
INTRODUCTION

The Year of the Bulldozer

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In the summer of 2010, in an interview given to the newspaper *La Repubblica*, the then little-known mayor of Florence, Matteo Renzi, erupted onto the political scene by claiming that it was time for the Partito Democratico (PD, Democratic Party) to take a large number of the party's leading figures to task—or, to use the phrase that would soon become a battle cry, to “bulldoze” (*rottamare*) them from the picture.¹ The interview was considered by many in the party to be arrogant and excessively self-aggrandizing—or at least incautious. Yet from that moment on, and probably thanks to this message, Renzi has been able to capture to an ever-greater degree the dissatisfaction and frustrations of a large number of center-left activists and sympathizers, while attracting the curiosity of a large number of Italians of all political persuasions.

From the conventions organized at the Leopolda station in Florence in 2010 and 2011, through the decision to run for the role of the party's prime ministerial candidate in 2012, to his victory in the party leadership election at the end of 2013, the “bulldozer's” path toward the top of Italian politics has been awkward and prone to setbacks, but at the same time irresistible. Renzi's attacks on the leadership and the stagnation of the majority of the PD; the (sometimes personal) disagreements with historic leaders of the party and with the unions; the public declarations, which occasionally fell out of sync with the mainstream of the Italian left—all these have helped Renzi succeed in



becoming a reference point for those groups within the Democratic Party who did not come from the old Left Democrats. They have also inspired hope in party members who were disappointed (or excluded) from the policy initiatives of previous years—even those implemented by the center-left.

It was in February 2014, however, that the somewhat improbable rise of the bulldozer reached its peak, with Renzi's capture of the prime minister's office. This was thanks to a rather frosty changing of the guard, with exiting prime minister Enrico Letta leaving at a time not of his own choosing. It is worthwhile to remember that Renzi, like his predecessors Mario Monti and Letta, entered the prime minister's office without first being elected. However, Renzi, unlike Monti or Letta, benefits from certain other advantages that allow him to sideline this undeniable democratic deficit. First, thanks to a lopsided victory in the primaries for the post of party secretary, he has solid control of his own party, which in turn is by far the most important party within the governing coalition. This places him in a position to lay down the agenda for the government, permitting him thus to emphasize those elements of decisive decision-making and dynamism that have always been at the center of his political rhetoric and that have distinguished him from the previous leadership of the party. Second, the sensation of political gridlock following the February 2013 elections and Silvio Berlusconi's resignation from the Senate in November of that same year have meant that the political terrain favors Renzi, creating "unavoidable pressure for some kind of reform."²

It is precisely due to this demand for change at all costs that Renzi has placed particular emphasis on creating a potent public image for his government. Barely after receiving an invitation from the president of the Republic, Giorgio Napolitano, to form a government, Renzi announced "a reform a month," including among these the thorny (and as yet unresolved) issues of the electoral law and constitutional reform, the labor market, state bureaucracy, and taxation.³ This schedule was undoubtedly too ambitious, as has been demonstrated by numerous and sudden changes in the government agenda over the subsequent months, which were frequent enough to lead critics to accuse the new prime minister of suffering from "press-release-itis."⁴ Although Renzi manages to get his policy choices approved easily by the executive committee of the PD, the composition of which reflects the balance of power at the time of Renzi's victory in the 2013 primaries, the same cannot be said for the parliamentary group, which mirrors more closely the previous equilibrium within the party. This has meant—and continues to mean—that there are significant differences of opinion with a minority of the party, including on central issues such as the reform

of the labor market and the electoral law. These differences of opinion have required the party leader and prime minister to plot a course between concessions and ultimatums.

At the same time, however, Renzi has benefited from other factors that have made it easier to construct parliamentary majorities large enough to sidestep internal opposition. The breakdown in the center-right and the marginalization of Monti within Civic Choice, as well as the generalized fear of new elections in case of a government collapse, have helped. The so-called Nazarene pact—an agreement with Forza Italia (FI) on electoral and constitutional reform, which at the time of writing seems now to be moribund—represents a good example of Renzi's ability to turn to his own advantage the weaknesses of his adversaries, who may be allies one day only to be jettisoned as soon as the alliance outlasts its usefulness or becomes too burdensome.

At a year from the installation of the Renzi government, in this introduction we briefly summarize some of the most salient facts of 2014, each of which is the subject of a more detailed chapter in this volume. Beyond the main political events, we illustrate some issues of light and shadow in several of the reform processes that have begun this year and that involve public policy and institutions. We also include events that have affected Italian society in the round, providing the background to what we have called "the year of the bulldozer."

