INTRODUCTION

The Great Reform That Never Was

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In Italy, 2016 was meant to be the year of the “great reform,” a constitutional revision that would have concluded the never-ending transition from “First” to “Second” Republic, a long process involving several transformations in the electoral system and party system since the 1990s. It did not turn out this way. Instead, the Renzi-Boschi law for constitutional revision, which started its parliamentary procedure in April 2014 and saw its final reading in the Chamber of Deputies in April 2016, was eventually rejected by voters in a confirmative referendum held on 4 December.

Only a few months earlier, predictions on the outcome of the referendum looked rather different. Opinion polls signaled a growing appreciation of the “great reform” among the Italian public. The Renzi government, which sponsored the reform, was enjoying a certain parliamentary stability and starting its third year of life. It had overcome several challenges despite suffering from the design flaw of having to rely on a very heterogeneous group of supporting parties. Beyond the main objective of passing the constitutional reform through its numerous required readings in Parliament, the political agenda of the Renzi government was focused on two other key goals that were intended to strengthen its image in view of the upcoming referendum. The first was the relaunch of the struggling Italian economy. Matteo Renzi wanted an expansive budget that would make full use of any margins of flexibility conceded by the Eurozone, which had imposed

strict limits on public expenditure because of Italy's high public debt and persistent deficit. To this end, the Renzi government negotiated with its European partners and EU authorities, often in an aggressive manner. On the domestic front, the Renzi government sought to pass legislation that regulated new forms of cohabitation and successfully approved a law on civil partnerships, an objective that had eluded previous governments but which was only possible on this occasion with some difficulties and compromises.

Yet the political agenda of governments, as we know, is often rattled by contingent and unpredictable events, or by the return of issues that were thought to be under control. And that was also the case in Italy in 2016. The theme of immigration, which has never disappeared from political debate over the past three decades, manifested itself again in the form of the Syrian refugee crisis combined with the (now regular) arrival of migrants on the Mediterranean Sea route. The economic and financial context, which was already suffering from the long-lasting effects of the "great recession" of 2008–2009, had to contend with weaknesses in the banking sector that required state intervention, as well as the costs of helping the victims of the earthquake in August that caused devastation across several regions in central-southern Italy.

The ongoing crises in public finances and migration certainly did not increase the popularity of the government, which had already been suffering for some time and now had to confront a difficult moment in the political cycle. The local elections in June attested to the poor state of health of the parties in the national government, in particular the Democratic Party (PD), whose mayoral candidates lost heavily in Rome, Naples, Turin, and many smaller municipalities. The long referendum campaign on the constitutional reform was effectively triggered after the local elections in a context where public opinion had shifted considerably compared to the previous year. For the opponents of the prime minister and his government, this was an occasion to remove both of them from office. Renzi became an unwitting accomplice to this turn of events when he fatefully tied his tenure in office to the unpredictable outcome of the confirmative referendum.

The immediate consequence of the referendum result was the resignation of Renzi as prime minister and his replacement in office by Paolo Gentiloni (PD), the former minister of foreign affairs. The resignation was inevitable in light of Renzi's own declaration (a real boomerang) that the referendum vote would also be a judgment on him and his government. In effect, Italian voters viewed a "no" vote primarily as being against the government rather than an assessment of the merits of the constitutional reform. Despite the continuation of the legislature

and the formation of the Gentiloni government, 4 December marked the end of a political phase and triggered the start of the campaign for the next general election.

This volume will address many of the key events that took place or reached their climax in 2016. The introduction will seek to place the valuable contributions of our authors within this interpretative framework and will try to assess the potential effects of these developments for the future of Italian politics.

