



The instincts of an authoritarian: Renzi at Palazzo Chigi, the prime minister's official residence in Rome

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LETTER FROM ROME

The scrapper in the swamp

Italy's prime minister, Matteo Renzi – “Europe's last Blairite” – vowed to take on vested interests and smash open the economy. Can he still succeed?

By Joji Sakurai

In the summer of 2009, Daniele Caponi graduated from Sapienza University in Rome. His CV looked impressive. He had a degree in languages, and was fluent in four: Spanish, German, English and Italian. But the timing of his entry into the job market was terrible.

The global financial crash the previous year had badly affected Italy's already weak economy. Prospects for graduates were so bleak that the best work Caponi could find was as a taxi driver. Six years later, the situation remains so precarious – youth unemployment is running above 40 per cent – that Caponi says he is “proud and honoured” to have a job at all.

Intelligent, confident and articulate, Caponi would appear to be precisely the type of person that Prime Minister Matteo Renzi has in mind as a beneficiary when he

says he wants to jumpstart Italy's economy by breaking it open to competition – with a war on entrenched interests and an influx of foreign capital leading the way to more jobs. Yet Caponi also embodies forces

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conspiring to defeat him. As a taxi driver, he belongs to one of Italy's “closed-shop trades” (which also include chemists and lawyers) that hold back the economy, clinging to privileges and blocking outsiders from entry. For members of these trades, the benefits of the status quo are clear: Caponi makes enough money to wear smart

clothes, eat at good restaurants and go trekking in south-east Asia or Latin America every year.

He is not willing Renzi, who has been called “Italy's Tony Blair”, to fail, but thinks it is inevitable that he will. For the man at the helm of the centre-left Democratic Party, who a year and a half ago – at the age of just 39 – became his country's youngest-ever prime minister has the task of changing not only Italy's legislation, but its way of life. It is a struggle of allegiances versus globalisation; gerontocracy versus meritocracy; made-in-Italy quality versus stark economic efficiency – and the rule of law versus the tendency to bend it.

On the day I meet Caponi, he is illegally cramming extra passengers into his car because a transport strike has affected his takings. “You see, Italian politics mirrors ▶

▶ Italian people,” he says. “Even me, you find me criticising politics. But look at what happened today. I pulled two rides into one – I did something I was not supposed to do.”

When Renzi took over as Italy’s leader in February 2014, many in the country felt it as a gale of fresh air after two decades of political tragicomedy and economic stagnation dominated by Silvio Berlusconi, whose main interest in power, his many disparagers say, was to protect his media empire and keep himself out of prison. That protracted era of zero growth, from 1994 to this year, left Renzi with enormous problems: more than one in every ten people out of work, chronic dips into recession, and a national debt that is 135 per cent of GDP, against 95 per cent for France, 90 per cent for Britain and 75 per cent for Germany. Add to that one of the rich world’s lowest fertility rates, at 1.39 births per woman – a demographic crisis that prompted the health minister to call this a “dying country” – and it may seem surprising that anybody would want the job of extracting Italy from the bureaucratic and parliamentary mess that Italians call *il pantano*, “the swamp”.

Renzi, however, seems to relish challenges that are the proper measure of his ambition, which was apparent from an early age. The son of a centre-right municipal councillor, he grew up in Rignano sull’Arno, a quiet Tuscan town outside Florence, where he became a keen Boy Scout. (His official website uses a quotation from Robert Baden-Powell, the founder of the Scout movement, as its epigraph: “Leave this world a little better than you found it.”) The modest scope of this idealism provides clues to Renzi’s combination of pragmatism and engagement.

His passion for politics began in high school, and as a law student at the University of Florence he co-founded a committee to help Romano Prodi, a Democratic Party stalwart, become prime minister. Around that time, the 19-year-old Renzi appeared on the Italian version of *Wheel of Fortune*, raking in £20,000. It was a precocious sign of his penchant for games of risk.

