INTRODUCTION: THE CENTER-LEFT'S POISONED VICTORY

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In the immediate aftermath of the center-right Casa delle Libertà (CdL, House of Freedoms) general election victory in 2001, many commentators observed that while the long-running period of “transition” had not yet come to an end, Italian politics increasingly resembled that of other advanced democracies. To use a term much in vogue over the last two decades, it was becoming more “normal.” Firstly, electoral competition was firmly structured around two main center-left and center-right formations. Secondly, the long-evoked alternation in power had finally occurred, not just once but on several occasions following the general election victories of the center-right in 1994 and 2001 and the center-left in 1996. Thirdly, voters were exerting a greater and more direct role in determining the political color and leadership of the government. Seen in these terms, the 2006 general election further consolidated the “normalization” thesis. While the two rival coalitions remain prey to internal tensions and divisions, their policy platforms appear fairly well-structured, and the electorate seems divided into two relatively stable and competitive blocs. Indeed, as data from ITANES (Italian National Election Studies) show, 86 percent of voters in 2006 supported the same coalition as in 2001, and the two electorates express distinct values and policy preferences, broadly in line with those promoted by their political leaders and relevant media outlets for over a decade.¹ Finally, despite the fact that the center-left Unione (Union) won the election by a tiny margin, it was still able to

construct a parliamentary majority in support of Romano Prodi, who had been acclaimed as its sole and “natural” challenger to the CdL prime minister and leader, Silvio Berlusconi.

The events of 2006 therefore represent a confirmation of Italy’s political “normalization” and indicate that the ambition of those who in the 1980s called for the country’s transformation into a majoritarian and bipolar democracy has largely been fulfilled. In reality, however, it is also the case that what was presented as a healthy modernization of the political system has been accompanied by a radical, dramatic, and unforeseen mutation of the political landscape. Firstly, a brand-new party, Forza Italia (FI), which evolved from a movement (the Movimento Sociale Italiano/Alleanza Nazionale, MSI/AN) that was previously considered “anti-system” and therefore isolated, and a party that based its appeal on a populist discourse calling national unity into question, the Lega Nord (LN), have become recognized political actors and have been accepted as legitimate members of government. At the same time, new coalitional logics have formed around and bolstered a cleavage between the new right and a center-left bloc, including various heirs of the former Italian Communist (PdCI) and Christian Democratic (DC) parties. Finally, the new managerial class that emerged from the turbulence of the period 1992–1994 has established itself within the hierarchies of parties and institutions. As a result, the old Italian political set-up, which was founded on mass-based parties at the end of World War II and seemingly set in stone, due to the economic growth of the post-war decades and the construction of the welfare state, has been definitively replaced by new political actors, new forms of political leadership and organization, and a new model of interaction between parties and civil society. Having validated the strength of this new arrangement, the 2006 general election would thus seem to have decreed the end of the Italian “transition.”

The Sure Thing

The year 2006 will be remembered, above all, as an election year in which the April vote brought an end to an extremely heated campaign and heralded the birth of a new center-left government. While the first chapter in this volume, by Ilvo Diamanti and Salvatore Vassallo, focuses on the intricacies and meanings of the result itself, in our introduction we would like to begin by examining the election in terms of its “surprise factor” for the media, public opinion, and the vast majority of expert observers. One element of surprise was the different results in the two branches of Parliament (the Chamber

of Deputies and the Senate). However, above all, this reflects the peculiarity of the “perfect bicameralism” system in Italy—a feature that carries the risk of government stability being dependent on two houses of Parliament in which party strengths may vary. This aside, in our view, the main unexpected element of the 2006 election concerns the contradiction between the predictions, which had long envisaged a comfortable win for the center-left, and the actual outcome of the *Unione*’s extremely narrow victory.

There were many indicators pointing to a center-right defeat in the years before the election. Foremost among these were the poor performance of the economy between 2001 and 2006 and the clear dissatisfaction repeatedly expressed by voters in opinion surveys when asked about their voting intentions and their views on the government.² The Italian economy registered almost zero growth during the CdL’s time in office, although we should note that at the end of 2005 it did begin to show signs of recovery. Indeed, not all social groups were penalized by the economic policies of the center-right, and some actually benefited quite considerably. Although the government blamed the lack of growth on an unfavorable international economic climate, it was unable to hide the fact that Italy had performed worse than almost all of its European partners. Another statistic that voters usually take note of is the unemployment rate. While the government claimed that the jobless rate had declined considerably during its time in office, this reading of the figures ignored the growing phenomenon of temporary and undeclared/black market employment. Further ill-boding omens for a government facing an election included stagnant consumption, growing levels of debt incurred by families, high inflation (which the government blamed on the introduction of the euro in 2002),³ and increasing numbers of those living below the poverty threshold, particularly in the South.

Those opposed to the center-right would obviously add a whole host of other charges to the Berlusconi government’s crime sheet. These include the still unresolved conflict of interest question, the laws benefiting the prime minister and his cronies, the unscrupulous and iron-fisted colonization of state television, the subservient position adopted toward the United States in foreign policy, the abandonment of Italy’s previously strong Europhile stance, and the financial scandals involving the Bank of Italy and sections of the government itself. In addition, there was the attempt to redraft the Constitution and introduce a federal reform (the “devolution” bill), which, when put before the people in a referendum in June 2006, proved highly unpopular with the majority of the citizenry, including supporters of both the center-left and the center-right.

Of course, nobody can say with certainty whether or to what extent such issues actually influence voters in their choices. After all, the Italian electorate, which is relatively stable, is not composed of rational voters who weigh up different options and choose carefully among them. Rather, it consists largely of people who make decisions in line with the prevailing mood of those in their immediate social milieu; they tend to stick with “the devil you know” and thus rarely switch from one coalition to another. Nonetheless, according to many commentators, the results of local and regional elections during the CdL’s time in office strongly suggested that the public not only was fed up with the government and its failure to keep its promises of the 2001 campaign, but also was finding the opposition more appealing. As Duncan McDonnell’s chapter in this volume highlights, from 2002 onward, the center-left dominated sub-national contests at all levels, gaining shock victories such as that of the openly homosexual Communist, Nichi Vendola, in the 2005 Puglia election for regional president. The image of a tired and declining center-right juxtaposed with that of a resurgent and vibrant center-left was further enhanced by the primaries held on 16 October 2005 to confirm Prodi as the Unione’s candidate for prime minister, when 4.3 million citizens from across the country lined up outside polling booths to cast their vote.

