



Election in Italy

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More than half of voters in Italy's March 4, 2018, parliamentary election supported political parties considered antiestablishment or outside the mainstream. Since no party or political group won a majority of seats in parliament, the top vote-getters will now negotiate to form a governing coalition. This is expected to be a drawn-out process that could end in stalemate and possibly new elections. Furthermore, the empowerment of so-called populist parties could have significant implications for the European Union (EU), NATO, and the United States.

Election Results

A center-right alliance of three conservative parties achieved the election's highest vote total (see **Table 1**). To the surprise of many, the nationalist, anti-immigration *Lega* (League) outperformed the more moderate *Forza Italia* (Forward Italy), which had been expected to forge a centrist orientation for the group.

The populist, antiestablishment Five Star Movement (M5S) won the highest vote total of any single party. With control of a third of the seats in parliament, the party is poised to become Italy's strongest political force. However, M5S, founded in 2009 as an internet-based anti-corruption protest movement, has until recently ruled out governing in coalition with members of the political establishment it has long opposed.

A center-left coalition, led by the incumbent *Partito Democratico* (PD), was widely portrayed as the election's biggest loser. One day after the election, PD leader and former Prime Minister Matteo Renzi announced his intention to resign following coalition negotiations.

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Table I. Election Results

Political Party/Group	Chamber of Deputies (630 seats)		Senate (315 seats)		
	Vote Total	# of Seats	Vote Total	# of Seats	
Center-Right Alliance	<i>Lega</i> (far-right)	17.4%	73	17.6%	37
	<i>Forza Italia</i> (center-right)	14.0%	59	14.4%	33
	<i>Fratelli d'Italia</i> (far-right)	4.3%	19	4.2%	7
	Total, Center-Right*	37.0%	260*	37.5%	135*
Five Star Movement (populist/antiestablishment)	32.7%	221	32.2%	112	
Partito Democratico (center-left)	18.7%	112	19.1%	57	
Liberi e Uguali (leftist)	3.4%	14	3.3%	4	

Source: Italian Ministry of the Interior.

Note: *The total number of seats for the center-right alliance includes additional seats won by alliance candidates in single-member districts.

Commentators have portrayed M5S's and *Lega*'s success as a reflection of voter frustration with the economy and immigration. Economic growth remains below the EU average, and unemployment, at 11% (35% for young people), is high. Italy also has struggled to accommodate more than 600,000 refugees and migrants who have arrived in the country since 2013. Both M5S and *Lega* have blamed Italy's economic woes on fiscal restraints imposed by the Eurozone and have complained that EU member states have done too little to assist Italy with migrants arriving from Africa. These themes appeared to resonate with voters.

Possible Outcomes

Parliament is to convene on March 23, after which Italy's president, Sergio Mattarella, is expected to confer an "exploratory mandate" to a party leader to try to form a governing coalition. What such a coalition could look like remains uncertain. Analysts have identified potential obstacles to each of the following possibilities:

- **"Grand Coalition" of the Center-Right and Center-Left.** Before the election, most polls predicted such a centrist coalition, with the center-right being led by former Prime Minister Silvio Berlusconi's *Forza Italia*. The likelihood of such a coalition has diminished greatly due to *Lega*'s strong performance and staunch center-left opposition to *Lega*.
- **Populist Coalition of M5S and *Lega*.** Many view these two parties as the election's winners and see similarities in their populist platforms. However, M5S has made a point of opposing all other parties, and its southern base could be reluctant to endorse an agreement with *Lega*, which once advocated northern secession (though it no longer does). For their part, *Lega* leaders, whose base is in Italy's more prosperous north, could oppose a core M5S proposal to offer a universal basic income to the poor, most of whom are in southern Italy.

- **Left-Leaning Coalition of M5S and PD.** A left-leaning coalition may be a more natural fit for M5S than a move to the right, and these two parties share a focus on environmental protection and public investment. However, M5S stridently opposed the previous PD-led government, and PD leader Renzi has ruled out governing with M5S. Some analysts believe Renzi could be overruled by others in the PD who are more open to the arrangement.
- **Interim “Unity Government” and New Election.** The aforementioned obstacles lead some analysts to predict that President Mattarella could ask parliament to endorse a nonpolitical interim government for a limited time period before calling new elections. The likelihood of new elections could depend on a change in electoral laws or other developments that might decrease the probability of another unclear election outcome.

Foreign and Defense Policy and Implications for the United States

For decades, Italian foreign policy has been anchored by commitments to the EU, NATO, and the United States. Although most observers doubt a new government would drastically reorient Italian foreign policy, the rise of M5S and *Lega*—and the resulting potential political instability—could heighten tensions within the EU and increase unpredictability in policy toward NATO and the United States. Particular areas of concern could include the following:

- **Instability in the EU.** Italian politicians could push back against EU fiscal policies viewed as constraining the government’s ability to spur economic growth, and they could become more vocal about a perceived lack of EU solidarity on migration issues. Heightened tensions with the EU could imperil Italy’s precarious financial standing—public debt is 132% of gross domestic product (GDP)—and hinder broader EU cooperation, including efforts to improve border security.
 - **Defense Policy.** Italy contributes forces to NATO’s mission in Afghanistan and to the international coalition against the Islamic State. However, some analysts have expressed concern that the next government could be preoccupied with domestic issues and fiscal challenges. At 1.1% of GDP, Italy’s defense budget remains below NATO’s 2% of GDP target. M5S and *Lega* have criticized NATO and the U.S.-led coalition in Syria and Iraq.
 - **Relations with Russia.** Although Italy has supported EU sanctions on Russia, the two countries enjoy close bilateral ties, especially in the energy sector. Both *Lega* and M5S have criticized EU sanctions and NATO efforts to deter Russia and called for improved ties with Moscow.
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