

Presenting the history of social democracy in Italy is hard. As a matter of fact, there has never been such a thing as an actual Italian social democracy. Or, if we really want to identify something similar, beyond labels, it was a very odd one.

Since the first free elections, i.e. since 1946 when the Italian Constituent Assembly was elected, the left-wing landscape was dominated by a strong Communist Party (the strongest communist party in Western Europe), while the centre - and not only the centre of the Parliament but also the centre of the political system itself - was firmly in the grip of the Democrazia Cristiana (Christian Democracy); as for the right-wing landscape, it was dominated by an anti-system party nostalgic for fascism.

The Italian Communist Party (PCI) surely shared some principles of classic social democracies (strong advocacy of working people issues, protection of social rights, firm vocation for reforms, acceptance and defence of democracy and pluralism), but with different international reference points (the USSR as the main one, the CPSU as the "guiding party", though with meaningful hints of independence). Above all, the PCI was subject to a *conventio ad excludendum* that systematically excluded it from governance until the late Seventies. And, once the *conventio* seemed to disappear, because of the strategy of the "historical compromise" and, then, because of the governments of national unity, the consequence was the killing of the political personality who worked the most for this turn and who was supposed to lead the first government after this turning point, Aldo Moro. For this reason, during the golden years of European social democracies - i.e., the thirty years following the end of World War Two, *Les Trente Glorieuses*, the decades of the "social democratic compromise" within the frame of an accelerated development and of Keynesian policies - Italy was politically frozen in a substantially centrist system. Another reason for this situation was that the PSI, Italian Socialist Party - the other left-wing Party in Italy at that time, a minority party if compared to the "elder brother" - did not succeed in being truly autonomous. Indeed, at first, it was subordinated to the PCI (within a "popular front" framework), then to the DC. As a matter of fact, the period of centre-left coalitions (between 1962 and the beginning of the Seventies) is not remotely comparable to a "grosse koalition": this was more a "kleine koalition" that partially helped the country's social modernisation, but that surely did not transformed its political order, that remained stagnant and left room for a mobilisation outside the political system (the 1968 protests in Italy, the Hot Autumn, the Union mobilisation): it was this mobilisation that, in a certain sense, replaced the political forces. Once this mobilisation was over, it left behind a political system basically stuck on the centre (the alliance between Craxi's PSI and an oligarchic DC based on

favouritism, explosive public spending, high interest rates on government bonds and tolerance towards tax evasion).

Then, the first "system's break" occurred: it was the first dramatic transformation of the whole Italian political system, between the end of the Eighties and the beginning of the Nineties: at the international level, these are the years of the Fall of the Berlin Wall and the collapse of the USSR and, at the Italian level, the years of the "Tangentopoli" scandal. The first event led to the end of the Communist Party (which changed its name and character), while the second one - that represented the legal crisis of the Italian political system - was a true tsunami for an whole class of politicians, removing the traces of the First Republic's party system (in 1995, none of the previous political parties survived, except for the very small Republican Party). On the one hand, the PSI - erased by too many scandals - was not able to exploit the crisis of the PCI caused by the collapse of real socialism to attract its voters with a social democratic programme. On the other, the renewed PCI, then called PDS, was not able to exploit the crisis of the PSI and pick up the baton of social democracy. Neither could it keep the reference to socialism in its name, choosing a more generic name like "Partito Democratico della Sinistra" (Democratic Party of the Left) and embracing *tout court* the emerging neo-liberal creed, which seemed to be more trendy and allowed to hide a shameful past, rather than the inclination towards working people and reforms that was in its DNA. It was more an anticipation of Blair's third way than a revitalisation of the social-democratic pact. The PCI leadership, once it was free from the shackles of its own history and identity, chose to conform as far as possible to the spirit of the age, to the generic modernising rhetoric, believing that the contemporary crisis of the Christian Democracy, that received a mortal blow from the Tangentopoli scandal, just like the PSI, would naturally lead it to a full political hegemony. That they would easily become the catch-all party. Or, better, that they would become the *one catch-all party* inside the Italian political system the judges had emptied.

That did not happen. The Cristian Democracy collapsed, but its heir was not the PDS (Democratic Party of the Left). A minor heir, very minor one, was the Popular Party (PP). The legacy of the DC was mainly fulfilled by a new entry. An absolute outsider. Silvio Berlusconi's party-firm, Forza Italia, which came out of nowhere and secured the government majority thanks to a variable-geometry system of alliances: both with the heirs of the old radical Right, then Alleanza Nazionale, in Southern Italy and with the xenophobic regionalist party of Lega Nord in Northern Italy. That were the first steps of a populism *ante litteram*. A kind of populism suitable for the welfare society, which brought the *nouveaux riches* of the middle class of the new third-sector and of the real-estate speculation together with the lower classes that mainly composed the TV audience.

