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## All roads lead to Rome

### Italian elections could bring uncertainty back to the eurozone

#### Key points

- The Italian elections have turned into a referendum on fiscal discipline and structural reform. No less than five of the seven main political parties in the race – together polling at around 50% – have pledged to put an end to EU-mandated austerity.
- Two of these parties – Lega Nord and comedian Beppe Grillo's Five-Star Movement – are in favour of a referendum on Italy's euro membership. Together, they could potentially secure over 20% of the vote.
- The final outcome of the elections has become increasingly uncertain throughout the campaign. Somewhat unbelievably, Silvio Berlusconi has been reinvigorated, thanks to a strong populist anti-austerity campaign. Two weeks before the elections, his centre-right alliance was trailing the centre-left coalition led by Pier Luigi Bersani by between 4% and 9%, depending on the poll.
- This means that, though unlikely, Berlusconi could still win. In 2006, Berlusconi managed to come back and almost win the elections against all odds – despite opinion polls putting him approximately between 3% and 6% behind.
- Even if he does not win, Berlusconi could stop the centre-left from winning a majority in the Italian Senate – the upper chamber. This would force Bersani to seek allies to form a new government, with Mario Monti's pro-reform bloc the obvious candidate.
- An outright victory for Bersani's centre-left coalition in both chambers would make the formation of the new cabinet smoother, but a self-sufficient centre-left government would be more limited in its reform efforts, not least because of the links to the country's unions – and is unlikely to push ahead with further changes to Italy's rigid labour market.
- Support for Beppe Grillo's Five-Star Movement could be the real litmus test of these elections. Grillo has made clear that he will not join a coalition government with any of the old establishment parties, and has been calling for a referendum on the euro and the restructuring of Italy's huge public debt. The various scandals which have been surfacing in Italy over the past few weeks may well give the Five-Star Movement an extra boost. Grillo's vote share could be seen as the public protest vote against the current state of Italian politics.
- Mario Monti has no chance of outright victory, but he could still end up being the kingmaker. We discuss four post-election scenarios which could materialise if the centre-left wins the elections, but fails to secure a majority in the Italian Senate.

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## 1. THE ITALIAN ELECTIONS: A REFERENDUM ON FISCAL DISCIPLINE AND STRUCTURAL REFORM

Italians will vote on 24-25 February. The outcome of the elections will be of the utmost importance to not just Italy but the eurozone. A ban on opinion polls came into effect on 9 February. The latest polls show that a stable, pro-reform Italian government after the elections is possible, but cannot be taken for granted at this stage – not least because around 30% of Italians are either undecided or are considering abstaining.

A number of Italian parties (notably including Silvio Berlusconi's PdL party) are openly campaigning to put an end to the tough austerity Italy has pursued to meet its EU commitments. It will be interesting to see how receptive Italian voters will be to this message. Table 1 gives an overview of where the main parties stand on eurozone-related issues.

**Table 1: Meet the contenders**

Party	Leader	Orientation	Views on the eurozone crisis
People of Freedom (PdL)	Silvio Berlusconi (candidate for PM tbc)	Centre-right	German-imposed austerity must be overturned. Fiscal treaty should be renegotiated. ECB must become lender of last resort. Alternative would be either Germany or Southern eurozone countries leaving the euro.
Lega Nord (in coalition with PdL)	Roberto Maroni	Right	Austerity has been particularly harmful to Northern Italy's businesses. In favour of referendum on euro membership.
Civic Choice for Italy (in coalition with two other parties) <sup>1</sup>	Mario Monti	Centre	Italy must stick to its EU commitments and push ahead with the necessary structural reforms to restore growth.
Democratic Party (Pd)	Pier Luigi Bersani	Centre-left	Italy will stick to fiscal treaty and other European commitments, but EU should shift focus from austerity to investment to boost growth. Willing to give up budgetary sovereignty in return for more flexibility on public investment.
Left, Ecology and Freedom (SEL, in coalition with Pd)	Nichi Vendola	Left	Austerity must end. Europe should be reformed in order to make welfare and social rights its priorities.
Civil Revolution	Antonio Ingroia (a former anti-mafia prosecutor)	Left	Austerity must end and the fiscal treaty should be scrapped. All EU institutions should be directly elected.
Five-Star Movement	Beppe Grillo (a former comedian)	None	Austerity must end. In favour of referendum on both euro membership and debt restructuring.