The Primacy of Politics

The changes in Italian politics during 2014 do not have many precedents, at least in the recent past. The most important developments include the political rise of Renzi and his tight grasp on the position of prime minister. In parallel, we have seen a strengthening of the PD as the dominant party in the national party system, a fact that is born out by analyses of electoral results and numerous political opinion polls conducted during the past 12 months. As Edoardo Bressanelli underlines in his chapter, the percentage of the vote obtained by the PD in the European elections of June 2014 (40.8 percent) is an absolute record for the so-called Second Republic (1992–present), and it is the second-best performance of any party in the post-war period. The polls have also shown that a consistent majority of Italians have confidence in Renzi as the head of government. Even if in the closing months of 2014 these approval ratings started to dip, the ratings began to rise following Renzi's management of the election of the president of the Republic in January 2015.⁵

The extraordinary performance in the polls of Renzi and his party may certainly be attributed to a sort of honeymoon effect, which rewards all governments at the start of their mandate. But what especially marks out this case is the clear predominance of the Democratic Party compared to other political parties: no other party is within 10 percentage points of the PD. In other words, in the course of 2014, Renzi and the PD have managed to increase their own levels of support at the expense of other parties, which have emerged from this process as eclipsed and marginalized entities.

One recurring theme that helps interpret the success of the PD in the June elections is the sensation of change that Renzi and his government were able to create and convey to the electorate. As Carolyn Forestiere points out in her chapter, the new executive is the youngest in the post-war period and the most gender-balanced ever. This palpable renewal at the highest level of politics is much more extraordinary when one considers the margin for maneuver open to Renzi and the fact that the choice of 5 of his 16 ministers was heavily constrained by his coalition partners, the New Center-Right (NCD), Civic Choice (SC), and the Union of the Center (UdC). Each choice reflects the careful search for a balance between different competing but nonetheless necessary resources: some signals of credibility for the markets, some recognition of demonstrable loyalty, some pledges repaid in the name of party cohesion. If the Renzi government stands by its commitment to “go the distance” until 2018, and if ministerial turnover over these two years is limited (two hypotheses that are admittedly risky), then it will in future be possible to speak of a clear cohort of *ministrables* (potential future ministers) within the PD, of a kind that has arguably not yet been seen on the left in Italy.

Renewal in the composition of the government has been accompanied by a subtle process of ideological repositioning, which has meant that the governing majority has become more compact. Notwithstanding its predominant focus on the leadership of Renzi within the PD, Mattia Guidi’s chapter offers an insightful interpretation of these dynamics. For Guidi, what is more significant is not so much the PD’s drift toward the center of the political spectrum but rather the changes that have taken place on a secondary dimension of political competition, especially the change concerning the party’s orientation on fiscal policy, which has as its opposite poles the maintenance of austerity and a preference for a fiscally expansionary stance. Since the role of “guarantor” of austerity played by Civic Choice has become less relevant following the disastrous performance of the party in the European elections of 2014, and given the marginalization of Monti, the party’s founder, the coalition has been able to smooth over internal

differences between left and right by recalibrating its own position on this secondary dimension and adopting a slightly more critical stance vis-à-vis the European Union's budget limits.

Renewal, greater clarity on the political scene, and growing coherence within the governing team: these are the major positive points that have emerged from the first year of the Renzi government. Yet there remain certain perennial vices of Italian parties. The first of these is internal fragmentation. As Guidi notes in his chapter, it is not an exaggeration to say that the greatest opposition to the PD comes from within its own ranks, in particular, its left wing. In the first months of 2015, the threat of a party schism continued to circulate, even if the credibility of this threat remained to be demonstrated. Indeed, Renzi has so far been able to escape unscathed the January 2014 resignation of the PD's president, Gianni Cuperlo, as well as several attacks that have come from another competitor in the 2013 party primaries, Pippo Civati. Other notable defections from the party, such as that of Sergio Cofferati at the beginning of 2015, have occurred in relation to particular events and have not represented a serious threat to the leadership of the bulldozer. Nevertheless, these internal disputes cannot be written off as irrelevant: as has been demonstrated by recent academic articles, internal party conflicts can act as an important constraint on the head of government.⁶ As a result, while it is true that the PD is currently a hegemonic force within the Italian party system, it is also true that Renzi's power should not be overestimated, given that the PD is not now—and never has been—a unitary actor.

One of the elements that has most contributed to a sense of unease within the ranks of the PD has been the Nazarene pact, which takes its name from the location of the PD headquarters in Rome. Formally, the pact is an agreement between Renzi (who at the time was the party secretary but not yet prime minister) and Berlusconi (then, as now, leader of FI) on how to proceed with certain constitutional reforms (in particular, the system of perfect bicameralism and Chapter V of the Constitution) and reform of the electoral law. The criticism raised by many commentators is that the contents of this agreement are not entirely clear—neither for the public, nor possibly for some of the contracting parties. The references in the press to presumed “secret clauses” (e.g., concerning immunity from further prosecution for Berlusconi) to some extent miss the point, given that there is no document that sets out in black and white the clauses of this pact and given that its contents have been approved by the national executive of the PD. It is also worth noting that one of the explicit parts of the agreement—namely, ensuring the approval of an electoral law—has been achieved.⁷ It is nevertheless undeniable that the political gossip

surrounding the pact has contributed to a sense of unease within the PD, above all, among the traditionalists in the party, who are implacably opposed to any agreement with Berlusconi. As we shall discuss later, the future of the pact, at the time of writing, appears extremely uncertain due to the apparent rupture between FI and Renzi following the election of the new president of the Republic. If the agreement is indeed at an end, this may benefit both the PD and FI, which would now be able to pursue clearer roles within the government and opposition, respectively.