The Renzi Government in 2016

The year was dominated by the constitutional reform, which received its final parliamentary approval in April 2016, exactly two years after it was introduced in Parliament. It was then submitted for a confirmative referendum that took place in December. Intended as the signature achievement of the Renzi government, the constitutional reform proved to be its undoing. Designed to ensure more coherent and swifter decision-making, the reform—whose contents are described in detail in the chapter by Carlo Fusaro—sought to drastically reduce the powers of the Senate across most policy areas, ending the symmetrical bicameralism that is so characteristic of the Italian political system. The Senate would be reduced to 100 members, indirectly elected by regional councils from among their members or among mayors of local municipalities. The new senators would serve part-time alongside their core elective functions at sub-national levels. The reform sought to clarify the competences of central and regional governments and, in doing so, largely strengthened the powers of the central government in key policy areas. Other measures sought to contain the costs of the political class, modify the system of presidential election, accelerate the process of parliamentary decision-making, and abolish the National Council for Economics and Labor (CNEL). The perceived effects of the constitutional reform became inseparable from the new two-round electoral system, known as the *Italicum*, designed to deliver a “governing bonus” of seats to the winning party and approved in 2015 for future elections to the lower house. If it had not been modified by a sentence of the Constitutional Court (Sentence No. 35/2017), the *Italicum* would have ensured a majority for the winning party and probably strengthened executive and party leadership.

By no means limited to constitutional reform, the actions of the Renzi government were also manifested in a series of reforms whose implementation proved to be problematic. A new system of teacher recruitment led to a rather chaotic start to the school year, with much

of the teaching personnel not in place by September. A modest overhaul of public administration was further limited by a negative ruling from the Constitutional Court, which found that it infringed on certain rights and could therefore not be enacted in its entirety. And the reform of the labor market (Jobs Act) remained subject to bitter contestation from the leftist union CGIL as well as the left wing of the PD. Although the Jobs Act had initially increased levels of employment, it did not make a permanent dent in Italy's high unemployment levels and growing levels of precarious work, particularly among young people and in the South.

The most enduring achievement of the Renzi government in 2016 was the passage of legislation on civil partnerships for same-sex couples and related measures to recognize cohabiting couples of any gender. The new legislation, analyzed in the chapter by Giulia Maria Cavaletto, confers many rights and obligations that derive from marriage to same-sex couples forming a civil partnership and provides a more limited set of rights to cohabiting couples. Contested by much (although not all) of the parliamentary opposition, the legislation provoked unease among conservative elements of the governing majority. Despite some visible protests and the expected opposition of the Catholic Church, the Italian public was generally supportive of the reform, testament to a gradual but significant shift in cultural attitudes. However, the legislation still had to be passed with a vote of confidence in Parliament and only after certain clauses were dropped, in particular the possibility for stepchild adoption by same-sex couples.

The continuing difficulties of the Renzi government reflected a troublesome domestic context in 2016, with the economy struggling to pull out of a prolonged stagnation and numerous earthquakes leading to tragic loss of life. The humanitarian and rescue operations, as well as the reconstruction of devastated areas, put additional demands on already strained government expenditure. The international and European context was also not favorable, as is apparent in a number of contributions to this volume.

In his chapter, Erik Jones describes the growing rift between the Italian government and EU authorities across three key policy areas: macro-economic adjustment (disagreement over Eurozone requirements on budget deficits and public debt, particularly their effects on austerity and economic growth); financial stability (growing concerns over the viability of the Italian banking sector, including large banks such as Monte dei Paschi di Siena); and the migration crisis (arguments made by Renzi that Italy had been left alone by its EU partners to handle growing numbers of migrants using the Mediterranean route). The frequent verbal jousting between Renzi and EU authorities constituted

something of a change compared to the pro-European approach of his immediate predecessors, Mario Monti and Enrico Letta, whose governments faithfully toed the European line. Jones finds that the EU is no longer universally welcomed by reformist politicians in Italy as an external anchor for domestic change; instead, it is sometimes viewed as pushing policies that run counter to national interests. Yet Renzi's position was in net contrast to the virulent Euro-skepticism of the Northern League (LN) and the Five Star Movement (M5S), who questioned Italy's very membership of the single currency.

The Italian response to the refugee and migration crisis is analyzed from different angles in the chapter by Tiziana Caponio and Teresa Cappiali. Existing domestic and European legislation—the latter based on a common asylum system—revealed itself to be insufficient in the face of a complex phenomenon that reached an unprecedented scale. With the EU-Turkey deal effectively closing off the Balkan route to Europe in April 2016, much greater pressure was placed on the Mediterranean route through Italy, which became the country of arrival for around 40 percent of migrants and asylum-seekers. Media and public opinion became more alarmist and critical about immigration, fueled by the aggressive rhetoric of political forces such as the LN.

