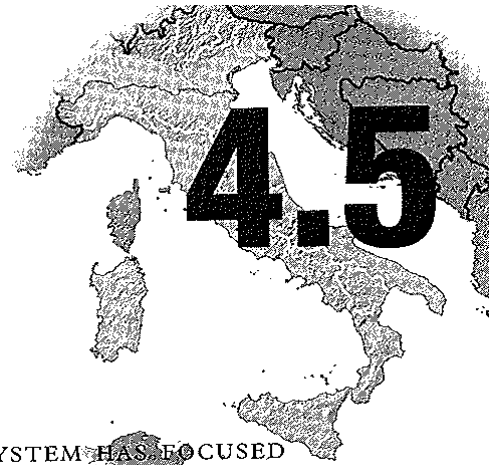


What Is the Future of Italian Politics?



THIS TREATMENT OF THE ITALIAN POLITICAL SYSTEM HAS FOCUSED on its weaknesses and imperfections but also on its substantial accomplishments. Indeed, Italy has faced serious problems in the past, but they have always been resolved in a peaceful and democratic fashion. The institutions at the national level have functioned well in piecing together a nation that had been destroyed by the war; the economy was transformed from a rural base to a modern industrial system containing some of the world's most dynamic corporations; the country has gone from a centralized to a regionalized system of government where significant powers have been devolved to the regional and local levels; the country has been an active participant in European integration and has supplied some of the most important intellectual contributions to its construction; the entire political system and leadership was changed at the beginning of the 1990s without bloodshed or significant social disruption; important reforms have been undertaken to wean the economic system away from public subsidies and the reliance on the public sector as the employer of last resort; but problems still persist in the economy, civil society, and political system. The lessons to be learned from a close analysis of the Italian political system is that democracy in Italy is messy but it has produced significant results. Italy has not been dragged into any wars. Its economy has grown, and its people have become one nation. The cleavages of the past have been overcome, but at the same time new cleavages have arisen to animate the Italian political discourse. But what does the future hold for the Italian political system?

This final appraisal begins with a brief discussion of the positive features of the pre-1992 Italian political system—features that have enabled the system to survive since the end of World War II and to weather the various fundamental crises. It also deals briefly with the catalytic factors that have helped to bring about—after so many false alarms—the political earthquake of 1992 to 1996, the institutional change in the late 1990s, and the renewal of the political system after 2011. It then turns to some of the difficult problems that Italy still has to confront.

Elements of Strength and Seeds of Crisis in the Italian Political System

Some contemporary observers of Italian politics have pointed to a number of the possible reasons why the Italian republic, before 1992, was able to endure despite all its travails.¹ This section first describes the political and socioeconomic factors at work before 1992 and then takes a harder look at the response of the Italian economy to the enlarged European market.

Pre-1992 Political and Socioeconomic Factors

One factor that has contributed to the survival of Italy's political system is the relatively moderate nature of its political parties. The Communist Party—representing the extreme

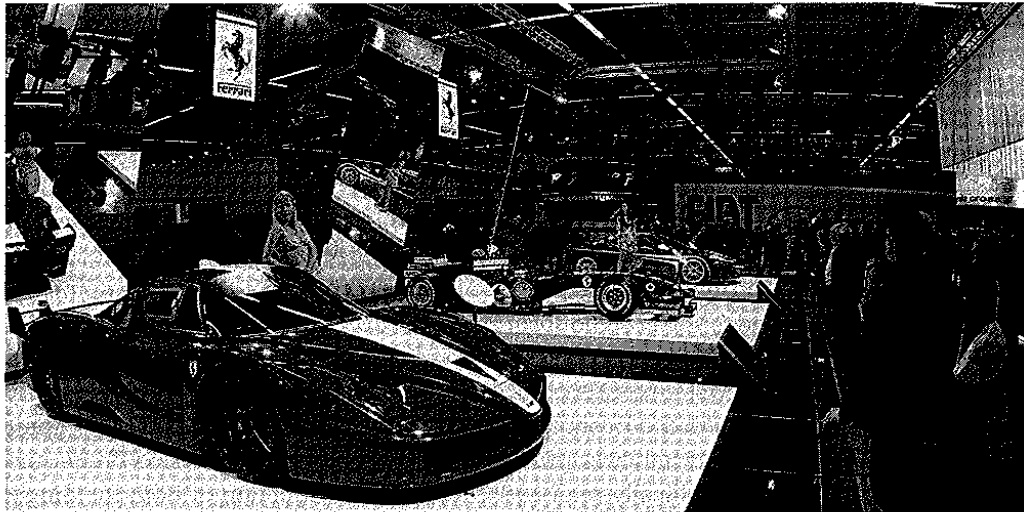
left over most of the past six decades—was generally a temperate and constructive force in parliament, in subnational government, and in its socioeconomic organizations. In other words, it was well rooted in Italian society and engaged from the very beginning in working within the Italian political system. Moreover, until 1994 Italy lacked a strong party on the extreme right. The country did not become engaged in protracted foreign wars or colonial adventures, which could have sapped public morale and resources or politicized the Italian armed forces. And until the 1990s, no ethnic or regional minority had called into question the continued existence of the Italian state. In short, there were no irreconcilable conflicts to overload the Italian polity.