For its part, the center-right did not seem to rate highly its chances of remaining in power, and the electoral reform hurriedly introduced in 2006 reflected this lack of confidence. Put simply, had the CdL expected to win, it would have kept the old system. Indeed, such was the lack of optimism within the center-right that the new law seemed more a desperate attempt to wrong-foot the opposition and weaken an incoming center-left government than a tactic that would enable the sitting government to retain power. Of course, it is impossible to say with certainty whether the new law ultimately served the CdL’s interests more than the old one would have. Similarly, we cannot know the full effects on voters of the persistent doubts cast over Berlusconi’s position as head of the coalition by the AN leader Gianfranco Fini and Pier Ferdinando Casini, leader of the Unione dei Democratici Cristiani e di Centro (UDC, Union of Christian Democrats and Center Democrats). Indeed, it appeared that both Fini and Casini, by their references to a triumvirate leadership of the CdL, were in fact putting down markers for the 2011 elections, having given up the 2006 contest as a lost cause. Further signs of weakness were the center-right’s rhetorical focus during the election campaign on the idea of the “comeback” and its repeated references to the need to mobilize its electorate. On this point, the strong emphasis that center-right politicians and their friends in the media placed on the importance of a high turnout for its chances of victory

represented a public acknowledgment that they believed their own voters were those most likely not to bother turning out. As the daily newspaper *Il Giornale* (owned by the Berlusconi family) proclaimed on 8 April, "Center-Right Favored with an 84 Percent Turnout."

Finally, we should mention that in the year or so leading up to the election, even public personalities, interest groups, and media organs closely linked to the center-right had begun to censure Berlusconi publicly, albeit without advocating support for the *Unione*. Among the criticisms leveled at the prime minister were his perceived excessive prudence, his numerous gaffes, and, in particular, the ease with which he had abandoned his plans to liberalize the country in the face of opposition from his junior coalition partners. Given his self-constructed image as a new, resolute, dynamic, and visionary business-style leader, in contrast to the supposedly dithering and unimaginative old-style professional politicians of the center-left, his supporters had rightly expected differently. Other key agenda-setters and opinion-makers within Italian society, including those that might normally have been expected to maintain at least a veneer of neutrality, also expressed their dissatisfaction with the CdL's performance in government. Of the industrial,⁴ financial, media, and intellectual figures and elites who publicly castigated the Berlusconi government, perhaps the most significant was Paolo Mieli, the editor of Italy's leading (and normally ostentatiously impartial) daily newspaper, *Corriere della Sera*, who used the front page to announce his support for the center-left in the forthcoming election.⁵ Last, but by no means least, the hierarchy of the Catholic Church also visibly distanced itself from the CdL, abandoning the very friendly stance it had taken toward the center-right in 2001.

While surveys toward the end of the campaign indicated some signs of a center-right revival, given all of the above, the result did not appear particularly in doubt on the eve of the election. After a nail-biting election day, during the course of which predictions swung from one outcome to another, the center-left had won by the narrowest of margins. Its victory was immediately labeled in various quarters as disappointing, incomplete, and even fraudulent, although none of these adjectives accurately describes the reality of the situation. Rather, it seems more likely that the predictions were flawed and that the result was in keeping both with the country's electoral history and with the moods and views running through Italian society. Indeed, we should not be too harsh on the pollsters for their mistakes, which have become more common in closely fought contests that involve large numbers of undecided voters and survey participants who do not reveal their true intentions. A similar situation occurred in the 2005 general election in Germany, which saw a supposedly comfortable

Christian Democrat victory at the beginning of the campaign whittled down to a far tighter margin at the ballot box. Likewise, in 2001, the Italian center-left, led by Francesco Rutelli, lost by far less than had originally been envisaged. In the case of the 2006 election, numerous factors combined to render the pollster's already difficult task even more complicated—from the likely reluctance of center-right voters to admit that they would again support a coalition that had lost most of its luster over five disappointing years in government to the gap between expressed intentions and actual voting behavior. Furthermore, it seems plausible that a significant number of voters use surveys to signal displeasure with parties they favor whose performance in government has disappointed them, but then continue to support these parties in the privacy of the polling booth.

While perhaps we need to be more indulgent toward pollsters, one aspect we should call into question is the tendency of political actors and observers (including academics) to underestimate the electoral robustness of the center-right and of Forza Italia in particular. The notion that FI is simply a “virtual” or “plastic” party, a mere projection of its leader's business activities and interests, has underpinned much of the discussion since Berlusconi entered politics and, although subsequently toned down, has remained common currency in various quarters. Coming into the 2006 campaign, FI was thus still perceived by many as a political entity of little credibility, destined to fall with its founder, who was considered worn out by five difficult years in government. As we now know, nothing could have been further from the truth.⁶

Forza Italia's relative “success”—with its vote share nevertheless falling by almost 6 percentage points with respect to 2001—cannot, however, be entirely attributed to Berlusconi's “charisma” and the vigorous election campaign he waged. The party's result also reflects the fact that it has established a working organizational structure and offers a set of values, identities, and policies that are attractive to certain groups, such as the self-employed and business people. It now has a local political class across the country that mobilizes voters, controls access to a range of elected offices, and manages considerable resources that can be placed at the disposal of activists. In short, Forza Italia has become a well-organized social reality that has firm roots even outside its strongholds such as Lombardy, Veneto, and Sicily. To be sure, the management of its grassroots level has been delegated largely to figures that emerged from the ruins of the old center parties and the Socialists, that is, to a group of local political elites and notables who use FI as a means to retain political legitimacy and influence.⁷ While the autonomy of the party's personnel on the ground is a weakness and perhaps explains why FI tends to perform worse at

the local level than it does nationally, FI is far from the “alien” body described (and condemned) since its inception.

