

## Italy: No solution yet to political gridlock

Two days of high-level political talks to try break the impasse after inconclusive Italian elections have brought little success and many actors seem to be in no hurry to find a quick solution



### Where are we?

Italian politicians have adopted a prudently tactical approach to the first consultation round, sending mixed signals about their availability for government coalition. According to post-meeting statements, the centre-right is lacking cohesion. Salvini, the leader of the League, made it relatively clear that the only viable hypothesis would be a coalition between the centre-right and the Five Star Movement, which would most likely be a not very long-lasting broad coalition, with a very limited agenda.

Berlusconi, the leader of Forza Italia, cross vetoed with the 5SM, adding that with the lack of a centre-right majority, a government meant to tackle priorities with credible high profile members on the European scene, should be sought.

Di Maio, the leader of the 5SM, while confirming his veto on Forza Italia, said he was open to cooperating either with the League or with the PD (dropping a previous veto on Renzi) on a “government contract” inspired by the German model. He also wanted to sound reassuring on international policy issues, affirming that a 5SM government would stick to the Atlantic pact and would keep Italy as a member of the EU and the Eurozone.

The PD's caretaker, Martina, confirmed he is unwilling to make a "political" alliance with the other parties, re-stating that his party would act as a responsible opposition force and would concentrate on individual programmes.

## No obvious solution yet, with Salvini faced with difficult decisions

After the first round of talks, the situation remains fluid. The Centre-right/5SM ticket, the obvious starting point after the agreement on the election of the presidents of the two houses of the Italian parliament, is proving a very complicated exercise. More willingness to compromise, and some political acrobatics, would be needed from both Di Maio and Berlusconi for an agreement to be eventually reached.

Should this fail to materialise, the option of a 5SM-League ticket would gain strength. To be sure, this would entail bigger risks for Salvini, as he would join a government as a junior partner. By breaking the centre-right alliance, he would also risk losing some grip on Forza Italia voters he would want to be targeting at the next election. This would create for him a disincentive to a quick return to the polls. His reference during the press conference to the fact that the next government should be meant to last was possibly an indication that he is seriously considering the opportunity to run that risk.

Such an alliance would require more work to smooth differences, though, particularly on the attitude towards Brussels: Di Maio's deliberately moderate stance is not yet matched by Salvini, who continues to discount any idea that Italy should passively accept directions coming from a Franco-German driven Europe. Should the 5Star-League ticket fail to materialise, the idea of some form of short-lived national unity government bringing new elections (no earlier than next autumn, more likely in the first quarter of 2019 in our view) could re-emerge as a possible backstop solution, given presidential blessing.

## Now a pause for reflection, with no actor in a hurry to close

Yesterday, in his succinct press conference wrap-up, President Mattarella acknowledged that a solution to the gridlock would require more time. He will allow political parties to reflect next week before calling another round of consultations, possibly on Thursday 12 April. He did not seem in a hurry nor were the main political actors. For some, chiefly the League and the 5SM, there is an additional incentive to wait a bit longer; on 22 April regional elections will be held in the Southern Molise region, where the 5SM candidate looks favorite based on opinion polls, and on 29 April in the Northern Friuli Venezia Giulia region, where a united centre-right coalition backs a candidate from the League. A blow-up of the centre-right coalition at the national level just before the regional votes would be politically inopportune.

### Author

#### Paolo Pizzoli

Senior Economist, Italy, Greece

[paolo.pizzoli@ing.com](mailto:paolo.pizzoli@ing.com)

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