Five other political factors have contributed to system survival as well. First, the party Christian Democracy (DC), for all its faults, managed to bridge the divisions among social classes by virtue of its catchall nature, to strengthen small and medium enterprises (SMEs), and to give invaluable transfusions to backward regions, all while keeping the Catholic middle class committed to democratic institutions and democratic methods. Second, the Italian political elites showed resourcefulness, empathy, imagination, and an ability to take remedial action in various crises. In fact, they were far more united and willing to cooperate than they appeared on the surface. Third, subcultural differences began to narrow as the secularization of Italian society and the increasing moderation of the Communist Party brought the Catholic and Marxist subcultures closer together. In the 1980s the rising generations of party activists appeared to be less ideologically committed than their fathers had been. Fourth, the parties of the left—including the Communists—had acquired a stake in the system. They were by no means excluded from the politics of patronage practiced by the Christian Democratic-dominated regime. To the contrary, their share of the action was increasing. Finally, the political compromise represented by the 1948 constitution was, in the last analysis, underwritten by all of the main parties in the political system, and the proportional representation electoral law adopted in 1948 made it easy for political parties to win seats in parliament or other elected offices with a minimal amount of support. All types of parties, big and small whether they were left or right, were included in the system. The barriers to entry into the political system were purposely kept low to favor political inclusion and the parliamentarization of parties.

Certain socioeconomic factors also contributed to the resilience and underlying strength of Italian democracy. Living standards had risen enormously since the late 1940s when movies such as *Bitter Rice*, *Umberto D.*, *La Strada*, and *Bicycle Thief* dramatized the plight of the Italian masses. Indicators of this trend included the decline in both the birthrate and the infant mortality rate, the growing per capita consumption of meat and dairy products, and the rise in consumer purchases of automobiles and household appliances.² Urbanization, too, undermined the traditional allegiances that had divided Italy into regions committed to different political families and cultural traditions. Although the regional differences in voting behavior remained, they no longer seemed to reflect fundamental cleavages in values and political orientations. Meanwhile, some Italian regions had a solid presence of social capital that facilitated the mobilization of citizens in support of government policies to build roads, railroads, hospitals, day care centers, and other public policy outputs necessary for a better quality of life and economic development.³ The rise of the services sector did much to reduce the intensity of class conflict. And the advent of mass education fostered national integration, reduced the differences among regional and social

subcultures, and perhaps contributed to the more pragmatic attitudes displayed by Italian voters. The “vote of *appartenenza*”—based on pure party identification—was to some degree being replaced by the “vote of opinion” and the “vote of exchange.” Although the Italian economy and Italian society were suffering from major weaknesses, many of them were weaknesses that are beginning to surface throughout the Western industrial world. It was, therefore, no longer possible simply to dismiss Italy as the sick man of Europe. In fact, the experience of other southern European political systems in making the transition from authoritarianism to democracy highlighted how Italy had blazed the trail toward parliamentary democracy after the fall of fascism. Italy set the standard and became the model of how a peaceful transition to democracy could take place without major socioeconomic dislocation or acute political conflict. This track record was important for the transition to democracy of countries in southern, central, and eastern Europe.⁴

Some profound long-term economic trends were, however, quietly transforming these structural political and cultural tendencies.⁵ First, the need to compete in world markets and in the European Union had led to a restructuring of Italian industry—and especially the big industries of the northwest industrial triangle. The changes in the northwest were accompanied by the emergence of a new form of industrial organization, the industrial district, in the northeastern and central parts of the country. Because of the flexibility and innovation introduced through the organization of SMEs into industrial districts, Italian companies were able to penetrate European and international markets in a variety of top-of-the-line consumer goods. These changes not only weakened class consciousness and spread wealth around the country but also increased the demand for employment and, in the last analysis, created the basis to import labor from abroad. Italy’s greater dependence on immigrant labor, especially in the low-skilled jobs, served to awaken the country to an



Ferrari and the other carmakers in the Modena-Reggio sports car industrial district represent the competitiveness of Italian products in top-of-the-line consumer goods.

Source: Reuters/Max Rossi.

historical change: during the 1990s Italy became a net-importer of labor, thereby putting an end to more than a century of exporting its excess labor supply to other parts of Europe, North America, South America, and Australia.⁶

