

# The Italian populist government is voluntarily heading towards the next political crisis (and it may have the upper hand)

*It is often assumed that once 'populist' parties [sting](#) (achieve a political breakthrough), they are likely to wither away and die. **Valerio Alfonso Bruno** and **James F. Downes** argue that this is not happening in Italy. They outline how its populist government, led by the Five Star Movement (M5S) and the League (Lega), may be 'strategically' leading the country into another political crisis that will enable them to retain the upper hand in Italian politics.*



Deputy Prime Minister Matteo Salvini. Picture: [European Parliament](#), via a [\(CC BY-NC-ND 2.0\)](#) licence

## Italian politics: the current state of play

This coming September, the Italian Parliament will consider the approval of its Budget Act (Legge di Bilancio). This will be a critical moment. Prominent Italian politicians from [M5S](#), the [Partito Democratico](#) and [Lega](#) have all weighed in on what the budgetary priorities should be. Possible measures include a flat tax, basic income (*reddito di cittadinanza*) and a revision of the [Legge Fornero](#) of the Mario Monti government (a pension scheme named after a former minister), about which the [ECB has already expressed its concern](#). There is also the distinct possibility that the Italian government may be forced to exit the eurozone if tensions on spending persist.

Discussions will continue within the coalition this coming September. As recently reported by Bloomberg, Deputy Prime Minister Matteo Salvini has continued the government's 'hard' Eurosceptic stance and pointed at the negative impact of EU rules that he sees as constraining Italy. [Salvini](#) noted that: 'If external constraints prevent us from spending to have safe roads and schools, then it really calls into question whether it makes sense to follow these rules. There can be no tradeoff between fiscal rules and the safety of Italians.'

## 'Strategic fear'

The populist government of M5S and Lega is ideally placed not only to benefit from these upcoming political storms, it may also seek to artificially manufacture such crises for its own political gains, in what resembles a self-fulfilling prophecy. Currently, there are strong tensions over the financial markets, particularly with regard to Italian public debt. Similar tensions also befell the Berlusconi led government in 2011 and resulted in a political crisis.

Strategically, the governing coalition may see Italy's poor economic conditions as a unique opportunity to use the financial markets as an 'alibi' for the broken promises (for example on the flat tax, basic income and pension reforms). They may seek to place the blame on (a) the EU's economic austerity policies, and (b) the perpetual weakness of mainstream centre-right and -left parties.

A similar political incident occurred in May this year, with public debt rising [sharply](#). The President, Sergio Mattarella, took his time after the 2018 Italian election to respond to the proposed M5S-Lega nominees for Cabinet positions. Mattarella eventually rejected the M5S-Lega nominee for the economy ministry (Paolo Savona).

Both Italian deputy prime ministers, Luigi Di Maio (of M5S) and Matteo Salvini (of Lega) accused the financial markets and rating agencies of being behind [Mattarella's decision](#). They also alluded to the EU interfering with Italian politics and undermining Italian national sovereignty. This, along with the decision to nominate a technocratic government under Carlo Cottarelli (a former Director of the International Monetary Fund), fuelled M5S-Lega conspiracy claims.

## Why the EU's containment strategy may be doomed to fail

The EU must tread carefully in dealing with the populist Italian coalition government. Most importantly, technocratic institutions (from the European Commission to credit rating agencies) should not provide more ammunition for them. This has arguably already happened [recently](#).

It would be extremely counter-productive to evoke the risk of a 'Troika' or even to usher in another technocratic government by actively interfering. The case of the [Monti administration springs to mind](#), further underlining the problems caused by unelected 'technocrats' in power, and how this can undermine the inner workings of liberal democracy – and, most importantly, alienate the Italian people.

Some [recent](#) political commentary argues that populist governments such as Italy's are likely to represent a short-term phenomenon. However, we argue that the so-called containment strategy by the EU, in seeking to constrain the populist government, may actually serve to intensify and increase support for populist governments such as the M5S-Lega coalition in Italy.

It is also understood by many leading [academic experts](#) that: 'Populism is usually better as an electioneering tool than as a guide for government policy. Populism is therefore bound to stay as a vocal opposition force. But if populist leaders are elected as presidents or coalition partners, they are likely to discredit themselves in office, at least in democracies.' However, this may not be the case with the current Italian government and it may be much more resilient in governing Italy than conventional wisdom would have us believe.

The renowned expert on populism, [Professor Cas Mudde](#), has also outlined how the populist government in Italy has been misunderstood by a number of commentators, particularly in regard to the divergent ideology of both M5S and Lega. M5S can be considered a 'centrist' populist party that has a 'catch-all' political ideology, which includes diverse policies on anti-corruption measures alongside an emphasis on environmental policies. In contrast, Lega represents a 'classic' populist radical right ideology, with a focus on anti-immigrant positions.

## A 21st-century populist governing strategy?

A 'credible' populist strategy by the current Italian government could involve further manufacturing a political crisis through a number of actions. The M5S-Lega governing coalition could (a) produce more public debt to achieve its costly promises, alongside (b) further adopting 'hard' Eurosceptic rhetoric. This strategy would further blame the EU and its institutions for the current economic malaise in Italy.

The ongoing refugee crisis has also provided a distinct opportunity for the populist government to achieve political capital in the minds of Italian voters. It is still riding high in the [polls](#) and performing considerably better than traditional left- and right-wing parties. The coalition government also has more cards up its sleeves, including continuing to attack the 'mainstream' parties for getting them into this mess. This would be a 'classic' populist playbook [strategy](#) in further outlining how M5S-Lega represents the 'pure people' against a 'corrupt and outdated political elite' in Italian politics. Paradoxically, the Italian populist government may seek to consolidate its power further by manufacturing the next political crisis. This strategy could further strengthen its support amongst disenfranchised voters.

*This article represents the views of the authors and not those of Democratic Audit.*

## About the authors

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