

## ITALY'S REFUSAL

SINCE THE AUTUMN of 2014, elections and referendums in the heartlands of Western capitalism have brought a series of shocks to the established political order. A vote on Scottish independence left the UK intact after near-panic in ruling circles during the final weeks of the campaign, but was followed by a clean sweep for the Scottish National Party in the subsequent general election. Syriza's accession to power in January 2015 resulted in months of high drama for the Eurozone before its leaders capitulated to pressure from the Troika. In 2016, Britain voted to leave the European Union, confounding all predictions, while Donald Trump turned his campaign for the world's highest political office from joke to *fait accompli* in the space of a few turbulent months. Each of these outcomes had its own specific features and political inflections, carelessly subsumed by many under the rubric of 'populism', an alarming threat to the good sense of the liberal centre. Newspaper columnists have been left to wonder where the next surprise will come from, as national elections in France, Germany and the Netherlands loom on the horizon.

Italy's contribution to this cycle of upsets came with the constitutional referendum of December 2016, when a decisive 'No' vote of 59 per cent triggered the fall of Matteo Renzi, erstwhile champion of 'reform' and darling of the Anglophone media. In a state of shock, he told intimates: 'I did not think they hated me so much.'<sup>1</sup> Yet there was no mystery in the result, which had much less to do with the spectre of a 'populist and far-right wave' conjured up by the international media than with a backlash against Giorgio Napolitano's authoritarian blueprint for the 'stabilisation' of Italy, and the record of Renzi's aggressively neoliberal government.<sup>2</sup> The outcome was a product of Renzi's immediate social and economic legislation; decades-long attempts to erode the democratic content of the Italian constitution; and the convergence of a range

of different political forces, each with their own reasons for opposing the Prime Minister's scheme, in a landslide No.<sup>3</sup>

### *Renzi's record*

In the wake of his defeat Renzi, a former boy-scout, turned to Baden-Powell for his motto, claiming his aim had been: 'Leave it better than you found it.' His government had fought 'the good fight', but failed to win over enough Italians to the cause. Nonetheless, he insisted, the country was in far better shape than when he became Prime Minister: his much-needed labour law had created 600,000 new jobs; Italian growth rates had recovered from -2 to +1 per cent; exports had risen and the deficit fallen.<sup>4</sup> Renzi had set out to make Italy more 'governable', in a context of economic crisis and EU-mandated austerity, by transforming its political institutions and their relationship with civil society. There were three main planks to his strategy: side-lining the trade unions—or 'the disintermediation of intermediate bodies', as the Prime Minister preferred to put it—repression and 'proactive decisionism'. As Renzi explained in a Florentine speech in October 2014, if the unions insisted on challenging their 'disintermediation', blunt coercion could be deployed to bring them into line. The third concept, 'proactive decisionism', referred to Renzi's use of enabling acts. Article 76 of the Italian Constitution allows parliament to delegate its authority over individual laws to the executive, as long as the principles underpinning the law are set out clearly in advance. Renzi linked all of his major reforms—public-administration overhaul, education, labour laws—to a vote of confidence in himself. Once the enabling acts had been approved by Parliament, he would announce the reforms in triumph to the Italian public before his government had even brought the relevant legislation forward.

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<sup>1</sup> Maria Teresa Meli, 'Renzi, il retroscena dopo la sconfitta: "Non credevo mi odiassero così"', *Corriere della Sera*, 4 December 2016.

<sup>2</sup> On Napolitano's political record, see Perry Anderson, *L'Italia dopo l'Italia*, Rome 2014, pp. 133–82, and 'The Italian Disaster', *London Review of Books*, 22 May 2014; see also Marco Travaglio, *Viva il Re!*, Milan 2013.

<sup>3</sup> For a summary of the establishment campaign against the constitution, see Paolo Bianchi, 'Mito della governabilità e incapacità di governare: le due facce della Grande Riforma costituzionale', *Jura Gentium*, 8 August 2016.

<sup>4</sup> Sofia Lotto Persio, 'Read Matteo Renzi's resignation speech in full: "I am different. I lost and I say it loudly"', *International Business Times*, 5 December 2016.