Returning to the election campaign, we know that few of those in Italy who are unhappy with the side they normally support will go so far as to vote for the rival coalition. This suggests that the key effect of Berlusconi's campaign was above all to make clear just how much was at stake, not only to the most dissatisfied fringes within the CdL constituency, but also to the more ambivalent elements within the center-left. A lot has been said and written about the well-timed, last-minute offensive on the tax question launched by Berlusconi. However, we should not rule out the possibility that the force with which he conducted this attack and its efficacy (which was immediately acclaimed by the media) also served to mobilize lukewarm supporters of the *Unione* to go out and vote. Indeed, along with the fact that the new law made casting one's vote far simpler, this heightened sense of conflict may well be part of the reason why the number of spoilt and blank votes declined dramatically—so much so that suspicions of fraud were raised. In turn, the drop in spoilt and blank ballot papers is probably the main reason why both coalitions increased their vote in absolute terms compared to 2001.

As we have shown, the center-right recovery in the last few weeks before the election needs to be considered more prudently than has usually been the case. The 2006 campaign was one of the most heated in recent memory. In particular, Berlusconi conducted his campaign with an aggressiveness and determination that surprised those who had ruled out his chances of victory, including some of his allies. While it may be the case that Berlusconi partly reversed a hostile opinion climate and that the center-left could have conducted a less condescending and aloof campaign,⁸ this does not necessarily mean that we are dealing with a remarkable CdL “comeback.” Firstly, we should question the degree to which election campaigns actually influence behavior in the polling booth. Secondly, even if there was a recovery to some extent, we must ask if this is really so surprising. Perhaps, instead, we should consider the hypothesis suggested by James Newell that the predicted comfortable center-left victory was simply a mirage constructed by the media and the political world itself.⁹ After all, in Italian elections, there is no such thing as a sure thing.

The Post-election Campaign

As outlined above, the change of government was ultimately not due to a sizable vote shift or a wave of public opinion that was unhappy with the CdL's performance in office and attracted by the center-left's

manifesto. Rather, in addition to the limited variations in voting behavior, the key factor underpinning the Unione's victory was that those parties that had run alone in 2001 (RC, Rifondazione Comunista, and Italia dei Valori) came back into the center-left fold for the 2006 election. It is also worth mentioning here that the focus on a supposedly high turnout as a crucial element is disproved by the statistics. In fact, the widely proclaimed rise in the number of voters can be seen as another example of the overblown and flawed rhetoric that surrounded this election campaign and its outcome. If we compare the turnout figures with 2001 and remove from the list of eligible voters in 2001 all of those Italians residing abroad (who in 2006 were instead included in their own special constituencies), we find that among Italians living in Italy, the total number of voters actually declined between 2001 and 2006 by 1.5 percentage points.¹⁰ The only certain statistic we have is the massive fall in the number of blank and spoilt votes.

One of the most important questions arising from the post-election period concerns the interpretation of the results. While political struggle is hinged on the attainment of power, it also has a fundamental symbolic dimension, the aim of which is to construct and dictate the significance of events in order to shape the course of political life, the trends present in public debate, and the perceptions and expectations of public opinion. For example, the unexpectedly narrow gap between the two coalitions in 2006 gave rise to a highly charged post-election "campaign" that was launched on the evening of the count and aimed to delegitimize and/or problematize the result. This campaign was obviously waged by the center-right, emboldened at having avoided a debacle, but it was also partly fueled by sections of the center-left. Essentially, it featured five themes, each representing a different but always negative interpretation of the Unione's victory: (1) the immoral victory (and, by corollary, the moral victory of Berlusconi), on the grounds that it had been achieved due to technical reasons; (2) the fraudulent victory; (3) the sham victory, in the sense that Italy's most important regions had voted for the center-right; (4) the damaging victory, which would have the effect of dramatically dividing the country; and (5) the unnatural victory, achieved by an alliance that was united solely by its opposition to Berlusconi.

The first interpretation (immoral victory), which was launched by Berlusconi once the election results had been announced, was based on the assertion that the center-left victory was not due to its having won a clear mandate from the people. Rather, it reflected the contrived effect of the majority bonus prescribed by the new electoral law. Of course, Berlusconi neglected to note that this law had been recently introduced by the center-right itself. In the weeks that followed, the CdL would argue that the outcome's "immorality" had increased,

given that the *Unione* often had to rely on the votes of Senators-for-Life who had not been elected by the public.

The second interpretation (fraudulent victory) concerns the supposed irregularities affecting the result and the fraudulent actions of the center-left. This too was immediately raised by Berlusconi, despite the fact that the minister of the interior¹¹ at the time of the election, Beppe Pisanu (from Berlusconi's own party), conspicuously failed to support these allegations. Indeed, it is striking to compare this bad-tempered and lengthy reaction to defeat with the dignity and calmness displayed by Germany's chancellor, Gerhard Schröder, in his exit from office some months earlier, despite the fact that his coalition had performed far better than expected at the polls and, unlike the CdL in Italy, had made it impossible for its main rival to form a government on its own.¹² These challenges to the result continued for months on end until, having been bolstered by counterclaims of vote-rigging from parts of the center-left, the two houses of Parliament decided to approve a partial recount, which, at the time of writing, has not yet been completed.

The third interpretation (sham victory) depicts the *Unione*'s victory as a sham due to the fact that the center-left was defeated in a number of Italy's key northern regions. This interpretation, which was advanced both by observers close to the center-right and those close to the center-left in the weeks after the election, hinges on the notion of a chasm between the most productive and modern part of the country and the rest of it. Seen from this perspective, with the exception of Sicily, the depressed South voted for the center-left because it wanted to safeguard and increase welfare benefits and state protection, while, for historical reasons, the central "red zones" also supported the *Unione*. As a result, although the northern regions, which desperately want modernization, voted overwhelmingly for the CdL, they ended up on the losing side.¹³ As Diamanti and Vassallo's chapter discusses in more detail, this reading of events is highly debatable.¹⁴ Apart from the very dubious claim that the North, which corresponds to "Padania" (i.e., areas above the Po River), is the most modern area in Italy, it should be recalled that the majority of those in Italy's major central/northern cities voted for the center-left, with the regions of Emilia-Romagna and Liguria preferring the *Unione* and that of Piedmont largely split in half. Moreover, even in those areas where it lost, the center-left still received at least 40 percent of valid votes. As for those who voted against the *Unione*, undoubtedly they had a whole variety of different (and possibly even conflicting) reasons for doing so. It thus seems at best superficial to ascribe a single motivation and preference to such a large and diverse geographical area as "the North." Finally, we could of course turn this whole argument upside down and conclude that the

Mezzogiorno's support for the center-left was not a call for more state protection but for the modernization of its economy and infrastructure, which had patently not occurred during the previous five years of CdL government, despite Berlusconi's promises to the contrary.

