



Italy Report

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Sustainable Governance Indicators 2017

Executive Summary

In recent years, Italy has experienced one of its most serious economic crises, which has negatively affected industry, employment and government budgets. National and international confidence in the economy have been seriously damaged and are yet to be fully restored. Increased immigration, including an increase in refugees arriving from Africa, and a major earthquake in 2016 have added new challenges. Recent governments have all faced a difficult dilemma of either choosing to pursue fiscal stabilization and complying with euro zone rules, or promoting economic recovery. To achieve fiscal stability and restore investor confidence, previous governments had introduced strong austerity measures, especially with respect to the pension system. However, these measures had not prevented GDP from declining. As such, the Renzi government adopted an alternative approach of prioritizing economic growth. The Renzi government has promoted this change in approach at the EU level as well as domestically.

The political landscape has largely stabilized around three poles: the governing center-left Democratic Party (Partito Democratico, PD), the anti-establishment Five Star Movement (Movimento Cinque Stelle) and a rather fragmented and leaderless center-right. Due to the strongly majoritarian 2005 electoral law, which was recently abolished, the Chamber of Deputies is dominated by the PD. The PD has adopted an increasingly centrist position and, despite internal divisions, provides strong support for the Renzi government. The government is weaker in the senate where it has to rely on a coalition that includes a number of small parties. However, opposition parties are unable to offer a realistic alternative to the PD.

The personalization of leadership, which has become even stronger under the Renzi government, has produced mixed effects. Prime Minister Renzi's strong leadership style and the PD's parliamentary majority have enabled the government to drive an ambitious reform agenda, which includes constitutional, labor market, tax and public administration reforms. However, this has placed the prime minister at the center of every political battle. Consequently, the parliamentary and the referendum stages of the constitutional reform process have focused on the rights and wrongs of Prime Minister Renzi. Indeed, the constitutional reform combined with the "Italicum" electoral reform would significantly increase the power of the

prime minister. The excessive personalization of government leadership produces policymaking that is too hasty and poorly considered. This is partly due to the prime minister receiving inadequate advice from the Prime Minister's Office and other advisory bodies.

The Renzi government, having switched priorities toward promoting economic growth and addressing high levels of unemployment, has adopted a more expansionary approach to fiscal policy. While this approach is justifiable in the short term in view of the difficult economic conditions, the decision not to seriously address high levels of public debt leaves the economy vulnerable to external financial shocks. A more balanced approach, between the fiscal consolidation policies of previous governments and the expansionary policies of the Renzi government, would ensure fiscal sustainability. A bolder approach to the spending review process should be adopted. So far, the government has been too hesitant in implementing the results of this process.

Reform of public administration is a key objective of the Renzi government. However, not enough progress has been made. Reducing public expenditure must be balanced against increasing the quality and efficiency of public administration. Further improvements to public administration will involve introducing a more selective recruitment strategy and rigorous performance evaluation process for senior level civil servants. The efficiency and speed of judicial procedures must also be significantly improved.

The Renzi government's proposed constitutional reform would transfer several important functions related to public infrastructure and environment from regional governments to central government. Though there is a risk that it will excessively reduce the power of regional governments.

Since the end of 2014, the economy has slowly begun to recover, but remains below pre-crisis levels. Further economic modernization and liberalization is required, while recent family, social and industrial reforms are only just beginning to affect economic growth.

Corruption continues to be a key factor undermining the quality of public administration. It distorts public service provision and economic activity, and inhibits modernization. The government has made some important moves to address this problem, but must continue its efforts.

The recent economic and financial crises have exposed failings in existing family and social policies. Italy has an aging population, which current policies are failing to address. For example, there is limited fiscal support for families with children. Similarly, measures to improve gender equality in the workforce, and reconcile work and family life are weak. Poverty also needs to

be a much more important priority.

A significant proportion of the political elite and public now believe that Italy must adopt a more active role within the European Union. To achieve this, a more assertive leadership is necessary, but the government must also gain greater credibility in the European Union by fully respecting commitments made by previous governments. It must also avoid courting increased public skepticism on supranational integration. The respective development of these tendencies will be key in shaping Italy's role in the European Union.

Key Challenges

Italy has suffered severely from a long period of economic and financial crises. However, Italy's recent economic recovery can build upon strong family bonds, high household savings rates, the resilience of small businesses, a number of strong manufacturing sectors and the quality of some public institutions, including the Presidency of the Republic and the central bank Banca d'Italia. At the same, the economic and financial crises have exposed serious weaknesses across the public and private sectors, which must be addressed to ensure economic sustainability.

State institutions need significant reform. The government's reform of the "perfect bicameral system" could reduce excessive delays in the decision-making process. Furthermore, strengthening the agenda-setting powers of the executive could reduce the veto power of small parliamentary minorities, which have proliferated in recent years. The "Italicum" electoral reform will strengthen the parliamentary majority of the government, but without broadening the electoral base of the governing party, which could undermine the legitimacy of government policies. In a parliament tightly controlled by the cabinet, parliament's powers to scrutinize government policy need to be more clearly defined and better protected.

The continuing accumulation of heterogeneous functions in the Prime Minister's Office (PMO) should not be further encouraged as it exacerbates the lack of coordination between ordinary policies, which are inefficiently implemented and poorly resourced, and extraordinary policies, which are well endowed and often freed from normal rules. Non-strategic functions should be transferred from the PMO to another government body, so that the PMO can focus more on coordinating and steering the policymaking process. Simultaneously, more opportunities for independent experts and open

consultations to contribute to the policymaking process before policies are formulated should be encouraged.

The relationship between central and local governments has yet to find a satisfactory equilibrium. Central government has largely failed to control local government spending. Yet, central government has simultaneously reduced the range of independent revenue sources available to local governments. This has increased local government dependency, while encouraging irresponsible behavior. The legislative role of regions, in the past excessively extended, is likely to be reduced too much. A more sustainable balance between local government autonomy and responsibility must be found.

Further democratization and fresh leadership, complemented with tighter regulation of party organizations, is required to rebuild public trust in the established political parties. New legal rules should be adopted to promote internal democracy within political parties. In addition, a transition in political culture away from excessive personalization and competitive rhetoric toward pragmatism and internationalism is needed.

Public administration requires a fundamental restructuring, clearly defining central and local government powers, and substantial reform of recruitment procedures, particularly for senior civil servants. Careful performance evaluation processes for all levels of public administration and increasing the accountability of senior civil servants should be a priority. Greater emphasis should be given to strategic and innovative policymaking approaches, rather than the traditional, conservative approaches. The judiciary should be actively encouraged to accept reforms that increase its professional quality and ability to ensure timely justice.

Economic policymaking needs to promote a more dynamic and growth-oriented economy. This will require further economic liberalization, and the curtailment of monopolistic and oligopolistic power. In addition, business regulation should be simplified to enable traditional and emergent businesses to co-exist. Meanwhile, fiscal expansion, designed to ease pressure on production and employment, must be balanced against fiscal sustainability. Small businesses need more support in accessing credit. Government, business associations and trade unions should share the responsibility for achieving these goals, which will require an economic culture of cooperation and pragmatism.

As immigrants form an increasingly large proportion of the workforce, management of immigration, effective integration and protection of immigrants' rights must receive greater attention. For example, proposed

legislation addressing the issue of access to citizenship for immigrants should define a realistic path toward citizenship for immigrants to facilitate integration.

Better cooperation between public authorities and private organizations is necessary for the improved management of natural resources and cultural heritage. Natural resources and cultural heritage are important to improving people's quality of life, economic growth, the tourism industry, a sustainable agricultural sector and foreign investment.

The education system should be a higher priority, despite the austerity agenda. More flexibility and openness in the education system is necessary for the system to respond to changing societal needs. After years of severe budgetary cuts, universities and research centers need to be given the resources to recruit more young people and qualified foreigners. A more skilled workforce complemented by a knowledge-based, innovative economy would increase economic competitiveness.

Italy should participate more actively in EU and international spaces. While already leading some EU operations, Italy should look to build closer and more cooperative relationships with neighboring countries, identifying common agendas rather than focusing on narrow national interests. This would allow Italy to more effectively exploit its geopolitical potential.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

During the period under review, the Renzi government pursued its economic policy agenda to accelerate Italy's economic recovery, which began in the fourth trimester of 2014. Due to a fairly solid parliamentary majority and despite some grumblings from the left wing of the prime minister's party, the Renzi government was able to adopt most of its proposed economic measures. Some of the measures introduced during the previous period have slowly started to take effect, including a monthly €80 tax credit for lower income earners, tax reductions for businesses (IRAP reduction) and a new ambitious labor law reform aimed at stimulating the economy. Fiscal policy has had to follow a careful path between respect for the euro zone's rules and support for the domestic economy. Using some of the flexibility granted by the European Union, the government has prolonged the expansionary measures of the previous year (e.g. the €80 monthly tax credit and the IRAP reduction). On top of this, the Renzi government has introduced new incentives to encourage firms to hire new employees on a permanent contract, lowered the costs of employing young people, added a new bonus for young people, and cut state and local authorities' expenditures. The government has also launched an important reform of public administration to reduce complexity and increase effectiveness. Efforts to further reduce inefficiencies in state expenditure were continued by the spending review. However, the overall impact on economic recovery has been less than expected in part because of slowing economic growth internationally.