The shambles concealed by this sleight-of-hand was soon uncovered. In November 2016, the Constitutional Court struck out the bulk of Renzi's public-administration reform and directed Parliament to revise the law upon which it was based. The 'Buona Scuola' education reform also proved to be a fiasco. In essence, it sought to empower school principals, especially in terms of labour relations, while linking teachers' salaries to performance benchmarks and introducing compulsory, unpaid internships for students, giving the curriculum a more vocational slant. The reality of 'Buona Scuola' proved to be administrative chaos, already in evidence at the beginning of the school year in September 2016, as the reform had been hastily imposed on the education system without adequate preparation.<sup>5</sup>

Meanwhile, Renzi's labour law epitomized his government's propensity for prestidigitation. It had abolished Article 18 of the Statuto dei Lavoratori, which prevented employers from firing a worker without due cause—something Berlusconi had been unable to achieve. The new Act promoted the casualization of labour in the name of 'flexicurity', while granting short-term fiscal subsidies to companies that created permanent jobs. When employment data for 2015 suggested that 600,000 new jobs had been created that year—including 190,000 permanent ones—Renzi claimed vindication. But as the economist Marta Fana has shown, this apparent triumph stemmed from a sugar high induced by tax reliefs.<sup>6</sup> Employers had simply hired the workers they would need for 2016 ahead of schedule in order to qualify for the government's handouts, especially in the South; but the surge in employment did not correspond to any growth in GDP.<sup>7</sup> Moreover, thanks to the repeal of Article 18, companies could employ workers on permanent contracts

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<sup>5</sup> Valentina Santarpia, 'Caos professori, certificate e congedi per rinviare i trasferimenti forzati', *Corriere della sera*, 11 September 2016; Roberto Ciccarelli, "'Buona scuola': caos atto II', *Il manifesto*, 13 September 2016; Lorenzo Vendemiale, 'Buona scuola, ad andare in tilt non è solo il settore pubblico', *Il Fatto Quotidiano*, 15 September 2016. The political costs of this failure would prove to be heavy for Renzi. Teachers have traditionally been a rich seam of votes for the Democratic Party, but according to the polling company SWG, barely half of the profession voted 'Yes' in the referendum.

<sup>6</sup> Marta Fana, 'Un mercato del lavoro drogato', *Sbilanciamoci.info*, 17 February 2016; Dario Guarascio, Marta Fana and Valeria Cirillo, 'La bolla occupazionale del Jobs Act', *Sbilanciamoci.info*, 22 February 2016.

<sup>7</sup> Marta Fana, 'Sono finiti gli sgravi fiscali e nel mercato del lavoro rimane la precarietà', *Internazionale*, 20 October 2016.

with every intention of letting them go once the fiscal subsidy had expired. During the first ten months of 2016, lay-offs duly increased by 3.4 per cent.<sup>8</sup> The creation of new, permanent jobs in 2016 was almost entirely cancelled out by the elimination of other such posts, leaving an overall increase of barely 60,000. The job figures were also inflated by a scheme introduced by the 2013–14 Letta government, whereby firms could buy vouchers at tobacco shops to pay employees without contract. The use of these vouchers soared by 67 per cent in 2015, with another 32 per cent hike in the first ten months of 2016. These precarious posts accounted for many of the jobs created under Renzi.

The glaring contrast between Renzi's bombastic claims and the real state of the country led his supporters in the media—*La Repubblica* first and foremost, but also *Corriere della Sera*, *La Stampa*, *Il Sole 24 Ore*—to modify their rhetoric in the lead up to the referendum. The optimistic arrogance with which they had begun the year gave way to crude scare-mongering, invoking the spectre of the Five Stars Movement coming to power, a possible break with the EU, financial instability and the collapse of Italy's banking system. Similar tropes had already been mobilized, to little effect, in Greece's Ochi referendum and the Brexit vote. Renzi also engaged in some theatrical skirmishes with EU officials over Italy's debt burden, bank bailouts and the refugee crisis in the Mediterranean, but had little to show for his efforts against a backdrop of growing (and well-justified) Euroscepticism, in a country that had once been fervently 'Europeanist'.