The Nazarene pact provides one instance of a way in which Renzi's strategy has shaped national debate. There are broader questions about the impact of *renzismo*, whatever that may be. One particularly interesting question concerns the effect of Renzi's leadership style on the public's engagement with politics. A characteristic of the first year of the Renzi government was its ability to package and repackage its public policy proposals in key documents or announcements: promises for the first 100 days, promises for the first 1,000 days, promises of a "turn for the better" (*la svolta buona*), and so on.

The idea of government as a permanent campaign is not new to Renzi, who has adopted many of the aspects of Berlusconi as a communicator-in-chief. But Renzi's approach, and the success with which he deploys it, is newer to the left. While it nourishes certain hopes and captures the attention of public opinion, this strategy may have negative consequences in the long term: creating expectations is risky if they are not fulfilled in the short- to mid-term.⁸ This is as true in other countries as it is in Italy, where we may take the example of turnout in the European Parliament elections of 2014, which was down by eight percentage points, against almost unchanged average turnouts across the rest of Europe.

Earlier, we discussed how 2014 had seen the emergence of the PD as the primary interlocutor within the party system and of Renzi as the principal point of reference within that party. It may have seemed that this sense of primacy might have delivered better results on the European level—that other European capitals, convinced of the necessity of dealing with a Renzi government rather than waiting for a successor government, might agree to proposals coming from Rome. However, as Marco Brunazzo states in his chapter, the high expectations of the Council of the European Union for the Italian presidency were probably misguided. Structural reasons—Lisbon reforms to the presidency and the interregnum between the Barroso and Juncker commissions—meant that the Italian presidency was perhaps fated not to live up to expectations. The two most significant developments highlighted by Brunazzo—the nomination of Federica Mogherini as the EU's High

Representative for Foreign Affairs and Security Policy and the battles over “looser” fiscal policy at both the national and EU levels—will take time to bear fruit over the coming months and years. In particular, it will be interesting to see whether Renzi can provide leadership to an emerging “Southern bloc” within the EU, aligned against fiscally conservative Finns, Germans, and Dutch.

Institutions and Policies: The “(S)volta Buona” between Press Release and Implementation

As mentioned above, one of Renzi’s favorite slogans in announcing the main lines of reform and in communicating the government’s policies was without doubt “la volta buona” (translated somewhat loosely, “the time is now”). Renzi’s claim was that it was the right time for change, for a break with the past, for putting right the distortions that over the years have run counter to or bogged down the Italian system. But was 2014 really “la volta buona”? What has changed, and how much has it changed? What is on the path to being changed in government policy and in state institutions? And how does this change represent a solution to the problems that inspired it?

It must be said that the Renzi government does not seem to have kept up with the timing and quantity of reforms announced immediately following the government’s inauguration. On the one hand, certain reforms—of the schooling system, of state bureaucracy, and of the tax system—have been relegated to the second division, notwithstanding the fact that they were all indicated as being among the government’s immediate priorities. Where policies have not been downgraded in importance, they have been postponed to make way for other policy matters that have probably been judged to be more urgent (such as reform of the labor market, which is tightly bound to the need to kick-start the economy by increasing employment and final consumption), or strategically more relevant (such as the reform of the electoral law), or more “profitable” in terms of their impact on public opinion (such as the cuts to the “cost of politics” made possible thanks to the reform of local government and the Senate). On the other hand, it is undeniable that the scenario in which the government has operated, thickset with relevant electoral tests such as the European elections of May 2015 (the first real test at the ballot box for Renzi), and populated by political forces ready to ride the wave of a growing Manichaean anti-politics, has led the government to policies that are either more (re)distributive (such as the 80 euro tax rebate for incomes lower than 24,000 euros per year) or with greater symbolic

potential (such as the so-called abolition of the provinces, which in fact continue to exist as administrative organs pursuant to a final as yet unclear constitutional reform).

While it is therefore true that the government has not managed “a reform a month” (an unrealistic timetable from the outset) and that the government’s priorities have been amply redefined during the course of the year, it is also worth noting that the Renzi government has managed to work on several hot topics that for some time have risen up the political agenda without finding any resolution. All three of the reforms analyzed in this volume—the reform of the electoral law, the Delrio law on the reorganization of local government, and the so-called Jobs Act, which aims to re-regulate the labor market—share this characteristic and are thus born from a need to respond to undeniable structural challenges and from a desire to demonstrate symbolic value and a break with the immobilism of previous years.

