

Italy: Centre-left opposition supports austerity measures

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In 2008, the Italian centre-left government under Romano Prodi collapsed after only two years in office after it enforced massive austerity measures against the working class. Now, the centre-left camp is again seeking to return to power in order to push through an even tougher austerity programme.

In mid-July, the opposition parties supported the right-wing government in rushing through an austerity programme cutting spending by over €79 billion, the full impact of which will be borne by working people. In the days preceding the vote on the measures, Italy had come under intense pressure from the financial markets. The country was confronted with paying record interest rates of 6 percent on government bonds.

Although the government of Silvio Berlusconi has been weakened by declining support, internal squabbles and numerous scandals, Romano Prodi spoke out against demands for the immediate resignation of the government. “If the house is on fire, no one should be thinking about new governments,” he told the German newspaper *Die Welt*. “We have more pressing problems to solve. We need to put out the fire and show that our finances are under control. The long-term political problems will only be resolved after that.”

With its support for the austerity programme, the centre-left camp has demonstrated its willingness to submit to the dictates of the financial markets. The leading role is being played by the Democratic Party (PD)—the successor to the largest organisation to emerge from the collapse of the Stalinist Italian Communist Party (PCI)—and by the 86-year-old President Giorgio Napolitano, a member of the PCI since 1945.

Napolitano made sure that nothing was left to chance in adopting the austerity budget. According to *Reuters*, the president led a sort of unofficial parallel government for almost a week. He worked closely with Finance Minister Giulio Tremonti, central bank governor Mario Draghi and Berlusconi’s right-hand man, Gianni Letta, keeping constant contact with the leaders of the opposition parties.

“This was a real sub-government, which supported the country against speculative attack,” *Reuters* wrote, quoting an anonymous source.

As the details of the austerity programme became known on July 12, PD leader Pierluigi Bersani telephoned the President from Cairo. Bersani thanked Napolitano “for the role he had taken on at a time that was not easy for Italy”. He guaranteed that “the PD and the opposition would behave responsibly, and ensure the rapid

passage of the *Manovra*”—as the austerity package was called in the media. Bersani reported this on his personal web site.

On July 15, the opposition parties voted in parliament in a coordinated manner against the *Manovra*, but only because the government did not need their votes. As agreed, they waived the right to put forward their own proposals, which would have involved a long parliamentary debate. This had previously been thoroughly discussed with the president, who had conducted extensive discussions with all parties, extracting from them a promise not to torpedo the decision on the austerity budget.

Subsequently, Napolitano thanked them explicitly and publicly. A *Reuters* article stated: “While Italy struggles to find a way out of the Euro debt crisis, and Prime Minister Silvio Berlusconi approaches the precipice, a former Communist in his eighties took over the helm to ward off the dangers.” Napolitano had played a similar role in April, when Italian participation in the NATO war against Libya had been discussed.

The budget, with which Finance Minister Giulio Tremonti is seeking to reduce the deficit to zero by 2014, places the entire financial burden on the working class. It includes measures to make up to €80 billion in long-term savings.

These include worsening pension provisions and gradually increasing the retirement age, cuts in schools and universities, in old age homes and kindergartens, child care benefits, sports, theatres, cinemas, the arts, museums and at archaeological sites. In future, in the health sector, every visit to a doctor and laboratory investigation, every drug prescribed and ambulance used must be paid for. In the public sector, a quarter of a million posts will be cut, while salaries will be frozen for years.

Deep poverty already prevails in large parts of Italy. A recent study by the statistics office Istat reveals that 11 percent of the Italian population (more than 8 million people) are already living in poverty, and this figure is rising. The poverty level for a two-person household is set at €992 a month, which represents half of the average Italian wage. Three million people are considered to be in “absolute poverty”—that is, unable to fund even the basic needs of daily life.

In the south (known as the *Mezzogiorno*), one third of families are officially considered poor. About 40 percent of all families have limited their consumption of fruits and vegetables recently on cost grounds, and 37 percent of all families have even reduced their consumption of bread and pasta.

The *Manovra*, the new austerity package, will involve even

deeper cuts in social spending affecting the population. Experts estimate that in two years, it will cost every Italian family an average of a thousand euros, and according to the trade unions this could even reach €1,800. To push this through, the ruling class requires the assistance of the “left” bourgeois parties—the Social Democrats, Greens and ex-Stalinists.