The migration theme emerges again in the chapter by Elisabetta Brighi and Marta Musso, which discusses the foreign policy of the Renzi government toward Libya and Egypt. The murder of the doctoral researcher Giulio Regeni, most likely at the hands of security forces in Egypt, prompted a deterioration in bilateral relations with Italy at the same time as ENI (Italian National Petroleum Corporation) was scaling up its involvement in the Egyptian energy sector, leading to contradictory diplomatic actions. Like its predecessors, the Renzi government implicitly recognized a foreign policy role for ENI and viewed the interests of Italy and ENI as closely aligned. ENI plays a similar role in Italian policy toward Libya, whose civil strife has not precluded ENI from continuing its commercial activities (albeit at much reduced levels), and where proposed solutions to the civil strife are cultured through the lens of ENI's own energy interests. This raises questions as to whether the experience of the Renzi government constituted a genuine shift toward a more ethical foreign policy, if such a thing is at all possible.

Foretaste of a “No” Vote: Local Elections in June

Local elections were held in June across 1,342 municipalities, including some of the largest in the country (Rome, Naples, Milan, Bologna, Turin). The chapter by Vincenzo Emanuele and Nicola Maggini

provides a comprehensive overview of the outcome, which was interpreted by politicians and commentators alike as a major defeat for the PD and in particular the leadership of Renzi, as well as a foretaste of the heavier referendum defeat in December.

While it is hard to compare the outcomes of different types of election, the PD clearly performed much worse in 2016 than in the 2014 European Parliament or 2015 regional elections—the two preceding elections where it was led by Renzi. The PD performance was even weaker than in the 2011 local elections for the same municipalities, when the party was led by Pier Luigi Bersani, now a major critic of Renzi's leadership. The PD lost considerable support to the M5S, which was particularly effective in second-round run-offs, where it absorbed voters from center-right or center-left parties defeated in the first round. This allowed the M5S to win local elections in Rome and Turin, where it now controls the mayoralty. Yet it remains to be seen which opposition parties can benefit most from the difficulties of the PD in the long run.

As described in the chapter by Giada Zampano, the new M5S administration in Rome generated a series of potential corruption scandals, ongoing judicial investigations, and acrimonious resignations. This contributed to a general sense of chaos and called into question the competence and judgment of the new M5S mayor, Virginia Raggi, who was subsequently issued with a notification of impending investigation. A poor performance in Rome could affect the national prospects of the M5S. However, the bar has been set rather low by past center-right and center-left administrations, who are responsible for many of the chronic governance problems in the city. This makes it unclear whom voters will blame for the resulting chaos and whether it will seriously damage the electoral performance of the M5S on a national basis.

The 2016 local elections also indicate that the electoral resurgence of the LN, so much in evidence over the preceding year, may have stalled. The chapter by Davide Vampa discusses the electoral and organizational strategies of the Northern League under the leadership of Matteo Salvini, who has shifted away from traditional LN concerns about regionalism and federalism to focus more on a national platform espousing anti-immigrant and anti-EU policies, including an unprecedented collaboration among far-right parties at the EU level. The electoral setback in 2016 may have frustrated the ambitions of Salvini, who sought to lead the center-right into future elections. Forza Italia (FI), Silvio Berlusconi's party, came out stronger nationally than the LN in the 2016 local elections even though it is at a mere fraction of its former strength. Nonetheless, Berlusconi managed to play a decisive

role in bringing down the constitutional reform (which he supported in Parliament) and the Renzi government (which he had once praised as his successor), despite his much publicized health problems over the course of the year.