This too would be a gross simplification of the center-right's performance in the South. Nonetheless, the center-left's result in the North has been explained in similar terms. What is worthy of note here, however, is the fact that this reading of events not only was promoted by those on the center-right but also was advanced by self-styled "reformists" on the center-left and by various "independent" commentators. Rather than reflecting the reality of the situation, we can perhaps catalogue this interpretation as representing an attempt to push the new government into prioritizing those policies looked on as "modernizing" (such as cuts in public spending) and that tend to be arbitrarily identified with the North, in contrast to the kinds of policies usually regarded as dear to the "backward" and "conservative" South. We could take an analogous view of those on the center-left who highlighted the success of Berlusconi's electoral campaign (especially the proposal to reduce taxes) or praised various aspects of the CdL's time in office. It seems likely that that purpose of such comments is first and foremost to encourage the Prodi government to adopt similar policies and to commit to greater and more far-reaching public spending reductions.

The fourth interpretation (damaging victory) casts the election result as damaging for Italy, since it profoundly and dramatically divides the country. Again, this version of events was immediately put forward by Berlusconi in the aftermath of the election and formed the cornerstone of his call for a "grand coalition" in the national interest—a proposal that was supported by the Vatican.¹⁵ In fact, the scenario of the lacerated country was evoked during the campaign by Edmondo Berselli in *L'Espresso* when he accused Berlusconi of using propaganda techniques that risked bringing Italy "to the brink of a creeping and permanent civil war" and of having transformed the electoral contest into "a fight to the death between opposing factions." He concluded by asking whether "Italian society possesses the reserves of civic strength and public loyalty to ensure the country's future."¹⁶ This theme was stressed most mischievously, however, by those from the center-right and their friends in the media, such as the television presenter Bruno Vespa, whose latest opus is duly entitled *The Shattered Country*.¹⁷

As we know, it is politics itself that carves out the dividing lines in society, elaborating and articulating the tensions that run through it. However, it is also true that one of the major achievements of liberal democracy is its capacity to reach political accommodations between such divisions, thus reducing their dangers. Unfortunately, for at least

the last 15 years, the problem in Italy has been the penchant of politics for projecting its own conflicts onto society, thus discrediting the classical techniques of political settlement. So far, thankfully, there is no reason to think that society will play along, although this should never be taken for granted.

The final interpretation (unnatural victory) is that of the victory of an unnatural alliance. According to this logic, the *Unione* is little more than an anti-Berlusconi front, whose convoluted manifesto cannot resolve the tensions between its various conflicting components, including Catholic and lay factions, pro-Americans and anti-Americans, and, in particular, the radical left and the reformist center-left. These divisions are held to be too deep-seated to allow the Prodi administration to govern Italy in any satisfactory form for five years. During the campaign, the center-right had made much of the center-left's heterogeneity, and it stressed this point even more in the aftermath of the election. However, what is more interesting is that this theme of the coalition's "unnaturalness" and internal divisions was also stressed by elements close to the center-left—and even by some within the coalition—from the moment the government took office, reaching its height when the budget was before Parliament. There is nothing odd, of course, in the opposition accusing the governing coalition of fragility. However, it is rather unusual to find members of the *Unione* and figures close to the center-left repeatedly doing so and thus exacerbating existing tensions and fomenting the ever-present sense of an inevitable and impending government crisis.

In any case, what this varied collection of discourses surrounding the center-left victory highlights is the singular tendency in Italy not just to exacerbate conflicts but to shift public debate from the level of politics (and policies) to that of meta-politics and the legitimacy of rules, institutions, and alliances. While it is true that politics is conducted with the means at one's disposal, democracies usually refrain from conflicts over rules and institutions. Yet this seems to have become common practice in Italian politics, a fact that calls into question the quality and advantages of the bipolar system that has evolved. Indeed, we might wonder whether a democratic regime can afford the luxury of incessantly casting doubts over its own legitimacy and that of its main actors.

The Changing of the Guard

In light of the above events, one might have expected the political world to react with an agreement on new mechanisms to reduce the risk of similar challenges to electoral procedures occurring in the future. After

all, photo finishes are not rare in bipolar systems, and it would seem prudent to put in place measures that would ward off even the slightest doubt about the legitimacy of electoral outcomes. Another problem to be tackled concerns the stability and effective operating capacity produced by a system that may have finally become bipolar but now encompasses more political parties than ever before. This feature of the Italian party system was at the root of many of the difficulties encountered by the Berlusconi government and has likewise posed huge problems for the new Prodi administration, which, as we have seen, is backed by a far smaller parliamentary majority than its predecessor.

The question of the new government's homogeneity and internal coherence is predicated on the idea that within the center-left there exists a deep division between a "reformist" wing (close to the liberal positions espoused by much of the left elsewhere in Europe) and the so-called radical left. In truth, we could dwell for some time on the pejorative use of this latter term. For example, we might wonder what is so "radical" about pacifism and the strong defense of workers. However, what is important for our discussion here is the fact that while these two faces of the Italian left were united in their opposition to Berlusconi over the past few years, their differences and disagreements have inevitably come back to the fore now that they are in government together. And while it is true that the election of the *Rifondazione Comunista* leader, Fausto Bertinotti, to the post of president of the Chamber of Deputies has reduced the danger of a breakdown similar to that which brought an end to the Prodi government in 1998, this alone does not resolve a broader problem that has been ongoing for decades.