Labor Markets

Labor Market
Policy
Score: 7

In the past, Italy's labor market policies have been inadequate in meeting the challenges of the recent economic crisis. The main measure to combat the effects of a crisis was the "cassa integrazione," which temporarily subsidized the

salaries of workers, either partially or fully, kept idle by private companies. The aim was to encourage companies to avoid dismissing employees. However, cassa integrazione had no effect on those who were unemployed.

The difficult economic situation further worsened one of the problematic features of the Italian labor market: the polarization between protected sectors and those that are largely unprotected and precarious. While older workers in the public sector and in large firms of the private sector enjoy sufficient and, in some cases, even excessive protection, young people and in general those working for small private-sector firms are much less protected. Unemployment increased significantly over the last years, but the increase was particularly dramatic among young people. The lack of significant unemployment benefits has made young people's economic position in society extremely precarious.

Starting in 2014, the Renzi government has shown a willingness to tackle this problem more resolutely. After some more limited but immediate measures to make the hiring of young people easier, the government launched a systematic revision of the labor code aimed at encouraging firms to adopt more flexible but also stable labor contracts. The law, informally called the Jobs Act, has given the government broad discretion to define specific labor market norms and has been accompanied by fiscal measures that should make the hiring of new workers more convenient for firms. During the period under review, the government has gradually expanded the scope of this law and encouraged a new type of labor contract. This new labor contract increases employers' ability to hire and fire, while also encouraging a shift from precarious to long-term contracts. It has been received very favorably and 2015 data on new contracts indicates that it has been a significant success. However, in 2016, fewer such contracts were issued as economic incentives for employers have been reduced.

Overall the new policies have been relatively more successful in expanding the employment rates of the older than of the younger cohorts of workers.

The new and more inclusive social insurance benefit for those who have lost their job (NASPI, "nuova prestazione di assicurazione sociale per l'impiego") is part of the Jobs Act and is a first step toward creating a national unemployment insurance. Though it does not cover young people who have never been employed.

Taxes

Tax Policy
Score: 7

The Italian tax system continues to be stressed by the need to sustain the combined burden of high public expenditures and payment of interests on the very high public debt accumulated over the past decades. It is also defined by its inability to significantly reduce the very high levels of tax evasion or the size of

the black economy. As a result, levels of fiscal pressure have increased over the years, and the tax burden is far from equitable. Fiscal pressure is very high on those households or companies that do regularly pay taxes, and is paradoxically very low for all those who can and do evade taxation (e.g. many businesses and large numbers of independent contractors and self-employed professionals). Families with children have very limited exemptions. Labor and business are also heavily taxed, which results in fewer new businesses and job opportunities. Italian tax policy provides limited incentives and no compelling reason to declare revenues. The monitoring of and fight against tax evasion within this system are insufficient and far from successful. One of the biggest problems is that the system results in significant competitive distortions that benefit non-compliant earners.

Since its first year in office, the Renzi government has introduced a number of new fiscal measures to reform the tax system. The government's fiscal policies have benefitted from a sharp decline in the interest rates paid on government debt. A tax credit for people in the lowest income brackets was introduced in 2014, and has been reaffirmed for 2015 and 2016. Meanwhile, the tax on financial assets was increased marginally, while income and corporation taxes were reduced. The stabilization of these measures has had a modest beneficial effect on the fiscal system, but more needs to be done. The antiquated land register is yet to be reformed, despite repeated promises. As such, inequities in the property tax system continue to persist.

The Renzi government has introduced an on-line system for submitting income tax declarations, the 730 precompilato. The system replaces the old paper forms for the majority of income tax payers and has made it possible to double-check tax returns. The shift to electronic invoices within public administration also increases the effectiveness of fiscal oversight.

New fiscal measures (accelerated write offs) to encourage investments in technological innovation introduced by the government will take effect from 2017. Major reductions in personal income tax, repeatedly announced, have been postponed for lack of resources. From 2016, taxpayers and land owners will benefit from the abolition of a public services tax on houses or flats used as a place of residence (Tributo per i servizi indivisibili, TARI).

Overall, the Italian tax system is able to generate a sufficient amount of resources, but is still in need of a deeper reform to increase horizontal equity, reduce obstacles to competitiveness, and facilitate foreign direct investment.

Citation:

http://www.sviluppoeconomico.gov.it/images/stories/documenti/Industria_40%20conferenza_21_9

Budgets

Budgetary Policy
Score: 7

Italian governments have struggled to continue the budget consolidation process begun by the Monti government during an era of prolonged economic stagnation. Fiscal policies have gradually reduced yearly deficits and produced a strong primary surplus. Yet because of the recession environment, attempts to reduce the huge debt stock (by selling, for example, public properties or stocks of state-owned companies) have had little success or have been postponed. The improved climate on the international markets and ECB policies have yielded a sharp decline in interest rates for Italian long-term treasury bonds. This has eased the country's budgetary pressures. Toward the end of 2014, the recession ended and modest economic growth returned in 2015 and 2016, which has slowed the growth in public debt. However, the government's promise that the ratio of public debt to GDP would start declining in 2016 will have to be postponed to 2017.

Fiscal policies for 2016 have followed more or less those of 2015 and benefited from the slightly improved economic conditions. The fiscal consolidation, required by EU rules, has been modest, as the government has taken advantage of the greater flexibility allowed by the European Union for countries introducing significant structural reforms to promote economic growth. Tax reductions and incentives for entrepreneurial activities have only partially been offset by reductions in public expenditure. In general, cuts to public expenditure, proposed by the government's spending review, have been implemented more slowly than announced. This has been due to resistance from interest groups, but also because of a fear that such cuts would have recessionary effects.

Furthermore, the pace of privatization of public assets has been slower than anticipated, though the Italian post service (Poste Italiane) has been partially put on the market. The complete privatization of Poste Italiane and the Italian railways has been postponed because of unfavorable stock market prices.

The vast majority of regional and municipal budgets are fiscal sustainable, though not all.

Citation:

http://www.mef.gov.it/inevidenza/DEF_2016/intro.html

http://www.dt.tesoro.it/export/sites/sitodt/modules/documenti_it/analisi_progammazione/documenti_programmatici/Rapporto_evasione.pdf

http://ec.europa.eu/economy_finance/eu/forecasts/2016_spring/it_en.pdf

Research and Innovation

R&I Policy
Score: 5

In recent years, Italian governments' research and innovation policies have been weak, underfunded and not strategically coordinated. The Renzi government has not been able to make much headway in this regard given the tight budgetary context. In spite of complaints from universities, which are severely underfunded compared to other European countries, public funding for universities and R&D has not been increased, though some measures to foster start-up companies and sustain investments in technological innovation have been introduced. As a result, there has been growing awareness of the strategic importance of R&D across society, in the media and among some politicians. The existing policy to link university funding to the quality of research outputs has been continued and slightly strengthened. This policy is intended to incentivize universities to generate more quality research.

The "Piano Nazionale Industria 4.0" program for 2017 to 2020 is an attempt to catch up with the rate of economic innovation in other OECD countries.

Citation:

https://www.crui.it/images/documenti/2016/DM_programmazione_triennale_16_18.pdf

http://www.sviluppoeconomico.gov.it/images/stories/documenti/Industria_40%20conferenza_21_9

Global Financial System

Stabilizing Global
Financial Markets
Score: 7

The government and other public financial institutions such as the Bank of Italy have been generally supportive of international and European policies oriented to improve the regulation and supervision of financial markets. Typically for Italy, the government and the Bank of Italy have preferred a collective working style within the framework of EU and G8 institutions rather than embarking on uncoordinated, but highly visible initiatives. However, the government has occasionally failed to fully understand the implications for the economy and banking sector of introducing new regulations.

