

Renzi's "Jobs Act" Passes Confidence Vote in the Senate and Among EU Opinion-Makers

Judith Harris (October 09, 2014)



In a turbulent session late Wednesday Premier Matteo Renzi's labor reform bill known as the "Jobs Act" was passed in the Senate. Accompanying that passage was a successful confidence vote, 165-111, for his harried government. Although Jobs Act ratification is yet to come in the Chamber of Deputies, EU leaders were already congratulating Renzi for the success of the bill, whose aim is to introduce flexibility into the Italian labor market.

ROME - In a turbulent session late Wednesday Premier Matteo Renzi's labor reform bill known as the "Jobs Act" was passed in the Senate. Accompanying its passage was a vote of confidence for his harried government, 165 votes in favor, 111 opposed and two abstentions. The vote marks a much-needed success for Renzi, who has come under sharp criticism for having promised significant reforms that, until now, had by and large failed to materialize.



Even before ratification in the Chamber, EU leaders were congratulating Renzi on grounds that the Jobs Act will, among other things, help make Italy more appealing to foreign investors. The importance of the act, expected to be passed in the Chamber of Deputies before Christmas, is due to its aim of making the labor market less rigid by its whittling away at Seventies-era measures. Aimed at protecting workers from exploitation, they are today considered a barrier to employment.

The most controversial section of the Jobs Act is its Article 18 of the Workers' Statute. Accurately described in the Italian press as labor's "sacred cow," this article makes it extremely difficult for an employer to fire an employee. Needless to say, its revision is being fought savagely by trade union leaders as well as by 35 parliamentarians in Renzi's own Partito Democratico (PD). These PD opponents include many in the old guard, but also the younger in-house opposition led by Pippo Civati and Gianni Cuperlo. Despite their opposition, all but two of Renzi's PD opponents voted in favor of confidence in the government; one, Senator Walter Tocci, voted for the bill and then immediately resigned from the party.

However, emboldened by the huge majority of PD votes he copped in the party's primaries last year, and further encouraged by the solid support of top EU leaders who were coincidentally meeting in Milan, Renzi has little need to pay attention to his PD opposition. José Manuel Barroso, European Commission President, and Angela Merkel were among those congratulating Renzi.

In the Senate Wednesday before the vote the political battle turned nasty, with what appeared to be a brief fistfight. Then one Northern Leaguer heaved a hefty tome of Senate regulations at Senate President Pietro Grasso. Not least, Sen. Rosetta Enza Blundo of the Movimento Cinque Stelle (M5S) rushed forward to toss coins at the government ministers. Other M5S senators made enough of a scene that Grasso – in an exaggerated reaction, according to some observers – ordered their senate group leader to be removed bodily from the hall; this left many with a bitter taste because never before had a group leader been ousted from the Senate.

If the Jobs Act is today's showpiece for the government, elsewhere the news on the political front has been literally devastating. The most serious is the admission by the former head of the Veneto Region Giancarlo Galan that he had taken millions of dollars of kickbacks for construction of the controversial Mose barrier, a huge, moveable water barrier intended to protect Venice from the increasing number of damaging high water events. Galan, among the founders of Silvio Berlusconi's original Forza Italia party in 1993, had served as Italy's Agriculture Minister and then, in 2011, as Culture Minister.

Venetian prosecutors accused him of having accepted annual gifts of one million euros plus a one-off of two million and almost as much again for reconstruction of his personal villa, all in exchange for facilitating the permits for construction of the mobile dikes of the Mose water barrier, built at a cost of over \$6 billion. Although last June Galan, who is a member of Parliament (which voted 35 to 138 for his parliamentary immunity to be lifted), proclaimed that he was "totally extraneous" in the Mose investigation, this week, in what amounts to his acknowledging guilt, his lawyers asked the court for his sentence to be reduced to two years and ten months under house arrest plus a fine of almost \$3 million in exchange for his cooperating with justice.

Prosecutors were accepting this proposal on grounds that it fit in with their ideas of "re-education," a term all the more ironic since in 2013 Galan was made president of the Chamber of Deputies' Commission on Culture, Science and Education. In prison since July, Galan will not know if this solution is accepted until a judge passes sentence later this month, but may shortly be released to house arrest anyway. Of the 35 accused in the Mose scandal, so far 20 are trying to negotiate lighter sentences in exchange for cooperating with investigators.

One of those indicted is former Venice mayor Giorgio Orsoni, accused of using Mose funds for illicit campaign financing. Orsoni claims that he knew nothing of illegal donations to his winning election campaign of 2010, and this week declared that, "From the primaries up to the elections management [of my campaign] on the organizational, and financial level was handled, by the PD structure, using resources completely unknown to me." A PD commission is still trying to work out just what happened.



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