As Duncan McDonnell's chapter on local elections in this volume shows, bipolarism is now firmly established at the sub-national level, with the two main coalitions accounting for almost all available votes and executives generally serving full terms. However, as McDonnell points out, beyond this rosy picture of events, the fact remains that voter turnout at the local level continues to decline. Moreover, just because bipolarism has been achieved, it does not necessarily follow that services have improved or that sub-national administrations invariably perform better than before.¹⁸ Nonetheless, it is undeniable that the reforms of the last two decades have brought stability to local government. The same cannot be said of the national level, however, where the fragmentation of the party system continues to weigh heavily on the stability of administrations and their ability to govern effectively. During its time in office, the CdL attempted to tackle this issue, in characteristically aggressive fashion, by drafting a huge reform of the government set-up as outlined in the 1948 Constitution. Much has been said and written about this reform and the devastating effect it

would have had. Yet it is worth noting that in its empowerment of the prime minister (particularly by giving him or her the authority to dissolve Parliament), the reform would at least have done something to check the destabilizing effects of fragmentation.

There is no need to list in this introduction the anti-democratic and illiberal risks that many observers, including the majority of constitutional law experts, attributed to the reform. Martin Bull's chapter in this volume examines in detail the ensuing referendum and the issues surrounding it. Here we would like to make just two brief points. The first is that the main obstacle encountered by the reform was that many Italians viewed its introduction of devolution as indicating the relinquishment of any type of territorial solidarity and the abandonment by the country's richer regions of its less prosperous ones. As a result, the overwhelming majority of the population rejected the CdL reform in the June 2006 referendum. The second point is that the question of constitutional reform is now a non-starter for the Prodi administration. First of all, the center-left has a tiny majority. Secondly, the new government has said that any reform will have to enjoy bipartisan support, and the CdL does not appear at all inclined to go down this route. Thirdly, within the center-left itself there are significant differences of opinion on the issue of constitutional change, with some factions calling for major reforms (albeit less drastic than those proposed by the center-right) and others being open to only slight modifications. Since these views are strongly ideologically based, it is likely that there will be no reforms at all, even regarding those elements that enjoy broad consensus, such as the reform of the bicameral system.

Having undergone a difficult birth, the Prodi-led government was sworn in on 17 May 2006 by the new head of state, Giorgio Napolitano, whose election as president is discussed in this volume by Marie-Claire Ponthoreau and Hervé Rayner. The composition of the new government and its tricky first steps are examined in detail by Annarita Criscitiello in her chapter, so here we will limit ourselves to a few considerations on what we view as its underlying theme. The first aspect that stands out is the remarkable similarity between the cores of the 1996 and 2006 Prodi governments—so much so that the latter seems like the sequel of the former. If we look at the 1996 administration in terms of its composition, priorities, and achievements, we note that the key ministries were held by Carlo Azeglio Ciampi, Vincenzo Visco, and Pier Luigi Bersani. In 2006, this core has remained largely intact. Visco and Bersani are still in decisive positions, while Ciampi's place has been taken by Tommaso Padoa Schioppa, who has long been close to the former president and whom Ciampi nominated as his successor as head of the Bank of Italy in 1993.

This is not to say, of course, that the other ministers are of no importance. For example, as Anna Caffarena shows in her chapter, the course and conduct of Italian foreign policy under Massimo D'Alema has changed noticeably, not just in terms of style, but also in terms of substance. First and foremost, the doggedly pro-American stance of the Berlusconi years has been replaced by a pro-European outlook that is far more in keeping with Italian political tradition. Likewise, the much-discussed budget proposed important innovations in welfare and employment protection. Policy on infrastructural development has also changed with the grandiose ambitions of the center-right being replaced by more realistic targets and efforts to manage better those projects already underway. An obvious item high on the agenda for the new government therefore is the gridlock surrounding the proposed high-speed Turin-Lyon train line (TAV), discussed by Luigi Bobbio in his chapter. As regards education policy, the proposal by Beppe Fioroni to reinstate a more stringent high school diploma exam and the measures introduced by Fabio Mussi to halt the rush toward privatization within the university system both represent important reversals of direction.

Above and beyond these significant developments, another key aspect of the new government is not only that its core is very similar to that of 1996 but also that it again reflects the coming together of three important Italian political and cultural traditions: (1) the Catholic Democratic tradition, incarnated by Romano Prodi; (2) the *grand commis* (high-ranking government executive) tradition of public enterprise of the 1950s, which, from the 1970s onward, held sway in the Bank of Italy; and (3) the administrative and reformist tradition of the PdCI, which for four decades achieved considerable results at the sub-national level and is represented in the current government by Bersani and Visco. As we can see from the reflections on Italian capitalism by Fabrizio Barca, the former Bank of Italy and Treasury executive, what united these traditions in 1996 and continues to do so 10 years later is the acceptance of the need for a new "compromise on the institutional and market set-up" in place of the old one, which for decades distorted the normal functioning of the market and proved impervious to repeated reform attempts. According to Barca, the original post-war compromise model in Italy revealed itself to be incapable of governing developments after the country had made its great leap toward modernization. Having been unable to slow the rampant inflation of the 1970s and having to deal in the 1980s with a massive rise in public debt (needed to guarantee welfare services and balance the huge deficits accrued by state industries), its only solution was to resort to repeated competitive devaluations of the lira in order to sustain and promote exports.

The initial success of this system hinged on the widespread recourse to public enterprise, the innovative capacity of particular business sectors, and low labor costs, enabling it at the same time to guarantee a fixed income for members of the lower classes. However, the model went into crisis following the achievement of full employment and the increasingly negative impact of politics and electoral outcomes on state enterprises. Meanwhile, the new regime of high salaries and the strong bargaining position enjoyed by trade unions had checked the dynamism of large-scale private industry.¹⁹ Barca's conclusion is that the institutional set-up of the Italian economy pushed a number of actors to administer a form of shock therapy, as they had become convinced that more cautious measures were ineffective and that Italy risked an irreversible decline that would leave it trailing its European partners. Whether or not this view was correct is irrelevant here. Nor is it our concern to dwell on what degree of blame for the situation of decay should be laid at the various doors of politicians, trade unionists, and business leaders. Rather, what is pertinent to our discussion is the fact that by the end of the 1980s there was broad agreement on the need for urgent reform of Italian capitalism and its mechanisms. Moreover, this view was particularly strongly held by elements of the center-left elite, which emerged from the crisis of the party system in the early 1990s.