### *Normalization?*

Renzi had been obliged to call a referendum on his constitutional reform—originally the brainchild of President Napolitano—after failing to secure the necessary two-thirds majority in Parliament. Its underlying political logic is spelled out in *Aggiornare la Costituzione*, a book jointly authored by historian Guido Crainz and jurist Carlo Fusaro with the aim, as their title puts it, of 'modernizing the constitution'.<sup>9</sup>

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<sup>8</sup> INPS Osservatorio sul precariato, *Dati sui nuovi rapporti di lavoro: Report mensile, gennaio–ottobre 2016*.

<sup>9</sup> Guido Crainz and Carlo Fusaro, *Aggiornare la Costituzione: storia e ragioni di una riforma*, Rome 2016. Crainz is a professor of history at the University of Teramo and author of a recent *Storia della Repubblica: L'Italia dalla Liberazione a oggi*, Rome 2016; Fusaro teaches public law at the University of Florence, worked as an advisor

Modernization, as they make clear, involves eliminating residual elements resulting from the strength of the left parties, the Communists and Socialists, in the Constituent Assembly of 1946–48. The Italian Constitution comprises an opening section of twelve articles, codifying ‘Fundamental Rights’, followed by Part One, enumerating the rights and duties of citizens, and Part Two, outlining the institutional framework of the Republic. Crainz argues that, while the balance of forces in the post-war Constituent Assembly had left a positive imprint on Part One, helping to transform post-fascist Italy into a more democratic society, the institutional design of Part Two had been warped by the (understandable) anxieties of Alcide De Gasperi’s Christian Democrats, when confronted with the strength of Italian Communism.<sup>10</sup> The DC leader had insisted upon a panoply of institutional safeguards to limit executive power, notably a Constitutional Court, a Superior Council of Magistracy, regional autonomy, and forms of direct democracy such as the referendum, as well as the rejection of presidentialism in favour of weak governments and the centrality of Parliament. Alongside the Chamber of Deputies, a Senate elected by voters over the age of 25 was invested with the same powers and prerogatives as the lower house—a form of ‘perfect bicameralism’, conceived as a block on the PCI and its Socialist allies.<sup>11</sup> But with the PCI’s Historic Compromise, ‘perfect bicameralism’ became an unnecessary obstacle. *Aggiornare la Costituzione* identifies the Senate as a major source of institutional trouble from the 1970s, as it slowed down legislative processes and—together with the proportional electoral system—contributed to political instability and weak governments.

The main focus of Renzi’s constitutional reform was a redefinition of the Senate’s powers and composition. The membership of the upper house was to be reduced from 315 to 100, made up of 21 mayors, 74 members of regional councils and five Presidential nominees. Its legislative powers

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to the Ciampi government in 1993–94, and was a member of the Committee on Institutional Reforms set up by Berlusconi’s administration in 2002–03.

<sup>10</sup> Crainz and Fusaro, *Aggiornare la Costituzione*, pp. 14–20. For detailed critiques of the constitutional reform, see Gustavo Zagrebelsky and Francesco Pallante, *Loro diranno, noi diciamo: Vademecum sulle riforme istituzionali*, Bari 2016; Luigi Ferrajoli, ‘Dal bicameralismo perfetto al monocameralismo imperfetto’, *Democrazia e diritto*, 2, 2016; Luca Baccelli, ‘Italian Constitutional Reform: The “Urgent” Solution to a Non-Existent Problem’, *Public Seminar*, 24 October 2016.

<sup>11</sup> Crainz and Fusaro, *Aggiornare la Costituzione*, pp. 20–6.

would largely be limited to constitutional laws and those concerning local institutions, ratifying EU treaties and the rights of linguistic minorities. It would play a part in the election of Italy's President, nominate two judges to the Constitutional Court, and could propose amendments to laws being discussed in the lower house over which senators had no jurisdiction. But the revamped Senate would lose the right to vote no confidence in a government. Meanwhile the executive would be further strengthened by a time limit of 75 days for the Chamber of Deputies to discuss and vote on laws that a government deemed essential to its programme. Italy's regions would also lose some of the powers they had been granted in 1999 by a reform of the constitution's Title V.