II. Social Policies

Education

Education Policy
Score: 5

The Italian education system is a predominantly public system headed at the state level by the Ministry of Education, Universities and Research (MIUR). MIUR dominates education policy, including hiring and funding. Though

regional and municipal school authorities have some power with respect to the curricula, physical infrastructure and resource management. Private education in Italy is limited and consists primarily of religious schools. Italy also has a handful of private universities with a prestigious reputation (e.g. Bocconi, LUISS, Cattolica). The education system is, in principle, open to everybody without discrimination. Tuition fees are excised only at the tertiary level and are low. However, given the scarce amount of resources allocated for scholarships or similar support mechanisms for financially needy students, access is seriously limited at the upper secondary and tertiary levels. As might be expected, the share of individuals who do not complete their studies is above OECD averages.

Per student spending at all levels of education is close to the OECD average, but due to the smaller percentage of students, the global expenditure as a share of GDP is significantly lower than the OECD average. Moreover, the level of expenditure has been almost flat for the past 10 years. When education expenditure is measured as a percentage of total public expenditure, Italy shows one of the lowest rates among OECD countries.

In terms of tertiary education spending, Italy lags behind even more significantly. The share of education expenditure allocated to the salaries of teachers, professors and technical staff - the number of which is often unnecessarily high - compared to the share for capital expenditures and research funds, is above average. This is not because salaries are particularly high, but because capital and research funds are very limited. Selection of school and university personnel is still not sufficiently meritocratic. Although there are significant areas of high-quality education at both the secondary and tertiary levels, overall quality could be improved.

During the period under review, there has been no major change in the allocation of resources. Some limited changes have been made with the Good School program (“La buona scuola”). These include reforms to teacher recruitment procedures, the authority and accountability of secondary school principals, and the transition of many teachers from fixed-term to unlimited employment contracts.

The allocation of public resources to universities has increasingly incorporated a quota, which links government funding to academic research and teaching results. This mechanism should have significant effects in stimulating a more competitive and quality-oriented university system.

Social Inclusion

The impact of the crisis on the incomes of a significant percentage of households and the increasing levels of unemployment – particularly among

young people – have had important negative effects on social inclusion. The gap between the more protected sectors of the population and the less protected ones has increased. The traditional instruments of social protection (such as those guaranteeing unemployment benefits for workers with permanent labor contracts) do not cover a large part of the newly impoverished population, while new policies are only slowly being implemented.

In general, allowances for families with children are rather small, and do not compensate for the costs of raising a large family. The problem of poverty is thus particularly serious for young families, especially where only one adult is employed. Some of the pensions of the elderly are also extremely low.

The progressive tax system and a series of deductions and benefits for low-income individuals – which should have accomplished redistributive functions – have largely ceased to work in this direction. The system's redistributive efforts have been curtailed by the rise in tax rates and the erosion of benefits and deductions, as well as the large tax evasion among certain parts of the population. Moreover, the system's redistributive effects fail to reach that part of the population, which earns less than the minimum taxable income. An effective poverty reduction policy would require larger and more effective instruments.

The ongoing economic crisis has exposed the weaknesses of Italy's social policy. The main social policy instrument used to mitigate and reduce social exclusion is pensions. Other instruments are not very effective and Italian national standards are not very good. On average, local social programs in the north of the country can deliver benefits three times higher than in the south. Italian family networks still constitute the most important though informal instrument of social welfare. The high percentage of home ownership helps protect many Italians from absolute poverty. Housing problems, which would be insurmountable for many young people, are to some extent mitigated by family rather than public support.

The current government has begun to address these problems with a variety of instruments. The €80 monthly tax credit for low income earners, the “Bonus bebé” (an allowance paid to families for each new baby), the NASPI (a new unemployment allowance) and increases for low level pensions indicate the willingness of the government to respond to this emergency. Overall, the impact of these policies is still insufficient.

The government must also address the large proportion of young people not in education, employment or training, particularly in the south of Italy. Otherwise, a generation of young people will be marginalized, unable to participate in the economy. The high rate of youth unemployment is also threatening the pension

system and future tax revenues. The government will need to develop special social policies.

Health

Health Policy
Score: 7

Italy's national health system provides universal comprehensive coverage for the entire population. The health care system is primarily funded by central government, though health care services and spending are administered by regional authorities. On average, the services provided achieve medium to high standards of quality. A 2000 WHO report ranked the Italian health care system second in the world and a recent Bloomberg analysis also ranked the Italian system among the most efficient in the world. However, due to significant differences in local infrastructures, cultural factors, and the political and managerial proficiency of local administrations, the quality of public health care varies across regions. In spite of similar levels of per capita expenditure, services are generally better in northern and central Italy than in southern Italy. In some areas of the south, corruption, clientelism and administrative inefficiency have driven up health care costs. In these regions, lower quality levels and typically longer waiting lists mean that wealthier individuals will often turn to private-sector medical care. Regional disparities also lead to a significant amount of health tourism heading north. Early moves in the direction of fiscal federalism are now stimulating efforts to change this situation through the introduction of a system of national quality standards (correlated with resources), which should be implemented across regions.

Preventive health care programs are effective and well publicized in some regions such as Tuscany and other northern and central regions. However, such programs in other regions such as Sicily are much weaker and less accessible to the average health care user.

To contain further increases in health care costs, payments to access tests, treatments and drugs exist. Even if these payments are inversely linked to income, they nevertheless discourage some of the poorest from accessing necessary health care services. Similarly, additional medical services are only partially covered by the public health care system, while only basic dental health care is covered.

Over the last few years, the number of people accessing health care services offered by NGOs formerly operating in developing countries has increased.

Citation:

<http://www.who.int/whr/2000/en/>

<http://www.bloomberg.com/visual-data/best-and-worst/most-efficient-health-care-2014-countries>

Families

Family Policy
Score: 4

Italian society has traditionally relied very much upon its very strong family institutions. The family (often in its extended version) remains even today a major provider of welfare for its weakest components – children, young couples with precarious jobs and elders. Within the family, significant amounts of economic redistribution take place, and important services are provided, such as the care of preschool age children by grandparents. Partly because of this reliance, state support for families has generally been weak. Apart from relatively generous rules on maternity leave (paid for by social insurance) and limited tax deductions for children, the state has not offered much. Public day care facilities for preschool children are available on a limited scale and vary significantly across regions. Private firms and public offices have only recently started offering similar services, with some support from the state.

The lack of more significant policies has contributed to the limited participation of women in the workforce and a low overall employment rate, while also contributing to a very low birth rate (except in the immigrant population).

Proposals recurrently advanced to introduce important changes to tax policies with respect to families have never materialized, including the “*quoziente familiare*,” which would have divided taxable income by the number of family members. The crisis has left little space for such initiatives, which would strain the state’s budget. As a result, only limited subsidies for families with children in the lowest income brackets have been introduced. Because of the economic crisis, the levels of children living in poverty are above average.

New and innovative Scandinavian-style concepts (such as parental leave) that go beyond maternity allowance are not widely implemented. The whole child-care sector, and indeed the state of the public debate over the ability of women to combine work and children, lags behind that in the wealthier and more progressive European countries. The decreasing transfers of financial resources to regions and municipalities during previous and Renzi governments mean that many institutions and projects working in family support have run out of money and may have to cut back services significantly.

Pensions

Pension Policy
Score: 6

The Monti government introduced a key sustainability-oriented reform of Italy’s pension policy by increasing the retirement age to 67 years and by reducing benefit levels for higher income groups. Thanks to this reform, no further major reforms of the retirement system will be needed at least in the next few years to

ensure its sustainability – despite the demographic imbalance between the aged and the young. The current situation, however, is less positive from the point of view of intergenerational fairness, as the younger generations will receive significantly smaller amounts upon retirement. This problem is exacerbated by the late entry into the labor force of younger cohorts, which itself is a consequence of the economic crisis. In addition, the growing number of permanently unemployed also face receiving little to none in terms of a pension. The high percentage of public spending on pensions also diverts financial resources from other welfare policies such as family policy. Ensuring pensions comes with high costs for the rest of society.

The problem of poverty prevention which exists today for a relatively limited share of the population will be much more significant and relevant for the young cohorts of today when they reach retirement age.

Supplementary pension schemes have to date played only a limited role in the pension system and fiscal policies adopted to encourage them have not been sufficiently bold. Recent data suggests that the importance of supplementary pension schemes is gradually increasing.

The government has recently introduced new measures to make the age of retirement more flexible and increase lower pension rates.

Integration

Integration Policy
Score: 6

Large-scale immigration is a relatively new phenomenon in Italy compared to other countries in Europe. In recent years, the number of legal (mainly from new EU member countries) and illegal immigrants has increased significantly, making immigration one of the hottest political issues. Issues associated with immigration have been cast in negative or even xenophobic rhetoric by some parties (especially the Northern League or Lega Nord) during electoral campaigns, with immigrants portrayed as dangerous social elements.

