

# Parliamentary Elections in Italy: an election with several unknown elements

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Analysis

On 22nd December last the Italian parliament was dissolved after the adoption of the 2013 budget. As he had announced thirteen days prior to this, the President of the Council, Mario Monti, then resigned from his post, leading to the organisation of parliamentary elections – which come a few weeks early - (initially they were due to take place in spring 2013), on 24th and 25th February he first time the Italians will be voting in winter. According to the Constitution a 45-70 day period is obligatory between the dissolution of the chambers of parliament and the election.

On 9th December last Mario Monti announced his resignation after MPs in the People's Party for Freedom (PdL) decided to boycott the confidence vote of his government and to abstain from the Chamber of Deputies during the vote of the 2013 budget that absolutely had to take place before the end of 2012 (around 20 decisions were still under discussion). *"I have decided to leave because my deepest convictions were aggressed and this hurt me to the quick,"* declared Mario Monti to the daily *"Corriere della Sera"* in explanation of his departure.

The leftwing opposition forces are forecast to win by all of the polls. However the decision taken by the outgoing President of the Council and his predecessor Silvio Berlusconi (PdL), to take part in the election comprises threats to the Democratic Party (PD), the main opposition party, led by Pier Luigi Bersani. The left has to win the majority in each of the Chambers of Parliament if they are to govern. The election is therefore extremely open and the electoral campaign, which will be followed closely by all of Europe, is of the highest importance. As the Greeks and the Dutch just a few months ago the Italians are being called to choose between belonging to the euro zone and nothing less than the overthrow of the European system.

According to the most recent poll by SWG-spa for the TV channel RAI3, published on 25th January, the leftwing coalition is due to win the parliamentary elections with 34.1% of the vote. It is due to come out ahead of the coalition led by Silvio Berlusconi, who is due to win 26.6% of the vote; the Five Stars Movement (M5s) led by populist Beppe Grillo is due to win 17.2% of the vote and the lists supported by Mario Monti are due to win 12.8% of the vote. The leftwing coalition Civil Revolution, comprising Italy of Values (IdV) led by Antonio di Pietro, the Left Federation and the Greens are due to win 5.4% of the vote.

*"Pier Luigi Bersani and Nichi Vendola (leader of the Left, Ecology and Freedom, SEL) are guaranteed to win the absolute majority in the Chamber of Deputies since in virtue of the electoral law they just have to win one vote more than the others to win 340 seats of the 630 in the lower Chamber,"* maintains Roberto d'Alimonte, professor of Political Science at the University Lluís of Rome. However, the situation is not so certain in the Senate where the majority is granted in each of the regions to the coalition that wins the election in the Upper Chamber. Four regions are extremely contested (the leftwing is forecast to win in the others): Lombardy, which has 49 senator seats, Venetia, Sicily, and Campania.

Many analysts believe that the parliamentary elections on 24th and 25th February will lead to a leftwing alliance led by Pier Luigi Bersani and the Mario Monti lists. *"If we follow the quite perverse logic of this campaign, Mario Monti must hope that Silvio Berlusconi will score highly so that Pier Luigi Bersani will include him in a centre-left government,"* highlights Roberto d'Alimonte. According to the Italian press the outgoing President of the Council and the leader of the leftwing met just a few days ago. The daily La Stampa even said that the two men had agreed on an electoral strategy to block Silvio Berlusconi's route.

"Italy must recover a normal democratic procedure and there is no reason to believe that a majority will not emerge from the ballot in April 2013," maintained the outgoing President of the Council in September last.

### **16th November 2011-22nd December 2012 – 13 months of Monti's government**

On 8th November 2011 Silvio Berlusconi was forced to resign from the Presidency of the Council after the defection of three of his MPs led to the loss of his parliamentary majority. Eight days later Mario Monti succeeded him with a task in hand: the rescue of the Italian economy. On 4th December 2011 he pushed through an austerity plan called *Salva Italia*, totalling 63 billion € over 3 years. Its aim: the return of balance in public finances in 2013, its means: the reduction of public spending and the implementation of several structural reforms. On 20th January 2012 a new plan, *Cresci Italia*, aimed to restore growth and strengthen the country's competitiveness via the simplification of administrative procedures and by the liberalisation of several regulated professions.

At the end of July 2012 a second structural reform was adopted pertaining to the labour market. It does away with a great number of unstable contracts (temporary contracts are notably limited to 36 months) and aims to facilitate dismissal procedures thanks to the modification of article 18 of the labour law which granted protection against dismissal to employees in companies with a staff of over 15, forcing them to re-employ any employee whose dismissal was deemed illegitimate. From now on only an employee who falls victim to a discriminatory dismissal has to be re-employed.

During his time in office Mario Monti has also launched the reform of the retirement regime by extending the number of years worked to achieve the legal retirement age (raised to 66 for men and 62 for women). It might rise to 70 by 2015. The calculation of the retirement pensions will now be made based on the entire career of all workers. The President of the Council started to reform the tax regime: the fight to counter tax evasion which represented 41 billion € in 2012 (strengthening the controls undertaken by the financial police and a limit placed on payments in cash to 1,000€) and an in-

crease in taxes on property. Mario Monti's government introduced a new land tax on the main place of domicile, (*the Imposta municipale unica*), which brought in 23 billion €, i.e. 9 times more than anticipated. This replaced the ICI which brought in 14 billion € into the State coffers but which was abolished by Silvio Berlusconi in 2008. 80% of Italians own their own property. Italy, which is the third most important economy in the eurozone has been in recession since mid 2011. In 2012 the GDP is due to have contracted by 2.4%. The country's debt totalled 2000 billion €, i.e. 126% of the country's GDP, an historic record. In October last unemployment totalled 11.1%, the highest rate since the beginning of the publication of monthly statistics in January 2004 and previously since the first quarter of 1999. The share of young unemployed people amongst the 15-24 year olds totalled 36.5%, a record in the peninsula. Moreover industrial production has fallen by 7.6% over the last twelve months and household consumption fell by 3.2% between November 2011 and November 2012. The gap between the richest and the poorest Italians continues to grow.

Although the Italians are thankful to Mario Monti for having won back Italy's credibility and dignity they are suffering however from the austerity cure he imposed on the country. The domestic social situation is still tense and Mario Monti does not encourage the same enthusiasm as he does within the European institutions and amongst its leaders. Between November 2011 and the beginning of this year the spread (the difference between Italian and German interest rates) has fallen from 550 to 300 points, which led to a reduction of the interest rate on the Italian debt from 7% to 4.52% i.e. 20 billion € per year.

Roberto Perotti of the Bocconi University of Milan believes that the budgetary savings in 2013, under 10 billion €, are still limited. "*Most of the sacrifices made in 2012 came from a rise in taxation which now totals 3% or 4% of the GDP. Very little has been done to reduce public spending and yet cuts have to be made,*" indicated the academic.

