

Italy

Archetype **High-trust diffusers**

GDP / person **\$43k**

Population **59M**

10-yr trend **1.2%**

Gradual **10.8% · #46**

Fast **20.6% · #27**

WHERE ITALY STARTS

Italy enters the AGI era as a high-trust diffuser: rich, skilled and quick to absorb AI, even as its population ages. The scores show why. Cyber resilience is 4.9 out of 5, among the world's strongest. AI diffusion capacity is 4.1 and geopolitical positioning 4, reflecting Italy's place inside the Western alliance and its deep industrial base. Machinery, fashion and autos help make manufactured goods nearly 80% of exports. What holds Italy back sits in the same table. Demographics and migration score 1.1, the lowest of its factors; Italy is one of the world's oldest societies. Catch-up headroom is 1.6 and compute access 2.9. At about \$43,300 GDP per person, Italy is wealthy but slow to grow. Ten-year trend growth is just 1.2% a year. The country is very good at using technology and weak at building the physical base beneath it.

THE THREE PATHS

These are simulations, not forecasts. The Modest path is the baseline, and the two AGI scenarios fork from it. Under the **Modest** scenario, AI stays a normal technology. Italy would edge up to 1.5% growth a year, ranking 131st of 157. Its aging workforce and slow build-out would keep it near the back of the pack. Under **Gradual** takeoff, growth would climb across two decades and reach 10.8% a year once AGI matures around 2045. That would lift Italy to 46th, roughly its region's median. The long runway would let its firms turn deep AI adoption into higher output. An economy growing at 10.8% doubles in under seven years. Under **Fast** takeoff, growth would reach 20.6% a year from the early 2030s, a doubling every three to four years, and Italy would rise 19 places to 27th. The head start in diffusion would pay off fastest when the technology moves fastest. Regulation and politics could slow or redirect any of these paths. How Italians and their institutions respond to transformative AI is a variable the model holds constant.

HOW YOU WOULD KNOW WHICH WORLD YOU ARE IN

The three scenarios look almost the same until about 2030, so watch leading indicators, not GDP, and check them live rather than trust any snapshot. Three global signals matter most. First, whether the METR task-horizon curve keeps doubling every four to five months through 2027-28; METR publishes it at metr.org. Second, whether frontier-lab revenue and capital spending keep compounding; Epoch AI tracks both at epoch.ai. Third, whether growth in the ten to twenty most-ready economies — the United States and China above all — breaks above trend in the early 2030s. Double-digit growth there within a couple of years of 2030 would signal a fast world; a point or two by the mid-2030s, a gradual one; a fade back to trend, a modest one. Italy's own tells would arrive earlier: hyperscaler cloud commitments and data-center builds around Milan,

financial close on new grid interconnections, and the order books of its machinery exporters.

IF GROWTH GOES EXPLOSIVE

Explosive is relative. At 10.8% growth a year under Gradual takeoff, Italy would match its region's median but trail a frontier compounding almost twice as fast at 19.5%. Under Fast takeoff, 20.6% growth would beat the regional median, yet the frontier would run at 39.2%. This is catch-up against Italy's own history, not against the leaders. Measured against a trend of 1.2%, the change would still be dramatic. At Fast rates, output would double every three to four years; a child starting school would finish it in a country several times richer. Manufacturing would shift from making goods to designing and coordinating them. Italy's shrinking workforce would lean on AI as a complement rather than a rival, and rising wages could ease the pressure on young Italians to leave for work abroad. There is an honest risk worth naming. Italy would be good at using AI and poor at owning it. Europe hosts about 8% of the world's tracked training compute and none of the leading labs. Compute that Italy rents from abroad can be throttled or repriced elsewhere, and its brain drain could deepen if the frontier pulls away. The hedge is to build a share of sovereign or European compute, and to make Italy worth staying in. Even then, the pace-setter would move from the factory to the state, testing how fast Terna can connect new power, how fast regions and comuni can permit, and how fast Italy's slow civil courts can keep up.

WHAT ITALY CAN DO NOW

Three levers follow from the scores, and two of them pay off whether or not AGI arrives. The first is demographics and migration, the lowest factor at 1.1. Raising participation among women and older workers, attracting skilled migrants, and investing in skills that complement AI all help under every scenario. This is a no-regret move. The second is catch-up headroom, at 1.6. Faster courts, lighter bureaucracy and openness to investment lift absorptive capacity in any world, so acting here is also no-regret. The third lever is the bet. Compute and energy access, at 2.9, barely moves growth if AI stays ordinary, but under Fast takeoff it becomes Italy's single biggest lever. Closing it means fast-tracking grid connections and new generation, and packaging power, land and permits for hyperscale investment. Meanwhile Italy should protect its real strengths in diffusion and cyber, not just fix gaps. Germany offers a model on the first lever: its Opportunity Card points-based visa is built to draw skilled workers to an aging economy. A cautious government can act on the two no-regret levers today and lose nothing if the skeptics are right. Open the atlas's [policy editor](#) to test how shifting these scores would change Italy's path under each scenario.

