Matteo Renzi wins Italian senate backing for his coalition government

Italy's new PM promises to reform justice system, boost foreign investment in Italy and clear public debts to private suppliers



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Matteo Renzi in the Italian senate. Photograph: Andrew Medichini/AP

Matteo Renzi, <u>Italy</u>'s new prime minister, has gained the backing of the upper house of parliament for his fresh-faced government after he insisted the chance for change in the economically

struggling country was "real, concrete and immediate".

After a marathon session of the Italian senate on Monday that lasted more than 10 hours, Italy's youngest ever premier won a confidence vote for his coalition government, formed chiefly with the support of the New Centre Right (NCD), by 169 votes to 139.

Another confidence vote will be held in the lower house, or chamber of deputies, on Tuesday but there, unlike in the senate, the prime minister's centre-left Democratic party (PD) enjoys a clear majority.

In a speech before the vote, Renzi had outlined an ambitious programme of reform which he said was "bold and, I hope, innovative" but which his opponents said lacked detail.

Appearing before a chamber whose minimum age for elected members is 40, the 39-year-old prime minister said political leaders needed to take "radical, decisive choices" in a bid to turn Italy into a "place of opportunities".

"We only have one chance. This is it," he told the senate. "I am looking you in the eyes and saying: if we lose, we will not seek excuses. If we lost this challenge, the fault will be mine alone."

Renzi won the confidence vote by relying on similar support bases as his predecessor and PD party colleague, Enrico Letta, whom he ousted in a controversial move earlier this month.

When Letta was deposed, the centre-left Democratic party leadership, encouraged by Renzi, voted overwhelmingly in favour of a new government. That caused considerable anger within some elements of the PD.

In his speech, which lasted an hour and a quarter, the centre-left leader pledged to implement a double-digit cut in the so-called tax wedge – the difference between what it costs a company to employ a worker and what the worker takes home – in order to relieve pressure on businesses and encourage them to hire.

He promised sweeping reforms to the country's slow-moving justice system, vowed to boost foreign investment in Italy and clear the debts of the public administration to private sector suppliers.

Making frequent reference to schools – as his teacher wife, Agnese Landini, looked on – he outlined a plan for investment in school infrastructure. He said

Italy needed to put its public debt of more than €2tn (£1.6tn) in order because it was "the respect we owe to our children", not because Angela Merkel, the German chancellor, or Mario Draghi of the European Central Bank desired it.

Strikingly, Renzi said his government would push through a package of constitutional and electoral reform that, among other things, would dramatically overhaul the senate. Advocates of the reform say ending Italy's perfect bicameralism in which the senate and chamber of deputies have equal legislative clout will help streamline the country.

"I want to be the last prime minister to ask this chamber for a confidence vote," said Renzi, whose governing experience until now had been limited to local politics, chiefly as mayor of Florence.

Renzi, known for his ambition and rhetorical flair, has unveiled a government of eight men and eight women who he has said are capable of driving through radical change. But his critics said his senate speech had done nothing to suggest this was realistic. "There was populism, there was demagogy, but very little that was concrete," said Paola Taverna of the anti-establishment Five Star Movement, which will make up Renzi's chief opposition alongside Silvio Berlusconi's centre-right Forza Italia.

Nichi Vendola, leader of the opposition Left Ecology Freedom party, said Renzi's analyses had been "of a truly embarrassing superficiality". "A speech made for TV viewers more than for the country and the [state] institutions," he told SkyTG24.

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New Italian Premier, in First Speech, Outlines Early Priorities for His Tenure

By JIM YARDLEY and ELISABETTA POVOLEDOFEB. 24, 2014



Launch media viewer

Prime Minister Matteo Renzi, center, with the economy minister, right, and the defense minister. Credit Andreas Solaro/Agence France-Presse — Getty Images

ROME — Making his first appearance before Parliament

since <u>becoming prime minister</u>, Matteo Renzi on Monday called for lawmakers to have the courage to make radical change, pledged to push through political and electoral overhauls, and promised bold, innovative measures to revive the moribund economy.