### **Mario Monti, the unknown**

As soon as the President of the Council's announced

that he had decided to resign from office after the vote on the budget, Silvio Berlusconi announced his return to the Italian political stage and that he would be standing to succeed Mario Monti. The latter then took his time to reveal what he was going to do in the future. On 28th December last he said that he would accept the leadership of the centrist coalition in the parliamentary elections. *"Now, I am free (...) I accept the leadership of the coalition and I shall commit to the success of this operation,"* he indicated after a meeting with centrist organisations and civil society. The President of the Council highlighted his *"enormous social responsibilities"* and said that as a candidate he aimed *"to prevent the rise of nationalism and populism."* *"We cannot allow Italy to fall back into the incompetent hands which governed until November 2011,"* declared the *Professore*, the name given to him in Italy. *"The old policies cannot be allowed to return. The technical government would not have been asked to govern if previously matters had been in the hands of capable, credible politicians,"* he added.

Senator for life, Mario Monti cannot stand in the Senatorial election. He can however sponsor a political party or a coalition and even put together an electoral list in his name, a solution that he has privileged. The outgoing President of the Council's supporters will form a single list under the name *"Mario Monti Agenda for Italy"* in the Senatorial elections: supporting the election in the Chamber of Deputies, Mario Monti will be putting forward his own list under the name *Civic Choice with Monti for Italy*, which will be made up of members of civil society only. The *Professore* has asked to have the final say over the candidates, who must have had no involvement in any trials or conflicts of interest – they also have to be clear of any involvement with the mafia.

Mario Monti finally decided and made his entry into the political arena which he has always very carefully steered away from. *"There are some circumstances in which I shall be able to serve the country after the elections, I am excluding nothing,"* he warned just a few months ago.

The outgoing President of the Council said that he did not want to form a new party but take the head of an assembly that would bring together the various forces

in the country. *"The left/right rift is of historic, symbolic value but it does not reflect the real alliance that Italy requires, which focuses on Europe and its reforms,"* he maintained. He considers that he transcends the parties and hopes to address citizens directly. In a way he hopes to rebuild a moderate centre on a new foundation without using the old Christian Democratic model, which governed Italy for nearly 50 years before collapsing in the wake of a series of financial scandals.

Mario Monti's programme entitled *"Change the Italian, reform Europe"*, is based on four main pillars: the maintenance of Italy in Europe, revival of growth, the construction of a dynamic social market economy and a change in the mentalities and behaviour in Italy. He plans to continue the reforms started thirteen months ago: reduction of the debt by 2015 by 5% per year to bring it down to 60% of the GDP, against a present 126%; the inclusion in the Constitution (article 81) of the respect of budgetary balance (golden rule); reduction of income and company taxes; improvement of administrative efficiency; zero tolerance of tax evasion; revision of the electoral law which Mario Monti has qualified *"unworthy of a country like Italy"* (notably with a reduction of the number of MPs).

The outgoing President of the Council believes that the sacrifices that the Italians have made over the past year must be respected and cannot be ignored. *"The light at the end of the tunnel is closer than ever before. I am much more optimistic now that the tunnel will not cave in on us,"* he maintained.

Mario Monti is standing as the candidate for Europe and is heading into battle under the banner of the European People's Party (EPP) which decided to support him to the detriment of Silvio Berlusconi, as indicated by Joseph Daul (EPP group chair in the European Parliament) on 17th January last. *"The Italians can walk with their head high again as European citizens,"* said the outgoing President of the Council as he spoke of his results as Head of State. The man who stands as the only one able to rise to the economic crisis and the only one who can help Italy maintain its position in the world, can count of the support of the European institutions likewise that of most of the 27 Heads of State and government who all see in him the craftsman of Italy's economic consolidation and laud the work

he has accomplished as head of the country. *"There is no alternative policy to that of Mario Monti,"* declared Herman van Rompuy, President of the European Council on 13th December last. *"The Italians must not give in to the illusion that there are miracle solutions. There is no alternative to correcting public finances and to improving the reforms, which in turn improve competitiveness,"* stresses the President of the European Commission José Manuel Barroso.

Mario Monti has the support of the Union of Christian and Centre Democrats (UDC) led by Pier Ferdinando Casini, Future and Freedom for Italy (FLI) led by Gianfranco Fini [1], several centrist groups and also Towards the III Republic, a think-tank led by Luca Cordero di Montezemolo, the head of Ferrari and former leader of the Italian business organisation (Confindustria). Other personalities such as Sergio Marchionne, the CEO of Fiat, and John Elkann, the Agnelli family's heir and main shareholder in the car industry have also said they would like to see Mario Monti continue his reforms and stay at the head of the Council.

Mr Monti can also count on the support of the Italian Episcopal Conference, a most important organisation in Italy. *"We cannot annul the sacrifices made over one year which sometimes the most vulnerable have suffered,"* declared Cardinal Angelo Bagnasco, the head of the Italian church.

For a long time the Catholic Church supported Silvio Berlusconi, who promised never to approve a law contrary to the values of the church, on issues such as euthanasia and gay marriage. In spring 2011 however the religious authorities stopped supporting the Cavaliere (the name given to the former President of the Council) after the revelation of sex scandals in which he is said to have been involved and also because of some of his political positions which have been particularly incoherent. The Vatican's daily *L'Osservatore Romano* published its support to Mario Monti, who now enjoys the approval of the *forti* (strong powers), the name given in Italy to the alliance between the Church, Finance and Industry.

### Can Silvio Berlusconi make a come-back?

Since his departure from office on 8th November 2011

the Cavaliere has maintained doubt regarding his future. On 9th December after Mario Monti's announcement that he would soon be resigning, Berlusconi said he wanted to return to politics and run for the Presidency of the Council in the next parliamentary elections. *"You need me and I always help people in need,"* he declared to the Italians on the TV channel RAI 1 on 17th December last. *"It is with great sadness that I am returning to political life and I am doing it once more out of a sense of responsibility,"* he repeated on the channel TGCOM 24.

Engaged in an electoral campaign once more, Silvio Berlusconi has changed from being incredibly positive about Mario Monti, and has become one of his most vehement critics. *"Mario Monti and his colleagues have done what they could, ie a great deal given the parliamentary and political institutional situation in Italy and the conditions in Europe and in a world in which our economy and our society are facing major economic crisis,"* he declared just a few months ago. *"Mistakes have been made, some of them can be repaired starting with incorrect fiscal measures, but the liberal trend to reform was basically quite clear,"* he then stressed. His discourse has now totally changed. *"Mario Monti's government has followed a policy that focused far too much on Germany, which Europe insisted on imposing on other States and has created crisis situation which is worse than when we were in government. The economic indexes have all taken a downturn – it is not up to me to judge but all of the data are in the negative,"* said Silvio Berlusconi on 11th December on Canale 5. *"When I was president of the Council I was able to say 'no' to Angela Merkel. Whilst the Mario Monti government has accepted the Germanisation of Italian politics and its transformation into a German protectorate,"* he said. He also accused Berlin of having orchestrated his downfall in 2011 and has requested the establishment of an investigation into the way his government collapsed.

Silvio Berlusconi therefore justifies his return to the political scene by the urgency of the situation and the disastrous results produced by his successor, who, in his opinion, has lost all credibility since he initially promised never to enter politics when he first took over as head of government.

