Monti to lead coalition in Italian election

By Alex Lantier
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On December 28, Italian Prime Minister Mario Monti announced plans to lead an electoral coalition based on a pro-austerity “Agenda Monti for Italy” in the February 2013 elections.

Monti has said that he does not personally plan to run next year. However, he can hope that if the parties backing him do well in the legislative elections, President Giorgio Napolitano will re-nominate him to the premiership, or he might obtain a top ministerial portfolio in a new government.

The announcement came after a four-hour “top secret” meeting between Monti and his backers. Pier Ferdinando Casini of the Catholic Union of Christian and Center Democrats (UDC) attended the meeting, as well as members of the Italia Futura party of Ferrari boss Luca Cordero di Montezemolo.

Significantly, Monti also drew support from those who are ostensibly his main electoral rivals, the Democratic Party (PD) and Silvio Berlusconi’s right-wing People of Freedom (PDL) party. Top PD and PDL members reportedly were present at Monti’s meeting.

An unpopular, unelected premier installed in November 2011 under pressure from the banks and the European Union (EU), Monti is seeking to retain his office in defiance of public opinion. Fully 61 percent of Italians oppose a bid by Monti for a new term. With tens of billions of euros in social cuts, attacks on labor rights, and tax increases, Monti has put the burden of the economic crisis squarely on the backs of working people.

The “Agenda Monti for Italy” is a blueprint for a new offensive by finance capital. It calls for further labor market deregulation, tax cuts, the “liberalization” of key industries, and the paying down of 5 percent of Italy’s public debt each year. With Italy’s debt at just over €2 trillion (US$2.64 trillion), this imposes a further €100 billion burden on the state budget.

Speaking after the meeting, Monti stressed that his agenda has broad support in the ruling class, both on the right and the bourgeois “left.” He said, “The traditional right-left axis has a historic and symbolic value… [but] the real axis that works for Italy is one that bets on Europe and the necessary reforms.” He added that the consensus among those attending his meeting “gives me encouragement regarding the imminent elections.”

Monti’s agenda would continue the economic devastation of his first term, in which social cuts and mass layoffs impoverished the working class. The state statistical agency Istat recently issued a downward-revised estimate that Italy’s economy will shrink 2.3 percent in 2012 “as a result of a reduction in domestic demand.”

This will continue in 2013, even without new cuts. Istat writes: “Private consumption is expected to fall, reflecting a decline in households’ purchasing power and rising unemployment. In 2013, GDP growth is expected to decrease by 0.5 percent. Exports will be the main support of GDP growth… The contribution of domestic demand to output growth is estimated to be negative.”

Despite the disastrous economic impact of Monti’s policies, he retains the support of finance capital. He has re-directed massive quantities of cash to Italy’s creditors, and his savage cuts have cut labor costs sufficiently to boost Italy’s competitiveness and export revenues. Since Monti replaced Berlusconi as premier last year, the banks have signaled their approval by lowering the interest rate they charge on Italian state borrowing from 7.56 percent to 4.48 percent.

Monti’s comment that the “right-left axis” no longer applies to Italian politics reflects the sharp rightward turn of the entire Italian political establishment and points to the crisis of leadership in the working class. A former advisor to the Wall Street bank Goldman Sachs,

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Monti has a support base extending from the PD, which emerged from the Stalinist Italian Communist Party after the collapse of the USSR, to far-right "post-fascist" politician Gianfranco Fini. No party speaks for the deep opposition to EU austerity policies in the working class.

Given current polls, Monti's most likely partner in a coalition government would be the bourgeois "left" PD. A December 21 SWG poll showed the PD leading with over 30 percent, the populist Five-Star Movement of comedian Beppe Grillo at 18.5 percent, the PDL at 16 percent, and the parties making up Monti's coalition at 15 percent.

PD leader Pier Luigi Bersani reacted to news of Monti's election bid by signaling that the PD could consider an alliance with Monti. In a TV interview, he asked: "Do they see us as alternatives, competitors, or are they open to an alliance?"

While maneuvering with Monti, Bersani relies on other forces on the bourgeois "left" such as the Left-Ecology-Liberty (SEL) party and the Stalinist CGIL (General Confederation of Italian Labor) union to promote him and paint the PD's right-wing policies in "left" colors.

Thus, SEL leader Nicchi Vendola told the Stalinist daily *L'Unità*, "We have decided to bring into the government the agenda of Bersani. We will continue the main path taken: discontinuity with the agenda of Monti."

In fact, it is widely understood in financial circles that there is virtually no difference between the policies a Monti or Bersani government would pursue. With CGIL support, Bersani won last month's PD primary to become the party's nominee as prime minister should the PD win the elections. Since then, he has been aggressively signaling to corporate leaders and the financial press that he will pursue pro-business policies.

Bloomberg News reported that Bersani "is now stressing his commitment to maintain the rigor that Monti imposed." It cited Gian Maria Gros-Pietro, the former CEO of oil firm ENI, who worked with Bersani to privatize Italian state firms when Bersani was industry minister in the 1990s. "He [Bersani] is a former communist, very former," Gros-Pietro said. "He has the sensitivity to understand what the electorate thinks and what the right moves are."

Silvio Peruzzo, a Nomura International economist in London, commented that after a Monti victory a Bersani government would be the "second-best outcome" for the banks.

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