IPS

INTERVIEWS 29.05.2018

A League of their own

New elections could see Italy's far-right make even greater gains, Ernst Hillebrand reports

Read this interview in German.

Last week it looked like Italy was about to get a new government after three months of political wrangling. The leaders of two populist parties, the Five Star Movement (M5S) and the Lega (League), had agreed to a coalition deal, naming the lawyer Giuseppe Conte as their Prime Minister.

But relief turned to uncertainty when President Sergio Mattarella refused to accept the parties' nomination for finance minister, prompting Conte to resign.

Mattarella has now appointed Carlo Cottarelli, a former IMF lawyer, to head an interim technocratic government. But lawmakers are likely to reject the new government in a vote of no confidence, leading to fresh elections.

Ernst Hillebrand, director of the FES' office in Rome, spoke to Hannes Alpen about the likely political fallout.

A potential coalition between Italy's populist Five Star Movement and the hard-line anti-immigrant Lega has fallen through. What happened?

Basically the various players took a gamble and lost. Italy's President, Sergio Mattarella, refused to sanction the two parties' nomination for finance minister, Paolo Savona. Savona is an 81-year-old former industry minister who says Italy made a 'historic mistake' by entering the Euro. The aspiring coalition partners weren't prepared to let Mattarella – a staunch Europhile linked to the social democrats – dictate their choice of minister.

Mattarella's decision is somewhat puzzling: Savona is a well-known economist. He was in the government that brought Italy into the Euro and, unlike so many other Italian politicians of that era, he hasn't been mired in corruption. His only 'mistake' is his belief that

the rules governing the Euro aren't god-given, but come from Berlin.

I think the dispute around Savona is also down to a clash between different generations, egos and political institutions. It's left everyone involved empty-handed: the president's stopped Italy from forming a government and the country will now be facing renewed uncertainty. The next election campaign, whenever it comes, is likely to be even more contentious than the last.

President Mattarella says he refused to sanction Savona's appointment because he wanted to prevent Italy from leaving the Euro. How do ordinary Italians feel about this?

Most Italians don't oppose the Euro *per se*, but at the moment they don't see any gains coming from the way the Euro is governed. However, the majority of Italians still want to stay in the Euro.

Following Mattarella's veto of Savona, Italian markets surged from their initially low point after the election. Mattarella says this shows he made the right decision.

But the markets' reaction was probably less to do with Savona and more to do with the collapse of the coalition more generally. As an external technocrat, Paolo Savona wouldn't have formulated the coalition's political programme. It would've been put together by the two party leaders, Luigi Di Maio (M5S) and Matteo Salvini (Lega), and their closest aides. Perhaps the nomination of Savona as finance minister made some impact on the stock exchange and currency markets, but it wasn't the main factor.

Will there be new elections soon, and are they likely to change Italy's political course?

At the moment it looks like a new round of elections will be unavoidable. And it'll be an ugly campaign. On one side you've got the Lega and M5S who are accusing Brussels, Berlin and the financial services industry – along with their Italian 'servants' – of blocking the formation of a democratically elected government.

On the other side you have an Italian version of 'project fear', with mainstream politicians issuing dire warnings about the economic and social consequences of an election win for the 'populists' and 'enemies of Europe'.

It's a clash of two distinct political narratives: one focussing on stability, Italy's embeddedness in the European project, and the value of a stable currency; the other emphasising patriotism and sovereignty.

The leaders of M5S and the Lega believe this second narrative will have more traction in the current political climate. They might be right: Massimo D'Alema, who's one of the most experienced people in Italian politics, predicted this week that M5S and the Lega will take around 80 per cent of the vote in the next elections. Of course, that's an exaggeration. But the elections are sure to have a lasting impact on Italy's political landscape.



Ernst Hillebrand
Budapest

Dr Ernst Hillebrand is head of the Friedrich-Ebert-Stiftung office in Budapest. He was previously Head of the foundation's International Policy Analysis Unit, the Central and Eastern Europe Unit and Head of the Warsaw, Paris, London and Rome offices.

-