Viewed from this perspective, the reform of the electoral law acquires emblematic status. The object of lively debate ever since its approval in 2005, the Italian electoral system has been much abused, yet it remains unchanged due to the difficulties in finding a parliamentary majority in favor of any particular reform. A major impetus came in December 2013 when the Constitutional Court declared unconstitutional two key elements of the current electoral law: the majority premium and the system of closed electoral lists. The decision left in place a purely proportional system with an extremely low threshold—a system that, for obvious reasons, was hardly calculated to please the main parties in Parliament, in particular the PD and FI.⁹ Indeed, it was in this context that the agreement between Renzi and Berlusconi came to fruition.

In their chapter, Gianfranco Baldini and Alan Renwick reconstruct the crucial elements of the delicate path toward the Senate’s approval of the definitive text of the new electoral law, which is a proportional system based on multi-member constituencies, moderated by an electoral threshold and a variable majority premium, applicable if a party reaches a certain threshold or wins a run-off contest, and which features partially open lists. This system is difficult to place among existing typologies, and its formulation was dominated by the interests of the principal parties in the game, moderated by the need to pacify internal opposition, or, in the case of Renzi, to prevent or to repair disagreements with other partners in the governing majority, above all the NCD. The Senate’s definitive approval on 27 January 2015 seems to unblock the road to a new electoral law, given that in the Chamber of Deputies the Renzi government has a substantial majority even without the support of FI. The strategy pursued by Renzi in the following

days—when he proposed Sergio Mattarella as the PD’s sole candidate for the presidency of the Republic—seemed to reflect an awareness of these numbers. By liberating himself from the Nazarene pact, after having won the votes of Berlusconi’s party, Renzi has strengthened his party and obtained an incredible boost for his own image. At the same time, FI appears to be internally divided and ever less capable of maintaining parity with the PD.

One reform that might feel the effects of the end of the Nazarene pact—officially sanctioned on 4 February 2015, following a meeting of FI’s executive committee convened by Berlusconi in Palazzo Grazioli—is the reform of perfect bicameralism. The reform proposal approved in April 2014 (the Boschi reform), which involves the indirect election of the Senate and a limit on the powers of that body, must still clear important stages in the legislative process. Renzi’s seeming desire to implement these changes by using the force of the majority and (eventually) by victory in a further public referendum has led to bitter criticism—not just from the opposition but also from some within the PD. On 13 February 2015, during a parliamentary sitting in the Chamber of Deputies, all of the opposition parties, including FI, went so far as to leave the chamber in protest at what they viewed as the government’s “authoritarian tendency.”¹⁰ It remains to be seen whether the PD will stay united and support the party secretary’s position from now until the final vote, scheduled for the first days of March 2015.

Another institutional arena affected by important changes in 2014 is the system of local government. The Delrio law (Law No. 56/2014), which is the subject of Sonia Bussu and Tullia Galanti’s chapter, brings to a conclusion the sorry, decades-long work of creating metropolitan cities, restructures the rules regarding the management of services delivered by municipalities (particularly small ones), and transforms the provinces into second-order organs, drastically downsizing them in the expectation of their eventual elimination as part of a future constitutional reform.¹¹

It is precisely the proposed “abolition” of the provinces—until now limited to the abolition of direct election of the provincial assemblies and provincial presidents—that has best managed to channel, for good or bad, the attention of the media and the political sphere more broadly. For a long time, the fate of this level of government has been at the center of a lively debate that sought to go beyond the provinces yet ended up creating new levels of government. The Delrio law intervenes by cogently indicating, for the first time, the steps necessary for a redesign of local government, tracing a sort of road map with few, if any, opportunities for a U-turn. This has been a choice that has not gone without criticism. On one side, there are those who emphasize the

risk of a democratic deficit if this crucial representative link between the center and periphery is abolished. On the other side, there are those—like the Five Star Movement—who criticize the law for being a reform in appearance only that does not in fact significantly reduce public expenditure and that therefore cannot represent a true attempt to cut the costs of politics.

The greatest concern has been expressed by associations of local governments, with the Union of Italian Provinces (UPI) at the front of the queue. This is without doubt due to a sense of self-preservation, but resistance is also a consequence of the relative chaos and disparities created by the implementation of the law. The Delrio law in fact entrusts the regions with the most thorny issues, namely, the task of dividing up the relevant government competences over their territory and to enshrine this division of competences between municipalities, metropolitan cities, and “new” provincial entities in law, with the corresponding transfers of personnel that these new competences require. As should be obvious, this is a particular “hot potato” that the central government has off-loaded onto the regions and that, as has happened in other policy areas, threatens to create delays and variations in the speed of adoption, increasing the sense of uncertainty surrounding this reallocation of competences and powers.¹² The major risk, beyond the risk that the reform itself will be scaled down, is of losing control of the different accountability relationships within the system—relationships that bind together the central state, the local institutions, and citizens in the delivery of services and the assumption of their respective functions. This risk is greater now that the stability law of 2015 has considerably squeezed regional and local budgets with new expenditure cuts, exacerbating further the problems of fostering cooperation between levels of government in redesigning the new local government set-up.

