On Monday 25 February 2013, the Dow Jones industrial average fell 1.6%, the Standard & Poor’s 500 index fell 1.8%, and the Nasdaq composite dropped 1.4%. US stocks had their worst drop in more than three months as the prospect of political paralysis in Italy raised the specter of Europe’s debt crisis flaring up again. Markets in Germany, France and the UK followed suit.

The very same day, Jeroen Dijsselbloem, the Dutch politician who chairs the eurozone’s Eurogroup of finance ministers, said: “I think and I hope there is a broad understanding that there is also a responsibility for the stability of the eurozone as a whole, and that agreements have to be met. Pulling Europe from the economic doldrums requires a stable, political policy, also in Italy.” The not-so-subtle message from the Italian elections, however, was one that it would be useful for the rest of Europe to be aware of: it was a vote against austerity.

The results of the elections were threefold: market jitters, a slap in the face for European austerity, and political gridlock. With a hung two-house Parliament, the country faced stalemate. Pierluigi Bersani’s Centre-left bloc won 340 seats in the lower house, Silvio Berlusconi’s Centre-right 124, the biggest gains went to the Five Star Movement of Beppe Grillo, which claimed 108 seats, and former prime minister Mario Monti (the EU’s preferred choice) picked up a miserable 45 seats. But it was in the upper house, the Senate, where the problems resided. The Senate is where coalitions need to be forged, as any government needs a working majority in both houses to pass legislation. Here Bersani won 116 seats, only three over Berlusconi’s 113, with Grillo once again made headlines by winning 54 seats and Monti ended up with only 18.

When the election results came up, Euronews quoted James Walston, Professor of Political Science at the American University in Rome, saying: “This is a limited disaster, because something will happen. They have to. They – President Napolitano and the people who have won or almost won – they are going to have to come to some sort of a deal.”
On 28 April, two months after the elections, a new Italian government (including one of Silvio Berlusconi’s closest allies as deputy prime minister) was sworn in. Pierluigi Bersani had refused to enter a coalition government with the Centre-right and had been forced to resign after weeks of wrangling and a disastrous presidential election in which Napolitano (aged 83) had to stand for reelection for lack of other options. Bersani’s deputy Enrico Letta took over, was commissioned by President Napolitano to form a Centre-left/Centre-right government, and became the new prime minister.

Roberto Toscano agrees with Napolitano that this new government, which brings together politicians from the Centre-left, Centre-right and Centre, as well as technocrats, is –for the time being-- the “only government possible”.

With unemployment at more than 11%, more than 100,000 small firms (the backbone of the Italian economy) closing in 2012, and the number of graduates leaving the country reaching a million, it is obvious that la situazione non è buona (the situation is not good), as pop superstar Adriano Celentano famously put it in a 2007 hit song. What are the prospects for the new government?

One should bear in mind the fact that the elections produced a result that tends to make it extremely difficult to build a politically coherent government. In effect, there are three political “blocs”, none of which can govern by itself. The Center-left (the Democratic Party - PD, and its allies) came first, but the unavailability of the Five Star Movement, which rejected all alliances, left as the only possibility a coalition with the Center-right, Silvio Berlusconi’s alliance.

What happened at the elections? Why didn’t the Left win –or, rather, how did it manage to lose after what seemed the terminal decline of Berlusconi?

It is true that the result of the elections was a surprise, especially Berlusconi’s PDL (Partito della Libertà) getting about one third of the vote. Berlusconi had been considered a spent force, both for the dismal results of his government and for his unseemly personal shenanigans. The Center-left did not actually “lose”, in the sense that it came out first, but it did not gather enough strength (no majority in the Senate) to form a government. Bad campaigning by the leader of the PD, Pierluigi Bersani, was to blame, but there were also deeper problems, such as the appeal of the protest vote (against all parties) which entailed the loss of a million votes to the Five Star Movement.

What the Left did not do –to mobilize the masses-- , the Five Star Movement did. Why? Is Italy that tired with its ruling political class?

The phenomenon of the loss of prestige on the part of the political class –rather, the generalized contempt and suspicion it evokes among the citizens-- is definitely a fact not only in Italy. But in Italy things are more extreme, more explicit, one could say more theatrical. One important factor, as in other countries, has been the issue of political corruption, especially outrageous and unacceptable at times of economic downturn, huge unemployment and social stress.
Beppe Grillo has aroused contempt, and also some fear, elsewhere in Europe. However, this is what a reader’s letter to *The Guardian* (27 February 2013) said: “If it takes an act of comedy to force us to stand up and confront this tragedy that passes for democracy, then so be it!”

