

Mapping Italy: scenario and political risks

No. 6 May 2021

Table of contents

1. Scenario and risks	3
1.1. Scenario	3
1.2. Mapping risks	5

1. Scenario and risks

1.1. Scenario

The path of the Draghi government has appeared smoother in recent weeks. The vaccination campaign now at full capacity and a plan for progressive reopening leave fewer arguments to cause tension among the various parties of the coalition. **Recently, however, one of the hottest topics in politics in recent years has appeared on Draghi's desk: immigration.** With the improved weather, several thousand migrants have already landed on Italian coasts. Matteo Salvini immediately demanded a meeting with the Prime Minister on the issue, while the Secretary of the Democratic Party (Partito Democratico, PD) Enrico Letta, who recently met representatives of the NGO Open Arms, put his party back on its usual position of being favourable to welcoming the migrants. **What will happen if landings increase with the arrival of summer?** We know what the positions on the left are: open ports, welcoming all migrants and sharing responsibilities among European allies. We know the positions of the League (Lega) in the same way: a hard line on landings, repatriations and little faith in a European solution. A proposal that could not be softened too much by Salvini due to the pressure, as the opposition, of the Brothers of Italy (Fratelli d'Italia). Less well-known is the position of Draghi who will have to mediate between the two positions on a theme that is at the centre of political polarisation. **The solution could come from foreign policy rather than from internal politics:** both by financially strengthening the resources for the Libyan mission in Italy and by seeking diplomatic mediation with Erdogan's Turkey, a very influential player in regulating flows. As we have seen, Libyan institutions' role in filtering the departures of migrants is significant but not infallible. It probably cannot prevent several thousand people from landing on European soil over the next few months. The first port of landing always remains Italy, with all the problems associated with managing the arrival of migrants.

Immigration is a political problem because it can be the trigger for many others. The first is that of social anger. With a shrinking economy and rising unemployment, a new wave of landings could arouse the ire of a society already exasperated by lockdowns and economic uncertainties. There is also concern about public safety. If economic decline were to be added to the degradation deriving from the difficulties of integrating newcomers in a society that is less dynamic than ever, the scenario could take on a gloomy aspect. Lastly, there are the political reflections with the increase in conflict between parties in the majority and heightened tension with other European countries, where migrants do not disembark but should be transferred.

The other point of political discussion is the election of the next President of the Republic. The Democratic Party and the League continue to be the most restless parties on this issue. The PD has repeatedly advanced the idea of a re-election of Mattarella, in order to let Draghi rule until 2023. On the

other hand, Matteo Salvini has instead explicitly declared that he intends to support Mario Draghi as next President of the Republic. The strategies are clear: the centre-left has many candidates for the head of state, but Mattarella is the only name that would allow an agreement between the various factions without friction and backstabbing. Furthermore, Mattarella's continuance in the presidency could secure the elections at the natural expiry of the legislature. The balance would remain unchanged and the centre-left would have more time to make up the gap on the right registered by opinion polls. On the contrary, Salvini aims to capitalise on the political consensus of the right-wing coalition, electing Draghi as Head of State and returning to the polls in 2022. Go Italy (Forza Italia) and the League also have to face up to their inability to have their own strong candidate for President of the Republic and therefore must focus on the current Prime Minister, who is backed by a grand coalition. Even Giorgia Meloni, leader of the only opposition party, has not closed the door on Draghi as Head of State. On the other hand, Draghi could continue to exercise his role as guarantor also as President of the Republic, especially in terms of international relations. However, both Mattarella and Draghi have found themselves having to publicly disavow the party leaders. Mattarella stressed his unwillingness to serve a second term and Draghi claimed he did not want to talk about the Presidency of the Republic. It is still early to address the issue, and no one wants to be played by the political forces. **However, due to the divisions between PD, the 5 Star Movement (Movimento 5 Stelle) and Renzi on the one hand and the scarcity of candidates on the right, both Mattarella and Draghi remain two valid candidates.** Draghi has probably a better chance because he could be elected by the majority he governs, while a re-election of Mattarella with the votes of the League would be difficult. Then there could be a way for a compromise candidate, a centrist with experience, who can get everyone to agree such as the former Speaker of the Chamber of Deputies Pier Ferdinando Casini. In any case, it will not be easy to continue to govern with the same formula as today after the election of the new President. If the chosen one was Draghi, the government would fall apart, while if it were a personality closer to the left and elected by a different majority than the Draghi government coalition, it would be difficult for Salvini to remain in government. Also for this reason the convergence on a compromise candidate cannot be excluded.

In terms of public appointments, Mario Draghi continues to pursue his own agenda. In recent weeks he has replaced the intelligence director, appointing Elisabetta Belloni, former secretary general of the foreign ministry, in place of Giovanni Vecchione, who had been chosen by Giuseppe Conte. Draghi's speed of action in terms of public appointments shows his ability to govern. The Prime Minister knows that the weakness of the system lies in the parties and he is trying to make up for the parliamentary difficulties by placing his trusted allies in key posts in the public administration. This has already happened in recent months with the leadership of the vaccination campaign, civil protection, the commissioners of public companies and now with intelligence. It is a sign of how Draghi intends to show discontinuity and innovation with respect to previous governments and of his trust, unusual for Italian politics, in civil servants.

1.2. Mapping risks

There are three major risks at this moment concerning the Italian political system:

- a) **The rise in prices of commodities.** For several months, commodities prices have been soaring. This is a problem for a processing economy such as Italy's, where companies are still paying the price for the downturn due to the pandemic. The rise in inflation as a consequence of this rise in prices is a risk especially for medium-low wage earners. The path of economic recovery could be complicated by these external factors. Italian politics does not seem sufficiently aware of the problem. At European level a new commercial policy on commodities, to incentivise imports and to reduce exports of commodities, should be pursued to avoid supply and inflation problems.
- b) **The conflict between Letta and Salvini.** The two continue to quarrel with each other, through mutual provocation. This is a nuisance for Draghi and for the effectiveness of the Government's action. More than the survival of the executive, its reforms are at stake. An increase in polarisation between left and right does not facilitate the program of a wide coalition government.
- c) **Publicprocurement reform.** A governmental decree is set to reform public procurement by aiming to simplify the byzantine legislation through the direct application of EU directives on the matter. However, the initiative has attracted the opposition of the PD, worried that the decree will threaten the environment and cultural heritage. But the simplification for public works is essential in order to implement the reforms planned for the EU stimulus package and to spend the public funds in the due timeframe.

Luiss

School of Government

Via di Villa Emiliani 14
00197 Rome
T +39 06 8522 5052-5065
F +39 06 8522 5056
sog@luiss.it