Finally, a further signal reform of 2014–2015 has been the reform of the labor market. The Jobs Act—named in English probably for reasons of political marketing—has been at the center of Renzi’s strategy, from his campaign for the leadership of the party onward. Renzi’s message has in particular focused on the traditional dualism of the Italian labor market: he has attacked and accused of conservatism the trade unions, which defend at any cost the protections guaranteed for “typical” workers at the cost of the rights of those who work in atypical patterns. It was in this context that the newly elected leader of the PD charged his own group of experts to work on a reform project with the goal of achieving first of all the “universalization” of certain unemployment benefits and the lengthening of the period of unemployment insurance (ASPI), even for those without such protection. Emerging

only in 2014, following some pressure (both formal and informal) from European institutions,¹³ the character of labor market reform moved in the direction of greater flexibility in termination and incorporated changes in Article 18 of the workers' statute, thereby creating disagreement with the unions and with a minority within the PD.

As Georg Picot and Arianna Tassinari illustrate well in their chapter, the interventions in the labor market made by the Renzi government have in reality shown signals of ambivalence and of a not entirely straightforward path. Against the backdrop of a steady increase in the rate of unemployment (particularly youth unemployment) during the first months of 2014, the initial moves of Giuliano Poletti, the minister of labor and social policies, had in fact aimed to increase new hires in short order. This would be achieved by further deregulating atypical contracts,¹⁴ demonstrating continuity with the increase in flexibility in hiring promoted by reforms of the previous government. By contrast, the parallel process of fleshing out a Jobs Act has always had broader aims and, at least in its intentions, targets a cleaner break with past policy.

We refer the reader to the chapter by Picot and Tassinari for the details of this reform, limiting ourselves here to the cardinal points around which the project of labor market reform has developed: first, a reduction in the number of forms of contract and the creation of a contract with gradually increasing rights for new hires on a permanent contract (made easier by a series of tax breaks for businesses); second, a broadening of the number of recipients of different forms of unemployment insurance; third, measures aimed to improve work-family balance; and, fourth, a restructuring of employment services, with the creation of a new national agency. These are undoubtedly important new steps that aim to produce significant changes in the labor market in the medium term. Following the definitive approval (on 20 February 2015) of the first two decrees implementing the new types of contract and the restructured unemployment benefits, the government has estimated that, starting in 2016, 200,000 employees will move from fixed-term or occasional contracts to permanent contracts, while more than a million occasional workers who previously did not have access to different forms of unemployment insurance will finally now have access to them.¹⁵

There are, however, certain areas that remain obscure, and it is helpful to throw some light on them since they might well limit the scope of the reform project as it develops. The first of these has to do with certain contents of the Jobs Act and the implementing decrees, which risk either creating perverse incentives or reducing the scope of the innovations present in the acts. First, as Picot and Tassinari

reveal, the Jobs Act does not prevent possible opportunistic behavior on the part of employers. The tax breaks guaranteed to businesses that decide to employ (between now and 2018) workers on the new type of contract may lead to workers being fired from their present jobs only to be rehired on this new form of contract. This makes it much harder to estimate the cumulative effect of these measures on total employment. At the same time, the continued existence of the flexibility clauses in fixed-term contracts introduced by the Poletti decree—including the absence of a requirement to illustrate just cause for terminating a contract—implies that “nothing will prevent companies from offering new permanent contracts with increasing rights only after three years of fixed-term contracts. Given that in the first two years insurance levels are quite modest, in these conditions there is the risk of creating workers who are precarious for the first five years.”¹⁶ It is worth noting that the reform as a whole—in particular, the lowering of the contribution requirements and the years of service necessary to benefit from the new unemployment benefits—has been implemented with strict financial confines in mind: “[T]here are funds for two years, but with extremely limited and tentative allocations, so much so as to create the impression that these might be tactical choices to gain breathing room while the real reconfiguration of the labor market takes place.”¹⁷ Moreover, while the reform has been presented by many as the first step toward a more universalist conception of unemployment rights,¹⁸ the Jobs Act seems to shy away from this paradigm when it limits access to the new unemployment benefit (which in any case is experimental and is available only until the available funds have been exhausted) to those who have already benefited from insurance-related unemployment benefits. Once again, this leaves out “those who have had working lives too fragmented to benefit from NASPI [the “new” ASPI] ... and above all those who are poor because they have never had the opportunity to have a regular working relationship.”¹⁹

To sum up, the dualism between insiders and outsiders in the labor market—which the Jobs Act sought to dispel through the unification of contracts and benefits—might reappear in new clothes, reproducing the well-known categorical logic of the Italian welfare system and leaving unprotected precisely the weakest in society. From this point of view, it seems worth pointing out that Italy is one of the few European countries that do not have a universal minimum income guarantee, and that even the most recent policy measures aimed at redistributing income (such as the famous 80 euro tax rebate for those with the lowest incomes) have tended to marginalize the segment of the population that is most at risk. If therefore some steps have been

taken in the direction of greater equality in the labor market, the same cannot be said regarding social citizenship more generally.

