

Italian entrepreneurs resist Rome's populist government

Northern business leaders plan protests in Turin and Milan over expansionary budget



Carlo Bonomi, owner of a small biotech firm, represents nearly 7,000 business owners in one of Europe's richest regions as head of Assolombarda association

When businessman Carlo Bonomi took to the stage at Milan's La Scala opera house last month to decry [Rome's expansionary budget](#), he was received with rapturous applause.

Industrialists including oil tycoon and longtime Inter Milan owner Massimo Moratti and Kartell design king Claudio Luti stood to cheer the leader of Assolombarda, Italy's northern business association. The same audience later whistled and catcalled Giovanni Tria, the finance minister.

"The opposition exists! It is called Assolombarda," Rome-based satirical political webzine Dagospia declared in its review of the event.

Facing a populist government and the decline of pro-business moderate parties, Italy's entrepreneurs such as Mr Bonomi are denouncing policies they argue are isolationist and risk ransacking state coffers at the expense of future generations.

To make themselves heard, they are planning to protest in the industrial city of Turin on Monday, and then 10 days later in Milan, Italy's financial and fashion centre.

"I will not give in to decline," said Mr Bonomi, the bespectacled owner of a small biotech firm who represents nearly 7,000 business owners in one of Europe's richest regions. "The vision espoused by populism and nationalism is antithetical to modern life."

These are trying times for Italian businesses. Entrepreneurs in the eurozone's third-largest economy have found themselves in the front line of a stand-off between the [Five Star](#)-League government and [European authorities](#) over budget plans that would put pressure on its public debt pile.

The fractious debate has caused spreads on Italian 10-year BTP sovereign debt to climb, in turn forcing [Italian banks](#), the biggest holders of Italian sovereign paper, to hoard capital to cover their losses. That means less capital available for loans, Mr Bonomi said.

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Carlo Bonomi, leader of Assolombarda

Business leaders worry that Italy, which has only recently emerged from the last recession, will tip into another downturn. The Italian economy stagnated in the third quarter and business confidence is faltering.

The government’s budget provides handouts for the poorer south instead of granting tax cuts and reforming the labour market, Mr Bonomi said.

“We need to be the locomotive for the country. We have to be allowed to grow faster,” he said.

On Monday, Mr Bonomi will be joined by leaders of other entrepreneur organisations. “We are going to march because we don’t want to give up on the momentum of growth which we worked so hard to rebuild out of the economic crisis,” said Giorgio Merletti, president of artisans and entrepreneurs’ association Confartigianato.

Agostino Bonomo, chairman of Confartigianato Veneto, who also plans to protest, says he feels let down by the League’s leader, Matteo Salvini, whose core base was traditionally Italy’s northern business leaders.

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Mr Salvini “is not maintaining the promises he made to business” of more infrastructure spending and tax breaks, he said.

Instead, the government is supporting pledges by Five Star, the League’s anti-establishment coalition partner, to create a universal income for the jobless and renationalise the telecoms network and airline Alitalia.

Conversations within the business community have begun to include references to the Fascist era. One business leader close to Mr Bonomi drew a parallel between the stand entrepreneurs are taking against the government and a 1920s-era effort against Benito Mussolini’s government, known as the Aventine.

Italy’s perennial north-south divide is an additional source of tension. In March’s elections, Five Star won in the poorer south while the League prevailed in the richer north.

“Milan is really Mitteleuropa, central European rather than Italy, in all honesty,” said Mr Bonomi. “Those who are in business in Europe understand what credibility is. We in the markets are paying for the Italian state’s lack of credibility every day. We pay a price you cannot calculate.”

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