

A Grand Coalition for austerity in Italy

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The formation of a Grand Coalition in Italy, centred on Prime Minister Enrico Letta's Democratic Party and Silvio Berlusconi's People of Freedom (PdL) party, shows the degree to which the global financial oligarchy dominates political life.

The official description of this government as a coalition of the "left" and "right" only highlights the fact that such terms, used to describe the establishment parties, have been stripped of any serious meaning. The new government is an austerity regime, installed in defiance of the clearly expressed wishes of the electorate and acting solely in the interests of a parasitic layer of the super-rich.

This is a government imposed on the Italian working class just as surely as the former European Union Commissioner Mario Monti's technocratic administration installed in November 2011. All of Italy's parties are committed to serving the same social interests.

The manner in which this government was installed, as a result of secret talks and sordid manoeuvres carried out behind the backs of the people, testifies to the evisceration of all democratic norms and the ever clearer emergence of a dictatorship of finance capital, barely concealed behind the threadbare trappings of parliamentary procedure.

Letta, whose uncle Gianni is Berlusconi's chief political aide, has brought in Berlusconi's legal fixer Angelino Alfano as both deputy prime minister and interior minister—in large measure to ensure that the media mogul continues to evade prosecution.

The key position at the economic ministry will be occupied by unelected Bank of Italy Director General Fabrizio Saccomanni. He is a living promise to the banks and speculators that there will be no retreat from policies that have ruined the lives of millions.

The new foreign minister is former European Commissioner Emma Bonino of the libertarian Italian

Radicals, a staunch advocate of the "free market", privatisation of state assets, including health care, and low taxes on the rich.

Monti's allies are heavily represented. Mario Mauro of Monti's Civic Choice takes the defence ministry. Anna Maria Cancellieri, a former police official who served as Monti's interior minister, has the justice portfolio. The labour ministry goes to yet another unelected figure, Enrico Giovannini, head of the statistics agency ISTAT.

The media speaks of Letta having broken two months of stalemate, referring to the unprincipled haggling over positions since the February 24-25 general election, which saw 55 percent of the electorate vote for parties criticizing austerity and the European Union. In the election, the slate headed by Monti received only 10 percent of the vote. What Letta has, in fact, achieved is to bring together the main parties responsible for two years of brutal austerity behind a programme for its continuation.

All those seeking an alternative to the policies of austerity have been brought face-to-face with the absence of any such alternative within the Italian political establishment. The Democrats are a product of the breakup of the Communist Party of Italy, once the largest Stalinist party in Western Europe. The Stalinists and ex-Stalinists have now emerged as the linchpin of bourgeois rule in Italy and the chief party of government. They preside over an overtly right-wing organization dominated by figures from the Christian Democrats such as Letta, while the rival Stalinist faction Communist Refoundation has all but collapsed due to its own history of rotten manoeuvres.

This leaves Beppe Grillo's 5-Star movement, which received 25 percent of the vote in February, able to dominate opposition to the new government. However, the conservatism of Grillo's political and economic agenda is barely concealed by the bluster of his

rhetoric.

He speaks of the process leading to the latest government, including the extraordinary reappointment of the 87-year-old Stalinist Giorgio Napolitano as president for a second seven-year term, as equivalent to a “coup d’état.” He describes his movement as equivalent to the French Revolution without the guillotine. However, his denunciations of corruption and nepotism are entirely compatible with the demands of sections of the Italian and global financial aristocracy.

Grillo said more than he intended when he joked to Germany’s *Bild*, “I’d like honest, competent and professional people in the right positions. In this respect, I would be glad about a German invasion of Italy.”

The savage cuts demanded by the EU and the International Monetary Fund have proved to be as disastrous for Italy as for Greece, Portugal, Spain and Ireland. The business lobby Confindustria has described austerity as having caused “devastating damage, comparable with a war,” leaving Italy facing a “full credit emergency.”

More than 31,000 companies folded in the first quarter of this year. Italy’s economy has shrunk by 6.9 percent since 2007 and contracted by fully 2.4 percent last year. Public debt has actually risen from 121 percent to 127 percent of gross domestic product (GDP), and is set to increase yet further as a second Italian and European recession looms.

The social impact has been brutal. Unemployment is at 11.6 percent, and among the young it is 37.8 percent—rising to more than 50 percent in Naples and other more deprived southern regions.

The experience of the Italian working class is common to that of their brothers and sisters in Europe and internationally. Workers have unambiguously expressed opposition to policies that have plunged millions into grinding poverty and unemployment, only to have technocratic or right-wing governments imposed upon them to ensure that the assault on their living standards continues.

No one advances a program of progressive social reform, let alone the sweeping economic and social measures required to reverse the worsening crisis. The ruling class has all manner of organisations ensuring that its agenda is carried out to the letter—the EU, the

IMF, the European Central Bank and the innumerable identikit governments that, no matter what their nominal coloration, do exactly as they are instructed by the super-rich.

What do workers have? Trade unions that sabotage every expression of opposition and serve as de facto arms of the corporations and the state. And old and degenerate “labour” and “social democratic” parties that are indistinguishable from the conservative right.

For their part, the pseudo-left groups such as Sinistra Critica in Italy, SYRIZA in Greece, the Left Bloc in Portugal et al. make their token protests against austerity while pledging their support for the EU and channelling dissent behind the trade unions.

The defence of social and democratic rights demands nothing less than the reorganization of the economy and of society through the formation of workers’ governments and the United Socialist States of Europe. The major corporations and banks must be taken over and placed under democratic control. Production must be organised according to the needs of society, and not the accumulation of profit and obscene wealth by a few.

The task now at hand is to build a new revolutionary leadership, the International Committee of the Fourth International, to politically prepare a working class counteroffensive and give voice to rising popular discontent against a rotten political establishment and the failed social order it defends.



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