Mr. Renzi, 39, the youngest prime minister in Italy's history, spoke for roughly an hour before the Senate, where his new government won a confidence vote early Tuesday. A second confidence vote is scheduled for Tuesday in the lower house, where Mr. Renzi's Democratic Party holds a comfortable majority and passage is considered a certainty.

For Mr. Renzi, the former mayor of Florence who was sworn in Saturday after forcing out a sitting prime minister from his own party, Monday's speech was his first formal presentation of his early priorities. It also provided a taste of his jaunty, confident style. He seemed to relish verbally jousting with lawmakers of the opposition Five Star Movement and gave no hint of being awed by a chamber in which he has never served.

"Our country is rusty, bogged down," he said, "immobilized by an asphyxiating bureaucracy, by rules, norms and codicils that paradoxically don't eliminate illegality." He argued that the desires and ambitions of ordinary Italians had surpassed the performance of Parliament. "It is ahead of us, and it is up to us to catch up," he added.

Focusing foremost on the economy, Mr. Renzi outlined four immediate priorities: repayment of unpaid government debts to private firms by using a state investment and loan fund; support for small and medium enterprises squeezed by the credit crunch; reductions in income and labor taxes; and a comprehensive overhaul of the justice system, including changes to make doing business easier.

He also pushed for passage of a sweeping electoral overhaul package that he has already brokered with Silvio Berlusconi, the leader of Forza Italia, an opposition party, and a former prime minister. That package would change Italy's complex voting system to favor bigger parties and coalitions and better produce working parliamentary majorities. Mr. Renzi is also pushing to amend the Constitution to drastically reduce the powers of the Senate so that lawmaking authority is concentrated in the lower house.

"I'd like to be the last prime minister to ask this chamber for a vote of confidence," he said.

Perhaps that goal is one reason the assembled senators only occasionally broke into meaningful applause. Marco Damilano, a political commentator for the weekly magazine L'Espresso, said that Mr. Renzi deliberately emphasized his role as an outsider to the political circles of Rome and that the radical changes he promised were the same things he has been talking about when he politicked nationally as mayor of Florence.

"He acted as the mayor of Italy, but he's now prime minister in a ring where the rules have remained the same," Mr. Damilano said during a televised interview, arguing that the blasé reception to the speech by many senators portended a bumpy ride.

"They listened with a certain slyness: Sure, you can come and make all the promises you want, but you still have to pass through us," he said.

Analysts say Mr. Renzi is likely to face difficulties in achieving every one of his goals, including his plans to rein in the entrenched managers of Italy's public administration. "He will face a significant opposition, by trade unions to begin with," said Stefano Manzocchi, professor of international economics at Luiss Guido Carli University in Rome. "But if he starts at the top levels, he'd have a lot of popular support."

Mr. Renzi has been regarded as a rising star in Italian politics, especially after he was elected leader of the Democratic Party in a nationwide primary last December. But his ascension to prime minister came rapidly and unexpectedly, amid growing frustrations over the inability of the previous prime minister, Enrico Letta, and his coalition government to approve major overhauls.

This month, Mr. Renzi called an emergency meeting of the Democratic Party, in which members voted to remove Mr. Letta, a party member, and replace him with Mr. Renzi. He must now push through his ambitious agenda with the same fractious coalition of left and right parties that at times stymied Mr. Letta.

Mr. Renzi, a skilled communicator comfortable with social media and attuned to the power of television, has cast himself as a symbol of generational change in Italy. Last weekend, he named a 16-person cabinet evenly divided between men and women — a first in Italy — with an average age of 47. The youngest cabinet members, Maria Elena Boschi and Marianna Madia, are both 33.

In his speech, Mr. Renzi cautioned that Italy's economic malaise is dragging down the country's younger generation "who can't afford to go out for pizza." He said gross national product had dropped sharply since 2008 while youth unemployment had nearly doubled to 41.6 percent.

"These are the numbers of a crisis," he said. "They are the numbers of a collapse."

He also said that the country had an opportunity to send a signal to the rest of Europe, assuming Parliament can pass major overhauls before Italy assumes its rotational turn holding the presidency of the European Union in June. "We won't be credible if we aren't able to arrive at the European semester without sorting out the things we have to sort out," he said.

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