Policies dealing with the topic have concentrated more on controlling illegal immigration and temporarily hosting refugees than on integration. However, given the failure of measures designed to prevent illegal immigration, successive governments have adopted provisions for the large-scale regularization of immigrants, especially those working for and within families. In spite of these measures, a large number of immigrants are still involved in the black economy and are thus subject to economic exploitation, dangerous working conditions and a lack of respect for their rights. Some sectors of Italy's agriculture, for example, rely heavily on a workforce of low-paid illegal immigrants. In general, it is clear that in some sectors entrepreneurs and families are only able to operate

due to the high number of migrants available to work. Agriculture, the building industry, private elderly care services, many child care services and private cleaning services are dependent on legally or illegally employed immigrants. Access to citizenship for immigrants remains problematic. New legislation introduced by the Renzi government to improve access to citizenship for children who were born or attended school in Italy remains blocked in parliament (Senate).

The school system has proved to be a positive factor in the process of integration, but schools have not received sufficient resources for achieving the best results in this field. Public housing policies have been weakened by the budgetary constraints. As a result, in many cities there are ghetto-like areas where immigrants live in extremely poor housing conditions. The universal health care system has in general been fairly effective in providing medical treatments also for immigrants. Charitable organizations, in particular organizations aligned to the Catholic Church, have contributed significantly to assisting and integrating migrants.

The Renzi government's deployment of naval units in the Mediterranean Sea to rescue migrants signaled a more constructive approach toward migration. This approach became the basis of the EU's Frontex Triton operation, which is led by Italy. The Renzi government has also actively promoted an EU-level discussion relating to the distribution of asylum seekers among EU member states. The implementation of these decisions by the European Union has so far been unsatisfactory due to resistance from many member states.

Safe Living

Safe Living
Conditions
Score: 7

With the exception of some regions of southern Italy where mafia-type organized crime can have a serious impact on the security of certain sectors of the population (for instance entrepreneurs and shop owners) internal security is sufficiently guaranteed. Homicide levels have generally declined and are among the lowest in Europe. Theft and robbery rates have significantly increased probably as a consequence of economic instability and rising unemployment. The public confidence in the security forces is generally fairly high. The segmentation of security forces (Carabinieri, Polizia di Stato, Guardia di Finanza, Polizia Municipale) might result in some inefficiencies and accountability issues although there was a small reform incorporating the Corpo Forestale into the Carabinieri. The security forces are not always able to efficiently maintain law and order, and security in major suburban areas. Italian security agencies have to date been successful in preventing terrorist attacks.

Global Inequalities

Global Social
Policy
Score: 5

The engagement of the Italian government in promoting socioeconomic opportunities internationally is generally rather limited. Over the years, the Italian level of international aid has been among the lowest for developed countries, but has increased recently from 0.13% of GDP in 2012 to 0.21% in 2015 according to the OECD. A special sector where the current and past governments have displayed a significant activity is that of providing help at sea through the Italian navy for illegal immigrants crossing the Mediterranean Sea on unsecure boats belonging to traffickers. In order to address the rapid increase in immigration across the Mediterranean sea and the humanitarian catastrophes produced by this increase, the Renzi government has proposed an EU “immigration compact,” which should strengthen long-term EU help to African countries and develop bilateral agreements for the regulation of migration.

On a more qualitative and organizational level Italy has stressed the importance of fighting hunger and developing food production and distribution. Probably because of this activism it hosts three major U.N. food agencies, the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP).

Citation:

<http://www.oecd.org/newsroom/aid-to-developing-countries>

http://www.governo.it/sites/governo.it/files/immigrazione_0.pdf

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

Italy was not an early mover in the field of environmental policies compared to other European and OECD countries, but in a number of aspects its environmental record has significantly improved. For instance, Italy ranks above average in its performances for CO₂ emissions in comparison to GDP. In the field of renewable energies, where Italy traditionally fared reasonably well thanks to its large hydroelectric (and geothermic) plants, the promotion of new sources such as solar or wind energy has been very effective in recent years thanks to generous incentives. Because of budgetary constraints (and in part also because of other conflicting environmental reasons such as protection of the landscape) incentives for solar energy have been reduced in the recent years. Nonetheless, the transition toward renewable energy has gained momentum and

renewable energy sources now supply between 32% and 35% of total energy demand (data from GSE). Strong fiscal incentives for sustainable house building and renovations have existed for several years. An initial discussion about the return to nuclear energy with the purpose of further reducing CO2 emissions was stopped by the Fukushima disaster.

Forest areas have been growing significantly in recent years and biodiversity is above the European average.

In other dimensions, such as water efficiency and waste management, Italy fares less well. In these fields disparities between northern or central Italy and southern Italy remain significant. Some emergencies in Naples, Palermo and other southern regions have demonstrated in the past years the lower performance of local and regional authorities in environmental matters. The absence of purification plants affects parts of the coastline and rivers.

Recycling rates have increased very significantly in central and northern Italy, but recent ISPRA data also indicates significant improvements in southern Italy. Recycling rates in southern Italy have traditionally lagged behind. The government made funds available to the regions to fulfill EU objectives regarding water and air pollution.

Erosion, flood and earthquake prevention should still be a high priority for the government. After the recent 2016 earthquakes, the government is launching a long-term investment policy to promote public and private rebuilding.

Climate change has and will have a huge impact on Italy. The country has among the highest numbers of cars per capita in the world, and this combines with poor short-, medium- and long-haul public transport to make life in cities difficult. It also compromises the transport of goods and persons across Italy. Smog, particulate matter, poor air quality and traffic jams increasingly undermine the quality of life significantly in Italian towns. Erosion is a danger in many parts of Italy. Perhaps more so than any other policy area, the environment demands a stronger strategy and corresponding political action, as Italy is dropping back on the European but also global level for quality of life.

Citation:

<http://www.gse.it/it/Statistiche/RapportiStatistici> (provides data about renewable energies production in Italy)

<http://www.isprambiente.gov.it/it/archivio/notizie-e-novita-normative/notizie-ispra/2015/05/produzione-rifiuti-e-differenziata-i-dati-di-tutti-i-comuni-italiani-sono-online>

Global Environmental Protection

Global
Environmental
Policy
Score: 5

The contribution of the Italian government to international efforts in the field of global environmental protection has been generally positive. Italy has been supportive of coordinated international actions, including the recent COP 21 Paris conference, but has not played a significant leadership role. This is due also to the fact that the resources of the Ministry of Environment have been seriously curtailed. Due to the recent economic crisis, the attention of the government and the priorities of the prime minister have been diverted to internal matters, and economic recovery.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 9

The registration procedure is fair and no unreasonable exclusion exists. The number of signatures requested for registration of parties creates some obstacles to new and small parties, but similar small obstacles are accepted in many democracies to avoid non-serious candidacies. The validity of the process is controlled by independent judicial offices. From time to time there have been disputes over the validity of some of the signatures collected by the largest parties. The procedures for the choice of candidates vary from party to party, but there is an increasing use of primaries to make them more open and democratic.

The old electoral system was based on closed electoral lists in large districts. Consequently, voters had no option of expressing a preference for a single candidate, but had to accept the whole party ticket. The new electoral law, approved in 2015, introduces mixed electoral lists. This will enable voters to express a preference for some of the candidates, though not all.

Media Access
Score: 8

A significant portion of television channels are owned by a single political leader, Silvio Berlusconi, and demonstrate a special favor toward him and his party. Overall, however, the media offers a reasonably fair treatment of all political candidates. The most important national newspapers and privately-owned television broadcasters offer fairly equal access to all positions. State television maintains a generally neutral position. Some political parties own their own media outlets, including daily newspapers (subsidized by the state) and small television channels. However, the impact of these media outlets is limited.

Access to television by parties and candidates is regulated by a law (Law 28/2000) that provides for equal time for each party during electoral campaigns. An independent oversight authority (Autorità per le Garanzie nelle Comunicazioni) ensures that the rules are followed and has the power to sanction violations. This power is effectively used. Public television is controlled by a parliamentary committee, which reflects the composition of the whole parliament. Although the government in office typically attracts more airtime than the opposition, the treatment of the different parties by the public

broadcaster is fairly balanced overall. In the print sector, the large variety of newspapers both with and without a clear political orientation provides sufficiently balanced coverage of all positions.

As the role of electronic (internet) and social media in political contests continues to grow, politicians and parties can rely increasingly on these new forms of media to reach citizens and voters more directly. This fact makes political players more independent from large media groups and public media.

The registration of citizens for electoral purposes is done automatically by municipal offices and there are no significant problems with this procedure.

