

# Berlusconi quits as debt crisis hits eurozone's third largest economy

The deepening eurozone crisis has claimed another government with the departure of Italy's prime minister Silvio Berlusconi.

Following Berlusconi's resignation as prime minister, a 'technocratic' government will be led by former EU commissioner Mario Monti, with new elections due in 2013.

What is being carried out in Italy, as in Greece with the unelected Papademos government, is the diktat of international finance capital in order to make the working and middle classes pay for the capitalist crisis.

As demanded by the 'troika' - European Union, European Central Bank and International Monetary Fund - both houses of Italy's parliament have voted through a raft of austerity measures, to 'satisfy the markets'. Chris Thomas, of ControCorrente (CWI supporters, Italy) reports on the crisis.

“Italy may be beyond the point of no return”, a gloomy report by Barclays Capital said last week. “We doubt that Italian economic reforms alone will be sufficient to rehabilitate Italian credit and eliminate the possibility of a debilitating confidence crisis”. Then came the dramatic developments in Rome.

Italian prime minister, Silvio Berlusconi, finally agreed to resign after losing his absolute majority in the lower house of parliament.

Following months of intense pressure from the EU, the IMF and the financial markets, abandoned by Confindustria (Italian employers' federation), the Catholic Church, and finally members of his own government coalition and the party which he created (People of Freedom - PDL), he said that he would go - but only after implementing another round of austerity measures as demanded in yet another letter sent to Italy by the EU.

'Sacrificing' Berlusconi was meant to calm the market 'Gods'. Instead it opened up further political and economic instability with European-wide and international

repercussions. Global stock markets have fallen and yields on Italian government bonds have surpassed the 7% 'point of no return' at which Greece, Ireland and Portugal had to be bailed out.

Italy is in the economic equivalent of intensive care; the IMF and EU monitors are regularly checking that the patient is taking the prescribed medicine of cuts, privatisation and attacks on workers' rights. But, with a debt of €1.9 trillion - bigger than Greece, Portugal and Ireland combined - trying to 'save Italy' by using the existing money in the European Financial Stability Facility (now with just €250 billion left in it) would be like bailing out the Titanic with a thimble.

The ECB policy of buying Italian bonds has not stemmed the crisis which threatens the whole eurozone and beyond. Hence the pressure to force Berlusconi to quit, in the hope that an alternative government can reassure the markets and impose the austerity measures that he seemed unwilling or unable to take.

## What next?

There was rejoicing by working class people over seeing the back of Berlusconi. Tens of thousands of people booed, jeered and threw small change and other objects as Silvio Berlusconi slinked out of parliament through the tradesperson's entrance after finally

resigning as prime minister.

The protesters reflected the mood of millions who are celebrating the demise of the man who has dominated Italian politics for the past 17 years.

But the celebrations are also tinged with fear and worry about what will happen next.

The European Union has undemocratically imposed its henchman, Mario Monti, as Berlusconi's replacement. His task, together with a government made up of unelected 'technocrats', is to force through austerity measures and attacks on workers' rights.

The European Union has undemocratically imposed its henchman, Mario Monti... to force through austerity

These were set out in the diktats the ECB sent to the former government in August: slash public sector costs, including if necessary by cutting wages, implement 'large scale' privatisation of local services, raise the pension age and make it easier to sack workers - the full Monti!

Those responsible for the crisis are now dictating austerity policies which, if carried out, will push the Italian economy into recession and exacerbate the debt problem, as in Greece.

However, hatred of the political

'caste' is so great, the crisis seemingly so huge and the lack of political representation so glaringly absent that many working class people are initially welcoming Monti.

All of the political parties, with the exception of the Lega Nord, are backing Monti, as are all of the main trade union federations. He will most likely try to introduce a limited wealth tax and reduce parliamentary costs in order to sell the idea that everyone is making sacrifices together.

But it is not even certain that he will get these and other policies through parliament. And when the true nature and extent of those sacrifices become clear and who exactly is bearing the brunt of them, the people's hopes will be shattered and this could rapidly become a government of crisis.

In September, millions of workers responded to a general strike call by the CGIL trade union. And hundreds of thousands marched through Rome on 15 October in opposition, not just to the government, but to the 'system' itself.

A new generation of youth is rebelling against a future with no prospects (youth unemployment is 30%) and a system in which the profits and interests of a few reign supreme.

The post-Berlusconi period will be one of cuts, crisis, struggle and resistance in which the forces of a real, mass political alternative to capitalism can be forged.

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## The Committee for a Workers' International

The Committee for a Workers' International (CWI) is the socialist international organisation to which the Socialist Party is affiliated.

The CWI is organised in 45 countries and works to unite the working class and oppressed peoples against global capitalism and to fight for a socialist world.

For more details including CWI publications write to: CWI, PO Box 3688, London E11 1YE. email [cwi@worldsoc.co.uk](mailto:cwi@worldsoc.co.uk)

## www.socialistworld.net

The CWI website contains news, reports and analysis from around the world. Recent articles include:

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## Bolivia: Morales government clashes with workers and poor

Many workers convinced of the need to build an alternative to Morales' MAS party

*Roberto Antezana, Revolutionary Socialist Alternative (CWI, Bolivia)*

image not available

## South Africa: Assembly for working class unity held in Johannesburg

"A journey of a thousand miles begins"

*Liv Shange, Democratic Socialist Movement (CWI, South Africa)*

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## Australia: Poultry workers strike for decent pay

Violence and intimidation from management and police

*Socialist Party, (CWI, Australia) reporters*

# End the dictatorship of the markets!

**Paul Murphy**  
Ireland Socialist Party MEP

The imposition of the 'technocrats', in reality bankers, in both Italy and Greece, shows the seriousness of the crisis for the capitalist class nationally and across Europe.

To try to save their system across Europe, the democratic rights of people to decide who will govern them have been trampled on. The markets, through the Troika of the IMF, EU and ECB, have usurped democracy and placed their own men in charge to ensure that the cost of this crisis is placed on the shoulders of the working class, unemployed and poor.

The technocrats elevated to rulers in Greece and Italy, Lucas Papademos and Mario Monti, are the banking sector's choice of leader. Monti was an advisor to Goldman Sachs until his appointment.

Papademos was a former vice-president of the European Central Bank, and has publicly been opposed to the write down of Greek banking debt as it would hurt the banking sector.

Goldman Sachs was described in a 2010 Rolling Stone article as: "The world's most powerful investment bank" and "a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money."

It can manipulate "whole economic sectors for years at a time, moving the dice game as this or that market collapses and all the time gorging itself on the unseen costs that are breaking families everywhere - high gas prices, rising consumer credit rates, half eaten pension funds, mass layoffs, future taxes to pay off bailouts."

These 'technocrats' have been presented to the world as the experts who will be able to solve the financial crisis, as some sort of wise men who can rise above politics. It has been put out that these men will put the 'national interest' first. This is a lie.

The 'dictatorship of the technocrats' is an attempt to divorce economics from politics. The techno-

crats will act, not in the interests of the mass of the people, but in the interest of the people they represent - the financial elites.

The protest movements and strikes that have swept across Greece and Italy need to be intensified against this anti-democratic and anti-working class move by the national and European establishment.

No matter how much they try to persuade us that the technocracy is above politics, a mass movement of workers, the unemployed and young people which builds its own party, can brush away this dictatorship of the markets and start to create a society that is democratically run in the interest of the mass of the people.