

Resignation of Italian Prime Minister D'Alema threatens to topple government

Chris Marsden
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Following resignation of Italian Prime Minister Massimo D'Alema on Wednesday, April 19, President Carlo Azeglio Ciampi has initiated talks to see if a new centre-left government can be formed, or if a general election must be rapidly organised.

In regional elections last weekend, D'Alema's centre-left coalition suffered significant losses to the benefit of the right-wing Freedom Alliance, headed by Forza Italia, the party established by media magnate and former Prime Minister Silvio Berlusconi.

D'Alema came to the head of Italy's government in October 1998, after the forced resignation of his predecessor, Romano Prodi. Prodi had led the "Olive Tree" coalition dominated by the Social Democrats and Stalinist parties, and which included some small splinter parties.

Prodi's administration came to power in 1996, after the fall of Berlusconi's 1994 coalition with the neo-fascist National Alliance of Gianfranco Fini and the separatist Northern League of Umberto Bossi. Berlusconi's attempts to push through austerity measures had met with massive opposition, with 5 million people taking to the streets to oppose social cuts.

The Christian Democrat Prodi carried out \$60 billion in public spending cuts and attempted to slash welfare spending by a further 25 trillion lire (\$14.45 billion), including an increase in the retirement age to curtail state pensions and a reorganisation of the health service. These were preconditions for Italy's entry into the European Monetary Union (EMU), which entailed bringing state debt down from 6 percent of Gross Domestic Product (GDP) to 2.7 percent—below the 3 percent figure demanded by the Maastricht Treaty.

Prodi's successes in gaining entry into the EMU earned him the plaudits of the financial elite, but his social policies provoked widespread popular opposition. This culminated in a vote of no-confidence and Prodi's resignation on October 9, 1998. At that time, Italy's public sector debt remained double the supposed European Union limit of 60 percent of GDP, almost one-quarter of the EU's total public sector debt,

while unemployment stood officially at 12 percent.

When D'Alema was chosen as Prodi's replacement on October 30 1998, it was the first time a politician with roots in the Italian Communist Party (PCI) had held that office. D'Alema was head of the Left Democrats, which emerged from the Partito Democratico della Sinistra (Democratic Party of the Left—PDS), the largest grouping to come out of the Stalinist PCI. D'Alema's Left Democrats had only been created in February of that year. He hoped it would be able to play the same role as other social democratic and Stalinist organisations that had ditched their old reformist policies and attempted to repackage the social and economic nostrums of the deeply unpopular right-wing parties and sell them to the working class. With 680,000 members and a 21 percent share of the vote, it was the largest Italian party at the time.

D'Alema said that his aim was to form a stable centre-left coalition and to abolish proportional representation and replace it with majority voting to weaken the influence of the minor parties that had always been able to play a role in government beyond their actual size.

His government was a coalition made up of seven parties, including splinters from the Christian Democrats, other Stalinist groups, the Socialist Party and the Greens. His first act was to present Prodi's budget cuts to parliament again.

But D'Alema has proved no more capable of closing the gulf between the established parties and the mass of the Italian population than his predecessors because his pro-business policies ran directly against the social interests of working people.

His plans to reform the pension system were deeply unpopular amongst working people, forcing the trade unions to oppose them and delaying cuts until after the 2000 budget was passed. Attacks on living standards, jobs and services have met fierce opposition. Last year, 6.4 million working hours were lost through strikes, a 53.7 percent increase over 1998. One of D'Alema's last acts this month was to secure the passing of anti-strike legislation, introducing individual fines of up to L5m (\$2,500) for those breaching the new

laws. Under the legislation, the unions must guarantee the continued running of at least 50 percent of essential public services during a strike and 10 days' notice must be given before industrial action may be taken. The measures were endorsed by government and opposition parties, as well as the main trade union confederations, but were opposed by the independent union movements that are popular amongst public sector workers.

A further expression of the public mood prior to the regional elections was provided by a survey of voter intentions, commissioned by the IG students' foundation. Some 68 percent identified training and jobs as a priority and the percentage was as high as 73-76 percent in Italy's southern regions, which suffer chronic unemployment, such as Calabria, Campania, Basilicata and Apulia.

Bereft of any genuine popular support, D'Alema had become ever more reliant on manoeuvring between his fractious coalition partners to remain in power. He was even forced to resign as prime minister briefly last December, after two small parties withdrew from his 14-month-old coalition. Four days later, he was sworn in again as head of a new alliance, Italy's fifty-seventh government since World War II.

The recent poll was the first election to allow a direct vote for the heads of 15 of Italy's 20 regions. The centre left gained only 45 percent of the vote, compared with the right-wing parties' 51 percent. The centre left lost control of two regions, with the right now in charge of eight of the 15 contested regions. The result was polarised along both regional and social lines. The proportion of votes cast for the ostensibly left parties actually rose slightly compared with the elections to the European Parliament last year, but the middle classes in particular shifted their allegiance to the right wing.

The right won convincingly in the four northern regions making up Italy's economic powerhouse: Lombardy, around Milan; Piedmont, whose capital is Turin; Liguria, the coastal strip by Genoa; and Veneto, in the prosperous northeast. Fini's National Alliance won Lazio, which includes the capital city of Rome, and two southern regions, Apulia and Calabria.

Berlusconi peppered his anticommunist rhetoric with charges that D'Alema had never been elected as prime minister and thus had no legitimacy. But his campaign sought to channel social discontent behind anti-EU slogans and anti-immigrant sentiments directed against refugees from the Balkans. This was successful only because the government comprised all the parties that once held the allegiance of the working class and was backed by the trade unions.

Following D'Alema's resignation, Italian politics has been

thrown into crisis once again.

There is no agreement as to who should replace D'Alema as head of the existing Centre Left coalition. Potential candidates include Treasury Minister Giuliano Amato, a former premier who headed a cabinet of technocrats in 1992-93, Foreign Minister and former Premier Lamberto Dini, Bank of Italy Governor Antonio Fazio, European Competition Commissioner Mario Monti, Rome's Mayor Francesco Rutelli and Walter Veltroni, the leader of D'Alema's party.

Berlusconi and his allies are demanding that President Ciampi move forward the April 2001 general election to June 18, but this is even more problematic. A referendum is due next month on whether to adopt a "first past the post" system for national elections and ditch the last remnants of proportional representation. This move has long been considered necessary in order to bring a degree of stability to Italian political life. If this is not done, then there is little to suggest that a right-wing coalition government would be any more viable than the centre left has proved to be.

Berlusconi's coalition with the Northern League and the National Alliance is built on shaky foundations. Since D'Alema gave the regional assemblies more autonomy as part of a more federalist structure of government for Italy, the Northern League has dropped its demand for immediate secession, but clearly intends to demand greater autonomy for the more prosperous north. During the elections, the right-wing parties were forced to deny a secret agenda to amalgamate the four northern regions, demanding control of all their affairs apart from defence and foreign policy. This would meet fierce opposition from Fini's National Alliance whose main base of support is in the more impoverished south.



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