

The Italian Election: a Last Wake-Up Call for the European Union?

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The 2018 Italian general election, held on 4 March, resulted in none of the parties or coalitions having a majority to form a government, thus confirming Juncker's worst-case scenario: a tense period of difficult and uncertain negotiations. However, data speaks for itself: it is the so-called populist and Eurosceptic parties who have won the election. The Five Star Movement achieved the best single party result (almost 32%) and the Northern League came out the strongest of the centre-right coalition (with about 17%). On the other side of the political spectrum, the Democratic Party (the main representative of the centre-left coalition, the most pro-European alliance, obtained one of the worst results ever 18%). This makes Italy the first country where 'populist' Eurosceptic parties have won the election; yet, whether this dominant anti-European sentiment will lead to radical changes in Italy or stimulate some rethinking in the EU is still uncertain.

The Italian election perfectly places itself within the on-going detachment of European citizens from the European project, as witnessed already in the Brexit referendum and the elections held in France, the Netherlands, Austria, Poland and Germany, where extreme nationalist or right-wing populist movements increased their share of the vote often dramatically. The second similarity with the overall European scenario is the collapse of the centre-left/socialist party. The Democratic Party, under the leadership of Matteo Renzi, has gained only half the votes it collected in 2014 with the election to the European Parliament. This is a similar decline as suffered by the Greek PASOK, followed by a serious vote loss for the French, Spanish, Dutch and German social-democratic parties. There are many reasons for the Democratic party's crisis; however, looking at the coalitions that benefited from that debacle, it seems to be obvious that the main cause was its strong pro-EU and pro-Euro stance and their endorsement and implementation of structural reforms of the labour market (e.g. the Jobs Act) and austerity. These measures have led to an ultra-flexible job market, with a dramatic rise of precarious jobs whereas unemployment (youth unemployment in Southern Italy is at 60%, the record in Europe) has remained high and inequalities and poverty have increased. In addition, those strategies have failed at both reducing the debt and restoring the economic growth to the pre-crisis level. The anger of Italians, and other Europeans similarly affected, is perfectly understandable and justified: the lower middle classes have seen their economic situation deteriorate year after year in the name of a distant supra-national order and a monetary union that has failed to provide stability, growth and more convergence among Member States. The EU is now largely seen only as technocratic architecture with a worrying democratic deficit, imposing ineffective and damaging recipes on technocratic and multi-party coalition governments.

If you look at it this way, it is not surprising that half of the Italian electorate voted for the two anti-establishment parties, as in their eyes the European institutions and the centre-left coalition which implemented whatever the former suggested, is representing the elites.

Yet, there are differences between the two winners which need explaining. The ultranationalist 'the League' developed from just a background player to being the biggest party within the centre-right coalition. Wisely led by their leader, Matteo Salvini, they shifted from an exclusively pro-Northern Italy propaganda to a nationalist 'Italians-first'/anti-immigrants' rhetoric (as well as changing the name from Northern League to 'the League') in an attempt to attract southern Italian voters which they had previously insulted and denigrated. Although the context has changed, the formula is the same: spreading racism and xenophobia among people already angry because of a never-ending crisis. Salvini reached a good election result in the North while in the South the Five Star Movement is the only winner. Their success can be explained by their ten-years'-strategy aimed at representing itself as the radical alternative to the Italian political class which is seen as corrupt, wasteful and distant from people's interest. It is not by chance that immediately the day after the election the current leader, Luigi Di Maio, talked about the birth of the 'Third Republic'. Both the media and the rival political forces (mainly from the centre-left) have been accusing them during the entire campaign of neither having a clear programme nor the necessary competence to govern. However, what is

more worrying is their on-going tendency to change their minds about crucial issues. For example, the Five Star Movement has spent several years calling for a referendum on the common currency, whereas now they are claiming to be against extremist, populist and anti-European attitudes. Similar contradictions are to be found in their stance towards the implementation of austerity measures. Again, whereas they have been strongly opposing them for years (even proposing a Keynesian professor as minister of economic affairs), recently Di Maio has pointed out the importance of reducing public spending and of [respecting the Maastricht criteria](#). At the European level they appeared confused, first asking to join the liberal ALDE group in the European Parliament and once they had been refused, getting into bed with UKIP's 'Europe of Freedom and Democracy'. Now they want to be seen as a responsible movement that can guide the country and guarantee stability, yet it is obvious that their victory is attributable to their strong anti-establishment campaign.

What are the options after the election?

The League used immigration (which is indeed a serious issue to tackle but not more important than the emigration of young skilled workers and students) as an instrument to address people's anger and perceived need of security in order to win votes, especially in the north. By contrast, the Five Star Movement focused on the renovation of a corrupt and wasteful political class; together with a new focus on social policies, as shown by the proposal of a basic income, this attracted the mass of young unemployed and/or poor citizens of the south. Different forms of populism, both facilitated by an on-going crisis and ineffective, damaging policies and reforms implemented by the centre-left following the EU's directions how to deal with the economic and migration crises. Italian citizens wanted a radical change because of the dramatic economic and social situation. The solution they saw in voting for anti-establishment parties.