According to Crainz and Fusaro, this 'modernizing' reform package would finally provide an answer to the decades-long problems of 'perfect bicameralism', creating the conditions for greater 'governability' by normalizing the country on the model of other liberal democracies like the UK, France or Spain, without compromising the Fundamental Principles that underpinned Italy's political order. This claim—that a major revision of Part Two of the Constitution would have no impact on the Fundamental Principles or Part One—was blatantly false. Article 1 states clearly that 'Sovereignty belongs to the people, who exercise it in the forms and within the limits established by the Constitution'. Part Two clarifies these forms and limits, in a way that has clear implications for popular sovereignty. There have been repeated attempts to subvert the Fundamental Principles indirectly through this channel over the past quarter-century. The first blow was struck in 1993, with a referendum to abolish the proportional voting law. This came at a time of great political upheaval, as the PCI dissolved itself and the First Republic collapsed under the weight of the Tangentopoli scandals, while gains made by Italian workers in the 1960s and 70s were rolled back. According to Article 48 of the Constitution's Part One, voting in Italy should be 'equal, free and secret'. The majoritarian voting system introduced in 1993 diluted this principle.

After Massimo D'Alema's failure to push through a 'presidentialist' reform of the Constitution in 1997, Berlusconi tried to impose a 'moderate presidentialism' (*presidenzialismo temperato*) in 2005, following his return to power; but this was thwarted in a referendum the following year. With Napolitano's help, the 'technocratic' administration of Mario Monti launched a more successful thrust against the constitutional

status quo in 2012. Monti's reform—effectively imposed on Italy by the EU and the ECB—altered several Articles to enshrine balanced budgets as a fundamental duty of the state, radically undermining the social rights codified in the Fundamental Principles. Napolitano was also responsible for the most blatant of all such efforts, which came in 2013. Elections that year had placed the centre-left coalition short of a majority in the Senate, while the Five Stars Movement was unwilling to join or support any government. Napolitano announced the nomination of 'Ten Sages'—academics and political representatives who would draw up a programme of economic and institutional reform.<sup>12</sup> This unprecedented move had no constitutional basis: Napolitano was laying claim to prerogatives that should lie solely with Parliament.<sup>13</sup>

The document produced by the 'Sages' contained a number of proposals that would later make their way into Renzi's package: transformation of the Senate into a 'Chamber of Regions', deprived of the confidence vote and most of its current legislative competences; reform of Title V, governing the relation between the centre and the regions; and strengthening the executive by allowing it to determine the time span for parliamentary discussions. Napolitano's Sages also called for a new electoral law, based on a majority-bonus system.<sup>14</sup> In line with this recommendation, Renzi rammed through a new voting procedure for the Chamber of Deputies, which would assign 340 seats in parliament to whichever party list received 40 per cent or more of the popular vote—or, failing that, to the list that won a second-round run-off between the two leading blocs. When combined with the constitutional reform, this

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<sup>12</sup>The 'Sages' were all male: Filippo Bubbico, Giancarlo Giorgetti, Enrico Giovannini, Mario Mauro, Enzo Moavero Milanesi, Valerio Onida, Giovanni Pitruzzella, Gaetano Quagliariello, Salvatore Rossi, Luciano Violante.

<sup>13</sup>Marco Olivetti, 'Parlamentarismo sempre più in crisi. Nuovo passo verso il presidenzialismo', *Avvenire*, 1 April 2013; Antonio Ruggeri, 'La singolare trovata del Presidente Napolitano per uscire dalla crisi di governo (a proposito della istituzione di due gruppi di esperti col compito di formulare "proposte programmatiche")', *Consulta Online*, 1 April 2013; Alessandro Morelli, 'Tutti gli uomini del Presidente. Notazioni minime sull'istituzione dei due gruppi di esperti chiamati a formulare "proposte programmatiche"', *Consulta Online*, 2 April 2013, and 'La saggezza del Presidente. Ancora sul mandato "non esplorativo" dei gruppi di esperti nominati dal Capo dello Stato', *Consulta Online*, 19 April 2013.