The second dark area concerning the Jobs Act has to do with the method adopted by the government. Apart from the previously mentioned concerns of the left, due to the insertion of reforms relating to the highly symbolic Article 18 of the workers' statute, more recent attacks have been waged against the arbitrary character of the government's action during the approval process of the first few decrees implementing decisions on contracts and benefits. On this occasion, the government did not take into account the observations of the relevant parliamentary commission on employment, which had sought to exclude collective dismissals from the new regulations on workplace terminations.²⁰ This incident, quite apart from creating a defensive reaction on the part of the left wing of the PD, led to an inter-institutional conflict between the executive and the president of the Chamber of Deputies, Laura Boldrini, who, in a generally negative comment, referred to the dangers of having a sole person in charge of the government.²¹ At the same time, the unions, de facto excluded from the policy formulation phase, threatened to intervene during the implementation stage—in particular, the stage of negotiations with companies.²²

Quite apart from the merits of the reforms adopted, the risk that the government faces in this area of policy, as with the institutional reforms and restructuring of local government, is that the speed of decision-making exhibited during the policy formulation phase—achieved thanks to the force of numbers—will, in a second phase, encounter a wall of resistance. In particular, this resistance will come from those who were excluded in the initial stage, yet whose collaboration will be essential so that the reforms can proceed smoothly and produce the desired effects.

Italian Society: Between old Vices and Some Virtue

The reforms begun by the Renzi government, especially those considered in the previous section, have been accompanied by a political discourse centered upon the need for rapid change in order to align Italy more fully with the characteristics (macro-economic and social) of the other main European democracies. And indeed, during the course of 2014, the situation of Italy and its position relative to other EU member states did not appear particularly comforting.

If one considers the economy in general, the most recent data made available by ISTAT (the Italian National Institute of Statistics) in February 2015 show that nominal GDP fell by 0.4 percent, reaching, in

the third quarter, the lowest value of the past 15 years. This was the most recent in a series of negative announcements, stretching back to the fourth quarter of 2011.²³ Average salaries are among the lowest in the old EU of 15 member states, with considerable disparities between the North and South of the country and enormous gaps between those in managerial roles and those in all other positions.²⁴ Indeed, according to Eurostat, average incomes in Italy have been falling since 2010, exceeded in this regard only by Portugal, Cyprus, and Greece. The labor market fares little better. If, in 2008, before the economic crisis, the rate of unemployment in Italy was very slightly lower than the European average (6.7 percent against the 7 percent average in the EU of 15, and 7.2 percent against the EU of 28), in 2014 the roles have reversed (12.7 percent unemployment for Italy, compared to 10.5 percent for the EU of 15, and 10.2 percent for the EU of 28). Youth unemployment has reached dramatic levels (almost 43 percent in Italy, compared to 22 percent in the rest of the EU), as has long-duration unemployment (which in 2013 amounted to almost half of total unemployment). Moreover, the impact of the recession upon economic activity and unemployment has been more severe in the South compared to the North, further accentuating the already considerable gap between the two regions.²⁵ Faced with this scenario, it is not surprising that the Renzi government's economic priorities included unemployment and providing a boost to final consumption, even if neither the Poletti decree nor the 80 euro bonus seems to have produced appreciable effects.²⁶

The picture is not much better if we look instead at other important parts of the social and economic life of the country, which are intimately tied to Italy's prospects of competing in a European and global context. In 2014, as in previous years, the world of education, at both secondary and tertiary levels, demonstrated signs of suffering. According to a report on educational attainment, prepared by the monthly magazine for teachers *Tuttoscuola* on the basis of ministerial data and presented in June 2014,²⁷ fully one-third of Italian students leave high school without having completed all five years, with peaks of around 35 percent in the Islands. Equally, the percentage of Italians aged 25 to 34 with university degrees is greatly inferior to levels in the rest of Europe (24 percent in Italy compared to 37 percent for the EU of 28). These data, already alarming, become even more so when one considers that, as previously criticized by the Organisation for Economic Co-operation and Development (OECD) in its 2014 report *Education at a Glance*,²⁸ Italy is the only country in Europe that has seen a decline in public expenditure on schooling since 2000. These are elements that the Renzi government cannot neglect in the medium or even short

term, especially if it wishes to render concrete some of its promises about the path to the *buona scuola*.