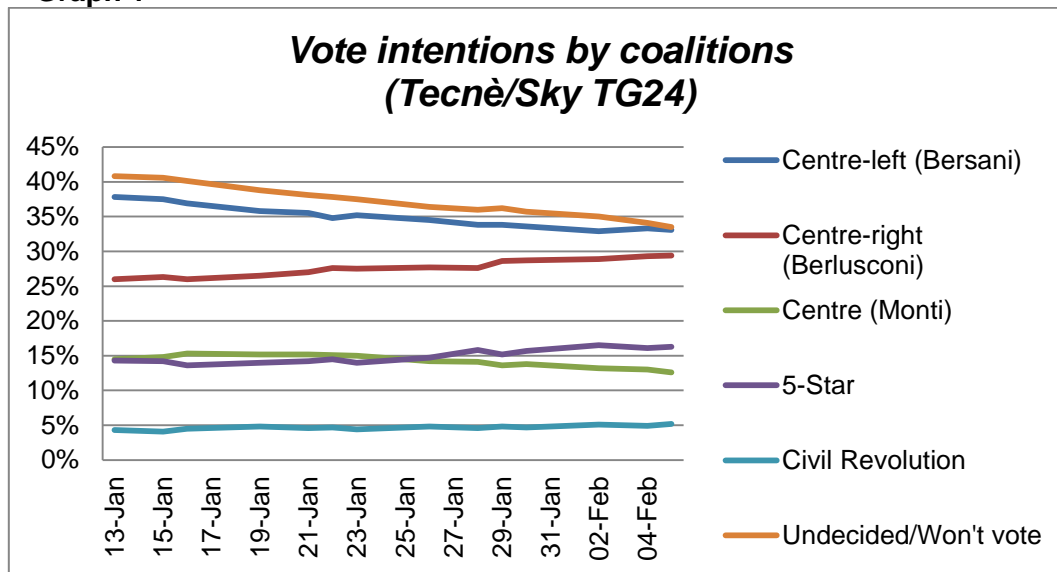
## 2. HOW MUCH GROUND HAS BERLUSCONI REALLY GAINED IN THE POLLS?

Italian pollsters give a varied picture, but agree on at least two findings. First, the centre-left coalition led by Pier Luigi Bersani is ahead. Second, the centre-right coalition led by Silvio Berlusconi has been consistently gaining ground – a sign that the strong populist rhetoric embraced by *Il Cavaliere* has been paying off.

<sup>1</sup> Future and Freedom for Italy (FLI), led by Gianfranco Fini, and the Centrist Union (UDC), led by Pierferdinando Casini – both of them former allies of Silvio Berlusconi

