

Geographical Overview | **EU's Mediterranean Countries**

The Historical Reasons behind Italy's Instability

Giulio Sapelli

Research Associate

Fondazione ENI Enrico Mattei, Milan

One cannot understand the Italian crisis of recent years, primarily during the period from the 2014 Renzi government to the present, without focusing on the specifics of Italy or what I prefer to call Italian exceptionalism (to borrow a term from the famous book *American Exceptionalism. A Double-Edged Sword* by Seymour Martin Lipset). This "exceptionalism" is, ultimately, simply the outcome of Italy's anomalous situation in world processes of state building; an anomaly that emerges dramatically today, against a backdrop of radical upheaval in international power relationships.

Italy is a fragile and unstable nation due to its historical instability and historical position in the international division of labour. The country was economically fragmented and divided and subject to the external dominion of UK and French capitalism initially and then US capitalism after World War II.

Nowadays, the fast-shifting international order explicitly reveals the fact that North America's security and financial dominance export model has encountered serious military and diplomatic defeats in recent years and left Italy exposed to an increasingly crucial dependency on external agencies.

A snapshot of Italy's position in the balance of power was revealed by the Libyan crisis in the Mediterranean, which destroyed an almost hundred-year relationship, which started out as a hateful colonial power and gradually evolved into a relationship based on the trading of oil resources in return for security resources and infrastructural capital goods. The Arab Springs and their dire consequences have risked and continue to risk destroying such trade,

thus endangering the Italian presence in Libya and Egypt, thanks to direct French and British pressure aimed at expelling Italy from North Africa, just as happened at the end of the 19th century.

Both European states resorted to every means to ensure that Italy was excluded from Egypt as well as Libya, thus preventing the still existing Italian production potential from being used in the upcoming reconstruction of Mesopotamia, which could have been made possible by the drawing up of an international pact between the US, Turkey and Arab Sunni powers.

The growing deinstitutionalization that afflicts Italy has arisen out of the geopolitical vacuum created by the decline of Europe in the world. We are well into the era of European deinstitutionalization, of which BREXIT is merely the beginning, as soon the states of central Europe will embark on a process of polyarchic (not democratic) deinstitutionalization, as is already happening in Hungary, Poland, Romania, Albania, Slovakia and Bulgaria.

The economic policy of the last two dramatic years, 2016-2017, must be seen in the specific context of Italian monetary matters, which have always been determined by fluctuation and a continuous interweaving of *fiscal dominance* and *foreign dominance*, with a growing loss of sovereignty.

The pinnacle of this loss was represented by the Monti government of 2011, which marked the ousting from power of Silvio Berlusconi. This occurred without any vote of no confidence against Berlusconi's government but due to strong French and German pressure that, significantly enough, found an institutional basis in the ECB. This pressure was not supported by the US under Obama's presidency. Italian political and institutional history of recent years cannot be understood without remembering that the Italian party system was again subject to

increasing disintegration in the wake of the destruction that took place in the early 1990s, at the time of the "clean hands" campaign: Europe's very own version of the more recent Brazilian "operation car wash."

The current crisis thus began in 2011, after the Deutsche Bank dumped huge quantities of Italian government bonds on international markets, causing a deep-seated public debt crisis. US pressure to prevent this pro-German attack on European stability was in vain. The unconstitutional role performed by Italian President, Giorgio Napolitano enabled top ranking Eurocrats to take a decision to go ahead with setting up the Monti government. This was done without the aid of political elections and thus was not legitimized by popular will, but only by exceptional arrangements of a financial nature.

The growing deinstitutionalization that afflicts Italy has arisen out of the geopolitical vacuum created by the decline of Europe in the world

This regime was reminiscent of the Roman dictatorship that prevented the Roman Senate from unraveling due to external threats up until the time of Sulla and Caesar. After Caesar, it became a despotic regime that laid the foundations of imperial rule, taking power from the Roman people.