Significant sections of big business are now pushing for an early change of government. They regard Berlusconi as too weak and too enmeshed in corruption and sex scandals to push through the most extreme austerity measures in Italian history. Berlusconi himself has recently declared that he would not run in the elections of 2013.

Raised in Italy, US economist Nouriel Roubini called in *La Repubblica* for the early removal of the Berlusconi government and the formation of a technocratic government. “The Italian government today is no match for the severity of the situation,” he said. “The risk is that fiscal policy could spiral out of control. It is inconceivable that this should continue until 2013.”

In the course of recent weeks, Berlusconi has suffered new defeats. In May, his People of Freedom Party (PDL) lost the mayor’s office in Milan and other major cities to the opposition parties. In mid-June, the PDL conceded defeat in four referendums. One referendum concerned the reintroduction of nuclear technology and the privatisation of water, as well as special rights for leading politicians. Voters rejected all four by an absolute majority.

At the same time, the prime minister is in court in four separate trials for corruption and having sex with minors. He has also been sentenced to pay €560 million compensation to his arch-rival, the media and corporate mogul Carlo de Benedetti.

Finally, parliament voted on July 20 to withdraw immunity to Alfonso Papa, one of Berlusconi’s PDL party stalwarts. Papa is suspected of being a key figure in the P4 secret organisation, the Freemasons’ lodge that is the successor to the notorious Propaganda Due (P2) lodge of the fascist Lucio Gelli.

Alfonso Papa is a prime example of the corruption that has flourished around the Berlusconi regime. A judge from Naples, Papa is said to have blackmailed influential businessmen and senior politicians thanks to his relations with the intelligence service and insider knowledge. He is alleged to have coerced an entrepreneur to pay for the luxury villa of his Ukrainian lover; he gave a Jaguar car to another girlfriend. Before his arrest, Papa delivered a pathetic speech in parliament in which he appealed to women and children, described himself as a “gentleman” and thanked his mentor Berlusconi: “He is an outstanding personality who is close to me, and I’m proud to be able to enjoy his confidence.”

When Papa’s parliamentary immunity was withdrawn, MPs from the Northern League, Berlusconi’s coalition partners, voted in favour, distancing themselves demonstratively from Berlusconi. The government chief registered the defeat stony-faced and spoke of “shame”.

Meanwhile, more and more business leaders and opposition politicians are stressing that Italy needs a government of technocrats to win back the confidence of the financial markets. Under these conditions, the opposition parties are preparing to

support such a government of technocrats, or to take over government themselves.

It is obvious that such a change of government would not bring any relief for the working class. By supporting the austerity budget, the centre-left camp has signalled its willingness to impose ruthless attacks—just like the social democratic governments in Greece and Spain. In this, it has the support of the various successor organisations to *Rifondazione Comunista*, the trade union leaders and their supporters in the petty-bourgeois camp.

Nichi Vendola, (formerly Rifondazione, today leader of the Sinistra Ecologia Libertà, SEL and the governor of Puglia) made clear his own support for a new centre-left government. On June 8, he gave the newspaper *Corriere della Sera* an interview in which he advocated cooperation with the Democrats and expressly waived the defence of social rights. “I do not want to make any provocative speeches: The radical left must realise, for example, that the old welfare state cannot be sustained,” he said.

On June 28, with a view to a future government of the centre-left camp, the trade unions signed a national pact with the employers’ association. It includes a no-strike agreement and is based on the infamous house agreements at Fiat. Susanna Camusso, secretary of the supposedly “left” CGIL union, also signed the industrial truce.

A dispute has broken out in FIOM, the CGIL metalworkers’ union. One wing under Fausto Durante is supporting the truce, while another under Maurizio Landini and Giorgio Cremaschi has half-heartedly criticised it. Durante said that the national labour pact constituted progress in economic relations. The truce, which weakens the working class by imposing a no-strike agreement on the eve of the most brutal cuts in social spending, was said to be an “attempt by the CGIL to re-introduce common rules in the areas of representation and contracts”.

Landini and Cremaschi intend to take their summer break and only organise a vote of union members on the national labour pact afterwards in September.

For the petty-bourgeois groups, FIOM is cynically presented as the last bastion of resistance. On its web site, Sinistra Critica, a section of the (Pabloite) United Secretariat in Italy, has promised FIOM its “full support”. And Marco Ferrando from Partito Comunista dei Lavoratori (also formerly Rifondazione) praised the FIOM for playing “a valuable role.”



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