1. Gianfranco Fini broke away from Silvio Berlusconi and quit the PdL in the summer of 2010. 33 MPs and 10 Senators from this party who were loyal to him followed their leader. In February 2011 Gianfranco Fini created his own party, Future and Freedom for Italy (FLI).

The Cavaliere maintains that the Italian economy is exhausted. *"One million more unemployed; a public debt which is rising and buying power that is declining, fiscal pressure at intolerable levels,"* he says, describing his country's situation after 13 months of government by Mario Monti. In his opinion, if things continue along the present path *"we shall have three million unemployed, the government will have to raise taxes and like Greece, we shall find ourselves on the verge of civil war."*

Silvio Berlusconi brandishes the threat of exiting the euro zone by Italy. *"If Germany is not convinced that the European Central Bank must be Central and print money, if the rates do not go down and if we do not succeed in finding funds we shall be forced to give up the euro and forced, even if this damages the euro zone, to return to our old currency in order to be competitive,"* he indicated.

He is due to focus his electoral campaign on the middle classes, the reduction of taxes (hoping to convince the Italians – many of whom are unhappy with the recent tax increases), growth and criticism of Europe, which he describes as *"submissive to Germany's wishes"*. *"The spread is a scam, an invention used to bring down the government majority elected by the Italians. We had never heard of it before, and we've only been speaking of it for the last year – what's the big deal?"* wonders Silvio Berlusconi.

On 7th January *Sua Emittenza* (Your Eminence, the other pseudonym given to the former President of the Council) signed an electoral agreement with the Northern League (LN), a rightwing populist party with whom he governed with between 2008 and 2011, before both parties finally separated, after the League refused to support Mario Monti's austerity programme. The PdL will be supporting the Northern League's leader Roberto Maroni for the Presidency of the Regional Council of Lombardy (early regional elections are being organised in this region on the same day as the national election) in exchange for which the populist party will form a coalition with Silvio Berlusconi's party in the general elections.

This agreement stipulates that Silvio Berlusconi will relinquish the Chigi Palace, the residency of the Italian Prime Ministers. If the rightwing wins the party's

leader, Angelino Alfano, will be appointed to this position. The *Cavaliere* has indicated that he would like to be appointed Economy Minister and to see this post merged with that of Industrial Development Minister. For these parliamentary elections the former President of the Council has "cleaned" up his party's lists. Hence Nicola Cosentino, former Secretary of State for the Economy, who was involved in a scandal for peddling influence and Marcello Dell'Utri, a Senator sentenced to seven years in prison for colluding with the mafia, whose trial is still on-going, have been removed from the lists.

The response to Silvio Berlusconi's return is far from unanimous within the PdL. The party is close to division with a split between its moderate and its extreme right wings. An *"absolutely incomprehensible"* bid according to Giorgia Meloni, former Youth Minister, who wanted to stand in the primary election in view of appointing the rightwing candidate for the post of President of the Council – an election that was initially planned on 16th December. *"We want another centre-right, Mario Monti is not part of our horizon and putting Silvio Berlusconi forward as candidate again would be a mistake,"* she stressed. Gianni Alemanno, the Mayor of Rome, Renato Formigoni and Maurizio Lupi said that they are stupefied. *"We are stepping back 20 years,"* declared Mario Mauro, the head of the PdL (EPP) in the European Parliament, adding *"if the elections turn into a referendum on Europe, I am on Europe's side."*

Many regret that a primary election was not organised. *"I am envious of the left's primary because it emerged as an exceptional tool and the centre-right should not do without it,"* indicated Gianni Alemanno. *"It is a real shame that the centre-left primary was not accompanied by one on the centre-right. We have paid and we shall pay again for this political vacuum,"* maintained Fabrizio Cicchitto, the head of the PdL MPs in the Italian Parliament. Even Angelino Alfano admitted that *"the left has succeeded in reviving by entering into dialogue with its electorate."*

*"Built on personal foundations the PdL is a party without roots and is almost non-existent. Let their leader disappear and the party with it;"* indicated Political Science Professor Raffaella de Mucci.

Silvio Berlusconi's return to government would be advantageous to him – for a while at least – since it would remove him from the grips of justice. Mario Monti's government adopted a bill last December banning anyone with a two year prison sentence (including during that person's mandate) from access to elective posts. The judicial procedures against Silvio Berlusconi were frozen in 2010 by a bill which granted him immunity but which was partly invalidated on 13th January 2011. Above all a massive majority of Italians rejected a bill on 12th and 13th June 2011 during a referendum which would have guaranteed the legal immunity of the President of the Council at the time (94.60% "no" votes). This obliges the latter to answer the law in several affairs.

On 26th October last Silvio Berlusconi was sentenced to one year in prison and was banned for three years from holding any public office for tax fraud in an affair involving Mediaset. He is accused of having artificially inflated copyright prices for the broadcast of films purchased by companies belonging to him, during their resale to his audiovisual company Mediaset. In all the embezzlement is said to have totalled 35 million €. *Sua Emittenza* is due however to appeal against this decision.

Since April 2011 Silvio Berlusconi has been accused in the Rubygate affair – a sex scandal, named after Karima el Maghroug. The former President of the Council is suspected of having paid for sex with the young girl when she was still under age and of having put pressure on the police authorities in Milan to have her released after she had been arrested for theft. For his part he admits giving money to the young woman but only to help her open a beauty institute and to prevent her from prostituting herself. He has always denied the accusations brought against him and repeats that the *bunga-bunga* parties which the press has spoken at length about were absolutely "not illegal". He justified his intervention with the police stating that he thought Karima El-Maghroug was the niece of the then Egyptian President, Hosni Mubarak. The prostitution of a minor and abuse of power are both punishable in Italy by terms in prison ranging from three to 12 years.

To prevent any interference with the electoral campaign Silvio Berlusconi's lawyers asked for the Ruby-

gate trial to be postponed, a hearing for which was due to be held before the election. It was finally delayed until 11th March, the date of the last audience.

Although Silvio Berlusconi undoubtedly knows that he has lost and that he cannot win the next parliamentary elections he also knows that he could – even with a mediocre result – be able to put together a parliamentary group to form a minority to prevent whoever it might be from governing. Just one month before the election we should remember that all of those who had put *Sua Emittenza* to rest were very much mistaken.

### And the left in all of that?

Paradoxically the leftwing, which has been forecast to win by all of the polls, has practically been thrown out of the electoral campaign with Mario Monti's entry into the competition and the return of Silvio Berlusconi. By standing in the election Mario Monti is compromising the Democratic Party's chances. Its leader Pier Luigi Bersani protested against the surprise entry of a man that the Democratic Party has supported for the last thirteen months. "His bid is morally questionable" declared the former President of the Council (1998-2000), Massimo d'Alema (PD), last December.

"The Democratic Party was not expecting Mario Monti's decision, which has put Pier Luigi Bersani in a difficult position. He will now have to stand out from the *Professore* by taking his discourse leftwards at the risk of creating a more moderate trend within the party and with the centrists with whom he was finally planning to form a strategic alliance," analyses historian and sociologist Marc Lazar.