In the ensuing months, the constitutional referendum became increasingly perceived as a plebiscite on Renzi, who remained the most popular political leader in Italy but nevertheless had to confront a broad and varied political opposition. Renzi's own party was divided on the issue, and some PD politicians decided to openly oppose the reform. In particular, they were concerned that the combination of constitutional reform with the Italicum electoral system would give excessive power to the winning party, with the heightened risk that a populist party such as M5S could come to office. They also asked for a revision of the provisions relating to the election of senators, calling for direct election to be restored as opposed to indirect election from among the regional political class. Regional politics has been consumed by numerous scandals in recent years, mainly relating to corruption, and so does not have a positive image across the country.

The Constitutional Referendum: A *Redde Rationem*

The constitutional referendum would have had major effects on the political system, almost regardless of its outcome. With the personalization of the referendum campaign, which Renzi had initially sought but which was later exploited by the opposition, the referendum became a kind of *redde rationem* or “showdown”—a one against all, in which Renzi and the supporters of the reform were at something of a disadvantage. The referendum outcome, analyzed in detail in the chapter by Martin Bull, was unequivocal, with the “no” side obtaining 59 percent of the vote. This not only marked the failure of a reform that had been in gestation for two and a half years but also spelled the demise of the government that had proposed the reform and steered it through Parliament.

With his resignation as prime minister, Renzi took on himself the responsibility for the referendum defeat, and it is undeniable that his behavior contributed to the outcome. He had underestimated the timing of the referendum in the political cycle and the negative impact of his incumbency. At least initially, Renzi used the referendum to justify his leadership, personalizing the vote to the detriment of the merits of the constitutional reform (Pritoni et al. 2017). Once he realized the error of his ways, he was not able to develop a communication strategy that could differentiate between the message (the various aspects

of the reform, for which there was a majority in favor among public opinion) and the messenger (himself, his government, and the PD, which were increasingly unpopular among the general public). Yet responsibility for the outcome should be extended to all the political forces that used the referendum primarily to bring down Renzi and his government, despite having been broadly in favor of (or at least not hostile to) the reform in Parliament. Once again, the institutions of Italian democracy were not safe from being instrumentalized as tools in a partisan political struggle, making it unlikely that a similar process of institutional reform will be attempted in the near future.

The constitutional referendum may come to be seen as an important watermark in Italian political history. This is not only (or even mainly) because of the subsequent fall of the Renzi government, nor is it because the electoral outcome dented his personal ambitions. Rather, the resounding “no” vote constitutes perhaps the final halt to the process of “great reform” in Italy, dealing a mortal blow to the “majoritarian illusion” in the country. This held that, in the words of Lijphart (1984), elements of the Westminster style of government could be implanted into the consensual democratic culture of Italy, and not only by adopting majoritarian electoral systems. This illusion was cultivated for decades and ardently defended by many. At the same time, it was ardently opposed by many others, who in the long run appear to have won out.

Some might argue that it is too early to declare that the majoritarian illusion cannot be realized. After all, the previous center-right constitutional reform was also defeated in a 2006 referendum, but this did not prevent Renzi from attempting another “great reform” a decade later. However, there are several reasons to believe that another attempt is very unlikely. Unlike in 2006, the failure of the constitutional reform in 2016 was accompanied by changes to the electoral systems of the Chamber of Deputies and the Senate as a result of two Constitutional Court decisions (Sentence No. 1/2014 and No. 35/2017). These sentences moved Italy’s electoral system in a decidedly proportional direction, to some extent restoring the *status quo ante* of 1993. A second reason is that some of the conditions that favored institutional reform as a means to support the bipolar evolution of the party system, as well as the related push for more personalized government, are no longer in place. The rise of the M5S since 2013 has created a “third pole” in the party system, distinct from both center-right and center-left parties, which has interrupted the process of wholesale alternation in government. A third reason is that the tripolar shift of the party system, the move toward a more proportional electoral system, and the failure of constitutional reform proposals in 2006 and

2016 with narrow parliamentary support (under 60 percent) mean that a new season of reform would require significant cooperation between the main political forces. Yet this kind of cooperative climate is impossible to imagine at the present time or in the foreseeable future.

