

Monti at hand to be Italy's man for all seasons



Shouting about Italy's blues: public service workers in Rome demonstrate their unhappiness with the state of the economy

AFP

Elections Technocrat PM is due to step down next year but many think he will retain an influential role, says Guy Dinmore

A combination of Italy's deepening recession and public disaffection with the political choices on offer is driving expectations that Mario Monti will retain an important role in Rome when his term as technocratic prime minister ends following elections early next year.

The question gripping the Italian political elite has been whether Mr Monti might be called upon to remain as prime minister if no clear victor emerges next spring, or whether the new parliament could choose him for the less influential but still important role of head of state when Giorgio Napolitano ends his seven-year term in May 2013.

Now, another scenario is gaining ground: that Mr Monti could be asked to serve as finance minister in a government led by the centre-left, possibly doubling up as minister for European affairs. He would stay until at least late 2014

when it is thought likely he will make a pitch to succeed Herman Van Rompuy in Brussels as president of the European Council.

The reasoning, according to officials and members of the centre-left Democratic party, which opinion polls say is likely to win the elections but without an absolute majority, is that financial markets would welcome a guarantee of continuity as Italy grapples with its recession.

"The debt crisis is easing but the real economy is a disaster," commented one senior official who asked not to be named. "One of Monti's first tasks in a new government could be to negotiate with Brussels to give Italy more time to reach its budget targets and that needs someone with credibility."

Last month, the technocrat government revised its forecasts for gross domestic product downwards, predicting a 2.4 per cent fall this year and a drop of 0.2 per cent in 2013. Officials and economists say this could still be too optimistic, with some expecting a drop closer to 3 per cent this year and a contraction of up to 2 per cent the next.

Pierluigi Bersani, leader of the Democratic party, has suggested that Italy needs a new agreement

with Brussels to put back its 2013 target of balancing the budget in structural terms, taking into account the cyclical effects of recession.

There are expectations that Mr Monti will revise the government's proposed budget for 2013, which has been slammed by the main parties as too recessionary.

Riccardo Barbieri, an economist at Mizuho International, sees a "high probability" that Mr Monti will be part of Italy's next government, though whether as prime minister or finance minister will hang on the outcome of the vote.

This also depends on whether the main parties in parliament can agree on a new electoral law. A draft law under discussion would give the winning party a "premium" of 12.5 per cent of the votes. The Democrats are leading in opinion polls with 25-28 per cent, largely because of disarray in the centre-right party of former prime minister Silvio Berlusconi who is considering forming a new party but may not be a candidate himself.

The political uncertainty is heightened by a leadership struggle within the Democrats, with Mr Bersani, closer to the party's leftwing, locked in a battle with Matteo Renzi, the

youthful liberal mayor of Florence, ahead of primaries on November 25.

For his part, Mr Monti – who is guaranteed a place in parliament following his appointment as a life senator by Mr Napolitano last November – insists he will not campaign in the elections. But he has said he is willing to serve if called upon "in a special circumstance", without defining his possible role.

Mr Monti, former economics professor and EU competition commissioner, has made his mark on the international scene in restoring Italy's credibility. But he is seen as lacking political skills and the common touch at home, and it remains unclear whether he will become an asset or a liability for the main political parties as the economy deteriorates. People working with Mr Monti believe he has political ambitions



■ SELPRESS ■
www.selpress.com

in Italy and beyond, and that a position giving him prominence on the international stage would be a useful springboard before an expected bid to succeed Mr Van Rompuy.

"He wants to change Italy and avoid the curse of Gattopardo," said another senior official, alluding to the novel by Giuseppe Tomasi di Lampedusa set in Sicily in the turmoil of the late 1800s known for its line that everything must change to remain the same.

Editorial Comment, Page 10

Electoral mood

Political uncertainty adds to sense of economic despair

Mario Monti's strange position as an undeclared candidate looming over the elections is clearly perplexing Italians, writes **Guy Dinmore in Rome.**

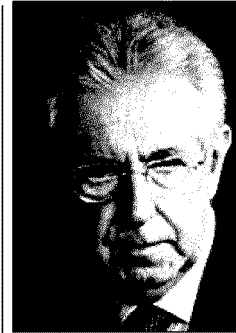
Disaffection with the country's career politicians has not been running this high since the political establishment was torn apart by corruption scandals in the early 1990s.

Yet, although Mr Monti continues to notch up popularity ratings of more than 40 per cent in opinion polls, one recent survey

showed that only 18 per cent of Italians wanted him as their next prime minister.

Pierluigi Bersani, head of the centre-left Democratic party, and Matteo Renzi, his rival for the party leadership, each polled 12 per cent, with Silvio Berlusconi, the former prime minister, trailing.

Almost half of voters say they are undecided or will not vote. The prevailing national mood of despair at austerity, recession and corruption scandals has mainly benefited the anti-establishment Five Star



Mario Monti: undeclared

Movement, which is highly critical of Mr Monti and has soared into second place in polls above Mr Berlusconi's disintegrating People of Liberty party.

Vittorio Grilli, finance minister, said the question he was most asked at recent International Monetary Fund talks in Tokyo was: "What will happen in Italy after the 2013 elections?"

With none of the main parties even knowing at this point who their candidates will be, Italians are just as confused.