Second, the new social programs and heavy spending of the early 1970s had not only created a full-fledged welfare state but also increased the annual deficit from 3.7 percent of the gross domestic product (GDP) in 1970 to 11.6 percent in 1975. Efforts to trim the deficit after 1975 were not very successful. In 1981 it still stood at 11.4 percent of GDP, and in 1991 at 10.2 percent. But the long string of high annual deficits served to produce a far more intolerable growth in the public debt: 38 percent of GDP in 1970, 57.6 percent in 1975, 59.9 percent in 1981, and 101.4 percent in 1991. It reached a peak of 122.9 percent in 1995. Two years later, the country undertook a significant U-turn and began running budgetary surpluses at the level of 3.5 to 5 percent of annual accounts so that it could reduce its annual deficit to under 3 percent and bring its overall public debt back down to a little over 100 percent of GDP. This dramatic turn in the level of the Italian deficit and overall debt illustrates two important points. First, when change needs to take place, it often does. Italian political elites have been willing to sacrifice their clienteles and patronage structures to meet the standards necessary to maintain a healthy economy. Second, Italy is determined to remain a central actor at the European level, rejecting the anti-European position of the Northern League (NL) and the Five Star Movement (M5S). Any threat to that position, such as the anti-euro declarations by Umberto Bossi of the NL politicians in the spring of 2005 and Beppe Grillo of the M5S in 2013, immediately receive a strong rejection from all types of political, economic, and cultural elites of various ideological persuasion. In other words, Italy possesses a large enough positive consensus on European integration that the country is willing to make domestic sacrifices to maintain that position.⁷

The Italian Economy: Competitiveness in an Enlarged European Market

One of the chief problems facing Italy is the same one that confronts every modern industrial society: how to maintain an expanding economy with a low rate of unemployment while avoiding excessive inflation and an unstable currency and keeping exports competitive in world markets. This problem became acute in the “Hot Autumn” of 1969, when Italian labor abandoned its postwar behavior pattern of relatively docile industriousness, and in the fall of 1973, when skyrocketing oil prices began to affect the economy. Since that time, the Italian economy has undergone some dramatic changes that have reinforced its competitive position in international markets.

Strong measures taken by the governments of Bettino Craxi (1983–1987), Giuliano Amato (1992–1993), and Carlo Azeglio Ciampi (1993–1994) succeeded in lowering the rate of inflation to less than 5 percent (3.7 percent in mid-1994). The rest was completed under the Romano Prodi, Massimo D'Alema, and the second Amato governments as Italy hitched its monetary wagon to the Economic and Monetary Union (EMU). Interest rates and inflation came down, and Italy was protected from the speculative attacks on its currency that had occurred periodically until 1994. With the introduction of both the Single Market in 1993 and the euro in 2001, the Italian economy did not suffer in terms of competitiveness, exports, and market shares as many feared.

But after the advent of the Berlusconi government in 2001, Italy's economic performance began to decline. Whether the decline stemmed primarily from the inadequacy of

government policies or from the combined effect of the world recession and globalization, together with the emergence of China as a major exporter of low-priced textile and commercial products, is difficult to determine. What is clear is that Italy's economic performance has lagged under successive center-right governments. The combination of politically driven spending, such as the bailout of Alitalia in 2008 and the abolition of local property taxes, and the difficulty in generating existing tax revenues has hobbled the center-right in maintaining its projected public investment promises. This less-than-brilliant economic performance during periods of sustained growth in other countries, however, has served to shield the Italian economy from the worst aspects of the economic downturn. In 2004 the country registered the European Union's lowest level of growth. The data for 2005 (0.7 percent) suggested that the country's economy had not yet turned the corner, whereas Germany and France demonstrated strong signs of recovery. Italy's growth rate turned upward during the following two years. What is evident from the data is that government spending had to be reduced and government revenues needed to rise if Italy wanted to maintain its welfare state and increase economic growth. Under the Berlusconi government of 2001 to 2005, the annual deficit rose to 4.3 percent and the overall debt rose by two percentage points in a year to 108.5 percent of GDP in 2005. Under the second Amato government, the annual deficit had been brought below 2 percent and the overall debt fell consistently. A similar pattern was repeated in the last Prodi government of 2006 to 2008. Economic growth shot up again as did job expansion. At the same time, the deficit decreased (–1.5 percent) as did the overall government debt (103.5 percent) in 2007. Populist economic policies under Berlusconi have not helped the Italian economy.

With the return of Berlusconi (2008–2011) the annual deficit rose again as did the overall level of government debt. The year 2009 proved to be the worst in the history of the Italian economy when it contracted by 5 percent and job creation nosedived. The rising level of indebtedness of the country led Standard and Poor's in February 2006 to lower the country's credit rating from AA to AA–. In subsequent years that rating fell to the current BBB (July 10, 2013), two steps away from attributing junk bond status to Italian bonds. The rise in the level of government expenditure under Berlusconi produced a positive turnaround in 2010 with a 1.7 percent increase in the economy but that level sank to 0.4 percent one year later when the sovereign debt crisis hit and dislodged the Berlusconi government.⁸ One year after Berlusconi resigned the Italian deficit was back below the 3.0 Maastricht parameter but its bond rating had not yet improved.

Despite the recurrent ebbs and flows of Italy's economic trends, there is a basic consensus that the country needs to maintain public spending within the parameters of Maastricht. How did this degree of consensus develop? The economic factors that precipitated the political crisis of 1992 to 1996 have already been noted. Also important was the globalization of the world economy: with protection against foreign competition becoming a thing of the past, the old free-spending ways had to be jettisoned. And finally, Italy's desire to enter the EMU and the euro area was a crucial factor. After the Maastricht treaty was signed in 1992, a growing consensus developed among central bankers, the executives of large companies and the associations representing SMEs and exporters, and the members of think tanks. The central theme of this consensus was the perceived need for Italy to adjust its economy and its public finance to the goals set by the Maastricht treaty. This adjustment required ensuring sound money, controlling inflation, maintaining the

independence of the Bank of Italy from the executive branch, and restraining government spending. By the mid-1990s, this point of view was shared by the vast majority of the policy-oriented intellectuals who were beginning to influence the Italian economic decision-making process.⁹ And that consensus has not changed during the last decade on the heels of the sovereign debt crisis.

