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Storm in a San Pellegrino Glass

Italy's ruling Democratic Party may stand to benefit after left-wing rebels quit to form their own group

Last week saw disaffected left-wingers from Italy's ruling party form a new political group, following clashes with former Prime Minister Matteo Renzi. The Movement of Democrats and Progressives (DP) – also known as Article 1 – has promised a "renewal" of left-wing politics. It brings together ex-members of the Italian Communist Party and its moderate successor, the ruling Democratic Party (PD).

Headed by the ruling party's former parliamentary whip, Roberto Speranza, and governor of Tuscany, Enrico Rossi, the DP has attracted political heavyweights. But the real power behind the defectors is another former prime minister, Massimo D'Alema, whose dislike of Renzi is well known.

Who caused the split is an ongoing debate in the Italian media. As with any break-up, personal grievances – especially towards Renzi – are a prime factor. Political differences also play a role. There is a legal issue, too: In late January, the Italian constitutional court rejected the *Italicum* – a law by Matteo Renzi designed to deliver a clear winner after any Italian election.

So Italy continues to have a generally proportional electoral system in which smaller parties, both left and right, can wield a lot of power. Once Renzi's proposed majority voting system fell through, the centre of the deeply divided ruling party could no longer hold.

Despite the media hype, the split is having a limited effect. In the bicameral National Assembly, only 20 of 303 PD deputies have announced they are switching to the new party and fewer than one in 10 PD senators. The newly founded DP is in the process of building parliamentary groups with representatives who seceded from the Italian Left Party (Sinistra Italiana, SI). Some polls give the DP up to 10 per cent of the vote, with a third of that coming from traditional PD voters. But other polls indicate much less potential for a movement left of the PD – especially since other parties and groups already occupy that field.

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Trade unionists, who have long been searching for ways to increase their political weight, back the split. Their support is even reflected in the new party's name. Article 1 of Italy's constitutions refers to 'a democratic Republic founded on labour'.

Meanwhile, the PD is scrabbling to replace its defected leaders. Renzi has resigned as party secretary, and is now seeking to renew his mandate with support of the party faithful. Two opponents have announced their candidacies – the centrist Justice Minister Andrea Orlando and the Governor of Puglia, Michele Emiliano – but current opinion polls name Renzi the clear favourite in the primaries, scheduled for 30 April.

Since resigning as prime minister, Matteo Renzi, along with Beppe Grillo's Five Star Movement and the right-wing populist Northern League, has been advocating early national elections. But a significant proportion of the PD's own legislators don't see the point in pushing ahead too fast. There is still no unified electoral law for both houses. Held now, elections would most likely not lead to the formation of any coalition government, making Italy ungovernable.

Other factors speak against an early vote. Italy has the Eurozone's slowest economic growth, 135 per cent government debt, 12 per cent joblessness and 40 per cent youth unemployment. A study by McKinsey reveals that in the last 10 years, the real incomes of 97 per cent households have either remained flat or fallen. Last December's constitutional referendum clearly showed that younger Italians, at any rate, are unhappy with the situation. Why would anyone want to force an election under these conditions?

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The most convincing argument is that the outlook is unlikely to improve before February 2018 anyway, the date for which elections are currently scheduled. EU deficit reduction measures may become so harsh in the next few years that it would make sense to get the elections over with now. After all, conditions for the country's economic and fiscal recovery couldn't be better, with Italy benefiting from the euro's low exchange rate (as shown in record exports), low energy costs and low interest rates (thanks to the European Central Bank's asset purchasing programme that could run out of eligible assets by next year). These currently

favourable conditions could change.

Doubts about the survival chances of the post-Renzi government, led by mild-mannered centre-left politician Paulo Gentiloni, helped persuade the PD minority to defect. They wanted an assurance from Renzi that Gentiloni is not just heading a caretaker government. Renzi didn't give any. It now seems Renzi's original plan to hold elections before the summer break is unworkable. But the PD could conceivably withdraw its confidence from the government before summer in order to hold new elections in the autumn, with Renzi as the leading candidate. Polls indicate this would not lead to any clear government majority. It could also lead to a truce between the old centre-left parties after the election: the PD split does not have to be irreversible. Something good could still come out of it. Perhaps the process will lead to a left-wing formation regaining some of the protest votes that went to the Five Star Movement, and a more centrist PD headed by Renzi winning over voters from the weakened centre-right.

In this scenario, however, the PD would probably have to cooperate with Silvio Berlusconi's Forza Italia, which first supported and then opposed Renzi's electoral reforms. Once again, the Milanese media-tycoon threatens to tip the scales when Italy's next government is formed.



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