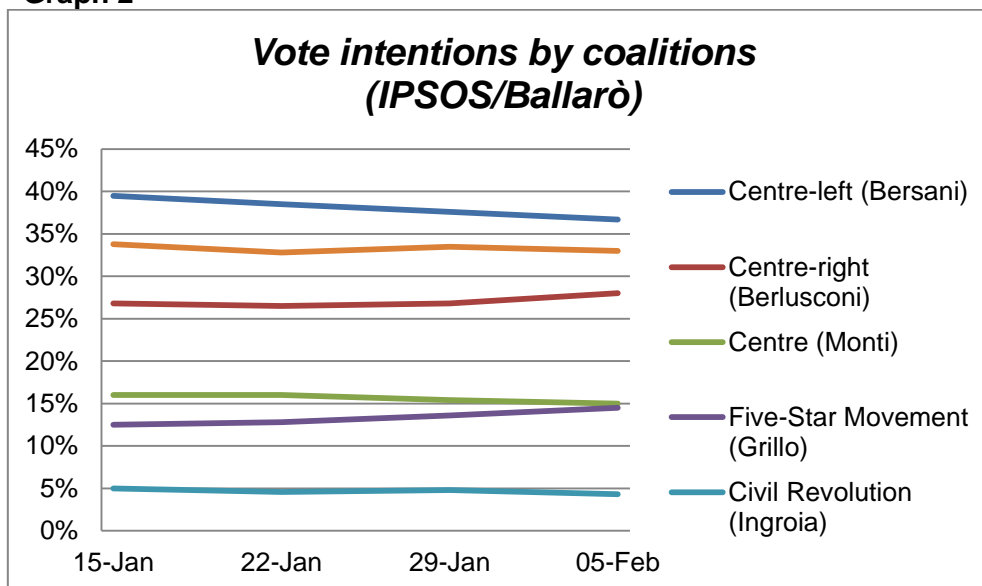
However, opinion polls differ significantly on the *gap* between the two coalitions. Tecnè, for instance, put the centre-left ahead by as little as 3.7% – down from almost 12% a month ago (see Graph 1).<sup>2</sup>

**Graph 1**



According to IPSOS, though, Berlusconi has been less successful in closing the gap, and the centre-left can rely on a much safer lead of almost 9%.<sup>3</sup>

**Graph 2**



In short, the latest opinion polls put Bersani’s centre-left coalition anywhere between 4% and 9% ahead of Berlusconi’s centre-right alliance. We therefore work from the assumption that the centre-left coalition gets the most votes nationwide – as all the opinion polls available to date suggest. Under Italy’s electoral law (see Section 3), this would grant the centre-left a stable majority in the lower chamber of the Italian parliament but not necessarily in the upper house.

<sup>2</sup> This means the gap between the two coalitions is below the poll’s margin of error, which is +/- 4%

<sup>3</sup> IPSOS data relates to vote intentions for the lower chamber of the Italian parliament

### 3. THE ELECTORAL SYSTEM ADDS TO UNCERTAINTY

The Italian Constitution establishes that the two chambers of the Italian parliament have equal powers – meaning that the government needs to command an absolute majority in both if it wants to be able to pass legislation on its own. However, two chambers are elected under different systems (see Table 2).

**Table 2: Italy’s electoral law in a nutshell**

Camera dei Deputati (lower chamber)	Senato della Repubblica (upper chamber)
The party/coalition which gets the most votes nationwide is automatically assigned a majority (i.e. 340 of the total 630 seats, almost 54%)	Seats are allocated according to regional ballots. A region’s seats in the Senate are weighted by population. The party/coalition which gets the most votes in each region is automatically assigned 55% of the region’s Senate seats.

Source: Legge 270/2005 (aka Legge Calderoli)<sup>4</sup>

Therefore, Italy’s electoral system guarantees the most popular party in the national vote a solid majority in the lower chamber – but the composition of the upper chamber relies on the outcome of regional ballots.

**Table 3: Regions and Senators<sup>5</sup>**

Region	Senators elected	Senators for the winner
Lombardy (Milan)	49	27
Campania (Naples)	29	16
Lazio (Rome)	28	16
Sicily	25	14
Veneto (Venice)	24	14
Piedmont (Turin)	22	13
Emilia-Romagna (Bologna)	22	13
Apulia	20	11
Tuscany	18	10
Calabria	10	6
Sardinia	8	5
Marche	8	5
Liguria	8	5
Trentino-Alto Adige*	7	4
Friuli-Venezia Giulia	7	4
Abruzzi	7	4
Umbria	7	4
Basilicata	7	4
Molise*	2	2
Valle d’Aosta*	1	1
Foreign constituency*	6	4
<b>TOTAL</b>	<b>315</b>	

Source: Decree of the President of the Italian Republic, 24 December 2012<sup>6</sup>

The number of Senators elected in each region mirrors the region’s population (see Table 3) – meaning that the key battles will be fought in Italy’s five or six most populous regions. Italian pollsters have been working on a number of different combinations.<sup>7</sup> On current