Italy and the European Union

Italy was one of the original six members of the European Union. When it was first established in 1958 by the Treaty of Rome, the group of nations was known as the European Economic Community (EEC). In 1969 the EEC was renamed the European Community, but with the ratification of the Maastricht treaty in 1994 it became known as the European Union. After the first few years of Italy's membership in the EEC, Italians shed the apathy with which many of them had greeted the decision to enter the Common Market and reached a general consensus in favor of continuing this link with France, West Germany, and the Benelux countries. The European connection was thought to stimulate and challenge Italy's already burgeoning industrial economy and offer wider markets for Italian products. It also provided employment opportunities for Italian workers in northern Europe and eased Italy's labor surplus and unemployment problem. In addition, the predecessor to the EEC, the European Coal and Steel Community (ECSC), had proven a success in guaranteeing steady policy decision making and efficiency in this crucial sector of industrial development for postwar Europe, including Italy. Finally, Italy's poorer regions (the south and the islands) were able to obtain assistance from the European Investment Bank through low-cost loans to develop needed infrastructure and to create new businesses. The European Social Fund (ESF) also helped Italians migrating to northern cities to adjust to their new workplace environments.

Many Italians, especially those who wanted to modernize and reform their country, also had powerful and compelling political reasons for giving solid support to the ambitious programs being formulated in Brussels. And these political motives have become paramount now that Italy has attained prosperity and no longer needs economic assistance to the same degree as in the past. First, membership in the European Union gives Italian policymakers a sense of belonging to a larger and more powerful entity and of playing a vital role in the building of a new Europe. International recognition and prestige enhance their status. Second, many Italians feel that the European Union is a force for peace and prosperity in the world, offering a model of development that is based less on the neoliberal principles of free trade and minimal regulations and more on the principles of social and economic cohesion and planning to lessen the gaps in development across Europe's regions. Third, many Italians see membership in a united Europe as an ideal goal to compensate for the perceived limitations of their own political and administrative systems. Finally (and this factor has become increasingly salient), EU obligations furnish Italian political leaders with convenient leverage for demanding domestic reforms and rigorous stabilization measures to enable Italy to fulfill its duties as a member of the European Union.¹⁰

The Italian government loyally accepted some of the more onerous side effects of European Community obligations in the past and continues to do so with the European Union today. European Community policies hurt southern agriculture and compelled the

shutdown of some unprofitable steel mills, both of which the Italian public sector was enjoined from subsidizing any longer. The Italian government sponsored the enlargement of the European Community, which admitted Italy's southern European competitors such as Greece in 1981 and Spain and Portugal in 1986. Italy thereby showed itself to be a constructive and public-spirited member of the European Community, always ready to sacrifice its own short-term interests for the greater good of western Europe as a whole and its long-term interest in widening the European market.

Yet even though the Italian government displayed a very cooperative attitude on major issues, it was somewhat laggard in following through on its ambitious commitments, in implementing European Community regulations, and in enacting legislation to fulfill the terms of European directives. These legal and administrative difficulties were tied to the archaic character of Italian administrative institutions, but Italy was able to surmount these problems with legislative innovations. One such was the 1994 LaPergola law, which provided for the immediate applicability of European directives to Italy's legal system while waiting for parliament to transpose the directives into national legislation. Italy's current record on adopting EU directives is no worse and no better than that of other major players at the European level. Internal reforms within parliament and the executive branch have raised the profile of the legislative sessions dedicated to European directives and have made the transposition of directives faster than before.

The Single European Act of 1986, the Maastricht treaty of 1992, and the EU decision to move toward the adoption of a common monetary policy and currency once again presented Italy with some weighty tasks. Certain convergence criteria were laid down by the protocols attached to the Maastricht treaty. To adopt the single EU currency, the euro, a member state was required to have an annual public deficit approaching 3 percent or less of GDP, a national debt approaching 60 percent or less of GDP, and an inflation rate below certain clearly defined limits. In addition, the central bank of the member state had to be independent of direct government control. The performance of member states in meeting their obligations under the Maastricht treaty was monitored by the European Commission on an annual basis, and noncompliance was publicized. To meet these convergence criteria, and to continue to meet them in the future, the Italian government had to sacrifice its ability to devalue its way out of its uncompetitive position in relation to producers in other countries.¹¹ Italy, therefore, had to relinquish its ability to devalue its currency to the ability to guarantee the stability of the new currency.