An unrefined and benevolent populism based on the *enrichissez-vous* principles that captured a large part of the former PSI leadership and pushed aside, due to oppositions and differences, all the other heirs of the so-called First Republic, such as social Catholicism, reformer secularism, class-conscious unionism and strict intellectuals (the *Girotondi* movement)... This is the picture of the abnormal Italian bipolarity of the Second Republic (i.e., the period from the mid Nineties to the end of the first decade of the new millennium: 2011, exactly).

Behind that structural change of the Italian political system, a parallel and deeper change in the mass placing and political approach was taking place. A sort of liquefaction of the electorate. An unparalleled flexibility due to what we can define the abandonment of the old political nests - i.e., the traditional mass parties - and the end of the long-established loyal attitude towards the parties. The loyalty Hirschman dealt with, which was replaced by a more and more frequent recourse to exit.

Let us take a look at the figures:

In 1976 – the year when it reached its peak - the PCI had more than 12.5 million votes (specifically: 12,615,000), the PSI 3.5 million votes and the DC around 14 million ones (14,209,000).

In 1982 - at the beginning of the decade preceding the big change - the PCI kept 10 million votes, the PSI rose to 5.5 million votes and the DC had 13 million ones. The PCI and the PSI, together, were close to 16 million voters, but they followed different paths.

In 1992, immediately after the name changed, the former PCI, then PDS, lost roughly a half of its voters (it got 6.3 million votes), the PSI lost some votes if compared to the peak of ten years before, with 5.3 million votes, and the DC still had 11.5 million votes. Only two years later, right after the Tangentopoli scandal, in 1994 the DC lost more than a half of its votes, obtaining almost one third of the votes (a little more than 4 million votes); the PSI had almost disappeared (eight hundred thousand votes) and the PDS had not experienced a meaningful increase, with its 7.9 million votes. As a counterpart, against all odds, the new Centre-right emerged: Forza Italia got more than 8 million votes, the Lega Nord 3.7 million and Alleanza Nazionale more than 5 million... If in 1976, PCI and DC - the two pillars of the Italian political system - represented together almost 30 million voters, then, after a little more than fifteen years, they represented just something more than 10 million voters: only a third! A social democratic option could not be taken into account, due to these tough figures. And due to the position of an electorate that had chosen other parties... And things were not better when, in 2008, on the verge of the most devastating economic crisis in Italian

history, Walter Veltroni proposed a new metamorphosis, with the creation of PD through the cold fusion between the remains of the PCI and of its evolution in PDS and then DS and the remains of the Popular Catholics. A fusion that did not include a reflection upon their political background and that should have favoured a true two-party system in Italy. In this two-party system, the new creature, that should have embodied the new-generation reformism, was in a minority: it got slightly more than 12 million votes (the sum of the former DS and of the former popular party, of the veterans of the former PCI and DC) against the 14 million ones of the PDL, which rose to 16 million thanks to the alliance with the Lega Nord. And that was not over. The long crisis will do the rest.

In the political Italy that emerges from general elections of 2013, the Partito Democratico has a little bit more than 8.5 million votes (30% less than five years before). Forza Italia got half of the votes, with slightly more than 7 million votes (the two pillars of the new bipolarity, together, experienced a loss of about 10 million votes...). And, again, out of nowhere, the Movimento 5 Stelle became the first party in Italy with 8 million 691 thousand votes. A populism suitable to a period of crisis that was fuelled by the sense of loss felt by a very large part of the population - middle class, working class, craftspeople, professionals, young people in precarious employment - by a cross-cut social front spread in all Italian regions and age brackets, in particular among young people, professionals and productive classes. This populism appears soft, if compared with those emerging in other parts of Europe due to the narrow-mindedness of European policies, the widespread corruption of domestic politicians and policy-makers, the isolation of the suburbs, the indifference of the main factions of the different political parties towards the real social conditions.