<sup>14</sup>'Relazione Finale del Gruppo di Lavoro sulle riforme istituzionali Istituito il 30 marzo 2013 dal Presidente della Repubblica', composed by Mario Mauro, Valerio Onida, Gaetano Quagliariello, Luciano Violante, 12 April 2013.

electoral law would have made it possible for a government elected with a minority of votes to secure full control of the legislature—thereby realizing the Italian political elite’s decades-long dream of ‘stabilizing’ the country by eroding popular sovereignty.

### *Rejectionist front*

As with the 2014 Scottish independence referendum, the run-up to the Italian vote on 4 December 2016 saw a growing popular politicization, especially among the young. Liberal analyses attempting to link the Italian ‘No’ vote to a wave of populist anger and far-right xenophobia supposedly destabilizing the EU do not hold up to serious scrutiny. Voting preferences cut across the left-right divide: Renzi was unable to bring a large segment of the PD’s base with him, while many centre-right voters supported his package. The 59 per cent ‘No’ majority had an unmistakable class and generational profile, with young and low-income voters massively opposing the reform. Unsurprisingly, those who had been hurt the most by years of austerity, and by Renzi’s legislative agenda, were most likely to vote ‘No’. Turnout was 65 per cent (this included a little over 30 per cent among Italians living outside the country). While the ‘Yes’ camp prevailed among Italians abroad, ‘No’ swept the board in the peninsula itself, with 60 per cent of votes cast—19 million people—and a majority in all but three regions.<sup>15</sup> The ‘No’ vote was especially strong in the South and the islands, with a 72 per cent share in Sicily and Sardinia and 67 per cent in Calabria and Apulia. Unemployed, working-class and low-income voters—sectors that are more heavily represented in the South—predominantly voted ‘No’: 73 per cent of the unemployed, 64 per cent of manual workers, 60 per cent of salaried employees, and 62 per cent of freelancers (*liberi professionisti*—a category that in Italy includes a mass of low-income workers). The generation gap was equally clear, with 71 per cent of 18–24 year olds voting ‘No’, compared with 59 per cent of 55–64 year olds. Young people account for the bulk of unemployed and precarious workers in Italy.

According to estimates from the Istituto Cattaneo, based on a sample of Italian cities, the only political force whose voters consistently followed the line of their party was the M5S, which led an energetic campaign for

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<sup>15</sup> Trentino-South Tyrol, Tuscany and Emilia-Romagna—the latter two strongholds of the centre-left.



'No'. Renzi's pleas were greeted with indifference by a substantial section of PD voters, ranging from 20 per cent in Florence to over 40 per cent in southern cities like Naples and Palermo. While Berlusconi's Forza Italia opposed the reform—as did the xenophobic Northern League—many Berlusconi supporters voted in favour: some 44 per cent in Florence and 42 per cent in Bologna. Berlusconi's call for 'No' was patently opportunistic, as he had previously reached an agreement with Renzi on constitutional reform and the electoral law, before reluctantly deciding to oppose the referendum. With Renzi having bound the destiny of his government to the outcome of the vote, his right-wing opponents were obliged to seize an opportunity to weaken the PD.

From the left, the reform was opposed by a minority within the PD (including the no-less opportunistic D'Alema), Sinistra Italiana, the CGIL union federation, the National Association of Italian Partisans and a whole archipelago of civic associations, student groups and activist networks.<sup>16</sup> Opposition from this quarter rested on a variety of arguments, from the defence of popular sovereignty against the 'stabilization' project—the exclusive focus of centre-left elements—to a rejection of Renzi's wider programme of austerity and neoliberal reform. Finally there was the vigorous campaign of the M5S, whose stance derived from a mixture of concerns. One of the challenges that Beppe Grillo's movement presents for analysis is that the lack of a clear political identity is one of its main selling-points. Those who want to present the M5S as a right-wing populist formation often point to its alliance with UKIP in the European Parliament, or the rhetoric of some party leaders on immigration.<sup>17</sup> But the M5S MEPs had first tried to align with the Greens, who had rebuffed them as insufficiently Europhile. Their position on immigration is blurred. In 2013, two M5S senators, Andrea Buccarella and Maurizio Cioffi, proposed an amendment that would depenalize illegal immigration, which was subsequently approved by the Senate with M5S support. This move was immediately condemned by Grillo and his lieutenant Gianroberto Casaleggio, who complained that it would sound like an invitation to emigrate to Italy.<sup>18</sup> But an online

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<sup>16</sup>The CGIL's practical involvement in the 'No' campaign was minimal, however.