<sup>4</sup> Full text available here (in Italian),

[http://www.senato.it/documenti/repository/leggi\\_e\\_documenti/raccoltenormative/25%20-%20elezioni/L.%20270-05/L.%20270-05.pdf](http://www.senato.it/documenti/repository/leggi_e_documenti/raccoltenormative/25%20-%20elezioni/L.%20270-05/L.%20270-05.pdf)

<sup>5</sup> Regions with (\*) do not follow the general rule. To simplify, we assumed that the winner would get 55% of seats in those regions too (rounded up to higher value)

<sup>6</sup> Available on Italy’s Official Journal (in Italian),

<http://www.gazzettaufficiale.biz/atti/2012/20120299/12A13659.htm>

<sup>7</sup> See, for instance, this IPSOS poll published by Italian business daily *Il Sole 24 Ore*,

<http://www.ilsole24ore.com/art/notizie/2013-01-09/duello-regioni-chiave-tutti-141930.shtml?grafici&uuid=AbliQfIH>.

polling, the centre-right coalition led by Silvio Berlusconi would potentially only need to win in two of Italy's biggest regions to stop the centre-left from getting an absolute majority in the Italian Senate.

Crucially, the more of the larger Italian regions won by Berlusconi's centre-right alliance, the higher the risk of a 'hung' Senate (see Section 4). A relatively small number of opinion polls have been conducted on a regional basis, and they all concluded that the centre-left and centre-right coalitions are neck-and-neck in at least three or four big regions – including Lombardy, where 49 Senators (over 15% of the entire chamber) are elected. This makes the final outcome in the Senate highly unpredictable.

#### 4. POST-ELECTION SCENARIOS

The formation of a new Italian government may take some time after the elections – irrespective of the outcome. This is largely due to the protocol that has to be followed (see Box 1).

##### **Box 1: The formation of a new government in Italy**

Based on the election results, the Italian President holds talks with: the leaders of all the political parties which have won seats in the new parliament; the speakers of the two chambers; and the living former Italian Presidents (only Carlo Azeglio Ciampi at the moment).

After this round of consultations, the President tasks a person – usually the leader of the party/coalition that won the elections – with forming the new government. Once formed, the new cabinet is sworn in and faces separate confidence votes in the two chambers of the Italian parliament.

This process takes no less than three or four weeks. In 2008, the centre-right government led by Silvio Berlusconi was sworn in 24 days after the general elections – and it had won a landslide victory.<sup>8</sup> Election results are expected to be much closer this year, meaning that the formation process is very likely to take longer than that.

In this section, we discuss a number of potential post-election scenarios and what they would mean for the rest of the eurozone. We pay special attention to what could happen if no party/coalition manages to secure an absolute majority in the Italian Senate.

##### **Scenario 1: Centre-left wins absolute majority in both chambers**

Having a clear election winner would make the formation of the new government smoother – but this scenario would not be all good news. The leader of the coalition, Pier Luigi Bersani, is widely seen as a pragmatic politician, and has a decent record of adopting liberalising measures in his days as Italy's Economic Development Minister (2006-2008).

However, his party's close links with the CGIL – the biggest Italian trade union – and his alliance with the left-wing SEL party will likely both put a brake on further reform of Italy's rigid labour market. Stefano Fassina, the economic spokesman of Bersani's party, recently

See also this Tecne poll for Sky TG24,

[http://tg24.sky.it/tg24/politica/photogallery/2013/02/07/sondaggi\\_tecne\\_skytg24\\_senato\\_regioni\\_elezioni.html#23](http://tg24.sky.it/tg24/politica/photogallery/2013/02/07/sondaggi_tecne_skytg24_senato_regioni_elezioni.html#23)

<sup>8</sup> See *Camera dei Deputati*, 'Formazione del IV Governo Berlusconi',

<http://www.camera.it/557?conoscerelacamera=42>



told the *FT*, “It is not difficult for businesses to fire people in Italy. What does not work is the application of the law.”<sup>9</sup>