The negotiations to form a new government will be long, with the possibility of new elections in less than a year. The League expressed their willingness to govern, but only as part of a centre-right coalition and absolutely not with the Democratic Party. On the other hand, the Five Star Movement declared to be ready to govern with every political force that accepts to support their government. One solution could be a coalition between Democratic Party and the Five Star Movement, but the former's leader, Renzi, already placed his party within the opposition, rejecting any possible alliance with Di Maio, even though this option has some support in the centre-left. A 'populist coalition' government with the Five Star Movement and The League might be another option. However, the latter does not want to support a bigger party with such a huge vote from the south, while the former could be negatively affected by an alliance with a more strictly anti-European and anti-elite party which could obscure them as well as show the contradictions in their own rhetoric.

In the meantime, highlander Silvio Berlusconi, Forza Italia's leader and self-proclaimed 'director' of the centre-right coalition, has asked for the new government to be ruled by Salvini. Funnily enough Berlusconi was endorsed by the EU as the one who could [save Italy from populism](#). In the current situation, the option of a temporary 'technocratic' government appointed by the Italian president just to reform the electoral system cannot be excluded, neither can an unexpected, but indeed responsible, proposal from the Five Star Movement for a government based on the fundamental elements of their programme but composed by ministers from civil society, in agreement with President Mattarella.

Europe's responsibility

The implications for the European Union are manifold. Firstly, Emmanuel Macron's hope for an Italian government to support his aim of reinforcing the European project through reforms has vanished. Aside from the scenarios of a temporary technocratic or multi-party coalition government, populist anti-establishment and Eurosceptic movements will largely define the new executive. Secondly, even if the Five Star Movement represents an Italian peculiarity, the League's success confirms the international trend of a rising consensus for ultra-nationalist right-wing coalitions, which promises a dramatic scenario for the 2019 European Parliament elections.

Thirdly, even though the Five Star Movement and the League have significantly reduced their anti-European campaign in the last months, we cannot ignore the sentiment of Italian citizens and its role in the elections' results. Data shows that Italians' support for the EU has been decreasing since the eurozone crisis started. Only 56% of citizens will vote to remain in the EU should a referendum on Italian membership be held and there seems to be a link between the perceived worsening of the personal economic situation and an anti-European sentiment. So far, the story appears clear: people become poorer because of the increase of precarious jobs, after undergoing numerous sacrifices due to the implementation of ineffective crisis-remedy strategies imposed on them by distant technocrats in Brussels. Consequently, using one's vote to protest against the establishment becomes the obvious choice. But are they right in accusing the European Union? Certainly, it would be difficult to maintain that the EU has no responsibility, with the case of Greece and the northern countries' opposition to reform the euro as emblematic examples.

Europe needs to change course in order to counter right-wing wave

Unemployment and poverty have been the main issues for the voters of the Five Star Movement, with 50% of unemployed people voting for them, together with 49% of students and 39% of precarious workers. This was once the electorate of the Left; and here comes another conclusion: the centre-left is going to disappear, failing to represent workers, students and lower-middle classes, while a radical Left, aimed at being the progressive and egalitarian force able to contrast racism and xenophobia of the extreme Right, still has to emerge. 'Free and Equal', a left-wing coalition largely composed by groups that left Renzi's party, obtained a miserable 3%; 'Power to the People', a four month old party created unifying those movements that have always 'practised' what, in their opinion, the Left should do (caring about those living at the bottom of society, fighting for the environment and social and civil rights), got less than 2%. The work to be done on the Italian Left is huge and someone may begin to wonder whether a completely radical approach to politics is necessary or not, and to argue that there could be a populist formula different from the League's ultra-nationalist racist populism and Five Star's 'centrist' populism.

The Italian election will indeed lead to a tense period of uncertain negotiations. For now, the only certainty is the anger of many Italians that find voting anti-establishment parties the only way to make their voices be heard. Yet, even if a solution for a new government is found in the near future, it is hardly likely that this solution will respond to the call for a radical change. The League cannot escape from its history of decades of policy proposals eventually exclusively favouring the northern higher middle class, while the Five Star Movement relies on a dramatically confused programme and is full of contradictions, especially on economic and European issues. Italy may have awakened on a political level, but is still very much asleep with regard to a strategy for reversing the economic downturn. On the other hand, the EU might begin to understand that this anti-establishment sentiment, although fuelled by populist parties, finds its *raison d'être* in the social and economic decline that is increasingly becoming 'normal' in the context of a mismanagement of the eurozone crisis, which is far from being solved. If the EU does not quickly focus on growth and investments, targeting the polarisation between core and peripheral member states, together with a rethinking of its architecture and the necessary reforms of the euro; Euroscepticism will keep on rising and the ultra-nationalist right-wing will likely win next elections.

The choice for the new president of ECB following Draghi is already raising doubts about new political insights as the main candidate is Jens Widemann, the Bundesbank president that opposed just about every non-conventional expansive policy Draghi implemented in trying to save the eurozone.

It is late and the EU must wake up from its *sleep of reason*, accept the reality and deal with the real monsters, which are not the populist movements but rather the economic policies that have created them.