The three levers — and which pay off regardless

Demographics & migration

score 1.1 / 5 · weight 12 under skeptic → 6 under fast takeoff

Counts under the Modest scenario too (12→6). Closing this gap pays off whether or not AGI arrives.

No-regret

Catch-up headroom

score 1.6 / 5 · weight 16 under skeptic → 6 under fast takeoff

Counts under the Modest scenario too (16→6). Closing this gap pays off whether or not AGI arrives.

No-regret

Compute & energy access

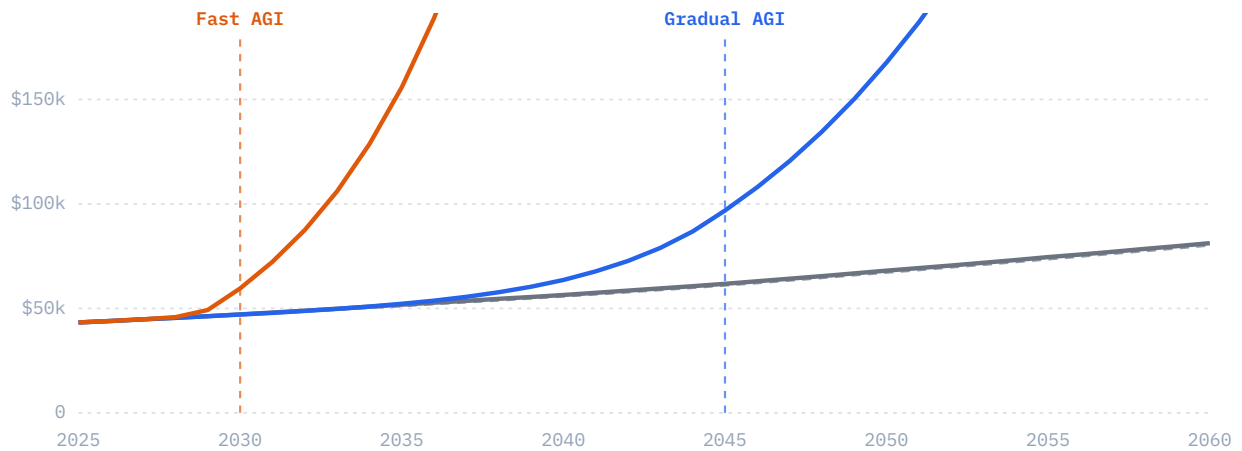
score 2.9 / 5 · weight 8 under skeptic → 24 under fast takeoff

Weight climbs from 8 to 24 as takeoff nears. It barely moves growth if AI stays ordinary — the lever that needs a view on the takeoff.

AGI bet

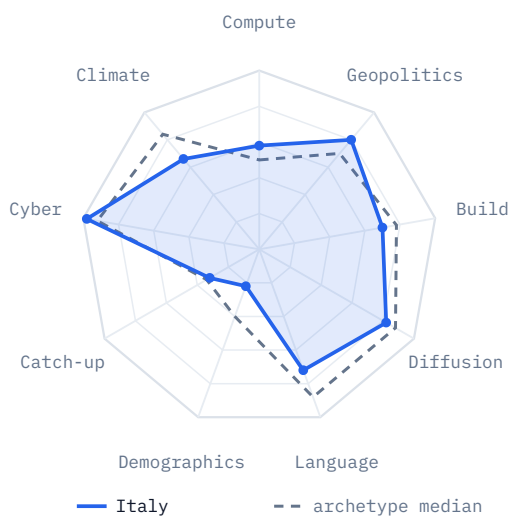
The no-regret levers pay off in every scenario, so a cautious government can act on them today. The AGI bet becomes decisive only if takeoff is real.

GDP per person to 2060, by scenario



Linear scale; solid lines are the three scenarios, dashed grey the no-AI baseline. Growth ramps from 2027 to each scenario's rate at its AGI year (Fast ~2030, Gradual ~2045), then holds. Timing and divergence are the point, not end levels; steep paths exit the top of the capped axis.

The nine factors



Solid: Italy. Dashed: the median of its archetype. Scores are relative to the other 156 countries (3 ≈ global median, 5 = leading today).

Outcomes under each scenario

SCENARIO	GROWTH / YR	WORLD RANK	INDEX	DOUBLING
Modest	1.5%	131 / 157	63.2	—
Gradual	10.8%	46 / 157	62.5	6.8 yrs
Fast	20.6%	27 / 157	66.6	3.7 yrs

Post-AGI growth rate, rank among 157 countries, AGI Growth Index (0–100, scenario-weighted), and the implied economy doubling time. The Modest path is the baseline the AGI scenarios fork from.

THE THREE SCENARIOS

Modest the Acemoglu view

AI as a normal productivity tool

Intelligence was never the binding constraint on growth, so AI delivers real but ordinary gains. Each country gets a one-time boost of a couple of percent of GDP, phased in through 2035; growth then returns to trend. The mainstream-economics view.