Voting and
Registrations
Rights
Score: 9

All citizens are notified via mail at home of their voting rights and supplied with the relevant information. Citizens are entitled to appeal to independent judicial bodies if they are mistakenly excluded from registration. Citizens living abroad are also entitled to vote. There are no significant complaints about the process.

Polling stations are very numerous and typically very near to places of residence. National and regional elections normally take place on two consecutive days, which increases the opportunities for working people to vote. Turnout has diminished significantly in recent years but is still among the highest in Europe. The lack of an absentee voting system makes voting more difficult for citizens residing abroad or in other regions of Italy.

Party Financing
Score: 5

Political parties are largely financed by public funds. State financing was regulated until February 2014 by a 1993 law (Legge del 10 Dicembre 1993 no. 515, e successive modificazioni recante norme sulla Disciplina delle Campagne Elettorali per l'Elezione alla Camera dei Deputati e al Senato della Repubblica), and was monitored by an independent judiciary organ – the Court of Accounts (Corte dei Conti) – which checked the accounts provided by parties and could sanction infringements.

Private financing must be declared by candidates and parties, and is controlled by regional judicial bodies. The existing rules about private and public financing of parties and their enforcement are largely inadequate for a fully transparent system. The degree of publicity over private contributions is largely left to the parties and in many cases is very defective. In recent years, many cases of individual or institutional abuse or even fraud of public party funding emerged in almost all of the political parties.

A new reform (Law 21 February 2014, n. 13) has almost completely abolished public financing for parties. It has introduced a new regime of fiscal exemptions for private contributions and created a new oversight institution, the “Commissione di garanzia degli statuti e per la trasparenza e il controllo

Popular Decision-
Making
Score: 7

dei rendiconti dei partiti politici,” whose members are nominated by judicial bodies. The new system will be implemented gradually and become fully effective only in 2017. By 2017, political parties will be entirely privately financed. The “due per mile” policy will enable citizens to nominate a political party to receive 0.2% of their income tax. So far, this system has proven highly unsuccessful. In 2015, only 1.1 million out of 41 million people who paid income tax (2.7%) exercised this possibility.

The right to promote referenda and citizens’ initiatives is enshrined in the constitution at the national level of government and is replicated in most of the regions by regional statutes. Referenda may be authorized also at municipal and provincial levels. Ordinary referenda, which can only abrogate existing laws or part of them, have taken place rather frequently at national level. In order to launch a referendum, the proposal must collect at least 500,000 signatures and the referendum is only valid if there is a turnout of at least 50%. Between 1974 and 2016, 67 referenda took place. There are some limited restrictions to the issues that can be submitted to a referendum.

Referenda have had a substantial impact at national level, including ending the use of nuclear energy following the Chernobyl disaster. In some cases, however, the effects of a successful referendum have been overturned by parliamentary laws which pay formal respect to the referendum results but have, in practice, reestablished in new forms some of the rules that had been abrogated.

Confirmative referenda may be promoted on constitutional reforms approved without a two-thirds parliamentary majority. The constitutional reform proposed by the Renzi government, which was approved by parliament in May 2016, but was not confirmed by the referendum in December 2016, sought to make it easier for a referendum to be approved if the proposal secured more than 800,000 signatures. While the old rule, requiring an absolute majority among the registered electorate, will still apply to referenda that secured only 500,000 signatures, the new reform sought to require a majority based on the number of voters in the last election.

Citizens can also promote legislative initiatives and in some regions and municipalities instruments of deliberative democracy (citizens’ juries, deliberative polling) are available, but these instruments do not have legally binding effects. At local and regional levels, popular decision-making is rarely used effectively.

Access to Information

Media Freedom
Score: 7

While in the past both center-right and center-left governments had exerted a significant or even a strong influence on public media, starting with the Monti cabinet governments have taken a much more detached position. The public media organization, Radiotelevisione Italiana (RAI), had previously been steered by government and parties in both its personnel policies and the control of its organizational frameworks and resources. After the Monti government nominated as heads of RAI new, fairly independent personalities who have ensured an enhanced political neutrality of the public media, successor cabinets have not interfered very much, though they have cut spending for RAI.

The Renzi government's reform of RAI has increased the powers of the CEO while reducing the powers of the board, which has typically comprised representatives of the main political parties. This will likely reduce the direct influence of political parties over the RAI, but could increase government influence – unless the selection process for the RAI's president and CEO are independent. Funding of RAI is more than sufficient.

While the privately-owned, Mediaset channels continue to be subject to the strong political influence of their owner, Berlusconi, the increasing importance of other channels has helped balance things out.

As for the print media, newspapers and magazines are in general much more independent of government influence and able to ensure a broad spectrum of opinions.

The role of other digital and social media (e.g. Twitter and Facebook) is growing rapidly as a generation of younger politicians makes increasingly heavy use of them. But television still maintains its central role for a large part of the Italian public, which is not reached by new media.

Media Pluralism
Score: 7

The Italian media system is more balanced today than in the past. In television, the earlier duopoly between public television (RAI) and private television (controlled by Berlusconi's Mediaset) is now less exclusive. Sky TV and La7, as well as other national television and digital broadcasters, offer alternative sources for news. Public television is now under a more politically neutral governance. As for print media, the presence of four or five significant groups ensures a satisfactory degree of pluralism. Overall one can say that all political opinions of some relevance in the political spectrum receive fair media coverage. Understandably, the largest parties obtain more space than the smaller ones.

It would be difficult to say that certain positions are not published or are marginalized, especially in the case of newspapers. One of the big issues in Italy is still the predominance of television: newspapers, radio programs and electronic media can't fully counterbalance its influence. A single large television company, Mediaset, continues to have a significant influence in electoral campaigns. However, Mediaset is becoming less politically relevant due to the political decline of Berlusconi.

Access to
Government
Information
Score: 7

The first freedom of information act was introduced by Law No. 241 in 1990. Its provisions were amended and made less restrictive by Law No. 15 of 2005. Disclosure can be denied only under specific circumstances (such as national security, protection of privacy), which must be explicitly identified by administrative offices. Special offices (Uffici Relazioni con il Pubblico, URP) dealing with requests for access to information have been established in all administrative offices, both nationally and locally. Access has been made more easy and effective by the Decreto Legislativo 25 maggio 2016, n. 97, which significantly extends the range of publicly accessible documents.

Both judicial and non-judicial mechanisms of appeal exist, and are increasingly used. Among these is the Commission for Access to Public Documents (Commissione per l'Accesso ai Documenti Amministrativi) of the Presidency of the Council of Ministers, which receives appeals in cases of information-disclosure denials, and can force public administrative bodies to reconsider their decisions. The commission, which is composed both of parliamentarians and technical officers, should make an annual report to parliament, though the publication of these reports is usually delayed by at least a year. The most recent report for 2014 identified an increase in responses to citizens' appeals. Regional administrative tribunals can judicially enforce the disclosure of documents. In spite of this regulatory and organizational progress, the propensity of public administration to provide the answers in due time is still far from being fully satisfactory either because of bureaucratic inefficiency or because of a reluctance to disclose internal matters. A recent report by an Italian NGO found that only 35% of information requests received a response within 60 days.

Citation:

http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/Decreto_legislativo_trasparenza.pdf
<http://www.commissioneaccesso.it/media/49312/relazione%20al%20parlamento%202014.pdf>

Civil Rights and Political Liberties

Civil Rights
Score: 6

The legal system includes detailed constitutional provisions and a series of ordinary laws that provide an articulated protection of a broad set of rights.

Strongly independent courts serve in principle to guarantee their implementation. In practice, however, inefficiencies in the judicial administration, the heavy backlog of many courts and the consequent length of judicial procedures can make the protection of civil rights (both personal and property) less effective. The Renzi government has put a special emphasis on reducing the backlog of judicial proceedings, particularly civil proceedings, and has introduced some organizational reforms to increase the efficiency of the judicial system.

The legal protection of the rights of immigrants, especially if they are illegal, is far from satisfactory. Some cases of police violence are reported. Actions by the security agents of the various authorities (including the state police) sometimes seem to contradict the principles of the rule of law. Immigrants and homosexuals sometimes experience discrimination. A proposal to tighten the definition of what constitutes illegal torture remains blocked in the parliament.

Political Liberties
Score: 9

The protection of the complete array of political liberties is enshrined in the constitution and guaranteed by an independent judiciary. During the period of observation, no significant cases of infringement were attested. The right to worship is fully guaranteed to all religious groups and an increasing number of minority groups have been able to use the opportunities offered by agreements with the state to facilitate its implementation. However, some practical problems connected with the freedom of worship, like enjoying the special fiscal treatments guaranteed to religious groups or building places of worship, have not fully disappeared. These problems have been more relevant for Islamic groups, to some extent because of political fears and hostility, but also because of their more uncertain legal status.