There remain some negative records that Italy has held for some time and that risk further undermining the credibility of the country—in the eyes of both its citizens and its European partners—and tax evasion is without doubt one of them. This issue has been the subject of heated debate during election campaigns, but it has never actually been tackled in an effective or systematic fashion. According to OECD data,²⁹ in 2013 the estimated amount of tax evaded in Italy reached 27 percent of the actual tax take, among the highest values in Europe: only Greece, Poland, and Cyprus fared worse. The solutions proposed by the Renzi government in its plans for tax reform, including the proposal for tax fraud lower than 3 percent of taxable amount to be subject only to administrative rather than criminal sanctions, have been subject to such serious criticism as to convince the prime minister to withdraw the proposal and postpone discussions until later.³⁰

Yet of these traditional vices, it is perhaps corruption—a historic defect of the Italian system and the principal cause of the collapse of the First Republic at the start of the 1990s—that has re-emerged most obviously during the course of 2014. This does not mean that corruption had abated in previous years. According to Transparency International, which each year releases its *Corruption Perceptions Index*,³¹ Italy continues to feature as one of the most corrupt countries in Europe, comparable only to Greece, Bulgaria, and Romania. Illegal party financing remains an issue. Despite this, the scandals that emerged during 2014 have been particularly numerous and have involved several politicians and businessmen in different parts of Italy. Of these, the two cases examined in depth by Donatella della Porta, Salvatore Sberna, and Alberto Vannucci—namely, the Expo 2015 affair in Milan and the MOSE scandal in Venice—are distinguished by their nature and scale. Both afford an analysis of certain changes that have allowed the underground world of illicit exchanges to adapt to the revised structure of the Italian political system following the decreased centrality of the political party in Italian life.

In particular, faced with a persistent weakening of Italian parties as organizations capable of regulating exchanges (legal or otherwise) between state and society, as well as the progressive delegitimization of direct public provision of goods and services, corrupt networks have been able to benefit from new spaces of activity opened up by policies of deregulation and privatization, focusing their efforts around state institutions, private individuals halfway between the market, and politics more generally. Precisely because of their nature

and their “private” character, these networks end up enjoying the greatest opportunities to corrupt others or to be corrupted themselves. Despite organizational change, corrupt practices remain endemic to the Italian case. The solutions proposed and adopted by previous governments (e.g., Law No. 190/2012, voted on during the Monti government) and those put forward but not yet adopted by the Renzi government (Legislative Decree No. 90/2014, proposing “Urgent measures for simplification and increased transparency and efficiency of the judicial office”) are not, according to the authors, yet sufficient to tackle systematic corruption. Although the penalties for corruption have been stiffened and the National Anti-corruption Authority reorganized, other effective deterrents, such as measures against money laundering and accounting fraud and the reinforcement and coordination of investigative teams, have not been taken into proper consideration. It remains to be seen whether the proposed bill on anti-corruption measures—outlined by Renzi in December 2014 and currently the subject of deliberations in the Chamber of Deputies—will be able to tackle these issues.

Finally, although certain old vices persisted, 2014 also showed timid signs of improvement in a sector where Italy has certainly not shone in international rankings. In their contribution to this volume, Asher Colombo and Luigi La Fauci reconstruct the story of the prison population in Italy, taking as their starting point the 2013 decision of the European Court of Human Rights, which declared that Italy had violated Article 3 of the European Convention on Human Rights by exposing prison inmates to inhuman and degrading conditions, and which gave the Italian government a year (until May 2014) to resolve the issue of severe overcrowding. The authors show that while government measures and public attention centered on measures that would ease the path *out of* prison (e.g., amnesties and pardons), the evidence for decreases in the rate of overcrowding, which were sufficient to cause the European Council of Ministers to grant Italy an extra year to meet the request of the Court, have more to do with indirect interventions that have altered the path *into* prison. These include, for example, restrictions on judicial discretion with regard to imprisonment on remand and increased clarity for those convicted on final appeal. Certainly, as the authors illustrate, the situation in Italian prisons is still far below the required standards, and it is rather ironic that one of the few positive developments over the course of the year should have resulted from policy measures not designed to address this particular situation. Nevertheless, the improvements seen are an important signal, especially if one considers the relevance of the treatment of prison inmates as a sign of the quality of the democratic system.

A Summary Judgment

To summarize, that which we may certainly define as the “year of the bulldozer” has brought with it a variety of significant novelties to the Italian political system. Looking back and comparing the events of 2014 with the institutional and political paralysis recorded in the 2013 volume of *Italian Politics*,³² there is a shocking difference. The government has seen considerable turnover, with a younger, more gender-balanced Cabinet, characterized by individuals in key positions who are enjoying their first experience of national government. Above all, the advent of the Renzi government has seemed to put an end to the period of gridlock that had arisen following the general election of February 2013. A Renzi-led PD, bolstered by a growth in support as rapid as it is consistent, has assumed a clearly hegemonic role, both in Parliament (especially in the Chamber of Deputies, where, thanks to episodes of floor-crossing from exponents of the Five Star Movement, Left Ecology and Liberty, and Civic Choice, the PD has come close to achieving an absolute majority) and in the government. This fact, combined with the fact that Renzi unites the offices of party leader and prime minister, allows Renzi to exercise a stronger, more authoritative leadership, which puts him in a position to accelerate work on reforms that have from time to time been considered priorities, as well as those that have been raised but never fully addressed in a decision-making forum. Everything that in 2013 seemed impossible—from reform of the electoral law through to the identification of a successor to Napolitano—has, in the year of the bulldozer, been achieved or is in the process of being achieved, signaling a clear change of pace compared to just last year.