## **Scenario 2: Centre-left wins majority in lower chamber, but no majority in Senate**

Under this scenario, Mario Monti could end up being the kingmaker. We identify four possible options:

### **Option 1: Alliance between Monti and Bersani in the Italian Senate, with Bersani as Prime Minister**

*Probability: High*

If Bersani and his centre-left coalition were to need support in the Italian Senate, Mario Monti would be the obvious candidate. Bersani’s Democratic Party and Monti’s centrist bloc share some common ground – on further liberalisation of the services market, the fight against tax evasion and corruption, the reform of public administration, and, of course, Europe. Furthermore, Bersani has said on several occasions that he is “more than ready” to cooperate with Monti after the elections.<sup>10</sup> Similarly, Monti has suggested that a pro-reform “grand coalition” is the only way ahead if Italy really wants to make the necessary changes to re-launch its economy.<sup>11</sup>

The big question here is whether Monti would agree to serve in a government led by someone else. He has not ruled this possibility out, but he would dictate the conditions for his support. A lot will also depend on how many seats Monti’s centrist bloc will secure in the Senate. Monti has expressed strong reservations about being in government with Bersani’s smaller left-wing ally SEL, unless its leader, Nichi Vendola, “adopts a more pro-reform stance”.<sup>12</sup> However, Bersani could ultimately need help from both to get over the majority threshold of 158 Senators by a safe margin. Could Monti and Vendola be ‘forced’ to co-exist? Probably yes, but the result would be a more fragile coalition.<sup>13</sup>

*What would it mean for the eurozone?*

Monti’s presence in the new cabinet would reassure Italy’s eurozone partners, the EU institutions and the markets – especially if the survival of the new government were to ultimately depend on Monti’s support. His leverage would, of course, not be unlimited. Monti would still be Bersani’s junior partner, and may have to compromise on a number of items on his agenda – notably on labour market reform.

That said, a post-election alliance between the Democratic Party and Monti’s centrist bloc (with the exclusion of the left-wing SEL party from the ruling coalition, if possible) would still be the best deal on offer in terms of economic reform – if no clear winner were to emerge from the vote.

<sup>9</sup> *FT*, ‘Italy’s Democrats extend olive branch to Monti’, 13 January 2013, <http://www.ft.com/cms/s/0/65175e70-5d87-11e2-a54d-00144feab49a.html#axzz2JGLBkOdK>

<sup>10</sup> *Corriere della Sera*, ‘Bersani: Siamo “prontissimi” a collaborare con Monti’, 5 February 2013, [http://www.corriere.it/politica/13\\_febbraio\\_05/bersani-pronto-collaborare-con-monti\\_eb6fd228-6f9c-11e2-b08e-f198d7ad0aac.shtml](http://www.corriere.it/politica/13_febbraio_05/bersani-pronto-collaborare-con-monti_eb6fd228-6f9c-11e2-b08e-f198d7ad0aac.shtml)

<sup>11</sup> *La Stampa*, ‘Monti: Dopo il voto una grande coalizione’, 5 February 2013, <http://www.lastampa.it/2013/02/05/italia/speciali/elezioni-politiche-2013/monti-alzo-la-voce-di-fronte-a-chi-dice-cose-errate-sul-governo-96RMMPDb63H2T5i23xgDSK/pagina.html>

<sup>12</sup> *Il Sole 24 Ore*, ‘Monti apre a Vendola: Alleanza possibile se diventa più riformista’, 13 February 2013, <http://www.ilsole24ore.com/art/notizie/2013-02-13/monti-apre-vendola-alleanza-140723.shtml?uuid=AbTZL2TH>

<sup>13</sup> *La Stampa*, ‘Botta e risposta Bersani-Monti sull’alleanza’, 6 February 2013, <http://www.lastampa.it/2013/02/06/italia/speciali/elezioni-politiche-2013/bersani-mano-tesa-a-monti-ma-tra-di-noi-restano-distanze-qXGn2r5bTpHoGQmJU597ZL/pagina.html>

### Option 2: Alliance between Monti and Bersani in the Italian Senate, with Monti as Prime Minister

*Probability: Medium/Low*

The key issues are the same as discussed under Option 1. Such a solution would be fully possible under Italian law, but looks less likely – not least because election winner Bersani would have to make way for Monti to become the new Prime Minister.

