’ funds.

“It’s an incredible firepower,” Donnet said of the industry’s assets under management. “Our job is to manage this money, but I think that our responsibility is to be part of the recovery dynamic.”

## Europe’s new path

In the September 3 interview, Donnet said the EU recovery fund — to be financed with unprecedented joint borrowing — should be more than a one-off crisis compromise, as it has been described by more reluctant backers including the [Dutch government](#).

He called for it to become a permanent way for the EU member countries to support each other.

“Citizens from all over Europe will feel that Europe is bringing something substantial, something real, something positive,” he said.

The comments go with Donnet’s stance in favor of tighter European integration across the board, including ideas such as a eurozone minister of finance.

National capitals should accept more sharing of power not just with the EU but local authorities, he said.

## Leveling tax

Tax is part of the integrationist push. Donnet called for a move toward leveling of rates around the bloc — with higher-rate countries such as France, Italy and Belgium needing to move downward.

“We need to decrease the average” level of taxes, he said, for the sake of making Europe more attractive to investors. But he cast the issue in terms of European unity.

“We also need to decrease the discrepancies and go towards more convergence and homogeneity of the tax rates,” he said. “I think this is quite inevitable.”

Donnet, 60, is a French native who joined the Italian insurer in 2013 and has been chief executive since 2016. Generali is the EU’s third-largest insurance company, after Allianz of Germany and French rival Axa, where Donnet began his career and rose to regional CEO posts in Southern Europe, Asia and elsewhere.

Wearing a plaid sport coat and open shirt collar, he described working out of the [Palazzo Morosini at Santo Stefano](#) in the San Marco district of Venice as more practical for social distancing than the headquarters tower in Milan, where in normal times nearly 3,000 staffers share the elevators.

Earlier in the lockdown, Donnet worked for two months — requiring an upgraded internet connection — from his country home near Orléans, in central France.

## Reinventing the economy

After COVID-19’s first jolt to the economy, the world is better prepared for second or further waves, Donnet said in one bright side of the “challenging situation” in the economy.

“More businesses are ready for this, the world is globally more prepared,” he said. “And this is good news.”

Generali, like most white-collar businesses, had to shift most of its staff from offices to teleworking, which few of its employees did before. “We went from 1 percent to 90 percent in 2 weeks,” he said.

“Some of this will remain as a permanent way of working,” he added. “We’ll never go back to the full-presence working. We’ll keep a significant part of smart working.”

Generali, as a major property investor, is awake to the implications of the crisis for commercial real estate, Donnet said. He pointed to other sectors that may also need rethinking, including transport to tourism.

“We need to build a new economy,” he said. “I’m not saying that these industries are lost forever. I’m saying that they have to be reinvented.”

*Paola Tamma contributed reporting.*