

Italy: Democratic Party chief Renzi attacks Letta government from the right

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Matteo Renzi, the new head of the Italian Democratic Party (PD), is pressing the government led by his party colleague Enrico Letta with new demands. Currently, he is calling for a new labour law, a constitutional amendment and electoral reform. Most recently, he teamed up with Silvio Berlusconi to pressure Letta, whom he would like to replace as prime minister.

Renzi, the mayor of Florence, became leader of the Democratic Party only seven weeks ago. In December, he emerged as the new Party Secretary, with 70 percent of the vote from the party elections, held in the style of American primaries, in which not only party members but virtually everyone could participate.

Since then, the 39-year-old has been feted by the Italian and international press as a “charismatic reformer” and Italy’s Tony Blair. *Die Welt* called him a “Shooting Star”, *Der Spiegel*, “Italy’s political hope” and the *Financial Times*, “Italy’s best hope”. He calls himself a “rottamatore” (scrapper), who is willing to do away with antiquated traditions and ruthlessly push through so-called “reforms”.

The nature of these reforms is shown by his proposals for a new labour law, which he presented on Facebook and was rubber-stamped by the party secretariat on 16 January. The reforms, called the “Jobs Act” in reference to Barack Obama’s labour market policy, will make the labour market more flexible, at workers’ expense.

At the centre of the proposals is a new unified employment contract, covering virtually all private sector jobs. Blue and white collar workers would only be granted full remuneration, employment rights, and protection from dismissal after three years’ probation. Italy has already seen a proliferation of temporary employment agencies. The new employment contract will push down existing wages and free employers from any responsibilities towards their staff in the first three years.

In addition, Renzi wants to abolish the “Cassa Integrazione” (Wages Guarantee Fund) and replace it with a uniform system of state unemployment benefits, coupled with compulsory training.

The “Cassa Integrazione” protects workers from dismissal by paying them a reduced wage if they temporarily have either no or only part-time work. Its abolition is above all a concession to the Fiat corporation, which has long contemplated moving its headquarters outside Italy, and has put parts of its workforce on zero-hours short-term working for months. Under Renzi’s reforms, the company could fire workers more easily.

Moreover, Renzi is proposing to lower business taxes by a further ten percent, despite an enormous state deficit. On Facebook he goes into raptures saying, “It is not laws that create jobs but entrepreneurs.” It is all about “the desire to get involved, to invest, to innovate”.

Renzi also wants to protect the label “Made in Italy” more—a nationalist demand he shares with the Forconi (Pitchfork) movement and the Five-Star Movement of Beppe Grillo. For Renzi, the “Made in Italy” label applies not only to goods, but also to the people who make them. Among other things, the measure is directed against Chinese workers in the Italian textile and fashion industries.

Renzi is receiving support for his anti-worker and xenophobic measures from the trade unions and former *Rifondazione Comunista* (Communist Refoundation) members, who celebrate the “reforms” as a way out of the crisis.

The unions have welcomed Renzi’s labour reforms, arguing that the new organisation of labour contracts and unemployment benefits will make it easier for young workers to find employment. They also support Renzi’s proposal to introduce a stronger form of union co-determination along German lines. Renzi is calling for the participation of trade union representatives in company supervisory boards, arguing that this system works well in Germany.

“Renzi’s approach is correct”, said Susanna Camusso, head of the largest union CGIL, in an interview with *Stampa*.

Maurizio Landini, head of the FIOM metalworkers’ union, declared: “I agree with the idea that precarious working

conditions must be limited". Whereby, he had to admit that Renzi's proposals would not even provide a minimum wage.

Nichi Vendola, president of the Apuglia regional government and head of the *Rifondazione* split off SEL, claims Renzi would end the grand coalition that currently forms the Italian government. In April 2013, the Democrats had formed a coalition government with the PdL of Silvio Berlusconi, and following his resignation in October with Nuovo Centrodestra, the PdL split-off of Angelino Alfano. The third partner in government is Scelta Civica (Citizens Choice) of ex-premier Mario Monti.