The Partito Democratico, that gained a vast majority inside the Parliament though defeated in the elections thanks to an unreasonable majority bonus system allowed by a constitutionally illegitimate electoral law and by a coalition that immediately fell apart, tried to react with an unscrupulous and risky move. They tried a sort of genetic mutation, a radical change in their political approach and fundamental values, represented by Matteo Renzi's rise to the leadership of the Party and, consequently, of the Government. The use of an explicitly populist style to approve policies and constitutional reforms that are substantially oligarchic (just think about the Boschi-Renzi reform that will be the object of the Referendum on the 4th of December), antisocial (the Jobs Act and, in general, the employment reform), unecological (the Sblocca-Italia law) and that respond, largely, to the urges of the financial establishment and of the European oligarchy. However, I will insist later on the populist approach of the Renzi Government and on its social consequences.

I would like now to answer some questions: What happened? Why, in Italy, where between the Sixties and the Seventies there was a strong left-wing structure that managed to conquer an important share of the electorate and was politically organised, this political force did not transform into a social democratic one, even though the restraints of the *conventio ad excludendum* were removed? And even though the European political situation would have allowed it, for example in the continuity of Berlinguer's Eurocommunism insights. Why did the country that saw strong social demonstrations, that partially became an example for Europe, the country of the “Sindacato dei Consigli”, of the independence and the (short) union of Trade Unions, of large-scale participation, become, in the new century, the Country of social silence? And of the consequent new-generation populisms?

The first reason - and the most important one - is that Italy got to the social democracy "trial" immediately after the general, and catastrophic, social divide between the end of the Seventies and the mid-Nineties. A far-reaching social showdown between capital and labour (terms that have now fallen into disuse) that hit all left-wing parties, not only the Italian one, and that represented the lost challenge of all European social democracies. In this period, globally, a "defeat of the labour world" took place. It was not a lost battle of this world. It was an unprecedented debacle that, however, people neither came to terms with nor even recognised. So, the working classes saw their income reduced and their status, social identity and fundamental rights conquered in a century of "working class struggles", undermined. Technological innovation and globalisation were the two battlegrounds where the debacle took place. Luciano Gallino - a distinguished Italian sociologist, probably the best one, or at least the sociologist who best understood the spirit of the age, even before events took place - identified a "class struggle after the class struggle". By that, he meant the struggle that the upper and powerful classes have started against the members of the lower classes who, in the central decades of the work century, had managed to climb the social ladder a bit: a reverse class struggle started by the élites in order to regain the privileges they had lost, erase social achievements, undermine welfare systems, remove redistribution policies, make jobs precarious and uncertain (though they call them 'flexible'), make work a private issue again, after it had been recognised as a public issue, a pillar of citizenship.

Fall 1980, defeat of the FIAT workmen in Turin (the renown "35 days of FIAT"); August 1981, dismissal of 11,000 PATCO (Professional Air Traffic Controllers Organisation) air traffic controllers by the newly-elected President Ronald Reagan; March 1985, closure of Yorkshire mines after the miners' epic struggle inspired by Arthur Scargill; second half of the Eighties, closure of mines and blast furnaces in Alsace and Lorraine... The front line is fragmented, but everywhere the

world of work is openly challenged and defeated. Decentralised production, outsourcing, relocation, technological change (from mechanical to electronic technology), globalisation are the actual conditions of what Antonio Gramsci would have called a "passive revolution".

Here is, in my opinion, the general turning point that triggers the crisis of social democracies. Or, better, that prepares the true deconstruction of the "social democratic paradigm", which has developed with different timeframes and manners according to the country, but whose origin is in the same social and, we might say, "structural" phenomenon. With the clear victory of capital over labour resulting in the imbalanced power relations between the classes, the very reasons of this "social compromise" that marked the previous decades, vanished. The reasons of what had been called the "social democratic compromise". The pact was unilaterally broken by the capital front - the capital which benefited from an unprecedented ability to move and freedom of action towards its workforce - for the simple reason that, with these new power relations, this pact was pointless or, even, an obstacle. And, with the end of the "compromise", the welfare system was called into question, too, since it was an inseparable part of this compromise and then, with these new conditions, was an unnecessary cost. Under these new conditions, the Keynesian policies, that had been considered fundamental to regulate the economic cycle, were suppressed. Or, at least, seen as suppressible.

The new principle was officially stated, very clearly, in September 1979, by the new Governor of the Federal Reserve Paul Volker who, in his inaugural speech, announced a historical turning point: if, for fifty years, he claimed, the worst enemy of all governments had been unemployment (the phantom of the long queues of unemployed people in front of Employment Agencies during the Crisis of 1929) and the goal of all public policies was the "full employment", then the worst enemy became inflation. And the first goal of financial institutions was to decrease it. If before the target was the labour market and its regulation, then the target was the salary and its regulation: the suppression of wage rigidity, even though it implied uncontrolled fluctuations of the interest rates and a deep transformation of the production system. At the cost of deindustrialisation. Of job insecurity. Of abandoning economic planning. Of surrendering to the disorder inherent to the market, by selecting flexible, mobile, light organisational models conceived to "adapt to the disorder" rather than to "manage and reduce it".

