

# Change of government in Italy

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On Thursday evening, Enrico Letta announced his resignation as prime minister of Italy. His own Democratic Party (PD) had effectively passed a motion of no-confidence in its own premier.

Matteo Renzi, who was elected party secretary in December, and who calls himself “Rottamatore” (Scrapper—of the old politics and the political class that supports it), has organised a kind of palace coup to overthrow Letta. Renzi called together the party leadership and in a 20-minute speech, presented an emergency programme he calls “Impegno Italia” (Italy Engagement) to be realised by a new government that would remain in office until 2018 without elections being held.

Letta did not come to the meeting, and several of his followers left the room, after which the statement was adopted by a majority of 136 to 16 votes. In this way, the party effectively passed a no-confidence motion in its own premier. Letta announced his resignation and said he would submit it to President Giorgio Napolitano on Friday.

In his speech to the party leadership, Renzi declared that a new government of “a radical new beginning and profound changes” cannot wait for new elections. Italy could not afford another six months “in the swamp” until a new electoral law was adopted. The country had to become a “place of simplicity and courage.” For this, the PD must be prepared to take a risk.

Renzi wants to take over the government himself. According to reports from *L'Unità*, he already has a complete list of the government team in his pocket. He intends to continue the current coalition with the right-wing parties Scelta Civica and Nuovo Centro Destra. The leader of the latter, former deputy prime minister Angelino Alfano, has not yet signalled his support.

Matteo Renzi has announced immediate constitutional changes, including a new electoral law and the abolition of the Senate (upper house of

parliament). He had already claimed that the abolition of the bicameral system and the provincial administrations could bring €1.5 billion in savings in state business expenses.

Before his coup, Renzi was assured of the support of Italian big business. On Wednesday, he was to meet for a lengthy discussion with Giorgio Squinzi, president of Confindustria, the Italian employers' federation, who has publicly praised Renzi's plans for labour market reform.

Where previous governments put the emphasis on austerity measures to reduce the high national debt, driving the economy deeper and deeper into recession, Renzi wants to pay attention to the labour laws and social provisions, which have so far offered Italian workers little protection. His role models in this regard are Tony Blair, Britain's Labour prime minister (1997-2007), and Gerhard Schröder, German social democratic chancellor (1998-2005), who eliminated decades-old labour rights and thus created a large low-wage sector.

Renzi's proposal for a new labour law, his so-called Jobs Act, will provide relief for employers in every way and make the labour market more “flexible” by means of a unified labour contract. White- and blue-collar workers would only receive full remuneration, employment rights and protection against dismissal after three years' probation. These measures will lead to contract and agency working spreading even faster than before in Italy, and the salaries and wages of Italian workers falling dramatically.

The Cassa Integrazione, the government-sponsored scheme that provides paltry payments for laid-off workers, is to be abolished and replaced by a uniform unemployment benefit. Workers in companies like Fiat can then be more easily dismissed and forced by low unemployment benefits to accept a lower-paid job. Despite a massive government deficit, Renzi wants to

cut corporate taxes by another 10 percent.

If Renzi's coup succeeds, he will be the fourth prime minister in four years. Enrico Letta was in office just 10 months. He is now being depicted by the Swiss business newspaper *NZZ* as the "steward of standstill", a "stopgap" and the "last resort".

Silvio Berlusconi's Forza Italia party, which is not in the government, has called for an open debate in parliament regarding the change of administration. Berlusconi, however, had already held several hours of conversation with Renzi at PD headquarters in January. Previously, he had proposed an "extra-grand" coalition, in which Beppe Grillo of the Five-Star Movement would sit in addition to himself and Renzi.

Renzi was encouraged by the attitude of leading trade unionists to undertake his internal coup. CGIL chief Susanna Camusso had welcomed his approach as "correct" because young workers would thereby supposedly find it easier to find work. Even so-called lefts, like Maurizio Landini of the metalworkers' union FIOM and Nichi Vendola of the SEL (*Sinistra Ecologia Libertà*), have showered Renzi with praise.

The latest change of government shows once again that the PD, which originated in the Italian Communist Party, is today a direct executive organ of the Italian and European bourgeoisie and banking world. The smaller Christian Democratic wing, which includes both Matteo Renzi and Enrico Letta, has taken control and is supported by old functionaries of the Communist Party, such as Massimo D'Alema, Pierluigi Bersani and Guglielmo Epifani.

The background to this development is Italy's economic crisis. The national debt has risen in the last decade by more than €500 billion and exceeded €2 trillion a year ago. As a result of several drastic austerity programmes implemented by the governments of Berlusconi, Monti and Letta, Gross Domestic Product has decreased continuously. A symbol of this economic decline could be seen a few days ago with the departure of the Fiat headquarters from Italy.



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