

Mario Draghi to head Italy's new government

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Former European Central Bank President Mario Draghi is to head Italy's new government. Italian President Sergio Mattarella tasked the 73 year old with taking the reins of power on Wednesday, after efforts to revive the previous governing coalition of Five Star, Democrats and two smaller parties failed.

Draghi will now assemble a cabinet of technocrats and seek a majority in parliament. That he will get it is not certain but likely. So far, only the fascist Fratelli d'Italia have spoken out clearly against Draghi and for the immediate holding of new elections.

The Democrats and ex-premier Matteo Renzi, whose minority party had triggered the crisis with its withdrawal from the government, are fully behind Draghi. "Now is the time for the constructive," Renzi cheered on Twitter. "Now all people of goodwill must heed President Mattarella's call and support Mario Draghi's government. Now is the time for sobriety. Zero polemics. Viva l'Italia."

The other parties are maneuvering. The Five Stars, the largest group in parliament, is in a dilemma. Draghi embodies the political establishment they once claimed to fight. Since the Five Stars have been in government, however, they have proved to be a reliable pillar of capitalist rule. Added to this is the fear of losing their seats. As a result of falling poll ratings and a reduction in the size of parliament, three-quarters of the Five Star MPs would lose their seats in the event voters go to the polls anew.

The leader of the far-right Lega, Matteo Salvini, is calling for early elections, but with little conviction. Less than a year ago, he had proposed Draghi as head of government. Now, too, he attests that the former ECB chief is "estimable." The problem is not Draghi, "but what he does and for whom he does it."

Silvio Berlusconi's Forza Italia is expected to support Draghi. Berlusconi had already said in advance that he would respect Mattarella's decision.

With Draghi, a man is taking the reins of Italian politics who embodies European finance capital like no other. Born in Rome in 1947, he studied economics in his hometown and earned his doctorate at MIT in Cambridge, Massachusetts in 1977. Since then, he has taught at several universities and held leading positions in state and private banks. He was executive director of the World Bank, director general of the Italian Ministry of Finance and vice president of the US investment bank Goldman Sachs International in London (2002-05). He then took over as head of Italy's central bank and then the European Central Bank (2011-19).

As head of the ECB, Draghi's name became synonymous with the implementation of policies that provided unlimited funds to the financial markets, even as the living standards of the working class continued to fall because of the European Union's austerity dictates. Draghi's phrase, "Whatever it takes," with which he opened the money tap in 2012 when the euro came under pressure on the financial markets, is legendary. Since then, the ECB has bought up several trillion euros' worth of securities, made the unlimited refinancing of banks possible through low interest rates and thus enabled the stock markets to record continuous highs.

Draghi takes over the leadership of the Italian government at a time when the country is in a deep economic, social and health care crisis and on the eve of a social explosion. It has one of the highest coronavirus infection rates in the world, with 2.6 million infected and 90,000 dead. Unemployment figures are rising, and the national debt, at 160 percent of GDP, is almost three times as high as that allowed by the EU.

Now, Draghi is to ensure that the €209 billion due to the country as grants and loans from the EU's Coronavirus Fund are used to trim the Italian economy to boost profitability at the expense of the working

class—that is, not to alleviate the devastating social consequences of the pandemic.

The *Neue Zürcher Zeitung*, which does not mince words on such issues, commented, “Tasks await the 73-year-old Draghi that were not tackled or at least not completed during two decades. Now, reforms are unequivocally demanded by the European Union, because without them, Italy threatens to become a systemic risk for the entire political and economic constitution of Europe.”

Such policies cannot be achieved by democratic means. President Mattarella made a dramatic appeal to Italy’s political parties and their deputies to “give, immediately, life to a new government, adequate to deal with the serious emergencies present: health, social, economic, financial.

“Elections—i.e., giving citizens a say—are not something the country can afford at the moment,” the president stressed. “They were too big a gamble at this time due to the pandemic. Italy could not afford to go into election campaign mode for months, with all the risks that entailed.” The coming months were crucial, he said, stressing, “This requires a government in full functioning mode.”

Such a government will be a dictatorship of the banks. It will intensify the policies of austerity and herd immunity, giving further impetus to fascist forces.

Only the independent intervention of the working class can stop the turn of the ruling class toward dictatorship and fascism in Italy and throughout Europe. The anger and willingness of the working class to fight are enormous. But it lacks a political perspective and leadership. The Democrats, their pseudoleft periphery and the trade unions have suppressed all social struggles since the 1990s and pursued policies in the interests of capital. The most right-wing forces have benefited from this. Lega and Fratelli d’Italia are together polling 40 percent in the latest surveys.

Eight years ago, the Five Stars filled the political vacuum. With loud rants about the corruption of the political elites, they immediately won a quarter of all votes. Five years later, the Five Stars allied with the far-right Lega and formed a joint government. And now they are likely to help Draghi to power.

The working class must learn the lessons of this experience and build its own party—a section of the

International Committee of the Fourth International in Italy. The struggle against the coronavirus pandemic, social cuts and fascism can only be won with an international socialist programme.



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