After Italy’s vote: The case for a deal between the Democratic Party and the Five Star Movement

Italy’s election produced a fragmented result and there has been intense speculation over the potential government that could emerge from negotiations. Andrea Lorenzo Capussela and Gianfranco Pasquino argue that in a tri-polar parliament dominated by populists of different descriptions, a cabinet centred on some form of understanding between the Democratic Party and the Five Star Movement would be the least bad option from the perspective of both Italy’s and Europe’s interests. At the very least, the logic of parliamentary democracy requires the two parties to engage in serious talks.

Palazzo Montecitorio, seat of the Italian Chamber of Deputies, Credit: David Macchi (CC BY-NC-ND 2.0)

The Italian election produced three surprises. The centre-right coalition came first, as predicted, but within it voters largely preferred the anti-establishment rhetoric of Lega – the radical-right party formerly known as the Northern League, which recently shed its original secessionism to embrace sovereignism – to the more ambiguous liberal-populism of Silvio Berlusconi’s party, Forza Italia. They punished the ruling Democratic Party (PD) more harshly than expected, and rewarded the anti-establishment Five Star Movement (M5S) more generously than expected.

Like the PD, Berlusconi’s party scored the worst result of its history. Except in 2011-13, when both supported a non-partisan executive, those two parties or their predecessors – the alliance that merged into the PD in 2007 – have either led the government or the opposition ever since 1994. Although much divided them and their policies, they jointly presided over the country’s singular and remarkable decline, which began then. Suffice it to say that during the 2000s average per-capita real growth was the lowest in the world, and average real disposable income is now at about the same level as it was in 1995: in Italy’s closest Eurozone peers – France, Germany, and Spain – it is about 25% higher. Their joint defeat suggests that an opportunity might have opened for the country to gradually shift toward a fairer and more efficient equilibrium.

Before turning to the implications for the formation of the next government, however, a brief look at the composition and policy orientation of the three poles that dominate parliament, shown in the table below, might be useful. For two of these poles are fairly loose coalitions, and the solidity of the third cannot be taken for granted, especially when one considers that during the 2013-18 parliament, 36.7 per cent of MPs switched sides, often more than once (347 out of 945 elected MPs officially switched sides, and 566 switches were recorded).

Table: Selected results from the 2018 Italian election
### Table 1: Seats in Italian Parliament 2018

<table>
<thead>
<tr>
<th>Party/Coalition</th>
<th>Vote share (%)</th>
<th>Change from 2013 (%)</th>
<th>Seats in Chamber</th>
<th>Seats in Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Centre-right coalition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Lega</td>
<td>17.4</td>
<td>+13.3</td>
<td>124</td>
<td>58</td>
</tr>
<tr>
<td>- Forza Italia</td>
<td>14.0</td>
<td>-7.5</td>
<td>106</td>
<td>58</td>
</tr>
<tr>
<td>- Brothers of Italy</td>
<td>4.4</td>
<td>+1.8†</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>- Other allies</td>
<td>1.3</td>
<td>-0.1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>M5S</strong></td>
<td>32.7</td>
<td>+7.2</td>
<td>227</td>
<td>112</td>
</tr>
<tr>
<td><strong>Centre-left coalition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- PD</td>
<td>18.7</td>
<td>-6.7</td>
<td>112</td>
<td>54</td>
</tr>
<tr>
<td>- Allies</td>
<td>4.1</td>
<td>+3.1</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td><strong>Free and Equal</strong></td>
<td>3.4</td>
<td>+0.2‡</td>
<td>14</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: The seats shown in the table are preliminary figures. Two seats are as yet unassigned in either chamber; in the Senate, the count covers elected seats only. † In a slightly different composition between the two elections. ‡ With a different name and composition between the two elections. Source: Official data

Besides Lega and Berlusconi’s party, the centre-right coalition comprises a post-fascist grouping (‘Brothers of Italy’ in the table) and a smaller cartel of patronage networks. It is held together by history (they governed together in 1994, 2001-6, and 2008-11), by an equally long tradition of tolerance for illegality and clientelism and impatience for pluralism and constitutional democracy, by varying degrees of opposition to immigration, nationalism, and Euroscepticism, which only Berlusconi’s party muted during the campaign, and by a fairly extreme flat-tax proposal (the suggested rates are 15 or 23 per cent). But Lega’s virulent anti-establishment rhetoric, which undoubtedly contributed to the quadrupling of its votes, distances it markedly from its partners.