*What would it mean for the eurozone?*

It is no secret that the EU institutions and Italy's eurozone partners would be pleased to see Monti at the helm again after the elections. As Prime Minister, he would probably be in a better position to shape the government's agenda. However, the balance of power in both the government and parliament would mirror the election results – meaning that Monti would have to rely heavily on his allies to have legislation proposed (by his cabinet) and passed (by parliament).

### Option 3: The 'grand coalition'

*Probability: Low*

If Berlusconi's centre-right coalition were to win in all the big regions (see Table 3), this might lead to a situation where the centre-left would not command a majority in the Senate even if it joined forces with Monti's centrist bloc. Therefore, a 'grand coalition' similar to the one supporting the outgoing technocratic government (i.e. with the Democratic Party, Berlusconi's PdL party and the smaller centre parties led by Monti, but without Lega Nord and left-wing SEL) could be the only viable alternative to new elections.

This seemed a very distant prospect only a few weeks ago. However, according to a Tecne survey published immediately before the opinion polls ban, Berlusconi's centre-right coalition was ahead in Sicily and Veneto – while Lombardy, Piedmont and Campania were "too close to call", given that the gap between the two coalitions was below 3%.<sup>14</sup> If all those three regions were to swing towards the centre-right, not even an alliance between the centre-left and Monti would command an absolute majority in the Italian Senate.

At first glance, this option looks politically unviable – and several party leaders have ruled it out throughout the 'no-holds-barred' electoral campaign.<sup>15</sup> Clearly, it would be difficult for Bersani or Monti to explain to their electorate that they will be in government with Berlusconi again, and vice versa. However, Italian political parties may try to find a temporary compromise, if it were the only way to avoid fresh elections in the immediate future.

*What would it mean for the eurozone?*

Italy's recent experience shows that a 'grand coalition' would be far from an ideal outcome. After a strong start with the reform of the pension system, Monti's technocratic government was forced to either drop or water down a number of key pieces of legislation (from the package of measures to reform the labour market to the new anti-corruption law) – precisely because it had to secure parliamentary support from parties with very different priorities.

<sup>14</sup> The full results of the poll are available here,

[http://tg24.sky.it/tg24/politica/photogallery/2013/02/07/sondaggi\\_tecne\\_skytg24\\_senato\\_regioni\\_elezioni.html#23](http://tg24.sky.it/tg24/politica/photogallery/2013/02/07/sondaggi_tecne_skytg24_senato_regioni_elezioni.html#23)

<sup>15</sup> See, for instance, *Il Sole 24 Ore*, 'Bersani: lasciamo stare l'ipotesi grande coalizione', 28 January 2013,

<http://www.ilssole24ore.com/art/notizie/2013-01-28/bersani-lasciamo-stare-ipotesi-183114.shtml?uuid=AbSevxOH>

Most importantly, such a diverse ‘grand coalition’ would be extremely unlikely to last for the entire five-year parliamentary term.

#### Option 4: Greek-style re-run elections

*Probability: Very low*

This scenario cannot be ruled out, but remains the most unlikely. None of the political leaders would be keen to take the blame for the definitive collapse of coalition talks and the possible consequences for Italy – in large part out of fear of punishment in the new elections.

*What would it mean for the eurozone?*

This would arguably be the worst scenario for Italy and the eurozone. Re-run elections mean at least two-three more months of political inactivity and, potentially, huge market pressure – which Italy can hardly afford. Also, the risk of contagion to other struggling eurozone countries (notably Spain) would be significant.