<sup>17</sup>See, for example, Vittorio Bertola, 'Quattro proposte sull'immigrazione', *Il blog di Beppe Grillo*, August 2015; Beppe Grillo, 'Ora è il momento di proteggerci', *Il blog delle stelle*, 23 December 2016.

<sup>18</sup>'Reato di clandestinità', *Il blog di Beppe Grillo*, 10 October 2013.

poll of M5S members a few months later showed that, contrary to the expectations of Grillo and Casaleggio, the majority were in favour of the amendment. The M5S is best described as a catch-all electoral movement with some highly contradictory positions on welfare, labour rights, education and immigration, held together by its emphasis on political morality and a generic hostility to ‘the caste’. The party’s opposition to the reform was rooted in this moralization of politics—in addition to the formal content of Renzi’s constitutional package, the M5S expressed outrage at the way it was rammed through Parliament with no respect for basic procedures.

Undoubtedly, contingent political considerations were also involved in M5S’s mobilization for a ‘No’. Tellingly, Fusaro’s contribution to *Aggiornare la Costituzione* stresses that the birth of a ‘third pole’, the Five Stars, unwilling to cooperate with the two traditional governing blocs, adds urgency to the need for reform.<sup>19</sup> This is the political crux of the matter: the emergence of M5S as a significant player poses a major headache for those who want to mould Italian politics into a bipolar parliamentary system—a project that has been pursued for over two decades by centre-right and centre-left forces alike. In tandem with the new electoral law, Renzi’s constitutional reform was also meant to take care of *this* problem. Unsurprisingly then, the most vocal opposition to both measures came from the M5S, which is now in the strongest position to capitalize on the ‘No’ vote.

Ultimately, the ‘No’ vote reflected the convergence of three factors: pent-up social frustration with Renzi’s government, sharpened by the gulf between the Prime Minister’s depiction of the country’s situation and the actual lived experience of the large majority of the population; the mobilization of a heterogeneous array of political forces; and the resistance of a broad layer traditionally hostile to anti-democratic revisions of the Constitution. For Renzi and Napolitano, victory would have completed the long transition that began with the demise of the First Republic in the early 1990s, of systematically transferring power from the representative system to the executive. That project has been stymied for now. Predictably enough, the dire prophecies of financial collapse and political catastrophe have failed to materialize. Whether Italy has got shot of Renzi remains an open question. In 1969, when

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<sup>19</sup> Crainz and Fusaro, *Aggiornare la Costituzione*, pp. 52–54.

De Gaulle lost the constitutional referendum that he had made the fatal mistake of transforming into a personal plebiscite, the French President announced his resignation in two terse sentences, before quitting the political scene forever. Even Cameron, who'd made no such promise, resigned the Tory leadership within days of losing the 2016 Brexit referendum. Renzi's reaction, after installing his supposedly loyal foreign minister Paolo Gentiloni as a place-holder in the Palazzo Chigi, has been to plot his electoral comeback through another marriage of convenience with Berlusconi, aimed at sidelining the Five Stars. In 2014, Italy's PD seemed to be bucking the Europe-wide trend of electoral collapse for the neoliberal centre left, as Renzi leapfrogged into the Prime Minister's office over the bodies of his back-stabbed colleagues. The PD briefly soared to 40 per cent in the 2014 Europarlament elections. The December 2016 referendum represents a resounding rejection of Renzi's tawdry record, above all by the young. As Gentiloni's lame-duck PD government limps towards the next election—and, thanks to the Italian Constitutional Court, the prospect of coalition with remnants of Berlusconi's Forza Italia, to keep the upstart Five Stars out of office—the country looks a lot more like a *paese normale*; normal, that is, for the socially bankrupt European Union.