

Italy's new prime minister prepares attacks on working class

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26 February 2014

Both chambers of Italy's parliament gave new Prime Minister Mario Renzi their vote of confidence on Tuesday. His new government had already been sworn in by President Giorgio Napolitano last Saturday.

The change of government occurred with remarkable speed. Only 10 days after the official resignation of Enrico Letta, the new government is ready to exercise power. It is the fourth government in four years and the third government in a row which has come to power without a parliamentary election.

The vote in the senate was awaited with the most anticipation, as Renzi's Democratic Party (PD) does not hold a majority. After a debate lasting several hours, the 39-year-old mayor of Florence won 169 of the 320 votes, less than his predecessor Letta (173).

As before, Renzi's new government is based on a coalition between the PD and Nuovo Centrodestra (NCD). The first is a successor organisation of the Communist Party (PCI) while the second split from Silvio Berlusconi's PDL (People of Freedom). In addition, there are two smaller centre parties: the EU-friendly Scelta Civica, founded by Mario Monti, and the Union di Centro (UdC) of the Christian Democrat Pier Ferdinando Casini.

In a two-hour speech before the senate, Renzi explained his government's programme. Combined with rhetorical phrases about uniting the nation, the end of ideological struggles and the need to make radical decisions, he declared war on the working class. He announced massive attacks on social welfare and public servants, as well as a reduction of labour costs and taxes for businesses. The country was "rusty, stagnant, and bound by a suffocating bureaucracy," Renzi asserted.

The election law and state institutions are to be reformed within the coming days. In March, the

programme envisages labour market reform, in April the restructuring of the public administration and in May tax reductions. The judiciary is also to be fundamentally reorganised.

Renzi apparently plans to use the change of government to launch a surprise attack to accomplish as much as possible before opposition can take shape.

The composition of his cabinet is designed to give the impression of youthful vigour, while important posts are allocated to trusted representatives of the international banks and big business. He has reduced the number of ministers from 21 to 16. Almost all ministers are younger than their predecessors, and half of them are female.

However, Renzi entrusted the key position of finance and economy minister to economic expert Pier Carlo Padoan, 64. The former chief economist at the OECD was previously an economic adviser to the governments of Massimo D'Alema and Giuliano Amato. He was responsible for southern European countries at the IMF from 2001 to 2005.

Alongside him as minister for economic development is Federica Guidi, who is not a member of a political party. The chairwoman of the young association for business is the heir to a family electronics business, Ducati Energia. She is a firm supporter of capitalist interests and is allegedly close to Berlusconi.

Giuliano Poletti, a former head of the PCI's association of cooperative businesses, is the labour and social minister. His record as a former Communist will be required to impose Renzi's radical labour market reforms. Together with the trade unions and business federations, Renzi intends with his jobs act to take the axe to traditional workers' rights and increase flexibility in the Italian labour market using Tony Blair's New Labour and Gerhard Schröder's Agenda

2010 as role models.

Angelino Alfano's NCD will retain its three ministers. Alfano remains as interior minister, while Maurizio Lupi is transport minister and Beatrice Lorenzin is health minister. Alfano, who is a long-standing confidante of Berlusconi, split from him when Berlusconi left the government last October.

Berlusconi's Forza Italia remains in opposition, although Renzi enjoys good relations with the 77-year-old billionaire. Renzi has held talks with him at length on several occasions, invited him to the PD's Rome headquarters and discussed the election reform with him. The opposition is also made up of the separatist Lega Nord and Beppe Grillo's Movimento Cinque Stelle (M5S).

Although Berlusconi was convicted six months ago of tax evasion and subsequently expelled from the senate, he is considering a come-back if Renzi gets into difficulty. He commented on Renzi's takeover of power, "I am of course the last head of government who was elected by the people."

Italy's economic problems are considerable. State indebtedness recently rose to 134 percent of GDP and has surpassed €2 trillion. Last year, Italy's increase in unemployment was only exceeded by Greece and Cyprus in the euro zone.

Today, one million fewer are working than five years ago. Between 2012 and 2013, the active working population fell by 400,000. At the same time, youth unemployment of those aged between 15 and 24 has doubled since 2008 to 42 percent. "In Italy, not only unemployment, but also poverty is growing," commented a labour minister from Brussels. "It is only worse in Greece and Romania."

Renzi intends to make the working class bear the brunt of this crisis. He is planning new labour laws which will lead to an increase in external job agencies offering temporary contracts, and reduce previous wage levels drastically. The elimination of the "Cassa Integrazione", which finances zero-hours, short-term work, will affect 440,000 workers, while the businesses can look forward to a further 10 percent in tax cuts.

Renzi's most important political support comes from the trade unions. The major trade union federations Cgil, Cisl and Uil reached an agreement on January 10 with the business association Confindustria to avoid strike action. The agreement contains penalties against

those workers who do not stick to its terms. Not only Cgil chairwoman Susanna Camusso voted for the agreement, but also FIOM head Maurizio Landini.

In the lead up to his appointment as prime minister, Renzi has received widespread praise in the financial press. The British magazine *The Economist* hailed Renzi, who would "establish the urgently required political stability in a country which has been economically stagnant for more than ten years."

Wolfgang Munchau wrote in the *Financial Times* that Renzi was Italy's "best hope". He described him as "the greatest bundle of energy in Italian politics since the rise of Berlusconi over twenty years ago", and added he would need "skill, clarity, determination and most of all, a lot of luck."

Immediately after Renzi's inner-party coup, the stock exchange in Milan rose by more than 1.5 percent to 20400, the highest level since July 2011. Industry president Giorgio Napolitano said that he hoped the government would make billions in tax cuts to stimulate the economy. EU labour commissioner Laslo Andor also praised Renzi with the words, "The new programme seems to be going in the direction suggested by the EU commission."

While a section of the bourgeois press in Italy and Europe have pinned their hopes on Renzi, another wing remains sceptical as to whether the latest prime minister will be able to lead Italy out of its longest recession since the Second World War.

The *Neue Zürcher Zeitung* noted Renzi's slogans "sound good but lack impact, such as against the state bureaucracy", and criticised his government, which had "just a few major figures" and a "shortage of expertise."

Under the title "Failure is guaranteed", the Spanish daily *El País* wrote: "Renzi will not be able to hold on to power for long". He was "surely only another link in the chain between instability and immobility, and his fall will come just as quickly as his rise."



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