The Prodi cabinet of 1996–1998 accepted the mission of making significant progress toward meeting the convergence criteria. By mid-1998 Prodi had succeeded in his goal: several of the convergence criteria had been met, including the prescribed reduction of the annual deficit, and moderate but satisfactory progress had been made toward reducing the national debt. As a result, Italy was admitted to participation in the EMU along with Belgium, Portugal, and Spain, which also had problems in fully meeting the Maastricht criteria. To obtain the support he needed from the extreme leftist Communist Refoundation Party (PRC), however, Prodi had to rely on tax increases to pay for most of the cost of conforming to the convergence criteria: he did not feel prepared to defy the PRC by tackling welfare or pension reform. Indeed, to appease his leftist allies, he was compelled to

incur the displeasure of the center-right—especially the NL, but also, to a lesser degree, Berlusconi's Forza Italia.¹²

Once again, then, the Italian government successfully played the European card. It dragooned the Italian economy and the Italian body politic into greater progress by conjuring up an external threat: Italian exclusion from the inner circle of the European Union. Both the D'Alema and Amato cabinets committed themselves to continuing Prodi's policies of conforming to EU guidelines. With Prodi serving as the president of the European Commission (1999–2004) and with Mario Monti serving as the commissioner responsible for competition (1995–2004), Italy's status in Europe was secured.

In 2004, however, chinks began to appear in Italy's European armor. Italy took over the EU presidency during the second half of 2003. On July 1 Prime Minister Silvio Berlusconi presented the program of the Italian presidency to the European Parliament. The main objectives of the program, which was ambitious, were ratifying a draft European constitution, redefining the EU relationship (i.e., its neighborhood policy) with the Mediterranean countries and those bordering the European Union to the east, and bringing EU expansion to fruition through the entry of ten new member states, in addition to expanding the list of candidate countries. During the question period that followed his presentation, Berlusconi stopped referring to his prepared text and began responding to the questions of a representative of Germany's Social Democratic Party (SPD), Martin Schulz (current president of the European Parliament), about the conflict of interest between his dual role as Italy's media magnate and prime minister. In an unprecedented intemperate exchange with Schulz, Berlusconi effectively lost his and the country's momentum during the remaining six months.

After July 2003 the achievements of the Italian presidency were overshadowed by the breakdown of relations between the German SPD and the European Parliament, on one side, and the Italian government, on the other. Another blow to Italy's European status was dealt by the NL's rabid opposition to a measure passed by the European Parliament—the European arrest warrant. This measure was supported by member states as a means of preventing criminals and terrorists from moving easily from one country to another to avoid arrest. The final episode occurred in 2004 during the appointment of the new European Commission on the heels of the European parliamentary elections. The Italian government's appointee, Rocco Buttiglione, who was designated to fill the post of commissioner for justice, was rejected in the confirmation hearing by the European Parliament because of his open stance against homosexuals. As a result, the entry into office of the new European Commission headed by José Manuel Barroso of Portugal was delayed by one month so that Buttiglione could be replaced with an acceptable candidate. That candidate was Italy's minister of foreign affairs, Franco Frattini. The Buttiglione snafu also delayed Prodi's return to the leadership of the center-left by one month. His five-year term as commission president, however, gave him greater visibility in his attempt to topple Berlusconi in the next round of parliamentary elections.

Under the Berlusconi government of 2008, the mistakes made during the previous center-right cabinet were avoided. Franco Frattini was able to provide guidance from the beginning as minister of foreign affairs. The overall balanced guidance provided to Italy's position in the European Union was reaffirmed during the June 2009 summit as well as during the G7 summit in Aquila. Italy's stance on the Lisbon treaty did not waiver at all

during the final run-up to its ratification on the heels of the successful second Irish referendum, even though ratification of the treaty obliged the country to undertake significant reforms of its internal institutional structure and bring the national parliament into closer contact with the European decision-making process.

The Question of Institutional Reform

The results of the 2006 and 2008 parliamentary elections placed the question of institutional reform back on center stage. In 2006 the Prodi government faced the issue of the referendum on institutional reform—that is, devolution—passed by the previous Berlusconi government against the strenuous objections of the opposition and the majority of Italy's regions and cities. It also had to disentangle the issue of the relationship between the two executives—president of the republic and prime minister—and whether the two should be merged or whether the remaining autonomous powers of the president (dissolution of parliament, selection of the prime minister, swearing-in of the cabinet, and promulgation of laws) should be transferred to the prime minister. Finally, the government had to clarify whether Italy could maintain its unitary welfare state structure or whether that structure should be regionalized, which would mean that wealthy regions could offer a wider variety of public services and poorer regions would have to cut back on the services and benefits offered to their citizens. After the 2006 election the Prodi government took a clear stance on the institutional referendum. It would not support the changes undertaken by the Berlusconi government. Nor would it undertake an undermining of the existing welfare system. During the last Berlusconi government (2008–2011) institutional reform took a backseat, and the office of the president of the republic was crucial in keeping the legislative initiatives of the Berlusconi cabinet within the limits of the constitution. However, the possibility of moving toward a direct election of the president of the Republic has resurfaced during the Letta government.