As the 1994 general election approached, the center-left was so convinced that the only available political actors and credible future leaders of the country were the survivors from the collapse of the party system (of whom the center-left was the most significant group) that its manifesto focused on institutional reforms and morality in public life rather than economic concerns. As we now know, this belief was shattered by the emergence of Berlusconi and his coalition, which filled much of the vacuum left by the demise of the old governing parties. Having learned the lessons of 1994, the Prodi-led Ulivo coalition therefore presented itself in 1996 with a clear set of economic goals, including entry into the Eurozone (to create a solid external anchor for the Italian economy) and a vast privatization program, along with a widening and renewal of the country's business class.

With a few variations, the second Prodi government is proposing much the same type of economic program as the first one, albeit using different levers. In fact, if we look at the first statements by the new executive, we can see that where in 1996 we were told about "privatizations," now we hear about "liberalizations." A number of these, affecting taxi drivers, pharmacies, banks, and notaries, were initiated in July 2006 by decree law, while new measures designed

to tackle the privileges of various other professions and business sectors were promised for the near future. At the same time, the government embarked on a policy of tax austerity and equity that would have been unthinkable for the *laissez-faire* supporters in the previous CdL administration. Finally, in the budget presented in October and passed at the end of the year after a grueling passage through Parliament, we can see elements intended to help business and employment.

All the above represents a considerable change of direction from the policies of the CdL government. Under Berlusconi, the center-right had pinned its hopes for economic growth on the dynamism of small and medium enterprises, the self-employed, artisans, and shopkeepers—categories that were favored by the CdL's tax policies—and the fact that the prices of goods and services (in the private sector) were allowed to rise largely unchecked. This was at the expense of the younger generation and workers who were hit particularly hard by rises in inflation. At the same time, the Berlusconi administration did little for large-scale industry and the South. Having rejected as a lost cause the idea of relaunching Italy as an industrial power, the center-right proposed a vision of the country based on what Alessandro Pizzorno once defined as the individualistic mobilization of the middle classes.²⁰ In practice, however, what happened was that issues such as business innovation and competitiveness were overlooked, while the public administration was left largely untouched due to the electoral needs of some of Berlusconi's junior coalition partners. The center-right preferred instead to let public services, the health system, schools, and universities fall further into decay rather than embark on the dangerous (and, for parts of the electorate, unpopular) path of privatizing and liberalizing them. At the same time, Berlusconi's promises of major new infrastructural projects swiftly became ensnared in budget constraints and decision-making difficulties. Indeed, it would not be unfair to say that in this area the CdL government's performance was characterized more by defeatism than ineffectiveness.

The problem now for the Prodi administration, however, as it attempts to chart a new course in economic policy, is that the five years of center-right rule did not go by in vain. While the middle classes that once supported the DC were structurally averse to political mobilization, this is no longer the case, as the December 2006 anti-government rally in Rome underlined. Rather, the middle classes have become both more aggressive and more visible in the media. Clearly, this represents a significant obstacle for the center-left in the years ahead.

A Project and Its Contradictions

At this point, it is worth considering whether the measures introduced by the center-left while in power from 1996 to 2001 generated the desired effects. In many ways, we could say that the reform of the country's economic institutions has suffered a similar destiny to that of the reform of its political ones. In other words, these reforms achieved some of their intended effects while producing unexpected and adverse ones as well. Thus, the economic plans of the current Prodi government will have to contend not only with the legacy of the CdL's time in office but also with that of the center-left's own previous period in government. For example, the drive to meet the criteria for entry into the euro was a notable success, although it turned out to be a problematic one given the lax attitude toward inflation of the CdL after the new currency's introduction in 2002. Far less successful, as the chapters by Massimo Florio and Alberto Clò highlight, was the center-left's effort to spur on a new generation of private enterprise that would invest the massive amount of savings capital present in Italy in new initiatives. First of all, the pursuit of these goals came at the cost of privatizing revenue from a range of utilities that could have been put to use in other ways. Secondly, the results of this strategy were extremely modest, with few benefits either for savers, consumers, the business world, or the country as a whole. Thirdly, the need to meet the euro criteria, get inflation under control, and ease the public debt not only heavily penalized workers but also hampered industrial initiatives. Finally, new predatory business and financial elites blossomed on the fertile terrain of privatizations. To put it mildly, these figures have not given a good account of themselves, whether in the repeated takeover bids for Telecom Italia and in its management (which saw episodes of wiretapping and collusion with the Secret Services) or in the various hazardous and audacious attempts to gain control of important sectors of the banking system.²¹

The chapter in this volume by Alessandro Baroncelli presents a striking and unique cross-section of the current condition of Italy's entrepreneurial class. Baroncelli's piece focuses on the scandal dubbed *Calciopoli* (which we could translate as "Soccergate"), but it also shows how the business world (which is heavily involved in soccer club ownership) reacted to the transformation of these clubs into public limited companies. We do not know for certain whether the shady practices that have come to light existed previously, although anecdotal evidence suggests that many of them did. However, it is interesting that the passage from a "generous benefactor" model of team ownership (often linked to political interests) to an "entrepreneurial" one has done little to improve

things and that contemporary soccer club presidents have shown themselves to be no less unscrupulous than their predecessors.²²

To return to the question of the new government's economic policies, it is probably no coincidence that not only did small and medium enterprises greet the budget with disdain but so too did Confindustria and large-scale industry. In fact, relations have cooled considerably between Prodi and the business world since the 1990s, when they were in agreement on the urgent need to meet the euro entry criteria and privatize state companies such as Telecom Italia and the national highways group. By contrast, in 2006, business representatives have kept their distance from the prime minister and have even reacted ambivalently to measures benefiting them, such as reductions in employers' contributions. It is possible that this aloofness reflects an attempt by industrial elites to increase their bargaining power and avoid exacerbating their own internal political divisions. Nonetheless, the fact remains that Prodi will not find much support in this sector, just as he will not be given an easy ride by the trade unions, which, having suffered five years of frustration and conflict during the Berlusconi era, now face a major restructuring of public expenditure along with a reform of the pensions system.

