Would government prove a poisoned chalice for the Five Star Movement?



The formation of a new Five Star Movement/Lega government in Italy is in doubt after Italian President Sergio Mattarella refused to approve of Giuseppe Conte's proposed economy minister, Paolo Savona. Ben Margulies writes that if the Five Star Movement does enter government, the main risk for the party will come from the Italian economy. Should external factors, such as EU constraints or the bond markets, force the new government to implement unpopular economic policies, then the Five Star Movement could be in a particularly weak position given almost two-thirds of its voters cited economic

reasons for choosing the party at the last election.

The 4 March Italian general election was another campaign in the current war of attrition between what are loosely called "mainstream" political parties and their "populist" rivals. It ended with a victory for the populist camp. The two main "populist parties" – the Lega (formerly the Lega Nord), a radical-right populist party, and the Movimento Cinque Stelle, or Five Star Movement (M5S) – won about half the total vote. In May, these two parties signed a coalition agreement, and President Sergio Mattarella nominated the M5S's choice, Giuseppe Conte, as premier-designate on 23 May. Conte later resigned after the President vetoed his proposed economy minister.

Most media coverage has focused on the populists' hostility towards Europe and specifically European fiscal policy. The two parties abandoned plans to hold a referendum on Eurozone membership, though both have expressed support for a vote and/or departure in the past. However, the coalition agreement calls for a "review [of] the structure of European economic governance" and of single-market rules, and promises spending commitments that would likely violate the Stability and Growth Pact. These include an attenuated form of the M5S's basic income proposal, popular in southern Italy, as well as a flatter tax system favoured by the *Lega*. The two parties also hope to speed deportations of immigrants who lack legal grounds for remaining.

The *Lega* is no newcomer to Italian governance; it was a junior partner in all four of Berlusconi's governments, starting as far back as 1994. And although radical-right parties enjoy varying degrees of success in government, they do have established strategies for dealing with other parties. They tend to compromise on economic policies to get more restrictive immigration policies, which are often the most salient issues for their supporters.

For the M5S, however, government is a novel experience, and one that may present it with specific challenges. The party has done exceptionally well focusing almost exclusively on the classic populist conflict, the unique cleavage of the people versus an elite, without taking a clear profile in other arenas of political competition. On socioeconomic issues, the M5S leans left, but not consistently; on social issues, it combines hostility to unlawful immigration with support for same-sex marriage.



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Giuseppe Conte arriving at the Quirinale on 23 May to meet Italian President Sergio Mattarella, Credit: Presidenza della Repubblica (Public Domain)

Manucci and Amsler define the Five Star Movement "as a 'purely' populist party, with no thick ideologies attached to its thin ideological core." The party claims to be "post-ideological," adopting a purely utilitarian and pragmatic approach to governance. This explains its success at attracting voters from both the established centre-left and centre-right parties. But what happens when it has to govern, make choices, and negotiate with a coalition partner with a much clearer ideological profile?

It would seem that the M5S faces two clear challenges. The first is that the *Lega* forces the M5S towards a more authoritarian stance on social issues, costing the movement liberal voters. After all, previous studies have found that, in terms of left-right placement, views on non-traditional families, and immigration, M5S voters tend to be closer to the main centre-left party, the *Partito Democratico* (Democratic Party – PD), than the Italian right.

However, although the new coalition has promised to speed up deportations and dismantle Roma camps, this does not mean that the M5S faces a threat from liberal defections. The Democratic Party, which has held office the past five years, also worked to reduce the number of migrants coming to Italy irregularly. The Five Star Movement's stated immigration policy during the election campaign – "bilateral agreements with the countries of origin for the repatriation of undocumented immigrants" – is thus not too different from that of the incumbent Democrats, a reminder that, in general, immigration policy has shifted to the right across the spectrum. So, although left-wing M5S voters do seem to hold less extreme anti-immigrant views than other M5S voters, they have nowhere to defect to.

A bigger problem might lie with the coalition's economic plans. The coalition combines the *Lega's* flat tax proposals (creating two tax bands, at 15 and 20 percent) and the M5S's basic-income proposals to create a sort of Keynesian stimulus. Though this might make macroeconomic sense, it is also hugely risky. Italy is <u>already heavily indebted</u>, with public debt at 134 percent of GDP – indeed, the high debt loads were once a *Lega* bugbear. If it clashes with the EU over violations of Eurozone deficit and debt rules, it could face sanctions and a run on its debt. Or it could face a bond-market strike even before the EU gets involved. Either way, this would probably force Italy to enact immediate austerity, or risk a fiscal crisis, recession and possibly default.

The M5S does not have the leftist identity that a social-democratic or left-populist party has, but its specific programme for 2018 was redistributionist, centring on the minimum basic income. The movement's campaign discourse focused more on the economy than the *Lega* campaign, which focused more on security. M5S voters were mainly motivated by economic concerns. Nearly two-thirds of M5S voters said that either a lack of jobs or low incomes were the "principal problem" they were concerned with. By contrast, a plurality of *Lega* voters (41 percent) stated that immigration and security were their main concern, and another 20 percent cited high taxes. The Five Star Movement swept the perennially impoverished south of Italy, winning a clean sweep of every single-member district, both for the Chamber and Senate, in four southern regions and the Naples metropolitan area.

So if the M5S has to adopt austerity, it risks the same electoral punishment as establishment social-democratic parties, or Syriza in Greece. This is far from guaranteed, of course. For starters, it still lacks strong competition from the left, unlike the French, Dutch and Spanish social-democratic parties. The Italian social democrats, like other European centre-left parties, may struggle to pose as an anti-austerity party. As populists, the M5S can more credibly blame Europe for any fiscal or economic crisis than the establishment PD; they were never part of the pro-European consensus.

However, just because the PD is at a low ebb does not mean that the M5S will escape a backlash from its voters. After all, they can simply abstain. In 2013, the M5S got more than an eighth of its votes from non-voters. Blaming Europe may not be enough to avoid a voter backlash either. Syriza can also blame Europe for forcing its government to adopt austerity policies, and it also has relatively weak competition on the left, but it is currently trailing 10-20 points behind its main conservative challenger.

Another danger the M5S faces is a loss of cohesion among its deputies and senators. Populist parties have been known to suffer from infighting or splits while in office; the Austrian Freedom Party and the Finns Party both split while participating in governing coalitions. Austerity policies often test party cohesion; all of Greece's major parties (PASOK, New Democracy and Syriza) have seen defections over the issue. Although Beppe Grillo, the party's founder, has maintained tight party discipline over the parliamentary caucus in the past, the M5S saw a large number of expulsions and defections in the last parliament: its parliamentary strength fell by nearly a quarter during the five-year term.

The M5S might yet make a success of its time in government. After all, a quarter-century of economic orthodoxy has done little to jump-start economic growth, and if the coalition manages a successful economic stimulus, economic growth might solve many of its problems with both Brussels and the bond markets. But should austerity come, the movement may find itself subject to that most mainstream of political diseases – Pasokification.

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