Pier Luigi Bersani has asked Mario Monti to position himself on the political scale. "I want Mario Monti to tell us whose side he is on, what his choices are and what he thinks of civil rights," he asked. He wants the outgoing President of the Council to say whether he intends to sit with Silvio Berlusconi within the EPP. To all of these questions Mario Monti has answered that he was "on the side of those who hoped to reform Italy." The democrats say that they only have one rival: Silvio Berlusconi. Moreover they are doing everything they can to appear not to be following Mario Monti's reforms. "Only the Democratic Party can achieve the

goals set out by the head of State Giorgio Napolitano in his end of year message: priority is to be given to Europe, to employment, education, rigorous account keeping, the fight to counter tax fraud and corruption," declared Enrico Letta, the PD's second in command. "We shall respond to Berlusconi without hesitation. Our priority will be to counter populism," he added.

On 2nd December Pier Luigi Bersani was appointed to stand for his party for the Presidency of the Council after having won the second round of the primary election organised by the Italian left winning 61% of the vote (44.9% in the first round) against the Mayor of Florence, Matteo Renzi (39% of the vote; 35.5% in the first round). 3.5 million Italians voted on 25th November during the first round of the primary election when, apart from Pier Luigi Bersani and Matteo Renzi, three other candidates were also running: Nichi Vendola, the governor of Pouilles, Bruno Tabacchi, a former Christian Democrat, and Laura Puppato, leader of the Democrats in the regional council of Venetia. These three candidates supported Pier Luigi Bersani in the second round. On 29th and 30th December last the leftwing militants were also called to ballot to appoint the majority of their candidates in parliament. 1.2 million people voted in this primary, which was an historic first. "Most of our MPs will be selected during the primaries whereas Silvio Berlusconi has sent his girlfriends to parliament," stressed Democrat MP Matteo Colaninno.

"After the primaries for the candidates and that for the leader of the leftwing coalition this selection method will become widespread. In a country which has been accused of having been anaesthetised by Berlusconi's TV programmes, it shows that the Italian left has succeeded in finding new ways of political participation. These primaries for parliament meet a requirement of transparency and an "aggiornamento" of the Democratic Party to promote a new class of leaders," indicated Marc Lazar.

The Democratic lists will feature 40% of women in these parliamentary elections. 18 of them will be leading a list.

In this election the Democratic Party has joined forces with the Left, Ecology and Freedom Party (SEL) led by Nichi Vendola, the South Tyrolean People's Party and the Italian Socialist Party (PSI) led by Riccardo Nencini

within the Italy *Common Good* coalition. Pier Luigi Bersani's, programme entitled "Ten ideas to change Italy" intends to be the "programme of truth". The Democratic leader is anticipating tax reductions on labour and companies by fighting tax evasion and by shifting the tax burden on to annuities as well as major financial and real estate fortunes. He has promised to follow Mario Monti's agenda but focusing more on employment and social aspects. Pier Luigi Bersani is not ruling out an alliance with the Union for Christian and Centre Democrats (UDC) led by Pier Ferdinando Casini after the election; "Fair Italy, an Italy that has to be built and to which the Italians have a right," this is the electoral motto chosen by the leftwing coalition in these elections.

Still on the left, the Italy of Values (IdV) movement led by Antonio di Pietro, has joined forces with the Left Federation led by Paolo Ferrero and Oliviero Diliberto, which includes the Party for Communist Revival (PRC) and the Party of Italian Communists (PdCI) and the Federation of Greens led by Angelo Bonelli within a coalition entitled "Civilian Revolution". Antonio Ingroia is their candidate for the post of President of the Council.

### The Other Parties

The Northern League (LN) is experiencing a difficult period. For several months it has been involved in financial scandals. Its leader Umberto Bossi resigned on 5th April 2012 after having been accused with several members of his family in an embezzlement affair. They are accused of having used the League's money to fund trips, outings and even for the renovation of their houses. Umberto Bossi's son, Renzo, has had to give up his position as regional councillor of Lombardy. Roberto Maroni is now leading the party.

The left also has its own populist party – the Five Stars Movement (M5s) created by comedian Beppe Grillo in 2009, which stands as "a free citizens' association". "There is a vacuum. Instead of filling it with Nazism, Fascism, xenophobia, the fear of others we shall fill it with hyper-democracy," says the movement's leader. Beppe Grillo rejects the political parties whom he accuses of "stealing tax payers' money". "The taxman

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*strangles more than the mafia*" he likes to repeat. He is asking corrupt politicians to be brought to justice in the same way the Nazi criminals were after the Second World War. The M5s is against the banks' debts being paid off by the Italians and wants Italy to leave the euro zone, "*which is impoverishing people*" and more widely he wants it to quit the European Union, which "*is down treading the poor*".

The organisation supports the introduction of a minimum wage, a reduction in military spending, the abolition of public funding of political parties, a reduction in the number of MPs and their pay (at present they are the best paid in Europe) and the abolition of the provinces of Italy (110 in all). Beppe Grillo believes that Mario Monti (whom he calls *Rigor Montis*) is the result of a "*coup d'Etat*". Grillo is thriving because of worry, discontent and even the anger of the Italians who have had enough of politics and who are suffering because of the tax increases and budgetary cuts decided by the Monti government. He is attracting the abstentionists and the voters who are increasingly against the traditional parties.

The M5s organised an internet vote to appoint its 945 candidates in the election. "*The candidates are workers, housewives, unemployed, small time employers, civil servants, students – ie the very soul of our country,*" declares Beppe Grillo, who is not standing. Each of the candidates has promised not to accept any funding for his campaign and not to earn more than 5000€ monthly ie half of what Italian MPs earn at present.

The M5s was the source of surprise in the local elections on 6th and 7th May and on 20th May and 21st May 2012 winning the town of Parma, where its candidate Federico Pizzarotti was elected with 60.2% of the vote, ahead of Vincenzo Bernazzoli (PD). Six months later the M5s has become the leading party in Sicily with 14.90% of the vote in the regional elections which took place on 27th and 28th October 2012. "*The politicians think that we are joking. But when they understand that we are terribly serious it will be too late. Our virus is spreading,*" Grillo indicated in May before adding: "*And now to Parliament!*" Internal tension is emerging however within M5s which has excluded Federica Salsi, an MP in Bologna and Giovanni Favia, a regional councillor from Emilia-Romagna.

### The Italian Political System

Parliament is bicameral and comprises the Chamber of Deputies (Camera dei Deputati) with 630 members and the Senate (Senato della Repubblica), 315. According to article 55 of the Constitution both Chambers enjoy identical power hence Italy has an equal two chamber system.