In light of the stiff opposition it has faced, along with a number of publicity gaffes and the usual infighting, it is hardly surprising that the opinion polls at the end of 2006 did not make pleasant reading for the Prodi government. However, perhaps the most critical question that the current executive should reflect on is whether its plans for change actually enjoy widespread consensus or whether they simply represent the views of an "enlightened" elite minority that are hard to reconcile with the electoral needs of many of the coalition's components.

Over the years, Prodi appears to have lost much of his appeal for the business world. He entered politics as an internationally famous industrial economy professor who had been responsible for the restructuring of the state-run IRI (Institute for Industrial Reconstruction) and its subsequent privatization. Moreover, in an era when the "professional politician" was considered worn out and discredited, Prodi was able to construct a self-image as a "technician" on temporary loan to the political world who enjoyed good relations with the business class. He founded the Ulivo, presenting himself as the continuation of a noble Christian Democratic tradition (similar to that of Giuseppe Dossetti and Aldo Moro) but not as a party leader. This facilitated his efforts not only to rally the scattered ranks of the old Christian Democratic left but also to bring them together with the other traditions of the former "constitutional arch" within a new and wider political force. A lot of water has since passed under the bridge. After the fall of his

government, Prodi spent five years as president of the European Commission in Brussels. His subsequent return to Italian politics as the leader of the center-left perhaps said more about the failure of other possible leaders in the preceding years than anything else. To put it simply, he was the only credible and widely accepted compromise candidate available at the time. As for the main components of the Ulivo, the Margherita and the Democratici di Sinistra (DS, Left Democrats) are moving slowly and painfully toward the creation of a new Partito Democratico (PD, Democratic Party), which risks transforming the current inter-party tensions into intra-party ones.

This is not to say that the Prodi government has no cards left to play and that its negative opinion poll ratings are irreversible. It may have an extremely slim majority in the Senate, but it is in few people's interests to offer Berlusconi another shot at power in the near future. There is an open leadership question on the center-right, and it is improbable that the likes of Fini or Casini would wish to provoke a new general election at this time. Nor is the emergence of a new centrist bloc a viable prospect in the short term, despite surveys indicating a degree of support for this. The government does, however, have to contend with a number of social problems that have reached the crisis point, from industrial decline to the widespread (and often exaggerated) concerns about crime and safety that are inevitably linked to the presence of immigrants. In addition, there are the continuing hardships faced by the South that the "northern" inclination of the Berlusconi government did little to alleviate. Although the composition of the Prodi administration suggests a similar predisposition, there have been some encouraging signs in this area. That said, the capture of the elusive Mafia boss, Bernardo Provenzano, on the day after the election is certainly not enough on its own to ease the grip that organized crime maintains over large swathes of the South. Its hold was probably strengthened over the previous five years by the conflicts between the Berlusconi government and the judiciary, along with the neglect by the center-right of the problems of the South.

Nonetheless, the very fact that these social and political problems exist might actually serve to guarantee the Prodi government a certain level of stability and operating capacity. Moreover, the current economic growth and encouraging indicators from the business world and society at large, highlighted by a recent CENSIS (Centro Studi Investimenti Sociali) report, are positive factors not to be overlooked.²³ Likewise, while recent mergers within the banking system (particularly that of Banca Intesa and Sanpaolo) may be geared first and foremost toward making these institutions less exposed to takeovers, they might also serve to channel savings and capital toward building

a more sober and solid recovery of the Italian economy by supporting industrial growth and development in the South. Finally, on this point, one of the most heartening and unexpected pieces of news at the end of 2006 was that of the upturn in the fortunes of the Fiat group.

In conclusion, we can say that in light of the rapprochement of the last 15 years, the Italian political panorama has not only stabilized considerably but has moved ever closer to that found in other European countries. A political system that many political scientists chose to describe as “anomalous” and that was deplored as such by scores of columnists, the managerial classes, and ordinary citizens has come increasingly to resemble those of other bipolar democracies. It is true that party fragmentation has stubbornly persisted, but this has taken place around a fixed line similar to that dividing other mature democracies, that is, between a right that advocates deregulation and liberal modernization and a left that has largely been persuaded of the merits of the market economy. Similarly, just as elsewhere, the right is divided between moderate and radical components (the latter making recourse to populist discourses), while on the left there remain those who are troubled by the social damage produced by the market economy.

Notwithstanding all of the above, the fact remains that no other advanced democracy has undergone the massive changes to its party system that have occurred in Italy.²⁴ A political right that is either new or renewed has amassed around the central figure of Berlusconi and has proved capable of retaining its electorate. In partial response, there has been a restructuring of the left, for which the main challenge is still that of finding a less ephemeral and more convincing bond than simply being opposed to Berlusconi. Having returned to government, the left (or center-left, as we now tend, somewhat prudishly, to say) is playing a tricky game, the most delicate aspect of which concerns the topic of reformism. This in turn brings us to the key and final question: between the liberal reformism of part of the center-left and the defense of the social reforms introduced in the 1960s and 1970s, to which the so-called radical left clings dear, does there exist a golden mean that is capable of reconciling change (technological, demographic, etc.) with the values of social justice, equality, and solidarity that mark, as in Norberto Bobbio’s classic definition, the boundary between left and right?²⁵

Acknowledgments

The editors would like first of all to thank the authors who contributed chapters to this volume. We are also extremely grateful to the following scholars who attended the November 2006 "Politica in Italia" workshop at the Biblioteca del Mulino in Bologna, where the chapters were discussed: Massimiliano Andretta, Raimondo Catanzaro, Michele Chiaruzzi, John Foot, Giancarlo Gasperoni, Piero Ignazi, Giovanni Solinas, and Luca Verzichelli. We owe a particular debt of gratitude to Debora Mantovani, whose editing of the Italian-language edition of the volume and the appendix was first-class. Our sincere thanks are also due to Rinaldo Vignati for compiling the chronology of events and to Gianfranco Baldini, whose commitment and contribution to this project went well beyond his role as its coordinator. Finally, we must thank Stefano Fella, Chris Hanretty, Duncan McDonnell, and Timothy Peace, who were brave enough to take on the arduous task of translating the weighty and difficult constructions of Italian language (and politics) into English, and Shawn Kendrick for her assistance in bringing this volume to completion.

