

Italian government survives confidence vote

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Italy's Prime Minister Enrico Letta survived a confidence vote on Wednesday. In the Senate, where Letta's Democratic Party (PD) lacks an overall majority, 235 senators voted for the government with 70 against. In the House of Representatives, the PD has a majority of deputies. The Freedom of the People party (PdL) led by media tycoon and former prime minister Silvio Berlusconi also voted in favor of the government, although it was Berlusconi himself who unleashed the government crisis.

Last Saturday, Berlusconi had ordered five ministers of his party to leave the government. He justified the withdrawal on the basis of an increase in the rate of VAT (value added tax) from 21 to 22 percent, agreed between the economic affairs minister Fabrizio Saccomanni and the European Union.

The real reason for the crisis, however, was the impending withdrawal of Berlusconi's immunity as a senator following a tax fraud conviction that carries a four-year prison sentence. At the start of this week, PdL deputies had announced they would stage a "mass exit" from parliament if the amnesty committee of the Senate decides against Berlusconi on October 4.

Berlusconi is alleged to have made the decision to bring down the government without consulting any of his party's ministers or its parliamentary faction. In the past, they had always remained loyal, but this time he overplayed his hand.

While the PdL ministers went ahead and submitted their resignations, they made clear their opposition to the move. Prime Minister Letta and President Giorgio Napolitano refused to accept the resignations, meaning the ministers remained in office.

Then on Monday night Berlusconi delivered a 40-minute monologue to the PdL faction calling for the fall of the government and new elections. PdL members responded with an open rebellion. Led by PdL leader and interior minister Angelino Alfano, a group formed

that announced that it would vote in favor of Letta in the confidence vote.

The 42-year-old Alfano had long been regarded as Berlusconi's closest confidant and leader in waiting. As justice minister in Berlusconi's cabinet from 2008 to 2011, Alfano was responsible for numerous laws that protected his mentor from lawsuits and imprisonment.

On Tuesday, countless rumors emerged about the number of senators prepared to break with Berlusconi and vote for Letta. A split in the party appeared to be increasingly likely. The PdL politician and president of Lombardy, Roberto Formigoni, announced the formation of a new "independent, conservative alternative".

A number of deputies also made clear that they would not follow Berlusconi, who has announced the reversion of the PdL—a merger of several groupings—into its original formation, Forza Italia.

When it became clear that Letta would survive the confidence vote, Berlusconi backed down. On Wednesday, he called for support for the prime minister and voted in favor of the government. As a result, far from being resolved, the political crisis has merely been postponed.

In the media, the conflict between Berlusconi and Letta is invariably portrayed as pitting an egomaniac who pursues his own interests against a selfless premier who puts the interests of the country first. In reality, behind all the twists and turns there is the attempt to establish a government that is stable enough to enforce hitherto unimaginable social attacks against the Italian working class.

Letta is a Christian Democrat who owes his political rise to support from the successor organization of the Italian Communist Party. He is currently regarded by both the European and Italian bourgeoisie as best suited for the task of imposing new austerity measures. This is why he enjoys the full support of all European

governments and the European Union, and why a wing of Berlusconi's PdL has now turned against its mentor and lined up behind Letta.

When Berlusconi withdrew his support from the government, Italian share prices plummeted and interest rates on government bonds soared. On Tuesday, when it appeared increasingly likely that Letta would obtain a majority, the trend on the stock markets reversed. The rates charged for Italian government bonds fell sharply and the Milan stock exchange rose by 3.1 percent. Ironically, the share of Berlusconi's Mediaset group also rose by 6 percent.

In his speech to the Senate on Wednesday, Letta tried to win support by promising to reduce taxes, cut public spending and reform political institutions to ensure stable governance.

For his part, Berlusconi justified his support by citing Letta's commitment to cut taxes, initiate reforms of the judiciary and particularly to reduce the cost of labour.

The savings and labor market reforms Letta proposes are huge and will reduce the working population to a standard of living comparable to that at the beginning of last century—a period of bitter poverty recorded in many notable literary works.

Italy is currently in a deep recession. Industrial production has fallen by a quarter since 2007, and GDP will shrink this year by 2 percent. The official unemployment rate is 12 percent, and among young people, a massive 40 percent. The national debt is 135 percent of GDP and rising. To reverse this trend, Letta plans to slash billions in social spending.

Rather than constituting a “historic day for Italian democracy”, as Letta claimed in his speech to the Senate, Wednesday’s confidence vote demonstrates a closing of ranks within the ruling class in order to undertake a fresh assault on the working class.



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