MPs are elected by a proportional system within 26 constituencies (on closed lists) with the Aosta Valley holding a majority one round election. Electoral coalitions have to rally at least 10% of the votes cast to be represented in the Chamber of Deputies, the parties attached to a coalition 2%; non-affiliated parties 4% and lists representing a minority, 20%. Seats are distributed according to the d'Hondt method. A majority bonus is granted to the coalition that wins the election; this is calculated differently in each of the parliamentary chambers: it is granted to the party or coalition that wins nationally in the lower Chamber and to the leading party in each of the regions in the upper Chamber. The political parties which are not represented in parliament have to find 1500 and 4000 signatures of voters living in a constituency (300 in the Aosta Valley) in order to be able to run in the parliamentary elections. Candidates have to be at least 25 years old.

Senators are elected by a proportional system within regional constituencies. The list that wins the election takes 55% of the seats and the remaining seats are distributed amongst the other lists on a proportional basis. The Senate also comprises, apart from its elected members, five life senators who have contributed to Italy's honour via their work. The outgoing President of the Council, Mario Monti is one of these life senators. Any candidate standing for a position as a Senator must be at least 40 years old and only voters aged over 25 elect members of the Senate.

Italy has a great number of political parties: 8 are represented in parliament:

- the People's Party for Freedom (PdL), created on 12th December 2007 by former President of the Council (1994-1995, 2001-2006 and 2008-2011) Silvio Berlusconi and led by Angelino Alfano, 276 MPs and 147 senators;
- the Northern League (LN), a populist, anti-European,

xenophobic party created in 1991 by Umberto Bossi, led by Roberto Maroni, 60 MPs and 25 Senators;

– the Movement for Autonomy (MPA), created by Raffaele Lombardo on 30th April 2005. The latter, accused of colluding with the mafia and forced to resign from the Presidency of the Regional Council of Sicily by Mario Monti, withdrew from political life. It has 8 MPs and 2 Senators;

– the Democratic Party (PD), founded by Walter Veltroni in April 2007 based on the Democratic Left (DS) led by Piero Fassino, and the Daisy of Francesco Rutelli. It is the main opposition party and is led by Pier Luigi Bersani and has 217 MPs and 118 Senators;

– the Italy of Values (IdV), a party created in 1998 by the former police commissioner, now judge Antonio Di Pietro, who was the instigator of *Mani pulite* (Clean Hands) movement in 1992, a vast legal ope-

ration against the corruption of the political world which ended in the disappearance of the Christian Democratic Party and the Socialist Party. It has 29 MPs and 14 Senators;

– the Union for Christian and Centre Democrats (UDC), created in 2002 after the merger of the Democratic Christian Union (DC) the political party that governed Italy for most of the 1st republic (founded in 1948). Led by Pier Ferdinando Casini, it has 36 MPs and three Senators;

– The South Tyrolean People's Party (SVP), a Christian Democratic Party representing German speaking Italians from the autonomous province of Bolzano led by Elmar Pichler Rolle and allied to the Democratic Party within the leftwing coalition Italy - Common Good. It has two MPs;

– Autonomy, Freedom, Democracy, a centre-left coalition of the Aosta Valley which has one MP.

#### Reminder of the general and senatorial election results 13th & 14th April 2008 in Italy

Turnout: 80.40%

#### Chamber of Deputies

Political Parties	No. of votes won	% of votes won	No. of seats won
<b>People's Freedom Party (PdL)</b>	13 628 865	37,39	276
<b>Northern League (LN)</b>	3 024 522	8,30	60
<b>Movement for Autonomy (MPA)</b>	410 487	1,13	8
<b>Silvio Berlusconi's Coalition Total</b>	17 063 874	46,81	344
<b>Democratic Party (PD)</b>	12 092 998	33,17	217
<b>Italy of Values (IdV)</b>	1 593 675	4,37	29
<b>Walter Veltroni Coalition Total</b>	13 686 673	37,54	246
<b>Union of Christian and Centre Democrats (UDC)</b>	2 050 319	5,62	36
<b>South Tyrolean People's Party (SVP)</b>	147 666	0,41	2
<b>Autonomy, Freedom, Democracy</b>	29 311	0,08	1
<b>Associative Movement of Italians Abroad</b>			1
<b>Others</b>	3 503 773	10	0

Source: Italian Interior Ministry

Senate

Political Parties	No. of votes won	% of votes won	No. of seats won
People's Freedom Party (Pdl)	12 510 306	38,17	147
Northern League (LN)	2 642 167	8,06	25
Movement for Autonomy (MPA)	355 076	1,08	2
<b>Total Coalition de Silvio Berlusconi</b>	<b>15 507 549</b>	<b>47,32</b>	<b>174</b>
Democratic Party (PD)	11 042 325	33,70	118
Italy of values (IdV)	1 414 118	4,32	14
<b>Total Coalition de Walter Veltroni</b>	<b>12 456 443</b>	<b>38,01</b>	<b>1</b>
Union of Christian and Centre Democrats (UDC)	1 866 294	5,69	3
Others	2 940 941	9	6

Source: Italian Interior Ministry

## The gap shrinks between left and right just one week before the Italian parliamentary elections

**D-7**  
7 days before  
the poll

Just one week before the elections in Italy all of the polls forecast victory for the left. The Italy Common Good Coalition, led by Pier Luigi Bersani comprising the Democratic Party (PD), Left, Ecology and Freedom (SEL) led by Nichi Vendola, the South Tyrolean People's Party and the Socialist Party (PSI) led by Riccardo Necini is due to win a majority in the Chamber of Deputies and therefore achieve the advantage it needs to clinch 340 seats (out of a total 630). But the situation is not so clear-cut in the Senate (315 members) where a majority bonus is granted to the coalition that wins the election in each of the regions. Four of them are involved: Campania, Venetia, Lombardy and Sicily. In the latter two the gap between the left and the right is less than three points.

Since Italy is a country in which there is equal bicameralism (both Chambers enjoy equal power), the left must absolutely win the majority in the Chamber of Deputies and in the Senate to be able to govern. And nothing has yet been decided.

The latest opinion polls were published on 8th February last (it is now illegal to publish them until Election Day). The Tecne Institute credits the left with 33.1% of the voting intentions; Silvio Berlusconi's right (People's Party for Freedom (Pdl) with 29.4%; the Five Stars Movement (M5s) led by Beppe Grillo with 16.3% and the centre led by outgoing President of the Council, Mario Monti with 12.6%. Demoscopia forecasts 33.6%

for the left, 28.5% for the right, 18.2% for M5s and 13.6% for the centre. Piepolo, which is forecasting 35.5% for the left and 30.5% for the right is the only one to position Mario Monti's centre ahead of M5S with 16% in comparison with 14% for Beppe Grillo. Many voters are undecided.

Forecast with 10 points less than the left at the end of January Silvio Berlusconi is now four points behind

Pier Luigi Bersani. This is a spectacular recovery, but it might have now peaked however. The polls indicate that there might be an alliance between the left and the centre after the elections. A government led by Pier Luigi Bersani in which Mario Monti would be Economy Minister will probably not encourage the enthusiasm of the most radical party in the left coalition, Left, Ecology and Freedom (SEL). The latter is against any rapprochement with Mario Monti. *"Mario Monti's presence in the government would be a guarantee of confidence for Europe and confidence for the markets,"* maintains James Watson, professor of Political Science at the American University of Rome.

