Naming of technocratic government plunges Italy into crisis of class rule

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A mounting financial and political crisis is spreading across Europe after Italian President Sergio Mattarella named a technocratic government on Monday, effectively nullifying the March 2018 elections. Financial markets are panicking and protests are being called, as bitter divisions inside the Italian bourgeoisie, particularly over the euro currency, erupt to the surface.

Initially, financial markets sent Italian interest rates lower on Monday, marking their approval of Mattarella's decision not to allow the right-wing populist Five Star Movement (M5S) and the far-right Lega party to form a government. Yesterday, however, financial markets continued to push interest rates on Italian debt higher, to 1.937 percent for the first time since 2013, and sent the euro falling to below $1.16. It is ever clearer that deep conflicts in the Italian and the whole European ruling class that underlay the euro crisis following the 2008 Wall Street crash have not been resolved.

The market turmoil spread to the United States, where the Dow Jones Industrial Average fell 391 points, or 1.58 percent.

On Monday night, designated Prime Minister Carlo Cottarelli indicated that he would oversee a brief technocratic government pledged to austerity and the euro. He said, "My government will be neutral, will ensure prudent management of the state budget and will treat as essential Italy's participation in the euro." He also indicated that he would nominate non-partisan state officials as ministers and ask them to sign a pledge not to seek election in the next parliamentary elections.

On Tuesday, however, markets and European bank stocks fell, as it became clearer that Italy is set for a protracted period of government instability and political crisis. The Cottarelli government faces opposition from the M5S and Lega, who hold a majority of seats in parliament, so it is unclear whether it can survive a confidence vote or pass a budget. There are widespread expectations that Mattarella will call new elections in early 2019 or even as soon as early September.

In the meantime, bitter political conflicts are erupting inside the ruling class between supporters of the EU and the euro and their far-right critics inside Italy and across Europe. However, both factions of the ruling class—the defenders of the EU and the euro grouped behind Mattarella, and the M5S, Lega and their far-right allies across Europe—are reactionary and have nothing to offer to workers.

Differences between the two factions are exclusively over monetary and European policy, under conditions in which the entire ruling class is unanimous on militarism and austerity. As he announced his refusal to allow M5S and Lega to form a government, Mattarella stressed that the only reason for his opposition was that the M5S and Lega administration planned to nominate economist Paolo Savona as economy minister.

Savona is hostile to Germany and to the euro, having written that Berlin "planned and created the euro in order to control and exploit other European countries in colonial fashion." He has called the euro a "German cage" and pressed for other European countries to demand different monetary policies, saying: "There is no Europe, only Germany surrounded by cowards."

Mattarella said such comments were unacceptable to the banks: "The designation of the economy minister always constitutes an immediate message of confidence or alarm for economic and financial decision-makers. I requested for this ministry a politician … who would not be seen as the supporter of a line that would inevitably provoke Italy's exit from the euro." When this turned

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out not to be possible, Mattarella added, he ended the government talks because, in his view, "Euro membership is of fundamental importance for the perspectives of Italy and its youth."

Mattarella indicated that he might soon call new elections that could be essentially a referendum on the euro. "If we want to discuss this," Mattarella said, referring to Italy's membership in the euro zone, "it should be done openly. I have been informed that some political forces want to rapidly move to new elections. This is a decision I reserve the right to take, based on whatever happens in parliament."

Powerful factions in the EU are supporting Mattarella. EU foreign policy chief Federica Mogherini, who is Italian, told reporters in Brussels: "I have full trust, as I believe all Italians have, in the Italian institutions, starting with the Italian president. That is the guarantor of the Italian constitution. I am confident that the Italian institutions and the president of the republic will prove to be as always serving the interests of the Italian citizens, which by the way coincides also with the strength of the European Union."

The positions of Mattarella and Mogherini were echoed by the Democratic Party (PD), the social democratic formation that emerged from the collapse of the Stalinist Italian Communist Party. The PD has called protests for June 1 in support of the institutions—that is, in support of the intervention by Mattarella and the banks to block the formation of a M5S-Lega government.

More provocatively, EU Budget Commissioner Günther Öttinger declared in a *Deutsche Welle* interview yesterday, "The markets will teach the Italians to vote for the right thing."

Amid a firestorm of protest in Italy, M5S and Lega officials demanded a retraction from Öttinger, who subsequently apologized after criticism from EU Council President Donald Tusk and EU Commission President Jean-Claude Juncker. The EU Commission issued a formal statement declaring, "Italy's fate does not lie in the hands of the financial markets."

While Mattarella stands openly for the diktat of the EU and the banks, M5S and Lega are no less reactionary. Any government they form would be the most right-wing in Italy since the World War II-era fascist regime of Benito Mussolini. They have pledged deep cuts to public spending and mass raids and expulsions of immigrants, provoking mass protests in defense of immigrant rights across Italy in the lead-up to the March 2018 elections.

The only way forward for workers and youth in Italy is the development of a socialist and internationalist movement in opposition to both the PD and other supporters of the EU, and the far-right forces grouped around the M5S-Lega alliance. Mattarella's anti-democratic intervention into the Italian elections notwithstanding, these far-right forces will prove just as hostile to the working class as the EU and the banks.

Far-right politicians across Europe are now making statements in support of M5S and its alliance with Lega. Marine Le Pen, the leader of France's neo-fascist National Front (FN) and an ally of the Lega, has called Mattarella's intervention a "coup d'état" by the EU.

Nigel Farage of the pro-Brexit UK Independence Party denounced Mattarella's intervention and denounced the EU in the EU parliament: "In the last 48 hours, their democracy has been traduced. In the past you have managed to bully the Danes, you bullied the Irish, you bullied the Greeks into submission. I suspect with Italy today you have now bitten off more than you can chew. Bring on more elections and bigger eurosceptic victories."

There is growing fear in PD circles that Mattarella's intervention may have handed the victory to Lega, which is now surging in the polls past 25 percent support. On a hidden camera, former PD prime minister Massimo d'Alema declared that if there were new elections after Mattarella's decision, the M5S-Lega alliance would win a landslide 80 percent of the vote.

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