

## **BÖLL TEA BRIEFING**

### **The Italian Election Results: Writing on the Wall for Europe and the Eurozone?<sup>1</sup>**

*The election results in Italy are being widely seen as a vote against the austerity policy introduced by Mario Monti who took office as Italy's technocratic caretaker president in November 2011. Even though Monti succeeded in reassuring the financial markets and the Italian economy actually recovered under his leadership, the reaction of the Italian voters was one of 'thanks, but no thanks'. Parties opposing the spending cuts gained 57% of the vote; Monti suffered a devastating defeat. As a result the financial markets reacted nervously, weakening the euro and increasing the cost of eurozone borrowing. What will happen now? Italy looks ungovernable; the rest of Europe (and the world) is baffled. If the Italian vote really is a vote against the austerity policy imposed by the EU, is it then time to re-think austerity measures and fiscal discipline? The EU leadership does not seem to think so. However, if Italy sinks back into chaos, destroying everything Monti had tried to put in order, what does this mean for Europe and the eurozone? If the traditionally pro-European Italians vote against the EU's austerity policy, does this mean that voters in other eurozone countries will follow? Has the time come to seriously re-think the path Europe and the eurozone have entered?*

The results of the Italian elections show no clear majority for one party or coalition. The centre-left coalition led by Pier Luigi Bersani, with 29.5%, has only a relative majority in the chamber of deputies. The centre-right coalition led by Silvio Berlusconi has scored 29.15% of the votes. A real surprise in the elections was the high result (25.5%) of the 5-Star Movement (Movimento 5 Stelle) led by ex-comedian Beppe Grillo. The party of Mario Monti has, with 8% of the votes, found no real approval, perhaps because he has chosen to work with politicians who were perceived as belonging to the old political class.

Looking at the absolute votes alone without considering possible coalitions, the 5-Star Movement is the strongest party. Although the centre-left coalition has the majority in the chamber of deputies, this is no real victory as in the Senate, with 31 % of the votes they do not have a majority. There they are followed by the centre-right coalition (30%), the 5-Star Movement (23.8%) and Monti's party (9%). This means that in the present situation it is very difficult to form a government because no party has an absolute majority and the 5-Star Movement does not want to make alliances with any party.

Really baffling was Berlusconi's high score, although there are several possible explanations: Italy is a traditionally conservative country and money and media control have been influencing factors. Berlusconi e.g. used his unrivalled media reach to focus in the election debate on a property tax which had been introduced by Monti and promised to repeal it. He also sent out letters to millions of voters promising them a tax refund in case he is elected. The real winner of the elections, however, is the 5-Star Movement, only founded in 2004 and

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<sup>1</sup> Guest speakers were **Eva Lichtenberger**, Member of the European Parliament (Greens/EFA), **Marco Incerti**, Research Fellow & Head of Communications in the Centre for European Policy Studies (CEPS), and **Teresa Pullano**, Marie Curie Postdoctoral Fellow at the Centre of Political Theory (CTP), Université Libre de Bruxelles and Teaching Fellow at Sciences Po Paris. The event was held under Chatham House Rule. The opinions expressed do not necessarily represent the opinions of the Heinrich-Böll-Stiftung.

organised as a network, led by Beppe Grillo and Gianroberto Casaleggio. The 5-Star Movement is an anti-establishment movement. It rejects the old political class and is aiming to destroy the old system, however without offering an option for what comes afterwards. It also wants to act as a watchdog and has already done a good job in this respect: it brought around 160 new members to the parliament. That put pressure on other parties to catch up. The centre-left coalition had a deputies' change rate of 64%, the centre-right of 22%. 31% of the deputies in the new parliament are female which is an improvement compared to the previous parliament. Also the average age has diminished to 45 years. Another part of the renewal was the election of the new Head of Chamber of Deputy and Head of Senate, proposed by the centre-left coalition, who are representatives of civil society and not old-class politicians. That is why they were also approved by the 5-Star Movement. Although the 5-Star Movement has some positive aspects in its programme regarding energy saving and climate change, there are other aspects which are difficult to handle in a political environment.

