

## Italy passes electoral law ahead of 2018 vote

The Italian Senate cast the final vote on the controversial electoral law today. We expect elections to take place in March 2018



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After resorting to five confidence votes on specific articles yesterday, the Italian Senate today cast the final vote on the electoral law.

The law passed with 214 votes in favour and 61 against. It was supported by PD, the centre-right party Forza Italia, the eurosceptic Northern League, centrists of AD and ALA and other small groups. It was opposed by the Five Star Movement and by Fratelli d'Italia. MDP, the party which split from the PD last February, also voted against it and officially announced its exit from the government alliance.

The new electoral law which will apply to both branches of the Italian parliament, foresees a mixed system, with two-thirds of the seats allotted with a proportional system, and a third with a first-past-the-post system, with block lists.

It introduces the same entry thresholds in both houses, set at three percent of votes for single lists and 10% for coalitions. The possibility of forming coalitions for the first-past-the-post part is the

most relevant factor of the new system. However, coalitions will be loose in nature, as the law does not foresee the presence of a common programme nor the indication of a common candidate for PM. Still, the possibility of coalescing will affect the shaping of the campaign, ahead of the 2018 vote.

President Mattarella had clearly indicated the harmonisation of the electoral system in the two Chambers as a top priority for any reform, and the new law addresses this concern. Unfortunately, in our view, it does little to assure governability.

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*Our current best guess is that Italian elections will take place in the first half of March 2018*

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Based on the latest opinion polls, the Italian political spectrum remains divided into three groups of similar size. As the new law does not include any majority premium, barring substantial opinion shifts, none of the three groups seem to be in a position to win a majority in the parliament.

Therefore in our view, chances of a hung parliament are very high, and some kind of coalition will be required to form a government. This will not be an easy task, as it could call for the break-up of electoral alliances set to confront the first-past-the-post part of the system.

After parliamentary approval, a full month will be required to redesign constituencies and make the electoral system ready. The political focus will now shift to the approval of the budget, which will have to be completed before the end of the year and could represent the last relevant official step in the current legislature.

President Mattarella would then be in a position to dissolve parliament early in January 2018. Our current best guess is that Italian elections will take place in the first half of March 2018.

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