Many Italian politicians have raised the question of whether Italy's political institutions should be changed to enable the government to develop a more coherent set of policies based on a firm mandate. The question always has been as follows: If a government were more stable, would it be in a position to produce better policy outputs? Most have felt that the answer to the question is yes, but after five years of the Berlusconi government between 2001 and 2006 and 2008 and 2011 many have seriously expressed doubts on the correlation between the stability of a government and its ability to produce significant policy outputs.

Yet proposals have been offered. One such proposal calls for emulating the French quasi-presidential system. A popularly elected chief executive might be better able to dominate parliament and coordinate his own cabinet. An electoral law based on single-member districts with election by absolute majority, or a runoff election if the threshold was not reached, might force the major parties to combine their forces (as in France) and might bring about firm parliamentary majorities such as those attained by the Gaullists in the 1960s or by the Socialists in 1981. This type of proposal (generally championed by Berlusconi and the center-right) has aroused considerable opposition from the center-left. It is feared that because of Italian political traditions, the system might produce an Italian reincarnation of Benito Mussolini rather than an Italian Charles de Gaulle or an Italian François Mitterrand. The idea of adopting a French-style system of single-member

districts with runoff elections has been resisted by the small and medium-size parties, because they fear that larger parties such as the Democratic Party (PD) and Popolo della Libertà (PdL) might dominate the electoral alliances promoted by a French-type runoff system. There is no assurance, then, that the adoption of certain French constitutional procedures would result in a duplication of the positive result achieved in France: the establishment of a strong, stable, democratic executive with a popular mandate and (usually) a firm majority in parliament. The election results of 2001 and 2008 have assured the center-right governments with stable majorities. Where this has not occurred is in 2006, which produced a chronically weak majority due to internal dissent and in 2013 when the electoral rules blocked the creation of a political majority in the Senate.

Other critics have proposed to reform the present parliamentary system by bolstering the power of the prime minister and the cabinet. Supporters of this goal are often attracted by those features of the German system that would strengthen the prime minister and the cabinet and reinforce the dominant party at the expense of the smaller parties in the system. Some would like to adopt the German constructive vote of no confidence, which would make it impossible for parliament to overthrow a cabinet except by a resolution approved by an absolute majority of the members of either chamber—a resolution that would specifically designate the outgoing prime minister's successor. Some have also suggested reducing the number of parties in the Italian Parliament by adopting something similar to the German 5 percent rule, which permits a party to benefit from proportional representation in Bundestag elections only if it carries three single-member districts or polls 5 percent of the total vote. A rule applied in Italy by the 1993 electoral law governing elections to the Chamber of Deputies required a party to receive 4 percent of the votes to obtain a proportional share of the seats reserved for party lists elected by proportional representation. Similarly, in 2013 a few of the minor parties (e.g., Ingroia's Civic Revolution and Giannino's Stop the Decline parties) did not make it into parliament due to their low percentage of the vote and inability or unwillingness to coalesce with other parties). It did reduce somewhat the number of parties in parliament, but its effect was diluted by the formation of interparty alliances that permitted the alliance as a whole to meet the electoral requirements, thereby saving the minor parties from exclusion.

Just before the 2006 election, the center-right reintroduced a proportional representation electoral system in hopes of diminishing the center-left's margin of victory. The result was that the new law *prevented* the center-right from winning the elections and gave the center-left a slim majority in the Senate and a comfortable one in the Chamber of Deputies. The new electoral rules and the way they were applied by the major political parties (Forza Italia and DS) did not, however, reduce the number of parties. They continued to multiply, especially those in the center-left coalition. The new law also eliminated the need for single parties if they were part of a larger alliance to meet a percentage threshold in the Chamber of Deputies elections to achieve representation in parliament. Because a threshold of 3 percent was maintained in the Senate, the Rose in the Fist list did not receive any seats despite having gained 2.4 percent of the votes (see Table 4-3 in Chapter 4.3). Two years later (2008) and in 2013, when the two main parties (in this case, PD and PdL) decided not to bring under their wing the minor parties, the result was completely different. A majority of the small parties on both the left and right failed

to go above the threshold and lost parliamentary representation. The imperative for the Letta government is to change the electoral law in order to permit the creation of a ruling majority in both the chamber of deputies and the senate by using the same rule providing the relative majority party or coalition the same bonus (e.g., 55 percent of the seats) in both chambers or to move to a system of single-member districts in both the chamber and the senate.

As for reform of the constitution in relation to regional devolution, under Berlusconi the center-right supported the approach championed by the NL of devolving powers over health, education, and law enforcement to the regions. It also proposed granting the prime minister the power to dissolve parliament, thereby effectively overshadowing the president's role as head of state. The bill was adopted during the last days of the Berlusconi government, but fifteen regions had already asked the Constitutional Court for a referendum for ratification. That request was granted, and the referendum was scheduled for June 2006. All indications were that the referendum would be rejected, because the proposal was not supported by a majority of the regions (especially the southern ones), nor was it supported by the Prodi government. The reform also did not have the support of much of the public, which was wary of giving added powers to the national government to the detriment of the president of the republic. That reform was rejected by the Italian people, but the new Berlusconi government that came to power in 2008 immediately set out to pass another reform initiative proposed by the NL: fiscal federalism. Under this proposal the regions would have to make do mostly with the tax revenues generated locally rather than depending on constant transfer payments from the central government. The fall of the Berlusconi government in 2011 transformed the initiative into a dead letter. Under Monti and Letta the reform was not revived. Instead, what has surfaced in 2013 is the request to abolish the provinces—that is, the intermediate level of government between the regions and the cities. The reform has been inserted in the government's legislative program by the Letta government, but it is difficult to foresee that the change can take place by the time of the next round of provincial elections in 2015. The abolition of the provinces requires a change in the constitutions, and that type of change requires at least two years for it to be ratified.