With the failure of another constitutional reform, we see the demise of the concept of “transition” as the dominant paradigm for interpreting the last 25 years of Italian political history. Characterized by majoritarian electoral systems and bipolar dynamics of party competition, this process, which started in 1992–1994, was never fully complete because it lacked a comprehensive new institutional architecture—the “turn” described by Fusaro and Kreppel (2014)—that would consolidate its form. And perhaps this outcome was inevitable. After all, the Renzi government arrived late to the game, when the party system had already changed from bipolarism toward a largely tripolar system with uncertain contours.

Winds of Instability: Prospects for the Political System

After the constitutional referendum, the Italian political system appeared to be in an even worse state of health than before. The new government led by Gentiloni is essentially a reshuffle of the outgoing government, with the obvious exception of Renzi himself and with the inevitable weakness that flows from the negative referendum result. Tensions between and within the governing parties are growing. This is certainly the case with the PD, which was internally divided between supporters and opponents of the reform. Yet M5S has also suffered divisions because of the governance problems in Rome. On the right, relations between Berlusconi and Salvini have been anything but easy. And after the Brexit vote and the election of Donald Trump as US president, there is a sense of a global movement toward a new era that could have a profound shock on the European and transatlantic framework within which Italy operates.

In this challenging climate, the country is heading toward the next general election. The electoral campaign essentially started the day after the constitutional referendum result and will last until the end of the current legislature in 2018. In any event, the political and institutional contexts in which the next general election will take place are different from those of the past. This is not so much because of the failed constitutional reform, which in fact means that the core characteristics of symmetrical bicameralism remain in place, including the vote of confidence by both houses. The change is more likely to result from the indirect consequences of the return to more proportional

electoral systems. Unless there is a further reform, the electoral systems for the Chamber and the Senate are likely to be proportional as a result of Constitutional Court Sentences No. 1/2014 and No. 35/2017. These judgments rendered the “governing bonus” of seats to be illegitimate without a reasonable vote share or with a run-off system, thus nullifying the majoritarian impact of the *Italicum*. The mechanics of the “new” electoral systems are unlikely to confer a majority of seats to any particular party or coalition, especially given the persistence of a party system that revolves around three blocs of relatively similar strength.

As a result of these changes, future governments will be formed and legitimized primarily through inter-party bargaining in Parliament. This is not necessarily an element of dysfunction in the political and institutional system. In some democracies, especially those characterized by profound internal divisions, governments derive their form and substance precisely through the process of parliamentary mediation between political parties that represent the different social and electoral strata of the country. This was the case in Italy during the so-called First Republic. And it was also the case in the current legislature, although this was due to the incoherence between the electoral systems for the Chamber and Senate, with the first producing a “decisive” majority of seats to the winning coalition, and the latter unable to do so given its different operation and the presence of more than two electorally competitive poles in the 2013 general election.

If we consider the current political context and the prospects for future elections, we can see that the full return to party and parliamentary sovereignty in the process of government formation is not without its pitfalls. The “proportional vision” of democracy (Powell 2000) requires at least two conditions to be met, without which there is a risk of paralysis and progressive deterioration of the legitimacy of democratic institutions. The first condition is the presence of political parties sufficiently strong enough to take on the burden of making difficult choices that may not always be welcomed by their voters but nevertheless serve the collective interest. The second is a willingness to cooperate among parties, both in the framework of the governing coalition and within the Parliament (between majority and opposition). In the current political context, both conditions are absent, and it does not seem likely that they will manifest themselves any time soon. To a certain extent, all of the political parties suffer from a lack of credibility and trust among voters.

This reciprocal process of delegitimization has been developing for some time, but it has taken on greater relevance with the arrival of the M5S and its anti-establishment rhetoric and the radicalization of

the Northern League, both of which are further polarizing the party system. The willingness to participate in a governing coalition with other parties appears to be completely absent in the case of the M5S and rather reluctant in the case of parties to the left of the PD and to the right of FI. Given the likely prospect of a future Parliament elected with a proportional system, or at least one that does not yield a “decisive” result, this would mean that the conditions for the formation of any coalition government whatsoever are missing. And even if the conditions are met, the governing coalition is likely to be highly heterogeneous, which does not exactly bode well for the prospects of governing stability in these challenging times.

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