The markets are responding to this uncertainty. Italian interest rates have risen and the Milan stock exchange has declined. Italy has borrowed 3.5 billion € over three years at 2.3%; just one month ago the rate totalled 1.85%. According to the Italian statistics institute Istat, consumer moral lay at 84.6 in January, its lowest level ever since 1996, when statistics of this kind were first published.

On the same day as the parliamentary election three Italian regions will be renewing their regional parliaments: Lombardy, Latium and Molisa.

### The Left Struggling

Italy was shaken at the beginning of February by a financial scandal when the Monte dei Paschi di Siena Bank (MPS), the country's third most important financial establishment and the oldest in the world (it was founded in 1472), was accused of having concealed losses of 730.3 million € between 2006 and 2009 thanks to derivated product operations. The bank was saved by 3.9 billion € issued by the Bank of Italy in the shape of special bonds. The State granted the MPS a loan corresponding to the total of the new property tax (tax on the main place of domicile, IMU (*Imposta municipale unica*)), introduced by Mario Monti, which is a burden to many Italians 80% of whom are homeowners.

In 2007 the Monte dei Paschi di Siena bank acquired the AntonVeneta bank for 10 billion €, which a year prior to that was worth 3 billion less. The magistrates are looking into the possibility of bribes having been

paid during the re-purchase and suspect the establishment's executives of having taken 5% commissions on all financial operations. This affair is particularly damaging for the left. Indeed  $\frac{3}{4}$  of the members of the administrative board of the Monte dei Paschi di Siena bank are members of Pier Luigi Bersani's Democratic Party.

Although Silvio Berlusconi, who in the 1970's and 80's took advantage of loans from this establishment has spoken little of the affair, Antonio Ingroia, the left coalition Civil Left Revolution's candidate [1] for the post of President of the Council and especially Beppe Grillo, who rushed to Sienna, the bank's HQ to denounce the financiers' management and the waste of public money, are making the most of the situation. *"We are sure that the left has a great deal to say about Monte dei Paschi di Siena but instead of that it is saying nothing,"* declared Angelino Alfano, the PdL leader.

It is far from certain that Pier Luigi Bersani's coalition will win the majority that will enable him to govern on 25th February next. He is carefully sparing the outgoing President of the Council, the only candidate with whom he might join forces. *"After the parliamentary election I shall be prepared to form an alliance with all of those who are against populism and Silvio Berlusconi. Amongst these feature Mario Monti,"* he indicated in Berlin on 6th February last. *"I shall be available for an alliance with those who commit to structural reform,"* answered the head of government.

The leftwing leader maintains that the Democratic Party is the most pro-European movement in Italy. He reassures the financial markets about the entry of the left into office saying that he wants to continue the reforms introduced by Mario Monti even though he wants others to be set up.

### Mario Monti's First Campaign

A political neophyte, the outgoing President of the Council called on David Axelrod, the American political consultant and advisor to Barack Obama, for this electoral campaign. *"I realise that I am changing,"* declared Mario Monti. *"The last thing I was thinking of was to run as a candidate,"* he maintained.

Supported by the Christian Democratic Union and the Centre (UDC) led by Pier Ferdinando Casini, Future and Freedom for Italy (FLI) led by Gianfranco Fini, several centrist groups and Towards the III Republic, a think-tank led by Luca Cordero di Montezemolo, the leader of outgoing Council, want to continue towards spending control and balanced political action, but he is promising the Italians a better future. *"We shall block present public spending. The State will not spend one euro more in comparison with 2012. This means a reduction of 4% between public spending and the GDP by the end of the legislature,"* he indicated. Hence Mario Monti's programme anticipates property tax deductions this year as well as a doubling of the deductions granted to children living at home rising from 50 to 100€. Finally he is promising to reduce taxes on the main place of domicile over the next five years and that on manufacturing activities (IRAP) by 11 billion € and on income tax revenues by 15 billion €. He is standing at the candidate of a European Italy, of the return of growth, of the building of a dynamic social market economy and finally of a change in mentality on the peninsula. *"I have seen that many within the Italian economic forces and also those abroad were worried, as far as Italy was concerned, about what might happen after the elections and I thought I ought to try to free the energies we have in Italian civil society,"* he indicated. *"Italy needs radical reform in support of those who do not belong to protected interest groups, as well as for young people who cannot find work because some are over protected,"* stressed Mario Monti. For example he has criticised the Italian General Labour Confederation (IGLC) which he has qualified as "conservative" and invited Pier Luigi Bersani to silence the most radical members of his coalition *"who want to maintain a fossilised world of work."*

Mario Monti repeats that given the state in which Silvio Berlusconi left Italy he did not have any other choice but to increase taxes. The former President of the Council, who qualifies his successor as a "little leader of the left" answers that the head of government is responsible for the country's situation after an excessive use of austerity. *"The possibility of the Italians still trusting Silvio Berlusconi reminds me of the piper of Hamelin who cast a spell over the rats in order to drown*

*them more easily,"* says Mario Monti ironically, who is trying to be confident. *"The Italians aren't mad,"* he says about a possible return by the *Cavaliere*.

Although the Italians believe that further sacrifice will be inevitable and do not believe in a return of the lire and although they know that thanks to Mario Monti their country has regained its credibility and dignity, they are suffering from the austerity cure that he imposed on Italy and are not as enthusiastic as the European leaders about him. *"In one year Mario Monti has done more than all of the Italian governments since the 2000's,"* stressed Gianni Toniolo, a professor of economic history at the LUIS University in Rome. The Professore's results are certainly positive but unfortunately incomplete and campaigning on a promise of more austerity, as he faces his rivals who are quick to make the craziest promises, is extremely difficult.

### **Silvio Berlusconi: all guns blazing**

The rightwing leader is undertaking "his last major electoral and political battle" banging his drum. He is proud of the length of time he managed to stay in office (he was president of the Council from 1994 and 1996 and then between 2001 and 2006 – when he became the only Prime Minister of the Republic of Italy to have undertake a complete five year term in office – and between 2008-2011); he boasts of his relations with the leaders of Europe. *Sua Emittenza* dominates the media.

On 27th January last, the day devoted to the Memory of the Holocaust, he was quick to say all of the good he thought of Benito Mussolini. *"By recalling the good things" achieved by Mussolini, Silvio Berlusconi is simply saying to the Italians: today we need a new strong man for the country and I am that man,"* indicated Ilvo Diamanti, professor of political science at the University of Urbino. *"Just one month from the elections it is a way for Silvio Berlusconi to rally his electorate as far to the right as possible and that share of the Italian population – which is large – who think the same as he does about Mussolini,"* stresses Marc Lazar. *"Regarding fascism, I say what half of the Italians think,"* conclude *Il Cavaliere*.