Non-discrimination
Score: 7

At the legal level, anti-discrimination norms exist and are sufficiently developed. Their implementation is sometimes not equally satisfactory. This happens in particular in the field of physical and mental abilities, of gender or for some cases of ethnic minorities (the Roma, for instance). Italy has a very inclusive model for integrating physically and mentally disabled persons. However, in some regions, the system lacks financial resources.

In the public administration there is an increasing effort by the Department for Equal Opportunities to monitor the impact of gender discrimination on a regular basis. The department's 2012 report used data from 2011 to indicate – with some exceptions – significant gains made in gender representation in the higher levels of state administration. The percentage of women among the top ranks of the central administration reached 46%. Levels are lower in universities and independent authorities. The situation of gender representation in the business sector is generally less satisfactory. A 2014 report examining the representation of women on the boards of publicly owned companies found that on average less than 20% of their board members were women.

Much greater progress has, however, made achieved in political institutions, such as parliament, assemblies and cabinet.

In 2016, parliament approved legislation allowing same-sex civil partnerships. Italy was one of the last EU member states to introduce legislation granting same-sex couples marriage-like rights (Legge Cirinnà).

With regard to immigrants and especially illegal immigrants, discrimination is widespread. Whereas immigrants generally enjoy access to the health care system, their rights in other areas – labor relations in particular – are not well protected.

Italy's constitution and the political reality grants considerable political autonomy and cultural rights to regions with non-Italian or non-mainland minorities and majorities such as Val d'Aosta, Trentino and South Tyrol, Sardinia, Sicily but also to ancient ethnic groups such as the Alberesh, which originated in Albania. Some municipalities created democratically elected assemblies to represent migrants in the local decision-making.

Citation:

http://www.pariopportunita.gov.it/images/MAGGIO2014_Donne_CDA_e_CS_perregione.pdf

Rule of Law

Legal Certainty
Score: 7

The actions of the government and administration are systematically guided by detailed legal regulations. Multiple levels of oversight – from a powerful Constitutional Court to a system of local, regional and national administrative courts – exist to enforce the rule of law. Overall the government and the administration are careful to act according to the existing legal regulations and thus their actions are fundamentally predictable. However, the fact that legal regulations are plentiful, not always consistent and change frequently reduces somewhat the degree of legal certainty. The government has backed efforts to simplify and reduce the amount of legal regulation but has yet to obtain the results expected.

The excessive burden of regulations requires too often that in order to face critical situations exceptional powers are granted to special authorities (“commissari”) who are not properly monitored. This often results in arbitrary decisions being made and opens up opportunities for corruption.

Judicial Review
Score: 8

Courts play an important and decisive role in the political system. The just and fair functioning of the state is guaranteed by control of political decision-making not only by the president, but also by its judicial system. The judicial system is strongly autonomous from the government. Recruitment, nomination to different offices and careers of judges and prosecutors remain out of the

control of the executive. The Superior Council of the Judiciary (Consiglio Superiore della Magistratura) governs the system as a representative body elected by the members of the judiciary without significant influence by the government. Ordinary and administrative courts, which have heavy caseloads, are independent from the government, and are able to effectively review and sanction government actions. The main problem is rather the length of judicial procedures, which sometimes reduces the effectiveness of judicial control. The Renzi government is attempting to streamline the court system by abolishing or merging smaller courts. The aim is to improve the distribution of personnel and increase efficiency. The government has given special attention to improving civil proceedings as a way to affect proceedings related to economic activities. In March 2016, the government introduced a reform of the civil judicial process, which is currently awaiting final approval by the senate. A more nuanced examination of the efficiency of courts is being conducted by the Ministry of Justice.

At the highest level, the Constitutional Court ensures the conformity of laws with the national constitution. It has often rejected laws promoted by current and past governments. Access to the Constitutional Court is reserved for courts and regional authorities. Citizens can raise appeals on individual complaints only within the context of a judicial proceeding, and these appeals must be assessed by a judge as “not manifestly unfounded and irrelevant.”

Appointment of
Justices
Score: 8

According to the present constitution, members of the Constitutional Court are appointed from three different and reciprocally independent sources: the head of state, the parliament (with special majority requirements) and the top ranks of the judiciary (through an election). Members of this institution are typically prestigious legal scholars, experienced judges or lawyers. This appointment system has globally ensured a high degree of political independence and prestige for the Constitutional Court. The Constitutional Court has frequently rejected laws promoted by the government and approved by the parliament. The court’s most politically relevant decisions are widely publicized and discussed by the media. Contrary to past situations, the government in office for most of the period of this report was careful to avoid any criticism of the Constitutional Court. The constitutional reform proposed by the Renzi government and awaiting for the final approval by referendum in December 2016 will only affect the selection of Constitutional Court judges moderately. Instead of the Chamber of Deputies and Senate selecting the five judges in a joint session, three judges will be nominated by the Chamber of Deputies and two by the Senate.

Corruption
Prevention
Score: 6

The Italian legal system has a significant set of rules and judicial and administrative mechanisms (with *ex ante* and *ex post* controls) to prevent officeholders from abusing their position, but their effectiveness is doubtful. The Audit Court (Corte dei Conti) itself – one of the main institutions

responsible for the fight against corruption – indicates in its annual reports that corruption remains one of the biggest problems of the Italian administration. The high number of cases exposed by the judiciary and the press indicates that the extent of corruption is high, and is particularly common in the areas of public works, procurement, and local building permits. It suggests also that existing instruments for the fight against corruption must be significantly reconsidered to make them less legalistic and more practically efficient. The Monti government introduced an important anti-corruption law (Legge 6, Novembre 2012, no. 190). In 2014, the Anti-Corruption Authority was significantly strengthened and its anti-corruption activity progressively increased (see 2015 ANAC Report). In 2015, new legislation proposed by the Renzi government was approved by parliament. The legislative decree of 18 April 2016, n. 50 on public tenders should reduce the impact of corruption in one of the economy's most delicate sectors.

In general, the ongoing reform of public administration should also contribute to tackling administrative abuses.

Citation:

<http://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/DigitalAssets/anadocs/Attivita/Pubblicazioni>

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 6

The concept of strategic planning is not particularly developed in Italian governmental and administrative culture. This is in part due to the fact that governments have been predominantly preoccupied with coalition problems and that the administration is still very much guided by a legalistic culture. Nevertheless, some progress has been made with recent governments. Recent government programs have been more detailed, and become significant instruments for organizing and planning government activity. Within the government office (called the Presidency of the Council of Ministers, or Presidenza del Consiglio), a special department guided by a minister without portfolio has been created to oversee the implementation of this program. This department produces regular reports on the program's implementation status. The financial aspect of strategic planning is more developed, as the treasury has to implement rigorous budgetary stability goals, and works within a triennial perspective. The Renzi government, which features a strong personalization of leadership, does not seem particularly inclined to strengthen the autonomous role of strategic planning bodies. However, in 2014, a team of young economic and legal experts was appointed to advise the prime minister on policy strategies. This team has been gradually strengthened. Today a relatively small circle of individuals, trusted by the Prime Minister and strongly loyal to him, plays an important role in developing and implementing the strategic vision of the cabinet.

Scholarly Advice
Score: 5

The Renzi government does not regularly consult non-governmental academics. A small group of partisan experts selected by the prime minister frequently offer strategic and technical advice. However, independent experts are rarely consulted. Important legislative proposals do not benefit from an institutionalized, open and transparent consultation process. In the finance, culture and labor ministries the role of external experts is more established.

Independent academic experts have been involved in the spending review, but only a short-term basis.

Interministerial Coordination

GO Expertise
Score: 6

The Prime Minister's Office (PMO) as a rule evaluates all draft bills before they are submitted to the Council of Ministers for approval. This scrutiny however mainly deals with legal aspects (which now increasingly concern compatibility with European laws) as the PMO itself does not have the systematic sectoral expertise that would allow it to conduct a detailed policy scrutiny. This means that intervention by the PMO is in general more reactive than proactive. The office gets more deeply involved in issues when problems emerge during the policymaking process. Important draft bills are in general scrutinized by the office with regard to the effects a bill may have on the cohesion of the majority coalition. A detailed scrutiny of the financial implications of each bill is conducted by the Treasury, which has a kind of preventive veto power. Prime Minister Renzi's dominant role in the current government means that both he and his personal political staff have significant influence in steering the cabinet on legislation. The PMO's staff has recently been strengthened, but its limited size does not allow it to fully control the technical aspects of legislation. As a result, corrections to legislative proposals are often necessary during parliamentary approval.