For example, the movement had no candidate when they ran for elections. A point of criticism is also that they do not contemplate entering into a coalition with one of the other parties. One should suppose that since it is obvious that no party will have an absolute majority, one has to consider forming coalitions. One can see this as a rather unconstructive way of engaging in politics. Another difficult aspect is that as it is a movement and not a party, meaning that there does not have to be a party discipline, though at the same time it is necessary for the members to follow the positions of the movement. Furthermore, the new forms of direct democracy the 5-Star Movement implemented – e.g. online consultations – are problematic as there is still a big digital divide in Italy. If you compare the online participation of the 95.000 vote cast to elect the candidates for the 5-Star Movement with the 3 million people who physically went voting for the centre-left candidates, you can assume that many people because of a digital or generational divide are excluded from some forms of direct democracy. In addition the aim of the movement seems not to be totally clear because if you want to change the system, as they announced, you will have to cooperate with others, as an absolute majority is necessary. Neither of this is the case. If the approval for the 5-Star Movement is seen as a vote against austerity measures in Italy, maybe it would have been better to vote for people who are willing to negotiate on the European level and form coalitions trying to make a change. As the Movement is not really concrete in its programme and ideas, some consider it as rather destructive. There can be seen some similarities between the 5-Star Movement and the Pirate Party in other countries. The question remains whether the Movement is consolidated enough to act. What is really worrying are statements made by Grillo and other heads of the Movement which can be interpreted as anti-immigrant or even pro-fascist.

### **Reasons and scenario's**

As the election results are not distinct, there are several possible scenarios how to proceed further. The most likely one is that the President of Italy, Giorgio Napolitano, will give Bersani the task to form a government. Berlusconi's proposal to form a coalition between the centre-right and centre-left coalitions was refused by Bersani. A possible solution for Bersani could be to form a government of very high profile, as it was already started with the people elected as the Head of Chamber of Deputy and Head of Senate. Another possibility is new elections in June. As Napolitano's mandate ends in mid-May and he cannot call for new

elections in the last six months of his mandate that can only be done by the new president. Many think that only new elections will lead to a stable government. Furthermore a “governo del presidente” is conceivable. It then would be Napolitano’s task to form a government, likely of high profile personalities hoping that this government finds a majority in the parliament.

What could have led to the current situation? The political class in Italy can be characterised as very closed. Politicians start their career late, but stay in politics very long time and enjoy many privileges. The perception of politics in the minds of people is another thin; for many Italians it has more the character of “divertimento” (entertainment). If there was no stable government, people would not care that much because they would think that the country can be run without. The trust in politics, as well as the trust in the EU, has been destroyed to an extreme extent in the era of Berlusconi. Italy is considered as one of the most-European friendly countries, but the Europe Italians believed in was a vision. The austerity measures implemented under Monti, which hit everybody and in certain areas much too hard, influenced the current negative image of Europe. The 5-Star Movement had a role to play in this situation of disappointment and aggression: they articulated the anger and the fear of the people against the old political class and against Monti seen as a representative of Europe.

### **Effects on Europe**

The situation in Italy, as the third largest European economy, can have serious effects on the eurozone and Europe. As the unemployment rate is already high and the south of Italy is now poorer than Greece, Italy would be the first founding country of the EU to fail. The current situation leads to overall problems embedded in the functioning of the European Union. There is a profound link between the restructuring of the centre-periphery relations at EU level and what is currently happening in Italy. But can it be a solution to cut the periphery out and reducing the European Union to the core? The disparities between centre and periphery and a lack of political coordination of regional disparities are threatening the European political project. Still, it can be questioned whether it makes sense to speak of periphery and centre regarding countries like Ireland or Latvia that are peripheral, but good in handling economic instabilities. Maybe Europe is more split up into a north-south divide. An idea for solving the problem and preventing the widening of the gap between periphery and centre (or north and south) could be some sort of Marshall-plan for the peripheral countries. The idea is to mutualise the debts in the eurozone with the European Central Bank as the common guarantee. Furthermore it would imply more redistributive policies in the EU.

The ‘zeitgeist’ in Europe is rather negative. All we hear from young people is fear and concerns regarding the future which is understandable but worrying. It is probably not a good way to approach the future constructively. Neither is Grillo’s idea of forming a European party with the Spanish movement Los Indignados that till now had no leader. That would combine two EU-sceptic movements on the European level.

The Italian elections have shown that there is a strong rejection of the policy of austerity and maybe as well of the underlying economic model. It shows that people want to discuss the current problems and the methods applied. The signal of the success of the Movement should be taken seriously: how politics are made (in backrooms) cannot continue as before. The success of the 5-Star Movement brings up the question whether political parties are still able to offer credible solutions to the people or if they should find new ways to do politics.

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There could be spill-over effects to other countries. As history shows, many developments started in Italy and we should think about how we can constructively combine the positive ideas without ignoring the problematic aspects of the Movement.

Maybe the solving of the current political situation in Italy will last till the next national elections in Europe. The German elections in September will be of great importance for the debate on crisis solutions and for finding solutions in Italy and Europe.



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