Silvio Berlusconi has no hesitation in offering a fiscal amnesty – a regular habit in Italy and a measure that was beneficial to him in the elections on 13th and 14th April 2008. He says he will abolish the main residence tax (IMU) introduced by Mario Monti and will give back the Italians the sums they paid in 2012. He has declared that this restitution (effective within one month) would be the first measure he would have the Council of Ministers approve if he became Economy Minister. He believes that it will cost 4 billion € and is planning to conclude an agreement with Switzerland to tax Italian capital (between 100 and 130 billion €) established in the Helvetic Confederation to fund this operation. It would take time for this measure to be implemented and in all events it would be difficult to achieve because of the mobility of capital *“It can work if we find other revenues but I think it is rather more a dream of utopia and demagoguery and it would make Italy the only country where main places of domicile were not taxed,”* stressed Fabio Marchetti, professor of fiscal law at the LLUIS University. Mario Monti, who supports a gradual reduction in fiscal pressure, has accused his predecessor, whom he qualifies as a “snake charmer”, of corruption. “It is a nice try at corrupting people” he added saying *“If we abolish the main residence tax, it would be re-introduced at twice the rate in a year’s time.”*

*“Any idiot can invent new taxes and impose them on the citizens but only an intelligent man can reduce costs,”* repeats Silvio Berlusconi, who is promising to reduce fiscal pressure by 5 points (from 45% to 40%) in five years. In his opinion the cost of this will total 16 billion € this year, 32 billion next. The former President of the Council intends to finance this tax reduction by reducing public spending by 800 billion €/year, which is a significant sum indeed.

Silvio Berlusconi has also promised to abolish the regional company tax and not to increase VAT, not to introduce wealth tax, to freeze social charges on any entrepreneur who takes on a young person or someone who is unemployed and to bring down the debt that represents 126% of the GDP down to

100%. Finally he is promising to reduce the cost of government, to reduce the number of MPs (945 in all) and to put an end to the public funding of political parties.

### **Beppe Grillo: an irresistible ascension?**

Beppe Grillo, the leader of M5s, is attracting a great number of voters, notably the youngest, standing as the advocate of ecology, political transparency, the fight to counter corruption, of direct democracy and the opponent of economic austerity and relocation. He wants to reduce working hours down to 20 hours a week and to introduce the popular classes into government. He is suggesting a citizenship revenue of 1000€ per month for 3 years for any Italian who needs it, without saying however how he intends to fund such a measure. Beppe Grillo is asking for a ban on political parties and the unions. He is against the main residence tax arguing that *“the home is sacred, how can Mario Monti tax it?”*

Anyone without a criminal record can become a candidate for M5s in the elections. Beppe Grillo has never taken part in an election. The *grillini* campaign (the *grillons* – the name given to Beppe Grillo’s supporters) has a high profile on the internet and having said this is not costing a great deal of money (in May, Federico Pizzarotti won in Parma with a campaign budget of under 6 000 €, Roberto Castiglione won the town hall of Sarego having spent 300€). Every M5s candidate must promise not to serve more than two mandates in his/her lifetime. The populist leader is refusing to take part in any TV debates and prefers to organise public meetings, which he has done since the beginning of the electoral campaign calling it the “tsunami tour”.

Just days from the vote it is difficult to see what the post-electoral scenario might be. On 24th and 25th February the Italians have to choose between the consolidation of their membership of the euro zone (Pier Luigi Bersani or Mario Monti) and supporting the overthrow of the European system (Silvio Berlusconi or Beppe Grillo).

# The Parliamentary Elections lead to an ungovernable Italy

## Results

The worst scenario finally emerged in the parliamentary elections that took place in Italy on 24th and 25th February. The opposition coalition Italy Common Good (Democratic Party, PD), Left, Ecology and Freedom (SEL), the South Tyrolean People's Party (SVP) and the Italian Socialist Party (PSI) led by Pier Luigi Bersani won 29.54% of the vote, taking 340 seats in the Chamber of Deputies (Camera dei Deputati), pulling just ahead of the rightwing coalition (People's Party for Freedom (PdL)- Northern League (LN) led by former President of the Council Silvio Berlusconi (1994-1995, 2001-2006 and 2008-2011) (PdL) which won 29.18% and 124 seats. In the upper chamber, the Senate (Senato della Repubblica) the coalition Italy Common Good came first with 31.63% of the vote and 113 seats, with too weak a lead to be able to form a majority, since the PdL-LN coalition won 30.72% of the vote and 116 seats. The Five Stars Movement (M5s) led by populist Beppe Grillo won 25.55% of the vote and 108 seats in the Chamber of Deputies and 23.79% of the vote and 54 seats in the Senate. The centrist coalition Civic Choice (Scelta Civica), with Monti for Italy (Christian Democratic and Centre Union (UDC)-Future and Freedom for Italy (FLI)) led by the outgoing President of the Council Mario Monti came fourth winning 10.56% of the vote and 45 seats in the Lower Chamber and 9.13% and 18 seats in the Senate. The leftwing coalition Civil Revolution (Italy of Values, IdV), the Communist Revival Party (PRC), the Italian Communist Party (PdCI) and the Green Federation) led by Antonio Ingrao did not achieve the threshold of 10% of the votes cast to have a representation in the Chamber of Deputies.

Since equal bicameralism is in force in Italy, which means that both Chambers enjoy equal power (article 55 of the Constitution), it is impossible to govern the peninsula if the Chamber of Deputies and the Senate do not have the same majority. The situation which has emerged after the parliamentary elections, a first since this electoral system was established in 2005, by Silvio Berlusconi, means that there is stalemate and in the short term, it will be impossible to govern the country. We should remember that the majority bonus granted to the coalition that wins the election is calculated differently in each of the two chambers of parliament: it

is granted to the party (or coalition) that comes first nationally in the Lower Chamber but granted regionally in the Upper Chamber, where it is given to the party that comes first in each of the regions. "We have a country which is ungovernable both politically and technically with few solutions based on almost impossible alliances that are numerically inadequate," indicated Massimo Razzi a journalist writing for the daily La Repubblica on the situation which the elections have led to.

Turnout totalled 75.19% for the Chamber of Deputies and 75.11% for the Senate.

### General Election and Senatorial Election Results on 24th and 25th 2013 February in Italy

Chamber of Deputies

Turnout: 75.19%

Political Parties	Number of seats won
<b>Italy Common Good Coalition (Democratic Party (PD), Left, Ecology and Freedom (SEL), South Tyrolean People's Party (SVP) and the Italian Socialist Party (PSI))</b>	340
<b>People's Party for Freedom Coalition (PdL)-Northern League (LN)</b>	124
<b>Five Stars Movement (M5s)</b>	108
<b>Civic Choice, with Monti for Italy (Christian Democratic Union and Centre (UDC), Future and Freedom for Italy (FLI))</b>	45
<b>Others</b>	3

Source : Italian Interior Ministry

<http://elezioni.interno.it/senato/scrutini/20130224/index.html#camera/scrutini/20130224/C000000000.htm>

Senate

Turnout: 75.11%

Political Parties	Number of seats won
Italy Common Good Coalition (Democratic Party (PD), Left, Ecology and Freedom (SEL), South Tyrolean People's Party (SVP) and the Italian Socialist Party (PSI))	113
People's Party for Freedom Coalition (PdL)-Northern League (LN)	116
Five Stars Movement (M5s)	54
Italy (Christian Democratic Union and Centre (UDC), Future and Freedom for Italy (FLI))	18

Source : Italian Interior Ministry  
<http://elezioni.interno.it/senato/scrutini/20130224/index.html#senato/scrutini/20130224/S000000000.htm>

"Even though there is a majority in the Chamber of Deputies and another in the Senate, there is no government," declared Stefano Fassina of the Democratic Party. "The country is facing an extremely difficult situation," declared the leftwing opposition leader, Pier Luigi Bersani. "We shall a responsibility to manage a situation produced by the elections in Italy's interest," he added. The left has seen its dreams of an alliance with Mario Monti's centre shattered, since the latter suffered severe defeat. Therefore it cannot achieve a majority in the Senate to govern the country. The opposition has fallen victim to M5S which made a real breakthrough, taking votes both on the left and the right.