Vendola told the newspaper *Unità*, "I stand close to all who say that the grand coalition is a disaster for the country... If Renzi says that, then three cheers to Renzi".

Vendola admitted to having previously had a strained relationship with Renzi, but since he won 70 percent of the vote in the Democrats primary elections he would have to take off his hat to him. Renzi's victory was a "cyclone", a whirlwind that can overcome the problems of democracy. Vendola announced his cooperation with Renzi, "I hope to build a common home for the future, together with Renzi".

In order to change the electoral law and the constitution, Renzi has teamed up with Silvio Berlusconi, unleashing violent conflicts inside his own party.

At the beginning of December 2013, the Constitutional Court declared the current electoral law unconstitutional. It was introduced by Berlusconi's justice minister Roberto Calderoli (Northern League) in 2005, which he himself called "Porcellum" (a scandal). It was meant to ensure Berlusconi's majority, and was highly undemocratic. Among other things, the Constitutional Court found fault with the bonus seat system that heavily favoured the election winner, and the closed lists that do not allow a vote for individual candidates.

Renzi's proposal is just as undemocratic. It also provides for a pronounced bonus system benefiting the election winner and closed lists. It also does away with numerous elected institutions and discriminates against smaller parties even more than the previous set up.

Renzi suggests that the largest party or coalition automatically receive 54 percent of the seats in the Chamber of Deputies, as under the previous election law. Though this should only apply if they receive at least 35 percent of the vote. If no party wins 35 percent, a second ballot should be held.

For small parties belonging to a coalition a minimum threshold of five percent to enter parliament should apply, for single parties eight percent and for party coalitions or electoral alliances twelve percent. Such quotas would also block access to parliament to parties such as the Lega Nord or the SEL.

Renzi wants to abolish the existing provincial authorities and the Senate as elected bodies. The Senate would become a "chamber of the autonomies", in which representatives of the regions, as well as mayors of large cities would sit. In this way, one billion euros would be saved.

In a certain sense, the abolition of the bicameral system would be a return to conditions that existed since 1861 in the Kingdom of Italy and under fascism. At that time, senators were appointed by the king for life. It was not until the 1947 constitution, which then stipulated that senators are elected (with a few exceptions) by the population.

Renzi's proposal and the way he is pushing through his plans has unleashed conflict within the PD.

On 18 January, Renzi had invited Silvio Berlusconi to the Democrats party headquarters. All surrounding streets were blocked off, and no journalists were allowed to attend. Berlusconi entered the building through the back door, but still his limousine was pelted with eggs.

On the same day, Renzi spoke with Angelino Alfano, head of coalition partners Nuovo Centrodestra, and Berlusconi's former crown prince. Alfano then told the newspaper *La Repubblica*, "I and Matteo, we understand each other in the end, we are sympathetic. If there is a problem, then it's between him and Letta, not with me".

From within his own party, Renzi was accused of helping Berlusconi, who had been convicted of tax evasion and excluded from the Senate, make a comeback.

The president of the PD, Gianni Cuperlo, resigned his office in protest. Vice-minister of economic affairs Stefano Fassino (PD) also resigned after Renzi snubbed him at a press conference.

Renzi justified himself saying he was only ensuring that the necessary two-thirds majority was found to enable a constitutional amendment. His new electoral law would ensure that the country remained governable, he said. In three hours, he had achieved what had not been achieved in three years.

With his ventures, Renzi has stabbed the Letta government in the back and heightened its crisis. Many cabinet ministers are weakened.

On 27 January, agriculture minister Nunzia Di Girolamo (Nuovo Centrodestra) resigned amid allegations of corruption, and Justice Minister Anna Maria Cancellieri also faces criticism for exerting influence on judicial decisions.



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