His first break in politics came at the age of 24 when he became provincial secretary of the centrist People’s Party. From there, his rise was fast: president of the province of Florence at 29; mayor of Florence, a much bigger job, five years later. As mayor, Renzi shook up the city by cutting back sharply on the number of councillors, increasing the efficiency of public services and boosting welfare spending. As Italy began to take notice, the young mayor already had his eyes on a bigger stage: national politics.

In early 2013, he sensed the moment had arrived. In parliamentary elections, one in four Italians had voted for a comedian, Beppe Grillo, whose populist Five Star Movement proudly stood for little other than revulsion with the ruling elite. It was a turning point in Italian politics. After the Berlusconi era – and a brief technocratic government led by Mario Monti, who imposed austerity to pull the country back from a financial abyss – Italians were fed up with the political class and hungry for change.

Renzi, then still mayor of Florence, blitzed TV and social media with a vision of himself as the saviour of Italy, while his Democratic Party colleague Enrico Letta plodded along at the head of an unwieldy

After the stagnation of the Berlusconi years, he was a gale of fresh air

coalition government. Renzi promised to *rottamare* – “wreck” – the system (from this he acquired the nickname “The Scrapper”). He was bold and passionate and, like Berlusconi, he projected sunny optimism. Best of all, as mayor of Florence from 2009, he was an outsider, untainted by the machinations and scandals of national politics. Many Italians dared to hope again, as Renzi promised a bold reform programme that would generate jobs and revive the economy.

Late in 2013 he won the Democratic Party leadership, and quickly showed his ruthlessness by orchestrating what the Italian press called a “palace coup”, toppling Letta

the following February. (A popular cartoon from the time shows Renzi in a relay race, handing his predecessor a stick of dynamite.) Days later, without ever having been even a member of parliament, Renzi was appointed prime minister.

While many Italians began to place their hopes in Renzi, there was also an undercurrent of suspicion about him that still prevails. One reason for this is his opportunism. On a stroll through Rome’s best food market, in the rough-and-tumble Testaccio district, I heard a story about him that went like this.

“A municipal councillor of Florence from the time that Renzi was mayor was once asked by a journalist: ‘Renzi – according to you, is he a capable man?’

“The councillor responded: ‘Yes, he is capable of anything.’”

Indeed, while Renzi purports to be a man of the left he often doesn’t sound like one. Besides smashing open protected sectors and taming the trade unions, he wants to overhaul the bloated and coddled public sector and attract overseas capital, which would inevitably entail foreign corporate takeovers. In the context of the rise of far-left parties in Europe, such as Syriza in Greece and Podemos in Spain, and given Jeremy Corbyn’s ascent to the Labour leadership in Britain, Renzi is increasingly looking like Europe’s last Blairite. (He got to know Blair when he was serving as mayor and Blair holidayed in Tuscany, and they became friends. Last year, Blair told the newspaper *Corriere della Sera* that Renzi was ▶

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▶ “the only way forward for Italy’s left”). Indeed, on 21 September, Renzi appeared to be channelling Blair when he said that Corbyn’s victory was evidence that Labour “delights in losing”.

Yet there are signs that Renzi may not be winning his own battle. Another reason for Italians’ growing scepticism about him is that six months into his premiership the country slipped back into recession. This year, according to the European Commission, Italy is projected to eke out 0.6 per cent growth. By contrast, Spain and Portugal, which also have suffered severe debt and austerity crises, are forecast to grow at 3.1 and 1.6 per cent, respectively.

Meanwhile, unemployment remains stubbornly high despite the passage in the spring of Renzi’s signature “Jobs Act” – a package of laws that aims to generate employment by scaling back job protections and offering tax incentives to companies that hire long-term workers (as opposed to the surging number of people on precarious short-term contracts). And reform means nothing unless people believe it will work. Foreign investment has increased but Italian businesses are clinging to their capital. After rising early this year on the back of the imminent labour reforms, business confidence slumped again over the summer.