### **5. IS A BERLUSCONI VICTORY STILL POSSIBLE?**

Opinion polls have shown that Berlusconi’s PdL party and his centre-right coalition have gone a long way to closing the gap with the centre-left – and the momentum seems to be quite clearly on *Il Cavaliere*’s side (see Section 2). At this stage, though, there is no way to establish how likely it is for Berlusconi to complete his *rimonta* (comeback) and win the elections. No more opinion polls will be published, and the surveys available provide no clarity over the key question: how many voters does Berlusconi still need to convince?

It has been noted that Berlusconi has very little time left, and there are fewer undecided voters he can try to entice than two months ago.<sup>16</sup> It has also been pointed out that the recent announcement that Pope Benedict XVI will step down at the end of February is receiving extensive coverage in the Italian media – in part to the detriment of the electoral campaign.<sup>17</sup> This could penalise Berlusconi, who has largely built his comeback in the opinion polls through a huge increase in air time.

<sup>16</sup> See *Il Sole 24 Ore*, ‘Berlusconi risale, ma restano 6,6 punti. In tre settimane dimezzato il divario da Bersani’, 8 February 2013, <http://www.ilsole24ore.com/art/notizie/2013-02-08/berlusconi-risale-restano-punti-073901.shtml?uuid=AbbWvMSH>

<sup>17</sup> See *La Repubblica*, ‘Effetto Ratzinger sulla campagna elettorale: rimonta più dura per il Cavaliere’, 12 February 2013, [http://www.repubblica.it/politica/2013/02/12/news/effetto\\_rattinger\\_sulla\\_campagna\\_rimonta\\_pi\\_dura\\_per\\_il\\_cavaliere-52445853/](http://www.repubblica.it/politica/2013/02/12/news/effetto_rattinger_sulla_campagna_rimonta_pi_dura_per_il_cavaliere-52445853/)



## Box 2: The lesson from the past – Italian general elections, April 2006

On 9-10 April 2006, Italians voted for the first time under the current electoral law. The main contenders were the centre-left coalition led by former European Commission President Romano Prodi and the centre-right coalition led by Silvio Berlusconi.

The last polls were published on 24 March 2006, and they gave the centre-left an approximate lead of between 3% and 6%.<sup>18</sup> The final result was very different, though. Prodi's centre-left coalition did finish ahead, but only by less than 25,000 votes (on a total of over 38 million).<sup>19</sup>

The electoral law did the rest of the job. The centre-left won 158 out of 315 seats in the Italian Senate – the required minimum. Such a wafer-thin majority did not last long. Prodi's diverse coalition collapsed less than two years later, leading to early elections in April 2008 (won by Berlusconi).

It is important to stress that, even if Berlusconi's centre-right alliance were to overtake the centre-left and get the most votes, it could still fail to gain a commanding majority in the Italian Senate – again due to Italy's electoral law (see Section 3). This could increase the chances of new elections, as Berlusconi would probably struggle to find allies for a potential coalition.

One thing is certain: Berlusconi's victory would be bad news for Italy and the rest of the eurozone. He was in government for eight years between 2001 and 2011 – and his record was poor, to say the least.

Throughout the electoral campaign, Berlusconi has been making a number of promises which, if kept, could put Italy's public finances under pressure again.<sup>20</sup> Most importantly, he has been very critical of German-imposed fiscal discipline – while a senior member of his party, Italy's former Public Administration Minister Renato Brunetta, has even suggested that the labour market and pension reforms adopted by Monti's technocratic government should be “thrown into the sea”.<sup>21</sup>

## 6. BEPPE GRILLO: COMEDIAN, BUT NO LAUGHING MATTER

Italian comedian Beppe Grillo and his Five-Star Movement are set to play a key role in these elections. Grillo has made clear since the beginning that he would not join a coalition with any of the old establishment parties. Therefore, it will be interesting to see how many Italians

<sup>18</sup> The centre-left was ahead by 3.5% according to TNS Abacus, [http://www.archivio.sondaggipoliticoelettorali.it/asp/visualizza\\_sondaggio.asp?idsondaggio=1952](http://www.archivio.sondaggipoliticoelettorali.it/asp/visualizza_sondaggio.asp?idsondaggio=1952); by 5.1% according to GfK Eurisko,

