POLITICS IN ACTION . . .

ITALIAN GOVERNMENT: TECHNOCRACY DISPLACES POLITICS?

Events: On 12 November 2011, Mario Monti was appointed prime minister of Italy, following the resignation of Silvio Berlusconi. Monti, however, was not a politician and had never held elective office. He was a respected economist who had been an EU Commissioner during 1994–2004, serving in his final five years as Competition Commissioner, one of the most powerful positions on the Commission. Monti went on to appoint a cabinet composed entirely of technocrats like himself. The Monti government, nevertheless, comfortably passed motions of confidence in both the Italian Senate and the Chamber of Deputies, with only members of the Northern League (also called the League) voting against. During December 2011, the Monti government outlined a package of austerity measures, which included increased taxes, pension reforms and steps to curtail tax evasion. In January 2012, a further package of measures, dealing in particular with labour market flexibility, were unveiled. The Monti government was dissolved in April 2013, having been in office for 530 days.

Significance: These exceptional events took place in highly pressured circumstances. Their backdrop was the 2007–09 global financial crisis, and the eurozone crisis that it precipitated. With EU–IMF bailouts having already been agreed for Greece and Ireland, 10-year interest rates in Italy had risen above 7 per cent, creating the 'unthinkable' prospect of a bailout for the eurozone's third largest economy. In this context, a recourse to technocracy had a number of advantages. The key justification for Monti's appointment was, quite simply, that 'politics as normal' had ceased to work. Italy's highly-fragmented party system, long viewed as dysfunctional, had engendered such political paralysis (referred to by Monti as a 'deficiency of government') that the Berlusconi government was incapable of taking the bold measures thought necessary in the face of a mounting financial and economic crisis. At the same time, no alternative coalition of parties appeared to have enough popular support, or sufficient unity of purpose, to take its place. Monti's appointment calmed financial markets, reassured by the fact that, unlike an elected government, a technocratic government would do 'what had to be done', unhindered by political in-fighting and unconcerned about short-term unpopularity. Moreover, it highlighted the seriousness of the crisis that Italy faced, thereby helping to prepare the Italian public for the exceptional – and, inevitably, painful – political actions that were to come. Some have even suggested that technocracy may have the deeper advantage that, by pushing popular delusions and the 'madness of crowds' to one side, it allows public policy to be informed by reason, rather than partisanship, ensuring that national interests prevail over party interests.

Nevertheless, serious concerns have been raised about Monti's appointment and Italy's substitution of technocracy for democracy. The most obvious of these was that the principles of popular control and public accountability were effectively abandoned. It is possible to see Monti's appointment as a kind of 'regime change' imposed on Italy by pressure from financial markets that were unchecked by the European Central Bank (ECB). In this view, the ECB orchestrated the fall of an elected political leader and, in the process, usurped the role of the Italian electorate. Lacking democratic authority of any kind, the ECB went well beyond the legitimate role of a central bank, in acting to manipulate a stubborn citizenry. Furthermore, the notion that technocrats make decisions that are somehow more rational or enlightened than democratic politicians is highly questionable. If this were the case, technocrats and other experts would tend to think alike, their views converging around a set of agreed, wise beliefs. This, patently, is not the case, especially in the field of economics, a discipline notorious for disagreement over both theoretical and policy matters. What made Monti an attractive appointee from the perspective of the ECB and financial markets was not so much his expertise, as his support for the policy options they favoured; that is, bold austerity based on spending cuts and tax hikes.