— Translated by Duncan McDonnell

Notes

1. ITANES, *Dove la vittoria? Il voto del 2006 raccontato dagli italiani* (Bologna: Il Mulino, 2006).
2. See R. Mannheimer, "Polo, recupero possibile, ma poco probabile," *Corriere della Sera*, 20 September 2005; R. Mannheimer, "Programma del centrodestra: Insoddisfatti due italiani su tre," *Corriere della Sera*, 20 December 2005; L. Ceccarini and I. Diamanti, "Italia 2005," *Il Venerdì di Repubblica*, 16 December 2005.
3. L. Campiglio, "Prezzi e inflazione in Italia e in Europa," *Polena*, no. 3 (2004): 81–89; L. Ricolfi, "L'inflazione effettiva in Italia: Una congettura," *Polena*, no. 3 (2004): 91–98.
4. The leadership of Confindustria was also openly critical of the Berlusconi government. See, for example, the speech given on 26 May 2005 by its president Luca Cordero di Montezemolo, "Il discorso di Montezemolo," *Il Sole 24 Ore*, 27 May 2005. See also L. Cordero di Montezemolo, "Da crisi e scandali l'Italia può risalire," *Il Sole 24 Ore*, 27 December 2005; P. Baroni, "Montezemolo: Mai così male," *La Stampa*, 15 December 2005.
5. P. Mieli, "La scelta del 9 aprile," *Corriere della Sera*, 8 March 2006.
6. See C. Paolucci, "Forza Italia a livello locale: Un marchio in franchising?" *Rivista italiana di scienza politica* 29, no. 3 (1999): 481–516.

7. As noted by Ilvo Diamanti in I. Diamanti, *Bianco, rosso, verde ... e azzurro: Mappe e colori dell'Italia politica* (Bologna: Il Mulino, 2003), esp. chap. 4.
8. F. Roncarolo, "And the Winner Is ... Competing for Votes in the Print and Broadcast Media," in *The Italian General Election 2006*, ed. J. Newell (Manchester: Manchester University Press, 2007).
9. J. Newell, "The Italian Election of 2006: Myths and Realities," *West European Politics* 29, no. 4 (2006): 802–813; J. Newell, "The Italian General Election of 2006: Romano Prodi's Victory," in *The Italian General Election 2006*, ed. J. Newell (Manchester: Manchester University Press, 2007).
10. A. Agosta, "Come leggere la partecipazione elettorale," *Il Mulino*, no. 3 (2006): 465–468.
11. See M. Lussana, "A ogni riconteggio 50 mila schede ricambiano colore," *Il Giornale*, 12 April 2006; P. Di Caro, "Berlusconi: Il voto non è valido," *Corriere della Sera*, 12 April 2006.
12. Not to mention the dignity with which Al Gore accepted a dubious defeat in the 2000 US presidential election.
13. G. Baget Bozzo, "Berlusconi voce dell'Italia produttiva," *Il Secolo XIX*, 13 April 2006; T. Montesano, "L'orgoglio di Brunetta," *Liberio*, 12 April 2006; E. Livini, "Unione, quanti errori: Non capisci più il Nord," *La Repubblica*, 12 April 2006. Finally, see S. Carruba, "Il voto del nord: Un segnale all'Unione," *Il Sole 24 Ore*, 12 April 2006.
14. I. Diamanti, "Il falso mito del Nord," *La Repubblica*, 16 April 2006; L. Ricolfi and P. Ferragutti, "Modernizzazione della politica e questione settentrionale," *Biblioteca della libertà* 41, no. 185 (2006): 5–24.
15. See the interview with Monsignor Fisichella in L. Accattoli, "Monsignor Fisichella: E adesso di fronte a un paese così lacerato i politici tornino responsabili," *Corriere della Sera*, 11 April 2006.
16. E. Berselli, "Apocalisse senza riscatto," *L'Espresso*, 31 March 2006.
17. B. Vespa, *L'Italia spezzata: Un paese a metà tra Prodi e Berlusconi* (Milan: Mondadori, 2006).
18. See the study of Italian local government since the 1993 reform by R. Catanzaro, F. Piselli, F. Ramella, and C. Trigilia, *Comuni nuovi: Il cambiamento nei governi locali* (Bologna: Il Mulino, 2001). Some important criticisms of local government performances can be found in CENSIS, 39° *Rapporto sulla situazione sociale del paese* (Milan: Franco Angeli, 2005).
19. F. Barca, *Storia del capitalismo italiano dal dopoguerra a oggi* (Rome: Donzelli, 1997); F. Barca, "Istituzioni e sviluppo: Lezioni dal caso italiano," *Il Mulino*, no. 1 (2006): 3–14.
20. A. Pizzorno, "I ceti medi nei meccanismi del consenso," in *Il caso italiano*, ed. F. L. Cavazza and S. R. Graubard (Milan: Garzanti, 1974).
21. M. Messori, "The Bank Takeover Bids and the Role of the Bank of Italy," in *Italian Politics: The End of the Berlusconi Era?* ed. G. Amyot and L. Verzichelli (New York: Berghahn Books, 2006): 139–162.
22. P. Veyne, *Le pain et le cirque* (Paris: Seuil, 1995).
23. CENSIS, 40° *Rapporto sulla situazione sociale del paese* (Milan: Franco Angeli, 2006).
24. See M. Lazar, *L'Italie à la derive* (Paris: Perrin, 2006).
25. N. Bobbio, *Destra e sinistra: Ragioni e significati di una distinzione politica* (Rome: Donzelli, 1994).