[http://www.archivio.sondaggipoliticoelettorali.it/asp/visualizza\\_sondaggio.asp?idsondaggio=1953](http://www.archivio.sondaggipoliticoelettorali.it/asp/visualizza_sondaggio.asp?idsondaggio=1953); and by 5.5% according to SWG, <http://www.archivio.sondaggipoliticoelettorali.it/?st=VECCHIOSITO>

<sup>19</sup> The centre-left coalition got 49.81% of votes, and the centre-right 49.74%. The full results are available on the website of the Italian Interior Ministry, see

[http://www.interno.gov.it/mininterno/export/sites/default/it/sezioni/sala\\_stampa/notizie/elezioni/notizia\\_22160.html](http://www.interno.gov.it/mininterno/export/sites/default/it/sezioni/sala_stampa/notizie/elezioni/notizia_22160.html)

<sup>20</sup> For further details, see *Open Europe blog*, 'Italian elections: Il Cavaliere goes all-in', 4 February 2013,

<http://openeuropeblog.blogspot.co.uk/2013/02/italian-elections-il-cavaliere-goes-all.html>

<sup>21</sup> *Il Sole 24 Ore*, 'La proposta del PdL per rilanciare il lavoro: via la riforma Fornero, tornare alla legge Biagi', 11 February 2013, <http://www.ilsole24ore.com/art/notizie/2013-02-11/proposta-rilanciare-lavoro-riforma-134934.shtml?uuiid=Ab8pNKTH>. Similar remarks were also made by Italy's former Economy Minister Giulio Tremonti, see *Corriere della Sera*, 'Tremonti: Legge Fornero boiata pazzesca da cancellare subito. Distrugge la vita dei giovani', 12 February 2013, [http://www.corriere.it/politica/speciali/2013/elezioni/notizie/12-febbraio-Tremonti-videochat\\_c44dfdb0-7509-11e2-b332-8f62ddea2ca4.shtml](http://www.corriere.it/politica/speciali/2013/elezioni/notizie/12-febbraio-Tremonti-videochat_c44dfdb0-7509-11e2-b332-8f62ddea2ca4.shtml)

will still choose to vote for the Five-Star Movement, despite knowing that it is not going to be in government.

The latest polls published before the 'blackout' put Grillo on 15-16%. This is a sharp decline from over 20% only a few months ago<sup>22</sup> – but the Five-Star Movement is again on an upwards trend. Furthermore, the recent wave of scandals (from Monte dei Paschi di Siena to Finmeccanica)<sup>23</sup> could give Grillo an extra boost, since his election manifesto is substantially based on the need to 'clean-up' Italian politics.

Grillo's presence in the next Italian parliament is also interesting because of the comedian's stance on the eurozone crisis. He has said that Italy should hold a referendum not only on euro membership, but also on the restructuring of its huge public debt.<sup>24</sup> The Five Star Movement will presumably be the second-largest opposition force in the next Italian parliament (after Berlusconi's PdL party). Dealing with such an unpredictable opponent will be a new challenge for the new government, whatever shape it takes.

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<sup>22</sup> See, for instance, *L'Unità*, 'Grillo sopra il 20% nei sondaggi SWG', 8 June 2012, <http://www.unita.it/italia/grillo-sopra-il-20-nei-sondaggi-br-swg-non-e-dato-sovrastimato-1.418876>

<sup>23</sup> For further details, see *Open Europe blog*, 'Italian elections: The scandal-watch', 14 February 2013, <http://www.openeuropeblog.blogspot.co.uk/2013/02/italian-elections-scandal-watch.html>

<sup>24</sup> See, for instance, *Il Fatto Quotidiano*, 'Beppe Grillo: Un referendum per l'euro e la ristrutturazione del debito', 11 August 2012, <http://www.ilfattoquotidiano.it/2012/08/11/beppe-grillo-referendum-per-leuro-e-ristrutturazione-del-debito/324037/>