The Five Star Movement deliberately ran alone. But its lack of either a recognisable political culture or a reliable method for selecting candidates, its weak internal democracy, and its short history suggest that exits are possible (it lost 32.7 per cent of its parliamentarians in 2013-18). Although it too seems impatient with pluralism, its anti-political views do not extend to a rejection of constitutional democracy and the checks and balances system. On the contrary, its overall stance is couched primarily in terms of transparency and public integrity, and its support for judicial and political accountability survived the first large scandals in which the party was implicated. To this foundational message the M5S recently added the proposal of a form of universal basic income, it softened its Euroscepticism, and seems to have shelved its opposition to the common currency.
The centre-left coalition is far less balanced than its ideological alternative. None of the PD’s three allies reached the 3 per cent threshold, and within them only two figures carry some influence: Emma Bonino, who led a grouping of pro-European libertarians, and the former leader of a centrist party that was allied to Berlusconi until the 2010s. The coalition ran on the record of the 2013-18 PD-led cabinets, promising greater efforts on unemployment, poverty, and equality of opportunity. It advocated further European integration, ever a pillar of the PD’s stance, but gave this issue modest prominence. More importantly, several choices of candidates, especially in the South, appeared to indicate that the weight of clientelism has grown within that party.

Arithmetic and policy compatibility suggest that the next government could be built upon three alternative majorities, whether formal (coalition cabinets) or informal (parliamentary support for minority executives): the M5S and the PD, with or without the latter’s allies or, in their stead, a small leftist grouping (‘Free and Equal’ in the table); centre-right and centre-left; and M5S and Lega. A non-partisan government supported by most parties is a fourth option, which would probably be pursued if those three fail, as an alternative to snap elections. But such a cabinet would presumably have the mandate merely of steering the country while parliament designs a better electoral law: one, for instance, which allowed citizens to select their representatives.

The background against which these alternatives must be set is well known. Domestically, the growth acceleration of 2017 is likely to slow down, and the exceptionally favourable external macroeconomic environment of the past few years will gradually revert to normality. In Europe, the renewed Franco-German alliance does seem set to give impetus to EU and Eurozone reform, but faces both risks and obstacles – such as, for example, an unhelpful US administration, a hostile Russia, and dangerous relations between the two. It will also have to address the (legitimate) demands and reservations of an informal grouping of mainly Northern and North-Eastern smaller member states. Italy must choose a strategy and can indeed influence the outcome of this debate, which could shape the future of the continent for a decade or more.

Let us assume, for simplicity, that the centre-right’s interests are on the whole less aligned to the needs of Italy’s material and democratic development than those of the other parties, as recent history arguably suggests, and that greater European integration is desirable, at least if greater doses of democracy and accountability will infuse the common institutions. On these assumptions, admittedly subjective, it can readily be shown that only the first alternative (a deal between the M5S and the PD) could potentially advance both Italy’s and Europe’s needs.

With inverted roles, a left-right coalition would resemble the 2013-18 ones, which included either Berlusconi’s party or, de facto, segments of it. They achieved little on either front. A right-led coalition would likely do worse. Meanwhile, Lega’s flat tax (15 per cent) and the Five Star Movement’s universal basic income proposals are mutually incompatible. An alliance between them could thus lead the populists within the M5S to follow Lega’s example in the search for scapegoats: immigrants, Brussels, the euro, and others. Italy and probably also the EU are highly unlikely to survive unscathed.

Conversely, the M5S and the PD could find common ground on a genuinely universalistic, sustainable, and pro-growth reform of social insurance, on the fight against corruption and tax evasion, and, possibly, also on public administration reform and a pro-growth public expenditure review. Over five years, a meaningful degree of implementation of almost any plausible programme built along these lines would make Italy a distinctly better country.

The pre-conditions for such a compact are that the M5S pledges support for greater European integration, upon a sufficiently clear platform, and that the PD distances itself from collusion with the economic elites, clientelism, and the other unethical practices that increasingly permeated it. Cooperation could improve both sides of the deal, in other words. The main risks are friction, deadlock, and break-up. They are serious, of course, but could be reduced by following the German example: a detailed and transparent coalition agreement, made after comprehensive negotiations and public intra-party discussion and deliberation. The PD and even more the M5S have a lot to learn for such a demanding process to work, but nothing prevents them from giving it a try.

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Having narrowly won the 2013 election, the PD offered a roughly similar alliance to the M5S but was mockingly rebuffed. Stung by defeat and by that precedent, the PD has so far, perhaps tactically, rejected the Five Star Movement’s informal overtures. The reasons offered boil down to these: cooperation with the M5S is not what voters want and would damage the party. It could harm the existing party, arguably, but might make it a better one. Above all, both Italy’s and Europe’s interests and the very logic of parliamentary democracy require the two sides to engage in serious talks. Talks held according to established practice (the largest party should lay down the platform), with reasonable safeguards (an adequate mixture of transparency, on strategic choices, and confidentiality, on tactical ones), and an open horizon (leading to either a formal coalition or external support for a minority government, and potentially encompassing also other parties or figures).

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