After the political disintegration of the Monti government, which no longer had the confidence of the parliamentary right, the 2013 elections set Italy on a course to overcome the exceptional arrangements, effectively reconstituting the parties that had been destroyed by the judicial enquiries of the 1990s. Instead, the 2013 elections gave rise to a party machine that was unable to organize a government, plunging Italy into a crisis very similar to that experienced in Spain and Portugal. The latter two countries have, however, found a solution that, though precarious, is very different from what happened and is still happening in Italy.

Due to an electoral system that makes it impossible, even today, to establish a virtuous balance between members elected to the House and members elected to the Senate, the Democratic Party was unable

to form a stable majority when no longer held to ransom by the Senate, which had been unable to achieve a majority for want of a few votes. The Five Star movement ploughed on and ruled out the alternative option of a coalition government with the Democratic Party. Hence the crisis in the party machinery and the start of the deinstitutionalization meltdown.

A deep gulf opened up between Parliament, which was unable to come to an agreement over the creation of a new electoral law, and the Constitutional Court, which declared the law under which the 2013 elections were held to be unconstitutional, opening up confrontation and conflict between the parties that has yet to establish a compromise.

The increasingly significant role that Giorgio Napolitano, the Italian President, assumed during that period meant that we were really faced with a political and social disintegration worthy of Caesar and Bonaparte: effectively dominated a Republic that was and still is parliamentary. To this was added the devastating transformation (from the beginning of the 1990s to the present day) of the judicial order, with the judiciary becoming an autonomous power that encroaches on politics and on the economy with anomalous and anti-constitutional force.

This was the scenario in April 2013 when Giorgio Napolitano brought into being the government of Enrico Letta, a government that represented a decisive shift in Italian political life: a return to an approach based on a major coalition that is political rather than technical, strongly focused on securing the support of party secretaries. Once the ministers had been appointed on 28 April, however, the government remained in office for a total of just 300 days, in other words nine months and 25 days. It stood down on 14 February 2014, the day after the leadership of the Democratic Party stated: "the need and urgency – in the words of the official press releases – to open up a new phase, with a new government."

The fall of the Letta government, which was excessively lukewarm towards the German-style austerity policy opposed by the US, fully revealed the degree of increasing deinstitutionalization that continued to envelope the movement of the Italian political classes. The problem lay in the fluctuating movements of the political classes in the Democratic Party. This should be the government's parliamentary mainstay

and instead is proving to be its most determined opponent. There is a clear gap between parliamentary legitimacy and party discipline: the factional spirit calls into question the very foundations of parliamentary democracy and thus depends more and more on external conditioning influences.

This is the new face of the Roman dictatorship that emerged with Mario Monti in 2011. Five years on, this changed into a factional dictatorship and overturned all the institutional balance, at the same time sending the visceral waves in the factional power relationships spinning straight into the parliamentary sphere, thus continually threatening the stability and democratic legitimacy of the nation.

There is a clear gap between parliamentary legitimacy and party discipline: the factional spirit calls into question the very foundations of parliamentary democracy and thus depends more and more on external conditioning influences

On Sunday 8 December 2013, the primary elections of the Democratic Party were held to choose the national secretary and members of the Democratic Party national assembly. With 67.55% of the votes, the consultation was won by the Mayor of Florence Matteo Renzi, who was thus proclaimed national secretary. The Renzi government is emblematic of the transition that has taken place in Italy in recent years between personal parties and parties made up of confederations of factions that are not distinguished by their strong policy differences but by the diversity of their personal affiliations: a shift from mono-despotic parties to multi-despotic parties. Such parties can be very unstable, because politics as policy does not act as a long-term amalgam in such parties in the same way as in strongly ideological and policy-based parties.

The instability increases when these multi-despotic parties must surround themselves with parties that are much weaker than the dominant multi-despotic party in order to form a government, with a multiplicity of personal affiliations that are continually in dan-

ger of breaking down, as Mauro Calise so ably documented in his studies.

