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Editors: Sławomir Dębski • Bartosz Wiśniewski • Rafał Tarnogórski

Karolina Borońska-Hryniewiecka • Anna Maria Dynar • Aleksandra Gawlikowska-Fyk
Sebastian Płóciennik • Patrycja Sasnal • Justyna Szczudlik • Marcin Terlikowski • Tomasz Żornaczuk

Italy's Elections: Possible Results and Implications for the EU

Jolanta Szymańska

On 4 March, parliamentary elections will take place in Italy. According to polls, none of the political parties has a chance to stand alone. What's more, the likely coalitions would not guarantee a majority sufficient to form a government. The uncertainty on the Italian political scene after these elections will be a challenge for the European Union. The results may delay the EU reform process inaugurated after the Brexit referendum, especially since Eurosceptic parties will play an important role in the Italian elections.

Italy is the third-largest economy in the euro area, so it is important to discussions about the future of the EU focused on deepening the economic and monetary union. Italy also plays a key role in shaping migration policy, under reconstruction since the peak of the refugee crisis in 2015.

Elections Background. Italy was hard hit by the effects of the economic and financial crisis and the migration crisis. In the last year, the Italian economy started to accelerate, with GDP growth of 1.6%, but it is still lagging other EU countries. GDP growth in the Union in 2017 amounted to 2.6%. The country biggest problems are its high public debt, exceeding 130% of GDP, and high unemployment, with the overall rate at 11% but exceeding 30% among young people (under 25). The migration situation is still very difficult despite fewer migrant arrivals, dropping from 180,000 in 2016 to 120,000 in 2017.

The crises have increased public concerns about security and the country's economic situation. According to Eurobarometer data, Italians report the country's main problems are the high unemployment and migration, with the former indicated by 42% of citizens and the latter by 33%. Many Italians blame the EU for Italy's problems, reflected in the level of trust in the Union. In the autumn 2017 Eurobarometer, only 34% of Italians declared confidence in the EU while 52% reported they lacked trust in it. Despite the acceleration of growth in the euro area, Italians are still very critical of the economic situation in the zone, assessing it as 58% negative (the highest in the bloc) to 33% positive. At the same time, public support for the country's eurozone membership has revived to 59% in favour and 30% against in 2017 compared to 53% and 37%, respectively, in the autumn 2016 survey. On the other hand, the public's perception of the EU's migration-crisis strategy, including the assistance Italy received from other Member States, is very negative: 70% expect greater EU involvement in migration policy.

Italy's upcoming elections will be conducted under the *Rosatellum bis* electoral law adopted in October 2017. It is a mixed system in which 37% of the members of parliament will be elected in single-member constituencies using a first-past-the-post electoral system, and others in a proportional system. The new system favours parties that form coalitions. It is estimated that to secure a majority, thus enabling the establishment of a cabinet, a party or parties will need to win about 40% of the votes. One party, the Five Star Movement (M5S), has protested the system's introduction, seeing it as unfavourable since M5S excludes the formation of alliances with other parties, which in the new system significantly limits its

chances of taking power. The electoral law was adopted, however, with votes from the ruling Democratic Party (PD) and the right-wing Forza Italia (FI) and Northern League (NL).

Campaign Topics. The economy and migration are the key subjects of the election campaign. Despite growing pressure from the European Commission to increase public savings, the political parties are competing on promises to introduce tax breaks and various forms of social support for Italian citizens. M5S has proposed a “citizen’s income” of €780 a month while the centre-right bloc wants a “dignity income” of €1,000 a month. In the last month, following a race-based attack in which a young Italian is charged with shooting a group of African migrants in the city of Macerata, migration has returned to the forefront. Former Prime Minister and centre-right leader Silvio Berlusconi commented on the attack, calling migrants a “social bomb ready to explode.” This triggered mutual accusations between the ruling social democrats and the centre-right bloc of mistakes in policy towards Europe’s southern neighbours and in migration.

Possible Results. According to the polls, M5S is the most popular single party among Italians, at around 27–29%, depending on the survey, but its reluctance to enter a coalition opens the way for other parties to take power. A possible scenario is the continuation of the centre-left bloc led by PD members, supported by the Free and Equal faction formed of former PD members. However, a coalition of these groups has too little support—about 30% in recent opinion polls—to appoint a cabinet. Another option is a broad coalition of the centre-right and the right wing under Berlusconi (who himself is not a candidate because he is banned from holding public office), along with the anti-immigrant NL, the national-conservative Brothers of Italy, and smaller partners. This bloc has the best chance of taking power since it would be close to the 40% threshold needed to form a government. After the election, however, other coalition configurations could be formed. If the right wing cannot win a sufficient number of votes, the current government will remain in power and difficult negotiations to form the next government will begin and which may result in coalition shuffles. Another possible option is a centrist bloc of PD, FI, and smaller politically central parties. Yet another option is a populist bloc of M5S, NL, and the Brothers of Italy. That last option, however, would require M5S to change its tune and enter a coalition.

Likely Post-Election European Policy. The shape of Italy’s European policy will depend on which coalition scenario materialises after the election. The victory of the centre-left or the creation of a centrist bloc would mean a continuation of the current course. That means Italy would continue to support the concept of a multi-speed Europe and the reform process in the euro area. However, the country’s huge debt and the poor condition of the Italian economy will remain a challenge. On migration issues, the leftist or centrist government will demand greater solidarity from other states in resolving the migration crisis and will push for reform of the Dublin system regarding the distribution of asylum applications in the EU (Germany will be a partner in this process).

If the centre-right coalition wins, it should not mean a radical turnaround in Italian politics in Italy because the NL has recently softened its approach to the country’s membership of the euro area. Given Italy’s difficult economic situation, the right will most likely be forced to withdraw from its many election promises. If, however, it implemented them, this would provoke strong opposition from EU institutions. On migration issues, the right would sharpen government rhetoric and increase pressure to deport migrants. The expectation of solidarity from other EU members in a confrontation over the migration crisis will, however, remain the same. A right-wing government also would mean a warming of relations with Russia and increased pressure on the Union to end sanctions.

From an EU point of view, the most unpredictable coalition would be an alliance of populist groups. Although under pressure from public opinion M5S eased its anti-European discourse by withdrawing from the idea of a referendum on eurozone membership, the approach of the party and the NL to this issue remains ambiguous and could change after the election under this coalition variant. A lack of trust between a populist Italian government and the country’s partners from the largest EU states would hinder the Union’s reform process.

Regardless of the next coalition, Italy will be a demanding partner for Poland, mainly because of migration-policy issues, including the likely continued emphasis on the relocation of asylum-seekers. Another challenge, especially if the right or populists take power, may be Italy’s further warming of relations with Russia.