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Italy

Italian crisis âEuros"Neither the European Union nor a racist national sovereignty

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The racist Salvini could not have asked for a better speech writer for his upcoming electoral soundbites than the Italian president, Matterella. The latter vetoed SalviniâEuros"s choice of Savona, a Eurosceptic economist, for Minister of the Economy in the name of safeguarding ItalyâEuros"s place in the European union and its adherence to its strict rules on public spending. Already we are hearing what could be very effective electioneering from Salvini or Di Maio, his Five Star Movement (M5S) coalition partner âEuros" *Who rules Italy: the people who voted a Lega/M5S majority or the bureaucrats and bankers in Brussels or those Germans?* Everybody expects MatterellaâEuros"s new prime ministerial pick, Cottarelli, who led the austerity spending review in a previous government, to fail to win a confidence vote leading to early autumn elections.

MatterellaâEuros"s risky move

Even within the overwhelmingly pro-Matterella media and the traditional political forces there are voices questioning whether he might have merely delayed a far bigger crisis if, as polls suggest, the Lega and the M5S win an even bigger majority in the upcoming elections in September or October. The proposed government contract did not include anything about withdrawing from the Euro or even a referendum, it merely raised the issue of negotiating some new terms on the Italian debt and public spending limits. Allowing the government to be formed and relying on its internal contradictions to make it a short-lived one leading to elections might have favoured a return of the traditional pro-austerity parties like the PD (Democratic Party, centre-left) or Forza Italia (Berlusconi). But apparently the dominant capitalist interests decided that even the merest threat of a pro-capitalist government which had some reflationary public spending programmes such as wider social security cover might be popular (as Larry Elliot astutely spotted in his Guardian analysis) and difficult to roll back. [1]

Commentators suggest it is the first time a President has effectively blocked a government because of political differences rather than questions of propriety. Such an anti-democratic, and some would claim unconstitutional manoeuvre, was never taken against Berlusconi who was actually convicted of fraudulent activity. Nor is Matterella particularly concerned about the racist plans of Salvini, who was due to become Minister of the Interior, to forcibly deport half a million migrants and build a massive new network of detention centres. No reference was made to those policies in his motivation for vetoing Savona.

A massive government debt

Along with Britain, Italy currently suffers from sluggish economic growth but its real Achilles heel is the huge mountain of debt. It services this debt to a large extent by issuing government bonds which are bought by banks and other investors. Now, if the interest rates on these bonds become greater than the average in Europe then the cost to the government can become very serious indeed. At the same time confidence in the bonds declines.

The usual comparison in Italy is the spread between what interest you get on German bonds and the Italian ones. At the time Berlusconi fell to be replaced by the technocrat, Monti in 2011, the spread had reached around 500 points, last week the figure was heading north of 200. The Italian banks are said to hold 10% of these bonds so are vulnerable. Stock markets are taking a hammering as we write. In another scenario being touted by the

anti-Lega/M5S politicians any exit from the euro would mean people holding Italian bonds would suffer huge losses. A return to the lira would effectively devalue the debt.

Why the M5S/Lega have become popular

Perhaps what sums up better than anything else the reasons why the M5S and Lega won a majority is the statement issued by the leader of the biggest union (CGIL), Susana Camusso. She basically stands full square behind MatterellaâEuros"s position arguing that workers interests lay in defending ItalyâEuros"s responsible behaviour within the EU fiscal guidelines. The PD, whose political line dominates the CGIL, had carried out a full scale New Labour style austerity and modernisation programme in recent years which has hit working people hard and further weakened the ability of workers and their unions to fight back. It was significant that the pro-Matterella editorial in *The Guardian* yesterday incorrectly identified him as a centre right politician when in fact he is a well-known member of the PD which is officially defined as centre-left. But of course the PD governed in alliance with the centre right Berlusconi so it is a mistake that could easily be made.

Over 2 million PD voters are said to have switched to the M5S in the recent elections. Some of the people I saw recently in Italy who have always voted on the left and have no time for SalviniâEuros"s racism, at the same time were not opposed to some of the proposed governmentâEuros"s policies âEuros" on pensions for example. Many people hoping to retire have been forced to work longer and longer. The proposed citizens income of around 750 euros a month championed by the M5S would have brought Italy closer to Northern European regimes of social security and was extremely popular in the south where deprivation is worse. At the same time there are policies like the flat tax in the programme which the Lega favoured and was obviously very popular for its petty bourgeois and small business base.

Once the left and the working class are no longer protagonists politically, as there were even in a mild social democratic way for decades and particularly after the 1969 upheavals when many gains were made, then inevitably the political space can be occupied by the strange combination of populist forces expressed in the M5S/Lega alliance. The M5S were particularly attractive to former left of centre voters since they had some good ecological policies, were anti-corrupt, pro transparency campaigners and against wasteful public works like the high speed train link near Torino. Di MaioâEuros"s ascendancy in the movement has meant the more orthodox, uncompromising wing has weakened and the more moderate pro-institutional current became a majority. Hence a rightward shift took place, particularly with regard to anti-migrant rhetoric which cleared the way for linking up today with the Lega âEuros" even if this has created some tensions in their base.

On the other hand Salvini has transformed the Lega from the parochial limits of Padanian âEuros"nationalismâEuros" to become the dominant force within the centre right, displacing an ageing Berlusconi. His friends are HungaryâEuros"s Oban and Le Pen in France and he is proud to put himself about as the scourge of the Roma and migrants generally. He boasts of organising the bulldozers of Roma camps. In many ways he is a more effective politician than Farage because of his ability to appeal to working people too âEuros" he is the complete antithesis of the lawyer/academic representative of the traditional Italian political parties. He speaks in much more down to earth and vulgar way. Given the hollowing out of working class leaders with the evolution of Italian Communist Party into the PD which is essentially the historic compromise borne fruit since a large chunk of Christian Democracy coalesced into it, then it is not surprising Salvini has become so popular.

How can resistance and a real left be built?

What is to be done? The radical left as expressed by currents like Communia Net, Potere al Popolo or Sinistra Anticapitalista have correctly denounced the Matterella decision but without any support to or illusions in the Lega/M5S proposed coalition. Today the task is to rebuild the movement both in the workplaces, through self-organisation and mutual solidarity in the community and by electoral initiatives such as Potere al Popolo. There is no hope left with the PD or even with its satellite forces such as the LEU (Free and Equal).

Reconfiguring political coalitions around some uncritical pro-European Union left will lead nowhere. Indeed it is more likely that Renzi and Bonino may try and build a pro-EU coalition to stop Di Maio/Salvini in September. What is certain is that the instability will continue and the odds are the left will have to rebuild in a context where the national sovereignty/populist forces may well be in government come the autumn. A priority task will be to defend the half million migrants under immediate threat of deportation.

Finally this whole episode reveals what the real relationship is between the state, elections and democracy. If the people vote in a way that is not acceptable to dominant capitalist interests then all types of anti-democratic machinations and economic blackmail can be used. Such actions will be carried out on an international scale. Any approach to politics which minimises the international dimension will fail to grasp reality.

This is a very important lesson for the Corbyn movement. We may win an historic electoral victory with a pro-working class government but it is necessary to prepare for all the attacks and manoeuvres a ruling class under even a mild threat to its interests will muster. We will need more than votes. We will need mass consciousness of who is making these attacks and why and concrete forms of self-organisation to roll them back. The Parliamentary Labour Party will not be the barricade that stops them.

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[1] <https://www.theguardian.com/world/2018/may/29/carlo-cottarelli-italy-mr-scissors-gives-markets-jitters-over-fate-eurozone>