

Italian government preparing for confrontation with working class

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Both chambers of the Italian parliament have supported votes of confidence in the new government of Mario Draghi by substantial majorities. It received the backing of 262 votes to 40 opposed, while the Chamber of Deputies voted by 535 to 56 votes in favour of the government.

The 73-year-old former head of the European Central Bank formed a government last week including all major national parties, apart from the fascist Fratelli d'Italia, from the far-right Lega to the social democratic Democrats (PD). Some key ministries will be led by non-aligned technocrats. The business lobby group Confindustria and the trade unions promised the government their support.

Draghi delivered a programmatic address to the Senate last Wednesday in which he invoked “national unity” and “national responsibility.” He said that no adjective was necessary to define his government. It is “simply the country’s government,” he claimed. He appealed to the population’s “spirit of sacrifice” and the “duty of citizenship,” and added, “Today, unity is not an option, but an obligation.”

However, his government does not embody the unity of the country, but rather the closing of the ranks of a ruling elite in a country that is deeply divided and heading towards a social explosion.

Draghi was not being careless when he compared his government to the “governments of the immediate post-war period,” when “political forces that were far apart, if not contradictory” collaborated. At that time, the Communist Party, led by Palmiro Togliatti, joined a right-wing bourgeois government to suppress the socialist strivings of the working class and save Italian capitalism.

Draghi made clear to the assembled senators how deep the crisis facing Italian capitalism is and that they would risk a social uprising if they failed to back his government.

According to the prime minister, there had been 92,522 deaths and 2,725,106 infections since the beginning of the pandemic, although the official figures are undercounts. Under health care workers alone, 120,000 were infected and 259 have died. As a result of the pandemic, the life expectancy for the entire population has fallen between one-and-a-half and two years, while the decline is between four and five years in areas hit especially hard by the virus. There has not been a comparable decline since the Second World War, stated Draghi.

Draghi cited figures from Caritas on the social consequences of the crisis, which showed that between May and September last year, the percentage of the “new poor” increased from 31 percent to 45 percent. “Almost every second person who turns to the Caritas is doing so for the first time,” he said. Among the “new poor,” the percentage of families with young children, women, young people, and people of working age is increasing.

Last year, the number of employees fell by 444,000. Mainly women and young people have been impacted so far, but workers with permanent contracts could soon be out of work.

The impact on social inequality is grave and has few historical precedents, Draghi continued. Without any interventions, the Gini coefficient, which was 34.8 percent in 2019, would have increased by 4 percentage points in the first six months of 2020. The Gini coefficient is a measure of inequality in income distribution. “This increase would have been larger than the cumulative increase during the two last recessions,” he added.

The pandemic has also had severe consequences for schools. Of the 1.7 million students in secondary schools, only 61 percent were able to participate in distance learning during the first week of February.

“This unprecedented emergency situation demands of us a decisive and swift course towards unity and engagement,” concluded Draghi. But apart from a

“vaccine plan” and a “comprehensive debate about the reform of our health service,” he announced no measures to contain the pandemic.

Leading experts, like the pandemic adviser to the health minister, Walter Riccardi, and the well-known virologist Andrea Crisanti have called for a lockdown of several weeks to stop the spread of the dangerous British variant of the virus in Italy. The fact that some ministers had thus far resisted such measures had caused tens of thousands of deaths, Riccardi told the Italian media.

But Draghi rejects a lockdown and is sticking firmly to the previous course, which prioritises profits over human lives. He intends to use the pandemic and the misery it has produced to fundamentally restructure Italy’s social and economic system and implement measures that have previously failed due to working class opposition.

Draghi is an expert at this. Already in the 1990s, he privatised state-owned companies and cut social spending as general director in Italy’s Finance Ministry so as to ensure Italy was “fit” for the euro. After a lucrative spell at the investment bank Goldman Sachs, as head of the European Central Bank he was jointly responsible for the brutal austerity dictates that destroyed the living standards of the population of Greece and other countries. At the same time, he flooded the financial markets with trillions of euros.

While Draghi devoted just a few sentences to the pandemic, he spent the largest portion of his Senate speech explaining how he intends to boost corporate profits. In this, he based himself directly on the European Union.

“This government emerges on the basis of our country’s membership in the European Union and the Atlantic alliance,” he informed the senators. “Supporting this government means sharing the irreversibility of the decision for the euro, it means sharing the view of an increasingly integrated European Union.” In international relations, his government would be “firmly pro-European and Atlantic” and “better structure and strengthen the strategic and essential relationships with France and Germany.”

Draghi intends to use the European Union’s coronavirus bailout fund, from which Italy is entitled to €210 billion in subsidies and loans, as a lever to “reform” the country. The purpose for which the funds will be used must be approved by the EU Commission in each case.

The EU fund has the cynical name “Next Generation EU,” and Draghi also sought to justify his austerity plans with references to the responsibility for the younger

generation. “All waste today is an injustice we impose on future generations, robbing their rights,” he said.

Draghi repeatedly stressed that the funds are not aimed at ameliorating social misery, but to “modernise” the economy. “The government will have to protect the workers,” he said. “But it would be a mistake to protect all economic activities to the same degree. Some of them will have to change, even radically. And the choice of which activities to protect and which to accompany through transformation is the difficult task that economic policy must face in the coming months.”

The economic policy answer to the pandemic will “have to be a combination of structural policy that facilitates innovation, finance policy that facilitates the access of businesses with the capacity to grow to capital and loans, and expansive monetary and budgetary policies that facilitate investments and create demand,” he stated. A significant factor would also be “the development of the ability to attract national and international private investment”—in other words, low wages.

Draghi did not address the issue of domestic policy. On refugee policy, he merely briefly noted that “the building of a European policy of repatriation for people who have no right to international protection” is decisive. But the very fact that the right-wing extremist Lega, which advocates the establishment of a police state, is sitting around the cabinet table with Draghi underscores that his government is preparing for a confrontation with the working class. There is no other way to impose its right-wing programme.



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