Critics say that whatever growth Italy does achieve this year may be due less to him than to another Italian: the European Central Bank chief, Mario Draghi, who has sought to invigorate the euro-zone economies with a flood of easy credit. Some economists say that without a cheaper euro to boost its exports, Italy would still be in recession.

Meanwhile, in times of uncertainty, Italy’s business cliques hunker down to their old ways – hostile to hiring young people

“My future? Outside of Italy. There are no other alternatives”

and preventing newcomers from encroaching on their turf. Renzi is fighting hard to tame these entrenched interests. The problem is that he may be running out of time. His approval ratings have nearly halved, down from more than 60 per cent after he became premier to around 32 per cent today.

“If nothing happens, especially in terms of kick-starting the economy, then people will start saying you’re just hot air,” said Vincenzo Scarpetta, an expert on Italy based at the Open Europe think tank.

One might imagine that students here would be among Renzi’s biggest fans, given that he is promoting policies that would help them find work. But on the Sapienza campus, Caponi the taxi driver’s alma mater, I cannot find a single student who believes that Renzi could improve their prospects by the time they enter the workforce. The overwhelming message: once I graduate, I’m out of here.

Beatrice Parsi di Landrone, studying chemistry, shakes her head at the thought of change being possible in Italy. The economy, she says, is built on patronage and favours that keep talent out of the best jobs. She wants to move to England and apply her skills in cosmetics, working for Max Factor.

“You can’t work here unless you have an inside track,” she explains. “For 20 years now, the government has been ruining Italy, even if we’re the best in the world in so many things. Overseas, it’s our brains that make a difference.”

The message on the sweatshirt worn by Mirko Mandarino, a medical student, speaks for his generation: “F**KIN’ PROBLEMS”. He is from Calabria, in the deep south, where people are poorer on average than in other parts of Italy. That makes it even harder for him to succeed in this country, where

many northerners hold southerners in contempt. Under Renzi, the gap between north and south has widened: national GDP fell 0.4 per cent last year but the south suffered a 1.3 per cent decline. “Renzi?” Mandarino says with a chuckle. “He’s an opportunist. A social climber. That’s how he’s gotten to where he is. My future? Outside of Italy. There are no other alternatives.”

Like Parsi di Landrone, Mandarino laments a culture of vested interests that blocks young people from achieving their dreams. “Nobody wants to give up anything,” he says. “They’re clans. The mentality is mafioso.”

Still, he feels sympathy for older Italians who cling to jobs and power. “In Italy, an old person can’t give way to the young, because at his age he wouldn’t find anything else. I have an uncle in Canada. He got fired at age 48. The next month he found a new job. That kind of thing doesn’t exist in Italy.”

Christian Abete, a classics student, sums things up: “We export wine and graduates.”

Franco Pavoncello, a political scientist and president of John Cabot University in Rome, meets me on the terrace of Vanni, a café in the genteel Prati district. Of the dozens of Romans I speak to, Pavoncello is the only one who believes that Renzi will succeed. “I am bullish about Italy,” he says.

The professor presents a heroic narrative of the prime minister, calling him a “revolutionary figure” – and only time will tell whether he is right. But he does make a basic point that it is hard to argue with: “He’s the only game in town. The right is dead. Completely melted. The left continues to be the usual communist left. It’s a disaster.”

It is the disarray among Renzi’s opponents not only on the right, where Berlusconi’s Forza Italia is fighting to regain relevance, but also in the crumbling old guard of the Democratic Party, that may allow him to press forward. “Nobody can stop this avalanche,” Pavoncello says.