The members of government belonged to eight different Parliamentary groups but the Democratic Party appointed the Prime Minister and nine ministers, while all the other parties were represented by one or two ministers and a few undersecretaries. The government majority in the Senate could count on the support of the moderate right-wing Forza Italia, which thus continued to affect the Italian political game. This was useful to Renzi because he did not have to depend entirely on the internal minority of the Democratic Party, which was deeply divided over the constitutional reforms that were gradually taking shape, amidst division over the role to be attributed to the electoral majority premium and the state's recentralization that Matteo Renzi aimed to fast-track by removing more and more power from the regions, primarily in the areas of energy and transport.

As with the process of government formation, the appointment of the President followed a non-institutional path. Giorgio Napolitano had been re-elected "by popular demand" by Parliament as a whole, given the impossibility of coming to an agreement over the new President, over the profile of the new electoral law and over the constitutional reforms that everyone considered urgent but had led to very deep divisions between and within the parties.

The government majority in the Senate could count on the support of the moderate right-wing Forza Italia. This was useful to Renzi because he did not have to depend entirely on the internal minority of the Democratic Party, which was deeply divided

The natural expiration of Giorgio Napolitano's second term was 22 April 2020, but, as widely anticipated in previous months, the Italian President, who was nearly 90, resigned on 14 January 2015, at the end of the Italian Presidency of the European Union. The election of Mattarella with the votes of the Democratic Party and the tiny centrist and moderate

groups that had broken with Berlusconi marked the beginning of a rebalancing of state power. This restored to the Italian President the dignity of a Republican referee that had been trampled over by Napolitano's pro-German European activism.

Following the outcome of the 2016 constitutional Referendum, Prime Minister Matteo Renzi and the executive he presided over stepped down

Matteo Renzi announced a referendum on constitutional reform in a forceful move designed to reaffirm his own personal power (Renzi's referendum battle cry hinged on his promise to step down if he did not win the YES vote in favour of constitutional change). The outcome was catastrophic for the government, with 60% of votes against and only 40% in favour, causing a dramatic social schism in the nation: the young and poor and low-income wage earners and pensioners voted No, with a very strong and clear class cleavage that was socially and anthropologically very similar to what happened in the United Kingdom with Brexit.

Following the outcome of the 2016 constitutional Referendum, Prime Minister Matteo Renzi and the executive he presided over stepped down. On 11 December 2016, after consulting with delegations of various parliamentary parties and groups, Italian President Sergio Mattarella gave the task of forming a new government to Paolo Gentiloni, former Foreign Minister of the Renzi Government. On 13 De-

cember, the government won a confidence vote in the Chamber of Deputies with 368 votes in favour and 105 against. The Five Star Movement, Northern League, ALA, Forza Italia and Civic Choice left the House at the time of the vote while Brothers of Italy members protested against the Government by waving banners bearing the wording "Vote Now!" On 14 December, the government won a confidence vote in the Senate with 169 votes in favour and 99 against.

The economic crisis continues, parliamentary stability is still far away because no agreement has been reached over the electoral law, but the Italian Presidency is now a firm bastion of constitutionality and offers the potential for rebuilding the political stability that a state such as Italy can consolidate, which is strongly dependent on international relations and still lacks a party machine that encourages rather than weakens the authority of the democratic polity.

Bibliography

- CALISE, M. *Il partito personale*, Laterza, Bari, 2000.
- CALISE, M. *La democrazia del leader*, Laterza, Bari, 2016.
- LIPSET, S.M. *American Exceptionalism. A Double-Edge Sword*, Norton Paperback, Norton and Company, New York, 1997.
- SAPPELLI, G. *Storia economica dell' Italia Contemporanea*, Pearson, Milan, 2008.
- SAPPELLI, G. *L'inverno di Monti*, Guerini, Milan, 2012.
- SAPPELLI, G. *Global Challenges and the Emerging World Order*, Springer, Heiderberg, New York, London, 2014.