Pier Luigi Bersani campaigned saying that if he won he would not undo the austerity policy undertaken by outgoing President of the Council Mario Monti and that he would not change the retirement reforms, nor would he reduce taxes, or increase public spending. "We shall continue the policy of systematically assessing spending that Mr Monti introduced and we shall not question the retirement reform," indicated Enrico Letta the Deputy General Secretary of the Democratic Party. The left only promised to undertake a more social policy.

The outgoing President of the Council Mario Monti is the grand loser in this election. The Italians voted against the austerity policy introduced since he took office in November 2011. The *Professore* suffered a terrible defeat; undeniably he failed in his wager to become the leader of the reforming centre, rid of Silvio Berlusconi and the Northern League. "Mario Monti's second mistake is the following: a technical

government has to set two or three goals to achieve and not target the long term. By saying that he would govern until the elections Mario Monti submitted to the parties which set the pace and the degree of the reforms," stressed Franco Debenedetti, a company head.

"People appreciate him for his technical abilities as well as for his 'sang-froid' which placed him above the crowd and allowed him to make Italy credible again. But once he launched into the political battle he embraced the rules to the point of becoming aggressive with his rivals," indicated Stefano Folli, an editorialist for the economic newspaper *Il Sole 24 Ore*. "His popularity mainly rested on his non-political status," analyses historian and sociologist Marc Lazar, who points to the 'malaise' created by the support of the European institutions and the leaders of Europe to the President of the Council, who wanted the reforms introduced by Mario Monti to continue.

Although Mario Monti undeniably helped to stave off the dangers of a systemic crisis in Italy and reassured the financial markets during his mandate as Italy's leader; he was however unable to undertake a number of reforms which he has had to leave incomplete. Worse still he gave the impression that he was recanting during his electoral campaign, for example when he explained for months that the re-introduction of the tax on the main place of domicile (*Imposta municipale unica*, IMU) was absolutely vital, he then anticipated reducing it, likewise income tax. "I shall not stay in politics at all costs," said Mario Monti whose political future does indeed seem compromised.

Silvio Berlusconi, unlike Mario Monti, won his bet and succeeded in making an impressive come-back just 15 months after his departure from government to the backdrop of booing crowds. *"It is an extraordinary result which shows that those who believed Silvio Berlusconi finished should think again,"* said a delighted Angelino Alfano, leader of the PdL. The Cavaliere really did revive his party which had been weakened by internal divisions. His promises to pay back the IMU tax, of a tax amnesty and the reduction of fiscal pressure – which he said he would fund thanks to a reduction in public spending and especially the creation of 4 million jobs, visibly convinced the Italians who were sorely affected by the austerity policy introduced by the Monti government. During his last TV appearance the Cavaliere again promised to raise retirement pensions of the poorest. *"These Italian want to continue dreaming as if Italy was not experiencing the worst crisis since the war,"* stressed Ilvo Diamanti, a professor of Political Science at the University of Urbino.

Undeniably the right remains strong in Italy. *"Hostility to the left is truly established in the country. It is the result of the former powers of the Communist Party and as the possibility of a leftwing government emerges then this sentiment resurges,"* explains Marc Lazar.

Populist Beppe Grillo seems to be the true winner in this election. A major share of the Italian population obeyed his last order given in the Saint-Jean de Latran Square in Rome during his *"tsunami tour"*, the name given to his electoral campaign, undertaken aboard a minibus far from the TV studios, which he boycotted, at public meetings in many towns: *"Let's send them all back home!" "In three years we have become Italy's biggest party (...) history will change slightly, let's see how,"* he declared, adding *"they are finished, both on the left and the right. They will last 7 or 8 months but we shall be a real obstacle to them."* He qualified the results as being of *"world importance"* *"We shall be an extraordinary strength. We shall have 110 seats in Parliament but outside there will be millions of us. We shall do everything*

*we have said we shall do and leave no one behind."* shouted the M5S leader. He succeeded in attracting the discontented to his name – those who have most severely affected by the socio-economic crisis (the peninsula has been in recession since the third quarter of 2011 (- 2.2% in 2012) and is not due to emerge from this before the end of 2013) and the outgoing President of the Council's austerity policy, those tired of the escapades of the ageing political classes, and those exhausted by the corruption scandals. Moreover his criticism of the "pro-European elites" and his various promises (reduction of working time to 20 hours per week, the payment of a citizenship revenue of 1000€ per month for three years to any Italian that needs it, the abolition of public funding of all political parties, the reduction in the number of and salaries of MPs, a referendum on Italy's membership of the European Union and the euro zone) enabled him to take votes from the left and the right. Silvio Berlusconi understood this declaring, *"Voting Beppe Grillo, means voting for the left."*

If we add together the votes won by M5S, the small far right and far left parties, without including the PdL-LN coalition, those hostile to EU made an impressive breakthrough. *"It is the first time since the 1970's that Europe has been the focus of debate, it has become the issue of political division whilst to date it represented a subject of consensus,"* stresses Marc Lazar adding, *"it is not euroscepticism as such, but the increasing doubts about European integration, that have been visible for years, are now focusing on the euro – which has become the symbol of expensive living – and on questions about the opaque nature of the European institutions and their lack of democracy. To this we should add the rejection of the austerity policies since it is believed they are set from the outside."*

After the breakthrough by M5S we might wonder about the strength of the organisation long term since internal tension has already emerged.

It is now up to the President of the Republic Giorgio Napolitano to draw the conclusions of the results of the election on 24th and 25th February. He might try to form a government of national unity which would

commit to budgetary austerity goals and a new electoral law. Indeed further elections organised according to the present voting method might end in a similar result.

The Vice-President of the Democratic Party, Enrico Letta ruled out the possibility of another round of elections. *"Whoever the winner is it will be up to them to put forward the first proposals to the President of the Republic Giorgio Napolitano,"* he stressed

adding, *"Going back to ballot does not seem to be the best option."*

If the stalemate lasts and makes the formation of a government coalition impossible Italy will have to organise a new parliamentary election, as in Greece last year – which the peninsula now resembles, and not just because of the unstable political situation. According to article 61 of the Constitution new elections might be convened within 70 days.

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