

Mapping Italy: scenario and political risks

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1. Scenario and risks

1.1. Scenario

Matteo Salvini launched the idea of a centre-right federation aiming to forge an alliance with Silvio Berlusconi's Go Italy (Forza Italia). Indeed, both parties support Mario Draghi's government and Salvini is pressing for closer cooperation between the League (Lega) and Go Italy. Salvini is in trouble due to the rise of Giorgia Meloni, leader of the Brothers of Italy (Fratelli d'Italia), now close to 20% in the polls and a few points from the League. Meloni has the advantage of being the only force in opposition, a position that allows her to increase consensus. Thus Salvini is trying to win over Go Italy, which is also in electoral difficulty due to the declining leadership of Berlusconi. The operation is reasonable on the parliamentary level, where the right-wing forces can coordinate better and weigh more in the decisions of the majority, but it appears premature on the political level. It is not yet known when the national vote will be held, or which electoral law will be used, and the first polls show that the federation would in total gain less consensus than the two parties separately. The result seems a sum of two weaknesses: that of Go Italy's consensus and that of Salvini in comparison with Meloni. For these reasons, the federation may not work well. It is more a sign of trouble than good health.

In terms of international politics, the meeting between the founder of the 5 Star Movement (Movimento 5 Stelle) and the Chinese ambassador to Italy caused much discussion. An event held in the days in which Mario Draghi, Prime Minister of a national unity government also supported by the Movement, was at his first G7 summit, it was not just a sign of institutional rudeness toward the Prime Minister, but the wrong political move. The mistake was immediately confirmed by the refusal of the former prime minister Giuseppe Conte who deserted the meeting at the last moment, claiming the excuse of personal reasons. In this way, however, the new Five-star leader risks appearing unreliable in the eyes of Beijing and even more so in those of the Atlantic alliance. This event could have implications at the government level: the pro-Atlantic Mario Draghi could in fact decide to remove as far as possible the fundamental dossiers of foreign policy from the hands of the Foreign Minister from the Five Star Movement.

Another point in the political discussion are the local elections in October. Rome, Milan, Naples, Turin and Bologna should all elect new mayors. On the left, the Democratic Party (Partito Democratico or PD)-5-Star Movement alliance is not taking off. In almost all major cities the two parties will run alone in the first ballot, but the alliance seems possible in the case of a second ballot (if no candidate wins more than 50% of votes). Moreover, there was a very low turnout in the primary elections for the selection of the Turin centre-left candidate, not a good sign of health in a traditional stronghold of the left. On the right, there was great difficulty in finding candidates for mayors. Meloni and Salvini are

realizing they have failed to develop a local ruling class in recent years. Then, the national electoral trends of recent years show a prevalence of the left in the big cities, offset by a large margin for the right in the provinces. The victories for PD in Bologna, Naples and Milan seem certain. But we will see if the Draghi government has also changed the balance of local politics.

Lastly, the Simplification decree passed by the Government has strengthened political centralisation in the Prime Minister's Office. The Prime Minister may usurp local and regional governments in the event of delays or non-compliance in the implementation of Recovery Plan policies. In addition, the Decree establishes the creation of a Technical Secretariat, composed of 350 experts, which will remain in office until 2026 and will supervise the implementation of the reforms. Draghi's strategy is clear: to bind future governments to the political directives decided in recent months at national and European level. For decades there has not been such a radical centralisation operation. With the Recovery Plan, the regional federalism process, which has characterized the last twenty years, undergoes a decisive reversal. The Prime Minister's office acquires an increasingly central role in the Italian policy-making process.

1.2. Mapping risks

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

- a) **The lack of leadership of the 5 Star Movement.** The 5 Star Movement is by far the largest party in Parliament, but they are experiencing a long-term crisis. For the moment, Giuseppe Conte has not managed to establish himself as the only leader as both the Foreign Minister Luigi Di Maio and the founder Beppe Grillo have not left the party entirely in the hands of the former prime minister. Even in terms of the program, no clear line emerges from the Movement. A situation that could weaken the Draghi executive in the discussion on reforms. To date, in fact, the Movement appears divided and ungovernable and therefore it is more difficult to converge on a joint program.
- b) **The slow pace of reforms.** Draghi does not have infinite time. At the latest in early 2023 national elections will be held. The past few weeks have been characterised by a series of talks with party leaders to negotiate on reforms to be launched by the end of the year. However, given the variety in the coalition, the negotiations risk going on for a long time, also due to the weaknesses of the party leaderships. One of the main risks is that Italy is unable to implement the reforms envisioned by Draghi, particularly in sectors such as justice, welfare and taxation. Nothing guarantees that the vast path of change designed by Draghi in recent months can be completed by 2023.

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