It is true, and also understandable, perhaps a shock was needed to break the stagnant hegemony of traditional parties. The problem is that the Grillini now in Parliament have shown no idea of political strategy and continue to see denunciation of the “political class” as their only, true identity. At the same time Grillo, who continues to reject all mediation and compromise, is imposing on his elected followers Puritan-like discipline, including the donation of a large part of their salaries as MPs, and avoiding contact with the press (which is “sold out to the Establishment”). Even some of their voters are now beginning to think that to enter Parliament in order to criticize the system was not such a good idea after all. The contradiction between wanting to remain a movement and being actually a party is already producing a loss of credibility and consensus.

According to the Italian National Statistical Institute (Istat), eight million Italians are currently at risk of social exclusion because of the crisis. Like Spaniards, Greeks, and Portuguese, the Italians are getting poorer. Unlike them, though, the social expression of their opposition to the way things are being run is quite different. Why is that?

It is indeed strange, one could say bizarre, that streets in Italy are quiet and empty (few demonstrations, rare mobilizations). As someone on the radical Left has complained, protest has taken the “immaterial” path of the internet-driven Five Star Movement. The net has replaced the street. There may be, however, other factors explaining this counterintuitive phenomenon—for one: the fact that in Italy, social activism and protest has been traditionally a de facto monopoly of the Left—so it has faded together with the “withering away” of the Left. Also, there is a difference between being indignant and being plain angry. In the first case, one is moved by the awareness that some rights have been violated and should be reclaimed. In the second, there is a fuzzy feeling of frustration and anger, sometimes confused and not well focused. So much so that, at a time when it is obvious that, as US billionaire Warren Buffett has admitted, there is a global class war going on and capitalists are winning it, one third of Italians (most of them far from being wealthy businessmen) are still supporting Berlusconi, the quintessential capitalist, a man not above suspicion of corrupting activities.

The equilibria that have made the situation after the elections possible (or at any rate, liveable), owes much to the personal credit of President Napolitano. How are we to interpret the Napolitano Factor: as a last-minute rescue of the status quo, or as a beam of soothing wisdom from an elder of the tribe?

Napolitano is afraid of the collapse of a system which could reach such levels of non-governability so as to precipitate economic collapse and plunge the country into chaos. It would be ungenerous to accuse him of wanting to save the status quo, but it is true that, in performing his *super partes* role, he has had to sacrifice his personal, progressive, preferences. Besides, those who accuse him of “saving Berlusconi” by supporting the (not Grand) Center-left/Center-right coalition, have to admit that his appointment of Mario Monti was evidently an attempt to facilitate a transition of the country out of “berlusconism” and into political normality. If that transition failed, it was not Napolitano’s fault: there was the failure of Monti,
disastrously entering the political fray, the failure of the PD, internally divided and unclear on strategy, and the failure of the Five-Star Movement, stubbornly and self-defeatingly refusing to do something with their newly-acquired strength, such as accepting a reforming alliance with the PD.

**Who is to profit from the current situation of political fragmentation? What are the odds that things will go according to plan?**

As the Chinese say, there is great turmoil under the sky. It seems, however, that the one who is benefitting most from the situation is Berlusconi. Opinion polls indicate that, if elections were held today, his coalition would come first (though it remains to be seen whether he would have a sufficient majority in both houses of Parliament). He is thus able to keep the government headed by Enrico Letta under constant threat and blackmail. It is difficult to see how anything significant can be achieved under such conditions.

**What about the international actors? Which way does the EU wind blow? Is Italy looking North or looking South? Is it, after Monti, into standing up somehow to the creditors?**

The economic tsunami will not take place, but the deterioration of the country (unemployment, industrial downturn) is terribly real and indebtedness remains dangerously high. Letta, with a lot of “European credibility”, is trying to forge alliances within the EU to break the Merkel-inspired austerity stranglehold and shift to growth policies. France and Spain are on the same wavelength, especially now that François Hollande has taken up the German challenge (some say the bluff): more solidarity only with more European integration.

**There has been some talk about a new republic. Would that help – like a reset?**

Again, this has to do with Berlusconi: his coalition is pressing for a transformation of Italy into a presidential system. This is a dangerous proposal, in the sense that it would weaken the system of checks and balances within the executive that is guaranteed by the role of the President of the Republic. Can we imagine what recent Italian history would have been like without Napolitano as arbiter and custodian of the Constitution? Can we imagine President Berlusconi, or President Grillo? The most rational solution would be not to switch to a presidential system, have a stronger Prime Minister (a sort of German Kanzler), and keep the President as an arbiter/custodian.

**Enrico Letta, Matteo Renzi, Nichi Vendola... which are the names to watch?**

All of the above. Letta, a progressive Catholic in the Prodi tradition; Renzi, an Italian Blair; Vendola, what is left of the Left. On the contrary, in a couple of years people will ask: Who was Beppe Grillo?