An Uncertain Future

In the second decade of the new millennium, the future of the Italian polity has been clarified. Indeed, some of the fundamental questions about the political system have been answered. First, the rules of the game of electoral competition have been respected. No matter the margin of victory, there has been a smooth transfer of powers from government to opposition, from center-right to center-left and back again, just as in all elections since 1994. In effect Italy has become a “normal” democracy in which power is transferred from one group to another in a peaceful and legal fashion. Sergio Fabbrini and Leonardo Morlino have argued that Italy has moved from a “consensus” to a “competitive” democratic system¹³ where parties and political leaders alternate in power, but we have seen that when the competitive rules of the game do not produce the necessary majority the political system has the ability to revert back to consensus politics. A case in point is provided by the electoral results of 2013. Despite the vagaries of the electoral rules, the political system has been able to forge government majorities (i.e., Monti and Letta governments) even if the

level of acrimony in the political debate suggested otherwise. Under the tutelage and guarantees provided by the president of the republic it has been possible to create consensus among the major political parties in support of governments capable of undertaking the changes required by the economic and social system.

Second, the roles of the various institutions—that is, the presidency, the courts, parliament, and government—have been respected and kept within their constitutional limits. Third, despite all of the evidence presented in surveys of how dissatisfied voters are with national government, electoral campaigns still mobilize extensive participation from the Italian electorate. In 2006 more than 83 percent of the electorate went to the polls, and two years later when the result was already clear, 80.5 percent turned out; in 2013 despite all of the reported alienation from politics three-quarters of the electoral turned out to cast their votes. This level of participation represents one of the highest in all of Europe and in the Western world. In Italy, politics matter to the ordinary citizen.

Yet unanswered questions remain about some of the fundamental aspects of the country's political system. Will Italy become a federal state, or will it continue to be an example of strong regionalism within a unitary design? Will Italy regain its central role in providing intellectual and political guidance to a larger and more cohesive Europe, or will it become one of the more marginal members of the European Union? Will Italy gain control of its immigration problem and begin to integrate those who arrive into its political and socio-economic system, or will it be overwhelmed by the successive waves of desperate immigrants trying to escape the poverty and hunger so prevalent outside of Europe? These issues are not unique to Italy. They are the burning issues in other political systems in Europe, and in Italy they are part of the debate that animates national as well as European and local politics.

More than sixty years of democracy have helped the country to overcome problems that seemed insurmountable. Since the first parliamentary elections in 1948, Italy has undergone a transformation from a predominantly rural, agricultural society to an urban, industrial, and postindustrial society. Elections have taken place in an uninterrupted and peaceful manner. New parties have come and gone, and some have been able to scale successfully the heights of political power. The institutional structure has undergone dramatic changes through the introduction of a Constitutional Court and an independent judiciary. The political and social culture that was once dominated by machismo now guarantees equality of the sexes and equal opportunity. Finally, the role of the Catholic Church in politics has changed from wielder of raw power to the moral conscience of the nation.

From an international perspective, the country has changed profoundly. During the first three decades of its political existence, Italy was treated as “the sick man of Europe” because of the size of its Communist Party, the depth of its socioeconomic cleavages, and the backwardness of its economy. The Italy of the new millennium is cast in a completely different light. Its former Communist Party has been brought into the mainstream of the political process—its leaders have served in the cabinet and have held the office of prime minister, and its successor parties have joined the European Socialist Party federation as one of its leading elements. In retrospect, Italy was never “the sick man of Europe”; rather, it was engaged in the process of becoming a solid parliamentary regime that set the standard for future democratic states in southern and eastern Europe when they emerged

from dictatorship. Italy has also been an outlier in its struggle to defeat internal terrorism from both the left and the right and to reduce the presence of organized crime without introducing draconian measures that would have limited civil and individual rights. In fact, the Italian state responded to these two types of threats by enhancing the role of the judiciary, rather than that of the police or the army, in internal affairs. It has chosen to respond to attacks against the state and civil society with the rule of law and accepted judicial procedures.

It must also be remembered that Italy has to a great extent been in the vanguard of the European integration movement. While other countries have at times been lukewarm about European integration, Italy's leaders have always expressed a clear vision of where Italy and Europe were heading—toward the creation of a European federation of nation-states in which national governments maintain their central role of coordination but in which power is allocated to other levels of government—European and regional—in the search of policy efficiency and efficacy.¹⁴ Such was the vision enunciated by Altiero Spinelli (adviser to Alcide De Gasperi and member of the High Authority on Coal and Steel)¹⁵ and carried forward by three generations of political leaders—Alcide DeGasperi to Giuliano Amato, Romano Prodi to Silvio Berlusconi, and Mario Monti to Enrico Letta.