GO Gatekeeping
Score: 9

In Renzi's cabinet, the position of the prime minister vis à vis the other ministers is particularly strong. This has in part to do with the strong leadership style pursued by Renzi, who is also the unchallenged leader of the heavily reformed Democratic Party, but is also a result of the limited impact waged by other coalition parties. As a result, the Prime Minister's Office has played a particularly strong gatekeeping role throughout the period under review. This is particularly evident in policy matters given top priority by the prime minister.

Line Ministries
Score: 8

The Prime Minister's Office is regularly kept informed of the development of policy proposals generated by line ministries. With regard to the policy proposals of particular political relevance for the government program, the consultation process starts from the early stages of drafting and is more significant, involving not only formal but also substantive issues. It is not uncommon for the prime minister and his political collaborators to propose initiatives that would otherwise be the responsibility of a particular ministry. In the fields less directly connected with the main mission of the government, exchanges are more formal and occur only when proposals have been fully drafted.

Cabinet
Committees
Score: 8

A significant number of policy proposals require de jure scrutiny by a Council of Ministers committee or even the explicit consent of a plurality of ministers.

In a number of cases this is only a formal exercise and the Council of Ministers committee is not a very important mechanism. It is more significant that a number of important issues are de facto dealt with through consultations among a few ministers (and their ministerial cabinets) before being brought to the Council of Ministers, or are sent to this type of proceeding after preliminary discussion in the council. These consultations usually include the Treasury. In meetings of the Council of Ministers discussion of policy proposals are typically very cursory. Most problems have been resolved before meetings of the Council of Ministers, either in formal or informal meetings. The increased activity of the prime minister tends to reduce the importance of cabinet committees.

Ministerial
Bureaucracy
Score: 8

Before every Council of Ministers meeting there is a preparatory meeting – the pre-consiglio – where the heads of the legislative offices of all the ministries filter and coordinate the proposals to be submitted to the Council of Ministers meeting. Further informal meetings between officials of ministries take place at earlier stages of drafting. However, the bureaucracies of individual ministries are jealous of their prerogatives and are not very keen to surrender the autonomy of their ministry.

Informal
Coordination
Score: 9

During the Letta government, interministerial coordination was predominantly based on traditional forms of interparty consultations among the coalition partners. However, Prime Minister Renzi has exerted much greater control over his own party and, as the other small parties of the coalition have a diminished role, he has been able to steer the government using informal mechanisms of coordination, including the undersecretary to the presidency. Nevertheless, the Treasury continues to have a crucial role in these informal coordination mechanisms. The importance of these informal coordination mechanisms can result in the production of hasty and ill-prepared decisions. This sometimes requires a revision of the decision.

Evidence-based Instruments

RIA Application
Score: 6

RIAs are in principle required from all ministries and local authorities (under laws 50/1999 and 246/2005). At the national level, RIAs fall under the responsibility of the ministries. The Prime Minister's Office (PMO) is responsible for the review and quality control of the whole RIA processes as well as for the coordination of activities associated with an RIA. The Department for Juridical and Legislative Affairs of the Presidency of the Council of Ministers is responsible for the elaboration of RIA methodology. Annual reports are submitted to parliament.

However, it is questionable whether sufficient resources are available to implement RIA effectively. For example, temporary governmental acts are often excluded from RIAs. Since the initiation of the RIA program, there has

been a lack of systematic implementation. As a consequence, in July 2007 the second Prodi government simplified RIA forms. Further implementation rules were approved between 2008 and 2009 by the fourth Berlusconi government (DPCM 170/2008 and Directive 26 February 2009). The current RIA framework prohibits any discussion by the Council of Ministers' of any proposal that lacks an RIA. However, in February 2010, the parliamentary committee (Comitato per la Legislazione) responsible for monitoring the quality of legislation found that, out of a sample of 20 legislative proposals approved by the government in the 10 months between March 2009 and January 2010, only eight legislative proposals had been accompanied by a RIA. Things have gradually changed since then and now most normative acts are accompanied by a RIA. The 2016 government report to parliament documents this increase, which is also due to the growing pressure of EU rules. The quality of RIAs is, however, still far from homogeneous and qualified observers have found that while RIAs conducted by independent authorities are in general more sound, those of ministerial departments continue to be rather formalistic (Osservatorio air 2014).

Citation:

Maria Francesca Rocchetti: Impact Assessment in Italy: State of the Art and Patterns of Regulatory Reform: <http://regulatoryreform.com/wp-content/uploads/2015/02/Rocchetti-Impact-Assessment-in-Italy-Sept-2014.pdf>
http://presidenza.governo.it/DAGL/uff_studi/AIR.html
http://presidenza.governo.it/Sito2015-Presidenza/DAGL/uff_studi/Relazione_2016.pdf
<http://www.osservatorioair.it/lair-e-gli-altri-strumenti-per-la-qualita-della-regolazione-nellannuario-2014/>

Quality of RIA
Process
Score: 5

The RIA process is still in its infancy in Italy. The participation of stakeholders remains limited and is not systematically pursued. The annual reports, which are presented by the Prime Minister's Office to parliament, indicate a gradual improvement in this field. Communication to the public needs to be significantly improved. The impact of RIAs on the policymaking process is still insufficient.

Sustainability
Check
Score: 4

Sustainability checks within the framework of RIA are still underdeveloped. The reports of the Prime Minister's Office to the parliament show that they are not yet systematically integrated within RIA and they are not exhaustive from the point of view of the indicators included (economic indicators play a greater role than social and environmental ones).

Societal Consultation

Negotiating
Public Support
Score: 5

Cabinet consultations with economic and social actors have not been one of the main priorities of the Renzi government. Pressed by the need to face a very difficult budgetary and economic situation, recent governments have been reluctant to involve themselves in long and (according to experience) often unproductive consultations. Prime Minister Renzi in particular, who is keen to

communicate the image of an innovative and rapid-response government, has tried to avoid entangling himself in official discussions with trade unions, which are increasingly less popular. He has also publicly criticized trade union leaders for being too conservative and focused on the interests of the most protected employees, while ignoring the problems of unemployed people.

The 2014 reform of labor law – the Jobs Act – was promoted by the executive office without engaging social interests in its preliminary drafting. This does not mean that contacts with individual trade union leaders have not taken place and that low-level consultations do not exist. Relations between the government and the employers' association, Confindustria, have become tighter. The support of the Confindustria for the government's constitutional reform demonstrates strong support for Prime Minister Renzi and his government from a large majority of entrepreneurs.

More recently, the government has developed a greater interest in engaging with trade unions, particularly concerning the delicate question of reforming the pension system.

Policy Communication

Coherent
Communication
Score: 6

Italian governments have in general coordinated communication rather weakly. Ministers and even undersecretaries have often been able and willing to express their personal positions without coordinating their comments with the Prime Minister's Office. Under the Renzi government the prime minister (especially with the use of social media, such as Twitter) and his press office have largely overshadowed the communication of other government bodies. Instances of uncoordinated and contradictory communications have nonetheless taken place. This has mainly to do with the fact that information from the presidency has often anticipated the political relevance and details of measures still undergoing finalization within their respective ministries. As a result, the finalized policy often differs from that policy communicated earlier by the presidency. This has required corrections in communication and has sometimes given the impression that certain government policies are not sufficiently well thought out.

Implementation

Government
Efficiency
Score: 7

After the failure of the previous government, the Renzi government realized that it had to increase the speed and scope of policy development. The Renzi government therefore announced a broad and ambitious set of economic and institutional policy reforms. Traditionally, Italian governments have experienced significant difficulties in securing parliamentary approval for their policy agenda. As such, the Renzi government has used law decrees ("decreti

legge”) and delegating laws shrewdly to overcome parliamentary delays. Law decrees are temporary legislation that becomes immediately effective and only requires parliamentary approval within 60 days. Meanwhile, delegating laws establish the general legislative principles, but leave the government in charge of defining these principles in practice. The implementation of the Renzi government’s reform program occasionally proved more difficult than expected, but overall the government has succeeded in achieving its reform agenda. Over the last period, the government concentrated particularly on the constitutional reform and, following parliamentary approval, on its referendum campaign. This attention has to some extent distracted the government from focusing on economic problems and revising aspects of economic reforms that have not proved as effective as expected.