Renzi’s decisiveness and his ability to incarnate the potential for change are augmented by his undeniable gifts in charismatic communication, which have helped in maintaining the constant calls for speed and the need to overcome the status quo in short order (a factor that clearly distinguishes him from previous leaders of the PD and from leaders of the left in general). Of course, one should also realize that the “bulldozer” has been aided by a conjuncture of generally favorable events that have few precedents: the progressive breakdown of the center-right following Berlusconi’s forced exit from the parliamentary scene, the substantial absence of a common front among the opposition, and the lack of a credible alternative both for the leadership of the country and for the leadership of the PD. This has enabled Renzi, preying on the weaknesses of his adversaries, to build shifting alliances in Parliament that have led to stable majorities on various provisions put forward by the government. This attests to a tactical

ability that is decisively superior to that of previous center-left governments, but it is exercised in a political context that deprives such maneuvers of a harder edge. The marginalization of the unions, particularly evident during the policy formulation stage of the reforms of the labor market, is based on a process of progressively weakening the idea of concertation between capital, labor, and the government—but with Renzi this has been accompanied, for the first time, by an openly anti-union discourse on the part of the leader of the PD.

Alongside the novelties that have characterized 2014, it is also possible to identify the persistence, or even the accentuation, or certain “typical” elements of Italian decision-making over the past years: the florescence of divisions—both those relative to policy preferences and those relative to personality—within the principal political forces, with direct consequences on cohesion and the parliamentary behavior of the respective political groupings. For the PdL/FI, this is without doubt due to the increasingly limited constraint posed by Berlusconi’s leadership, which has brought out into the open tensions that subsequently exploded on the occasion of the election of Mattarella as president of the Republic.³³ Nor is Beppe Grillo’s Five Star Movement immune to this tendency: in the course of a year it has lost 18 deputies and 16 senators to expulsions, resignations, and floor-crossing. For the PD, infighting, which existed before, has now become particularly evident following the dealignment between those representing the “party in central office” and those representing the “party in public office” and the consequent attempts on the part of the minority to regain space and visibility through parliamentary debate (which, however rarely, serves to win votes against the government).

A second recurring element, which relates to that just mentioned, is that even in this year of the bulldozer we have seen the widespread use of parliamentary practices that are far from the deliberate ideal. On the one hand, the opposition has made considerable use of several and varied techniques of obstruction—in particular, making and then tabling several thousand near identical amendments to government proposals. On the other hand, the government has sought to increase the rate at which its own initiatives are approved (and the rate of cohesion among the PD) by increased use of the vote of confidence and the urgent government decree—practices that, although certainly not new to Italian parliamentary practice, have, in 2014, assumed proportions considerably larger than in previous years.³⁴ Although it may be true that the use of such procedures has allowed the Renzi government to speed up certain decisions and to reach an enviable “strike rate” (in the first year of the government, 50 percent of the initiatives sent to Parliament by the government were approved definitively, compared

to 40 percent for the nine months of the Letta government),³⁵ and while it may be true that reforms cannot be postponed indefinitely, it is also true that exasperation over the use of such “emergency” instruments, seen as a distortion of normal parliamentary practice, may lead to a more wide-ranging debate about the powers of the state.

In closing, it seems possible to find in the actions of the Renzi government an element often present in the reform processes initiated in Italy from the end of the 1990s onward, namely, the tendency on the part of governments to “sterilize” conflict (within Parliament, with the unions, with the victims of particular decisions) as part of the process by which the agenda is determined and policies formulated. This strategy brings with it the risk that such tensions may subsequently emerge during an implementation stage. In other words, while the “muscular” approach adopted by the executive in various contexts may have favored rapid decision-making and created the expectation of real change, this does not by itself guarantee that the expected results will be obtained in equally short order. Precisely because of this, neglect of this point may represent a sword of Damocles for the fate of the executive and the leadership of Renzi himself. In the first place, the charisma of the leader needs to be constantly fed in order to be able to maintain its own legitimation in the eyes of different “followers” (citizens, electors), and therefore the hopes nourished by constant announcements and bills approved must eventually be rewarded with concrete results, particularly in an atmosphere of crisis. In the second place, neglect of the “expectations gap” may be risky because part of Renzi’s success is due to the “myth” of speed in decision-making that he himself has helped to create. As has been rightly observed elsewhere, “at heart Renzi-ism is like a car that only has a fourth gear and unreliable brakes: it can only run, not walk.”³⁶

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Notes

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