

Italian Prime Minister Monti resigns

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Italian Prime Minister Mario Monti has announced his early resignation. On Saturday evening, he informed head of state Giorgio Napolitano that he would “resign irrevocably” after the adoption of the budget for 2013, which is expected in the next two weeks. Napolitano could then dissolve parliament before Christmas and order new elections in February, rather than as scheduled in April.

The immediate reason for Monti’s resignation is the withdrawal of support by Silvio Berlusconi’s party Popolo della Liberta (PDL), whose parliamentary deputies had previously endorsed his government of technocrats. At the end of last week, they failed to support him in confidence votes in the Senate and lower house of parliament. At the same time, Berlusconi announced that he would again run for the post of prime minister in the coming election as the lead candidate of the PDL.

Berlusconi resigned as prime minister in November last year in the midst of a severe financial crisis and numerous scandals. As late as October, he had asserted that he would not stand again as the leading candidate of his party. Now he has justified his U-turn by claiming that Monti’s austerity policies, tax hikes and spending cuts had dragged Italy to the “edge of an abyss”.

However, Monti’s resignation was not mandatory. Berlusconi’s PDL had emphasized that it did not want to force the head of government out of office prematurely. In the vote of confidence, PDL deputies did not vote against Monti but abstained, and left the chamber, meaning he succeeded in securing a majority. The PDL deputies also intend to vote in favour of the 2013 budget and the debt ceiling it contains.

Monti resigned nevertheless for tactical reasons. He is attempting to secure a long-term and stable parliamentary majority for his increasingly unpopular austerity measures.

Mario Monti took on the leadership of the Italian government in November 2011 as the representative of international finance. The former EU commissioner formed a cabinet of non-partisan technocrats who enjoy

the confidence of the European Union and the European Central Bank. He was supported by a broad coalition stretching from the PDL on the right, to the Democrats and the SEL (Left, Ecology, Freedom) on the left.

Monti has met the expectations placed in him by his backers in the financial community. He imposed a drastic austerity programme onto the country, undermined workers’ rights, raised the retirement age and pushed up taxes for workers and the middle class. As a result, Italy fell into a deep recession. Unemployment and poverty have increased significantly.

Middle class layers were also hit hard. This month, the tax burden for families has nearly doubled thanks to a new tax on property. Pre-Christmas sales have fallen by 13 percent as a result.

Monti suppressed considerable resistance among workers to his measures with the aid of the trade unions, which supported his government and collaborated closely with it. In the meantime, however, ever broader social layers are turning their backs on him. His poll rating, which a year ago was quite high, has fallen to 33 percent, the lowest since taking office.

The sudden calling of the elections is in the hope of securing a majority for Monti’s austerity measures—with or without Monti.

The most likely candidate as his successor as government head is the chair of the Democrats, Pier Luigi Bersani, who only a week ago was elected by a large majority as the lead candidate of a centre-left alliance.

The 61-year-old Bersani began his political career in the Italian Communist Party, and was one of the most resolute champions of its transformation into the right-wing pro-capitalist Democratic Party. He enjoys many years of government experience, which has earned him the unreserved confidence of the Italian and international bourgeoisie.

He was president of the Emilia-Romagna region (1993-1996), minister for industry in the first Prodi government (1996-1999), transport minister in the governments of d’Alema and Amato (1999-2001) and

economics minister in the second Prodi government (2006-2008). After Berlusconi's resignation in November 2011, Bersani strongly supported the formation of a government of technocrats. Since then he has been the most important and reliable supporter of Monti.

Polls currently place the Democrats at 35 percent. Together with the SEL, whose chair Nichi Vendola was one of the founding members of Rifondazione Comunista (Communist Refoundation), they manage to achieve 40 percent.

However, this is still not enough to secure an outright majority. For this reason, there is talk about Monti returning as government head, or in another government office. Monti has already said that he is available to return as prime minister should the election produce no clear result.

In the meantime, there is speculation that Monti could enter the elections as the lead candidate of a party alliance. Following his resignation, he told *Corriere della Sera* that now his "hands are free", which provided an impetus for such speculation.

The Christian Democrats and other groups in the centre of the political spectrum would be ready to support Monti's candidacy. The same applies to the "citizens list", which is currently being built by Luca Cordero de Montezemolo, boss of Ferrari and previously head of the employers' association.

Monti could then return to government in a coalition with Bersani's centre-left alliance. Romano Prodi, who also had a big-business past and Christian Democratic background, has trodden a similar path.

So far, Berlusconi has been given little chances of electoral success. His PDL is internally divided and is currently polling between 14 and 16 percent. They manage 20 percent with their Lega Nord coalition partners, less than half as much as in the last parliamentary elections in 2008, when they polled 45 combined.

Even though Berlusconi is now trying to exploit the dissatisfaction with Monti's austerity programme and the European Union by mobilising his vast media empire, it is unlikely he can make up the ground. The 76-year-old billionaire is hated by broad layers for his right-wing politics, his links to the criminal milieu and for his sex and corruption scandals.

However, his candidacy plays an important role in driving voters into the camp of Monti and Bersani. In 1996 and 2006, Rifondazione Comunista and the numerous pseudo-left groups gathered inside it justified

their support for Romano Prodi's government by saying that otherwise Berlusconi would come into office. In reality, Prodi's attacks on the working class helped Berlusconi back into office on both occasions.

The reaction of the finance markets to Monti's resignation is also being used to blackmail the electorate with fears about a possible state bankruptcy. Monti himself has justified the timing of his resignation with the fact that the financial markets were closed on Saturday. On Monday the Italian stock market sank and the interest rate on government bonds shot up. However, the fluctuations remained far smaller than might have been expected from the dramatic predictions.

The actors on the financial markets understand Monti's manoeuvre. According to the *Wall Street Journal Deutschland*, analysts of the Italian bank UniCredit see "short-term turbulence on the markets, but are optimistic in the medium term".

This optimism is justified as follows: "Either it comes to a government under the leadership of Partito Democratico leader Pier Luigi Bersani, possibly with Monti as president. Or again, to another Monti-led government of technocrats. Both amount to a continuation of the reform process."

One uncertainty is the "five-star" movement of comedian Beppe Grillo, which is currently polling 20 percent. While it criticises the traditional parties and politicians, it offers no alternative programme and way out of the social crisis.



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