That is an exaggeration, as the reform process is moving slowly. The big question is whether the Italian people will have the patience to endure a drawn-out and complicated overhaul – which promises pain to millions who benefit under the status quo – as the economy continues to stagnate. A stumble for Renzi’s party in regional elections in late May signalled threats hovering over his future. Voters are growing hostile to his pro-business ethos, alien to Italian tradition, and his own camp is beginning to bridle under a leadership style often described as dictatorial. Adding to his problems, the xenophobic, anti-euro Northern League’s vote share jumped across the

nation, extraordinary for a party that long advocated a divorce between the affluent Italian north and the poorer south.

Pavoncello insists that Renzi has the political smarts and determination to be a transformative figure. But won’t he hit the brick wall of Italians’ cherished way of life?

“What way of life?” he fumes. “People staying at home? Fifty per cent youth unemployment? Taxi drivers who think they’re middle-class? In New York taxi drivers are not middle-class. Here taxi drivers make three, four, five thousand dollars a month. They feel they are shopkeepers. Taxi drivers are not middle-class. They are the bottom of the class! Can you remain middle-class when you have Uber? You can fight. You can try. But the world is going against you.”

Roberto Fabiani, the spokesman for Rome’s main cabbies’ association, who is a taxi driver, too, does indeed come across as middle-class. He wears Ray-Ban aviators, designer stubble and a crisp white shirt as he meets me at the Romana Tassisti headquarters on the outskirts of the city. Like Caponi, he is university-educated and asks

“Can you remain a middle-class taxi driver when you have Uber?”

why he shouldn’t have a pleasant family life after working a hard shift behind the wheel. He sees Renzi’s argument about reviving the economy by making it easier for firms to fire as being fundamentally at odds with Italy’s communitarian sensibilities.

“This is a philosophy that is *molto liberale*,” Fabiani says of the Jobs Act programme. “In Italy we have a vision that is very much to the left. Article 1 of our constitution says that Italy is a country founded on work. Translated, that means that every citizen should have the right to a dignified job, not

extravagantly paid, but one that allows him to live in a dignified manner. ‘Dignified’ for me means not only to have an income that allows me to live, but also the security to know that I can live my life. If I’m hired, and in three months somebody says ‘you’re no longer needed’, that’s a problem.”

Italy’s commitment to social welfare, with its roots in age-old ideas about community and family, has provided cushions that allow people to live with dignity even in the midst of a sharp downturn. Yet millions of young Italians are living with precisely the indignity of uncertainty that Fabiani finds unacceptable. He is prepared to fight to protect his own. “If this happened,” he says of Renzi’s plan to break open closed sectors, “it would be the end. We’d take a hard position. Until the bitter end.”

There is no country in the world where cliques do not fight hard to keep their privileges. In Italy, however, the instinct is particularly strong; and this may present the greatest challenge of all to Matteo Renzi’s desire for reform. Italy’s historical experience as a jumble of city states and patches of empire has left a structure of allegiances and patronage that poses daunting obstacles to change.

Campanilismo, loyalty to the village bell tower, is central to Italian life. This signifies loyalty not only to your village, but to your trade association, your social circle, uncles and cousins, and, at the highest echelons, your political faction or business cabal.

“I’m not Italian, I’m a Roman,” says Caponi the taxi driver. “This is another thing that we are missing. We aren’t like the French or the Germans or the English, who are French and German and English.”

It’s a spirit captured in a song by the singer Luca Carboni called “Inno Nazionale” – “National Anthem”. You might expect a patriotic paean, but it goes like this:

I’m too much of a Bologna man,
And you’re much too Neapolitan.
Him? Too much from Turin,
And you guys too stuck in Bari.
And if we’re all too proud,
They’re all too Venetian.

The song continues in this vein, a hard rap with a techno beat. In its simplicity, this national anthem conveys how the Italian identity is precisely the lack of one. The paradox hits home in the song’s conclusion:

We were once too fascist, and then
Too don’t-give-a-fuckists...
And then became too communist,
As well as too Christian-Democratic.
And even as time passes,
We’re still too ITALIAN!



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