≤0.66% TFP over a decade — a one-time gain

Italy: 1.5% growth a year · #131 of 157

Gradual Erdil & Besiroglu, base case

Broad automation, on a long timeline

Broad automation of remote work arrives around 2045, with gains building slowly from the late 2020s. Growth then reaches up to ~20% a year for the best-positioned countries — ten times today's frontier trend. A slow arrival gives countries time to adapt, so the gains are wide but uneven.

up to ~20%/yr after 2045 — 10× the frontier trend

Italy: 10.8% growth a year · #46 of 157

Fast Erdil & Besiroglu, fast takeoff

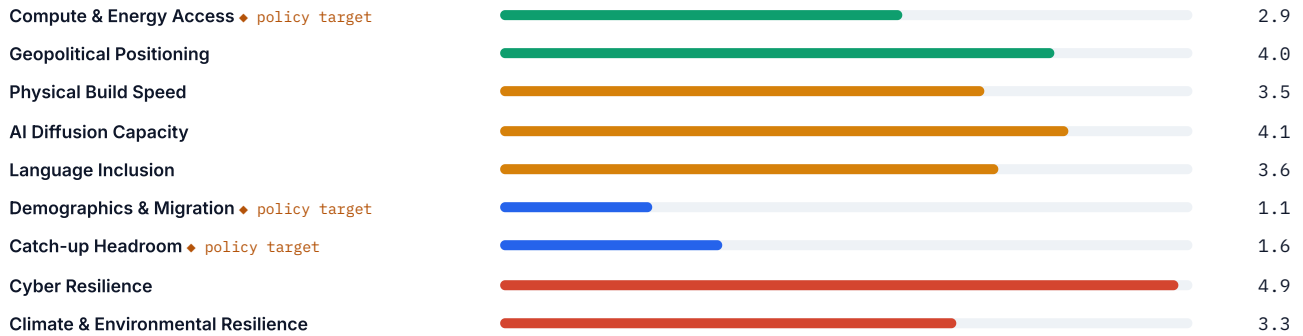
Fast takeoff — today's infrastructure decides

Transformation lands around 2030, before countries can adjust. Whoever already owns compute, capital and the ability to build wins; the gap between countries widens dramatically — and some are left growing slower than they would have without AGI.

up to ~40%/yr from 2030

Italy: 20.6% growth a year · #27 of 157

Factor scores — and where policy bites



♦ marks this country's highest-leverage policy targets: the weakest factors carrying the most weight under the AGI scenarios. The atlas's interactive policy editor (agigrowth.org/#editor) simulates how raising any score changes growth under each scenario.

Archetype: High-trust diffusers

Rich, skilled and quick to absorb AI — including the big aging economies whose adoption outweighs their demographics.

Wins: The diffusion era — every year before full automation compounds their head start.

Watch: Little frontier capability of their own: dependent on alliance access and open weights; slow to build.

Canada 18.3% · #3	Ireland 17.4% · #4	United Kingdom 16.9% · #5	Australia 16.1% · #6	Singapore 15.7% · #7
New Zealand 15.5% · #9	Sweden 15.1% · #12	Norway 14.7% · #14	Germany 14.5% · #17	Switzerland 14.3% · #18

The regional picture — Rich, capable — and dependent on someone else's frontier.

Europe has the world's densest cluster of high-trust absorbers: strong institutions, high measured adoption, deep skills. What it does not have is a frontier. The entire continent hosts about 8% of tracked training compute — a tenth of the American share — and none of the leading labs. That makes Europe's position derivative in a way its wealth conceals: its access to frontier capability rests on continued alliance inclusion under the US AI umbrella (most of the continent sat in Tier 1 of the 2025 diffusion framework) and on open-weight models remaining available not far behind the frontier. Neither is guaranteed across twenty years, and the hedge — building sovereign European capability — collides with the region's domestic constraints: high energy prices, slow permitting, and workforces aging from Lisbon to Warsaw. The UK and Ireland lead on absorption; Central Europe is building real manufacturing capacity; the Balkans and Moldova trail on institutions; Ukraine remains a war economy. Given AGI, Europe's internal spread is already wide — and the gap between absorbing AI and owning any part of it is the region's defining exposure.

Method, in brief

Each country is scored 1–5 on nine factors from public data (World Bank, Epoch AI, ITU, IMF and national sources). A scenario-weighted average forms the AGI Growth Index (0–100), which maps to a post-AGI growth rate inside ceilings derived from Erdil & Besiroglu (2023): ~20% growth a year for the best-positioned country under Gradual takeoff (AGI ~2045), ~40% under Fast (AGI ~2030); growth ramps convexly from 2027. The scenario sets the growth rates on offer; the index only decides where each country sits within them. The Modest scenario is the skeptics' baseline — a small uplift on each country's own ten-year trend. These are simulations for structured thinking, not forecasts; no probabilities are attached to any scenario.

Watch the global signals live: the METR task-horizon curve at metr.org/time-horizons · frontier-lab revenue at epoch.ai/ai-companies · AI-chip spending at epoch.ai/ai-chip-sales.

Explore further: full methodology agigrowth.org/#methodology · map & rankings agigrowth.org/#explore · country profiles agigrowth.org/#countries · policy editor agigrowth.org/#editor