

# Political crisis in Italy deepens

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Seventeen months after the formation of a government of “national unity” under former European Central Bank (ECB) President Mario Draghi, Italy is once again in a deep governmental crisis. Draghi announced his resignation on Thursday, but President Sergio Mattarella refused to accept it.

Draghi will explain his reasons for tendering his resignation to the House of Representatives next Wednesday. The result of this remains unclear. Possibilities range from the continuation of the current government to the formation of another government under Draghi, the appointment of a technocratic cabinet to run government affairs until the regular elections in the spring of 2023, to the dissolution of the parliament and new elections in October.

The immediate reason for Draghi’s resignation was the vote on a €26 billion package to alleviate the effects of inflation, which Draghi declared a vote of confidence. The Five Star Movement (5SM), the largest faction in Draghi’s all-party coalition, boycotted the vote in the Senate, the second parliamentary chamber. It is asking for more aid than provided for in the legislative package and is also opposed to the construction of a waste incineration plant, which is part of the package.

Despite the boycott of the Five Stars, Draghi won the vote—and thus also the vote of confidence—by 172 to 39 votes. In the Chamber of Deputies, where the confidence vote and the vote on the aid package were held separately, the 5SM also expressed its confidence in Draghi. Nevertheless, Draghi declared his resignation. He justified this on the grounds of a lack of confidence in his government’s work.

The conflict over the aid package is only the trigger, not the cause, of the government crisis. Italian society is deeply divided socially. All the major parties are discredited and hated, which produces tensions and conflicts. With the exception of the fascist Fratelli d’Italia they are all part of the government.

Draghi’s election as head of government in February 2021 was already due to fear of social upheaval. Prior to

that, the Five Star Movement’s Giuseppe Conte served as head of government for almost three years. The 5SM emerged as an anti-establishment party after the global financial crisis of 2008, the social consequences of which hit Italy particularly hard. In 2018, they formed a coalition government with the far-right Lega, led by Matteo Salvini.

The following year, Salvini tried to force new elections to become head of government himself but failed. The Five Star Movement and the Democrats (the Italian Social Democrats), who previously fought each other bitterly, then formed a coalition government.

At the time, we provided three reasons why the hostile parties had persisted in working together: the fear of new elections, because they were concerned about a massive loss of votes and considered any interference by the masses in politics to be a political threat; the adoption of an EU-compliant budget with billions of euros in savings at the expense of the working class; and the attempt to “convince the EU and NATO that they can also rely on Italy militarily.” At that time, Salvini maintained close relations with Russian President Vladimir Putin.

The coronavirus pandemic eventually brought down the government of the Five Star Movement and Democrats. The horrific images from northern Italy, where hospitals overflowed and military trucks carried away coffins at night after the local crematoria could no longer keep up, alerted the whole world to the danger of the pandemic and government irresponsibility.

All parties then gathered behind Draghi. In his long career, the 74-year-old had worked for the World Bank, the Italian Ministry of Finance and the US bank Goldman Sachs, as well as head of the Italian and European Central Banks. As head of the ECB, he flooded the financial markets with billions of euros and lowered the living standards of the working class through austerity dictates.

Draghi formed a government that included all the parties represented in parliament, from the far-right Lega to the Five Star Movement and the Democrats. He awarded some ministries to non-party experts. We

commented at the time that what brings the divided parties together is their hostility to the working class. Italy is in a deep economic crisis and on the brink of a social explosion. Under these conditions, all parties joined together behind a head of government who “embodies European finance capital like no other.”

Only the Fratelli D’Italia, a fascist party in the tradition of Mussolini, refused to join the all-party government. It has benefited as a result. If new elections were held now, Fratelli would be the strongest party with 23 percent, according to polls. At the last parliamentary election in 2018, they only received 4.4 percent. Party leader Giorgia Meloni has long been in discussion as a possible Italian head of government.

Under Draghi, Italy’s social and economic crisis has intensified.

The official unemployment rate is 8.4 percent, which is about 2 percent higher than the EU average, and the youth unemployment rate is 24 percent. However, the actual figures are much higher. According to official statistics, more than 3.4 million people are precariously employed.

Italy is the only European country where real wages have fallen since 1990, by 2.9 percent, according to official OECD figures. But the reality is far worse. The number of those living in absolute poverty has risen to 5.6 million during the coronavirus pandemic. Official inflation is 8 percent and the price increase for energy is just under 50 percent.

Draghi has integrated Italy, which has always maintained close relations with Russia, into NATO’s war policy, with corresponding economic consequences. Like Germany, Italy is heavily dependent on Russian energy supplies, and around 40 percent of natural gas has so far come from there. Some gas deliveries have stopped, while prices are exploding.

Resistance to social attacks is growing in the working class. Spontaneous or official strikes against job losses, low wages and unsustainable working conditions occur on a regular basis. In the first half of 2022 alone, 506 people died at work. Strikes mainly affect rail and air transport, but also telecommunications, the car industry and other sectors. In April and May, grassroots unions called one-day general strikes.

Draghi’s resignation has caused great concern in the European Union. The former head of the ECB was seen by the European ruling class as a guarantor of a “stable monetary policy,” i.e., of the consequences of the economic crisis being passed on to the working class.

It is now feared that the euro crisis, which almost

brought about the collapse of the single currency a decade ago, will break out again. The spread, the interest rate differential between Italian and German government bonds, which contributed significantly to the crisis in 2010, has once again risen sharply.

In addition, the euro’s exchange rate against the dollar is at an all-time low, further fuelling inflation, particularly in the energy sector, which is traded in dollars. If the ECB reacts with higher interest rates, this could drag the Italian economy further into the abyss.

The deep economic crisis and the increasing determination of the working class not to accept the attacks any longer make the ruling elite nervous. That is the reason for the current government crisis. If it is resolved in the interests of the ruling class, this will inevitably mean further attacks on the working class, which can only be enforced by dictatorial methods. This danger is very serious, as shown by the rise of the fascist Meloni, who is portrayed by both the Italian and the European press as a sympathetic figure. A continuation of the Draghi government would also exacerbate the warfare both at home and abroad.

In Italy, as almost everywhere in Europe, it is the Social Democrats and the trade unions who are doing everything in their power to enable the ruling class to find such a solution. Since the beginning of the 1990s, when the old Italian party system collapsed, the predecessors of the Democrats and their pseudo-left supporters have always been on hand to save bourgeois rule. Even now, they are Draghi’s most reliable supporters. The trade unions, for their part, suppress the struggles of the workers or, if this is not possible, try to restrict and isolate them.

A progressive way out of the crisis is possible only through the independent intervention of the working class and the struggle for a socialist program.



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