The European social democracies did not notice this turning point (or, better, did not notice its fatal consequences). On the contrary, often, they offered to manage its political apparatus. Or to become its public representative, in the name of a wrong concept of "modernisation". However, the social repercussions of this attitude were severe. They are confirmed by figures. A survey carried

out by the Bank of International Settlements on the distribution of wealth between wages and profits in the OECD countries in the period between 1983 and the half of the first decade of the new century shows a shift from the former to the latter of a share of income that represents between 8 and 10% of GDP. It means that, every year in the new century, workers get a share of income that is 10 percentage points of GDP lower than what they would get if the distribution was the same as the beginning of the Eighties. Consequently, capital gets a share that is 10 percentage points of GDP higher. For Italy, the share represents about 200 billion Euro per year that are not earned by workers and become a financial resource for businesses (that use only a part of it for productive investments, since a large share is used for financial speculation).

The financial crisis that started in 2008 did the rest. From industrial and private-sector workers, the decrease in incomes touched the middle class as a whole, which was progressively but rapidly downgraded, both in terms of purchasing power and in terms of status and security (of their condition and of their lifestyle). A 2016 Report by the McKinsey Global Institut offers dramatic evidence. Significantly, its title is "Poorer than their parents? Flat or falling incomes in advanced economies" and it refers to a series of developed countries where, to a greater or lesser extent, the middle-class household income was badly hit: "Between 65 and 70 percent of households in 25 advanced economies, the equivalent of 540 million to 580 million people – as the researchers of the McKinsey Global Institut write - were in segments of the income distribution whose real market incomes — their wages and income from capital — were flat or had fallen in 2014 compared with 2005." In some cases, the cuts were cruel. In Italy, for example, the percentage of affected households is 98%. Or in the United States, where the percentage is 81% or the Netherlands, 70%, right after France with 75%. At the opposite side we can find Sweden, where adequate public policies reduced the percentage of downgraded population to 20%. Is it surprising that in the areas where middle and working classes are suffering the most, the so-called "populist" political approaches have emerged? That in the United Kingdom Leave won and in the Netherlands a referendum to leave the EU is imminent? That the monstrous Trump won in the USA? That, in Italy, the political system is almost completely composed of entities that, though differently, use a populist approach: the right-wing one, already used by Berlusconi, that is currently exacerbated by Salvini; at the centre, the unusual one proposed by Beppe Grillo; the one proposed by Matteo Renzi (which, I think, is the most dangerous one) directly from the heart of Government and Institutions, that represents a desperate attempt to control the crisis of the Partito Democratico by changing its real nature and, partially, its social base (i.e., the project of the so-called Nation Party).

In this context, the traditional social democratic model has no say, there is no room for it. It is suspended between the chauvinist sovereignty of right-wing populist movements (that look at the reestablishment of national sovereignty as a way to ensure citizens protection against everything is "outside"). And the socially indifferent and irresponsible cosmopolitanism of the establishment (the neo-liberal paradigm that still dominates the top of the European Union and of almost all international agencies) that pursues the dissolution of all social pacts and the erosion of all guarantees. Maybe only a "continental sovereignty" could put it back in place. Restore the purpose of the conclusion of new "social pacts". Make redistribution policies feasible on a continental scale. Establish trans-national social guarantees. It means that, maybe, only "Another Europe" can stop the race to the bottom in material resources and to hell in the national political systems. But that Europe is far. European social democracies themselves - already worn out since when they embraced the neo-liberal hegemony - gave up their role and seek refuge in limited national perspectives (I am thinking about Germany) or auto excluded themselves (like in France and, now, in Spain). Furthermore, in July, last year, the European social democracy committed a true collective suicide allowing, literally, the social massacre of Greece, under the astonished eyes of the entire world and, therefore, gave up its fundamental values of solidarity and social justice.

After such a cycle of defeats, the recovery cannot be easy. However, the emergence of a European Left able to organise its proposals on a continental scale is the only possible barrier against the risk of dissolution for the European Union as well as against the simultaneous threat represented by a nationalist- or, better, a national-sovereignist -, xenophobic, and, potentially, warmongering Right.

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(L'Altra Europa per Tsipras – Italy)