It is highly likely, then, that the recourse to law, the judiciary, and representative institutions will continue to be the usual Italian response to socioeconomic crises and challenges to its institutions—and especially so as the country becomes increasingly integrated into an expanding European economy and reinforced institutional structure. Indeed, it could be argued that from the beginning Europe was an Italian idea and that its basis in law, language, culture, and religion sprang from Italian roots.

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NOTES

1. See, for example, Sidney Tarrow, "Italy: Crisis, Crises, or Transition?" in *Italy in Transition: Conflict and Consensus*, ed. Peter Lange and Sidney Tarrow (London: Frank Cass, 1980), 166–185; Norman Kogan, *A Political History of Italy: The Postwar Years* (New York: Praeger,

- 1983), chap. 22; and Joseph LaPalombara, *Democracy Italian Style* (New Haven, CT: Yale University Press, 1989).
2. Kogan, *Political History of Italy*, 329. By 1979 there was one automobile in Italy for every 3.4 people.
 3. See Robert D. Putnam, with Robert Leonardi and Raffaella Nanetti, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, NJ: Princeton University Press, 1993).
 4. See Laurence Whitehead, "Democracy by Convergence and Southern Europe: A Comparative Politics Perspective," in *Encouraging Democracy: The International Context of Regime Transition in Southern Europe*, ed. Geoffrey Pridham (London: Lyden Press, 1991), 45–61.
 5. See Vincent della Sala, "Hollowing Out and Hardening the State: European Integration and the Italian Economy," in *Crisis and Transition in Italian Politics*, ed. Martin Bull and Martin Rhodes (London: Frank Cass, 1997), 22–27; Maurizio Ferrera, "The Uncertain Future of the Italian Welfare State," in Bull and Rhodes, *Crisis and Transition in Italian Politics*, 243–247; and Dermot McCann, "European Integration and Explanations of Regime Change in Italy," *Mediterranean Politics* 3 (Autumn 1998): 79–85.
 6. This change in migration flows took place in stages. During the 1960s Italian labor largely stopped moving abroad, but continued to move north. The 1970s and 1980s were marked by the return of Italians who had initially immigrated to other parts of Europe, as well as by the first small numbers of immigrants from abroad. It was during the 1990s that Italy began importing large contingents of labor from outside of the European Union.
 7. The fathers of European federalism were three Italians—Altiero Spinelli, Ernesto Rossi, and Eugenio Colorni—who wrote the Ventotene Manifesto in June 1941 while they were confined on the island by the Fascist regime. After the war Altiero Spinelli became the major advocate of European federalism. See his two books in English: *The Eurocrats* (Baltimore: Johns Hopkins University Press, 1966) and *The European Adventure* (London: C. Knight, 1972).
 8. Michele Capriati, "The Economic Context," in *The Italian General Election of 2008: Berlusconi Strikes Back*, ed. James Newell (Basingstoke, UK: Palgrave Macmillan, 2009), 43–61.
 9. See Claudio M. Radaelli, "Networks of Expertise and Policy Change in Italy," *South European Society and Politics* 3 (Autumn 1998): 5–8.
 10. See Raffaella Y. Nanetti, "Adding Value to City Planning: The European Union's Urban Programs in Naples," *South European Society and Politics* 6 (Winter 2001): 33–57; and Giovanna Antonia Fois, "The EU and International Contexts," in Newell, *The Italian General Election of 2008*, 62–84.
 11. See della Sala, "Hollowing Out and Hardening the State," 20–21.
 12. See James I. Walsh, "The Uncertain Path to Monetary Union," in *Italian Politics: Mapping the Future*, ed. Luciano Bardi and Martin Rhodes (Boulder, CO: Westview Press, 1998), 93–110. See also Leila S. Talani, *Betting for and Against EMU* (Aldershot, UK: Ash Press, 2000); and Talani, *European Political Economy: Political Science Perspectives* (Aldershot, UK: Ashgate, 2004).
 13. "The consensual model is characterized by the disaggregated representation of social interests, by multi-party systems and by the absence of alternation in government between alternative groupings. . . ." and "The competitive model, in contrast, is characterized by the aggregated representation of interests, by two-party or bipolar party systems and by the presumption of alternation in government between alternative line-ups. . . ." Sergio Fabbrini, "The Transformation of Italian Democracy," *Bulletin of Italian Politics* 1, no. 1

- (2009): 30. See also Leonardo Morlino, "Transition from Democracy to Democracy: Is It Possible in Italy?" *Bulletin of Italian Politics* 1, no. 1 (2009): 7–27.
14. Sergio Fabbrini and Mario Brunazzo, "Federalizing Italy: The Convergent Effects of Europeanization and Domestic Mobilization," *Regional and Federal Studies* 13 (Spring 2003): 100–120.
 15. Michael Burgess, "Introduction: Federalism and Building the European Union," *Publius* 26 (Fall 1996): 1–16; Angelino Luciano, *Le forme dell'Europa* (Genoa: Il Melogolo, 2003).