Citation:

http://www.programmagoverno.gov.it/media/2998/report_30-ottobre_2016.pdf

Ministerial
Compliance
Score: 9

Although Italian prime ministers have historically held weak executive powers, the dominant role played by Prime Minister Renzi – who also heads the Democratic Party – has generally guaranteed that ministers will promote the main points in the government’s program. A significant number of ministers are Democratic Party members and are intensely loyal to Renzi. There are also ministers from other parties, but these parties are weak and their ministers cannot exercise a great deal of autonomy. However, departmental self-interests have obviously not disappeared, and this may mean that decisions adopted are not always followed with adequate speed by the more detailed implementation measures required.

Monitoring
Ministries
Score: 8

The monitoring of the implementation of the government program is delegated to a minister without portfolio, who is attached to the Presidency of the Council of Ministers and supported by a special office of the presidency (Ufficio per l’attuazione del programma di governo). The current minister is one of the more powerful government figures and is a close confidant of the prime minister. This office monitors the main legislative activities of the ministries and more recently has started to monitor regularly also the implementation activities related to the legislation adopted. The office publishes a monthly report.

Citation:

<http://www.programmagoverno.gov.it/monitoraggio-dellattuazione-programma/monitoraggio-su-attuazione/>

Monitoring
Agencies,
Bureaucracies
Score: 4

Autonomous executive agencies are not very common in Italian ministries, but they have increased with time. Although their activities are monitored, this monitoring is neither systematic nor particularly effective. There are some exceptions: for example, the monitoring of the tax agency (Agenzia delle Entrate) by the Ministry of Finance is more effective than many other

oversights. The Corte dei Conti – the main Audit Office – performs a systematic monitoring of bureaucratic offices and also of executive agencies but this monitoring is mainly focused on legal and procedural aspects and is much less effective in covering other aspects such as cost efficiency. Monitoring of regional health care agencies, and health care expenditure and procurements is still inadequate. Despite major regional differences and deviations from “standard costs,” established by recent studies, systematic oversight is not yet in place. After long discussions about the introduction of nationally defined “standard costs” in the health sector this decision is yet to be implemented. The capacity of regional governments to properly manage and monitor health care resources can vary significantly from region to region, which has cast doubt over further decentralization and the ability of the central government to control this sector.

Task Funding
Score: 6

In recent years, a double and to some extent contradictory trend has taken place in the relationship between central government and local administrations (regions, provinces and municipalities). On the one hand, constitutional reforms and normal legislative and administrative changes transferred broader tasks to local governments. This has particularly been the case for regions where the devolution of functions in the field of health care has been particularly extensive, for example. On the other hand, however, because of budgetary constraints and strong pressure from the European Union and international markets, the central government has increasingly reduced transfers to local governments in order to balance its own budget. The Renzi government, guided in part by a spending review that found considerable financial waste at the local and especially at the regional levels, has continued this approach. Local governments have tried to resist this fiscal squeeze without great success and have had to increase local taxation. At the same time, the government has reduced the autonomy of municipalities to levy property taxes. As a result, functions delegated to subnational governments are now often underfunded, and local authorities have been forced to cut services. In 2016, the government made the “internal stability pact” more flexible. The pact significantly restricted the budgetary autonomy of municipalities and in particular damaged the “virtuous” ones, which could not spend their budgetary surpluses. This change should enable virtuous municipalities to increase investments. Furthermore, the central government transferred special issue funds to the regions to allow them, among other things, to better align with EU law.

Constitutional
Discretion
Score: 7

The constitutional and legislative changes, which had substantially increased the powers and scope of regional government activity over the last 20 years, did not make the relationship between different levels of government less antagonistic. Across an increased number of policy fields, central and regional governments have concurrent legislative powers. In these areas, the central state should simply define general guidelines, leaving the definition of specific

legislative contents to regional assemblies. However, the national government and parliament have a tendency not to respect this division of authority, impinging upon the sphere of regional autonomy instead.

For their part, regions often adopt a posture of resistance to national rules. This has produced an exceeding amount of litigation before the constitutional court. Tensions between the two levels have also increased as a result of the strained fiscal context. The central government has sought greater oversight over local governments (often perceived as the culprits of unrestrained spending). In order to balance the national budget, central government transfers to local authorities are repeatedly cut. These cuts are typically applied universally, rather than selectively. However, in several emergencies, the national government has given substantial financial aid to municipalities and regions. Moreover, central government has provided the necessary funds whenever local governments have been close to defaulting.

The Renzi government's constitutional reform, finally approved by parliament in May 2016 and awaiting a public referendum in December 2016, is an attempt to reduce the areas of legal conflict between central and local governments by recentralizing a number of concurrent powers.

Minimal standards for decentralized public services (such as public health, utilities, etc.) are agreed upon and set at national level in a number of areas. The permanent conference for relations between the state, regions, provinces and cities (Conferenza Stato-Regioni ed Unificata) is an important forum in which national standards are discussed. However, the implementation of these standards is still far from satisfactory: as the administrative quality of different local authorities varies significantly, standards can differ substantially from one area of the country to another. In many fields the north-south divide remains significant, and seriously affects equality of opportunities and national cohesion. So far, efforts to overcome it have not proven very successful.

National standards have increasingly been adopted for utilities (e.g. water, electricity and communications), but in most cases independent authorities are responsible for the definition and implementation of standards. Implementation in this field is fairly adequate.

The Renzi government has demonstrated a willingness to enforce national standards by overruling regional administrations. The constitutional reform will provide if finally approved new instruments for the government to act in this field.

National
Standards
Score: 5

Adaptability

Domestic
Adaptability
Score: 8

In the medium term, the most significant impact that international, and particularly supranational (EU-related) developments have had upon the structure and working of the government concerns the role of the minister of finance and of the treasury. Because of budgetary requirements deriving from European integration and participation in the euro zone, the minister of finance has acquired increasing weight in the governmental decision-making process, exercising an effective gatekeeping role with respect to the proposals of line ministries. Another example of this development is the strict internal stability pact, designed to meet the EU's stability and growth pact obligations across all administrative levels.

The prime minister and finance minister have been central to the development of the government program, guiding the most important decisions. Other ministers have had a secondary role.

Starting with the Monti government, the structure of the government has been further streamlined by keeping the number of ministers and undersecretaries smaller than in the past. The Renzi government has slightly increased their number. There are currently 13 ministers with portfolio, two ministers without portfolio, eight vice-ministers and 35 undersecretaries.

In view of the importance of the EU powers, the government has increasingly adopted a double strategy with Prime Minister Renzi publicly attacking to obtain more favorable policies from the European Union, especially with respect to fiscal issues, and the finance minister negotiating discreetly to build an agreeable compromise.

International
Coordination
Score: 7

The ability of Italian governments to take a leading role in international efforts is generally limited. This is in part due to the country's relatively small size, but also because Italian politics tends to focus on internal matters. Moreover, frequent changes in political leadership have made it difficult to provide a strong and clear position in international efforts. There have been occasional exceptions when the government has been more active on a specific issue (such as the abolition of death penalty, or in the promotion of peace talks in the Middle East). The Renzi government has mainly focused on the EU level, with the executive actively engaged in EU policy discussions promoting the need for economic growth over simple fiscal balance. With regard to the immigration crisis, the Italian government is also engaged in promoting solidarity among EU member states. Through its presidency of the European Council in 2014, the government secured some agreements. These included the implementation of the EU's Frontex Triton operation, which replaced

Italy's Mare Nostrum mission and aims to tackle the issue of migrants crossing the Mediterranean Sea in the hope of entering the EU.

In general, the government has increased domestic awareness of Italy's international responsibilities and consistently worked toward increasing Italy's influence in EU decision-making processes.

Organizational Reform

Self-monitoring
Score: 6

In general the attention paid to the internal organization of the government machine has been only selective and sporadic. No systematic monitoring is accomplished on a regular basis. The spending review initiated under the Monti government has been continued under the Letta and Renzi governments. It has focused mainly on financial aspects, but has also involved some monitoring of the institutional arrangements of government (with particular attention given to the structures of local government). However, many proposals for a deeper restructuring of government offered by these review exercises have not been implemented. Under the Renzi government, the Prime Minister's Office has been partially restructured to increase effectiveness in implementing the government's program. However, a full restructuring is yet to be undertaken. A comprehensive reform of state bureaucracy promoted by the minister for public administration will strengthen governmental instruments for monitoring the effectiveness of the state administration.

Institutional
Reform
Score: 8

Despite several years of public debate, successive governments have been unable to improve the effectiveness and efficiency of central government. During the period under review, the Renzi government has raised this issue to a central position in its program. A junior minister without portfolio, a close ally of the prime minister, has been in charge of a department for institutional reforms within the government office. A recent reform of the electoral system aims to reduce parliamentary fragmentation and strengthen the majority party. At the same time, a wide ranging constitutional reform has received the parliamentary approval. Among other objectives, this law changes the existing "perfect bicameralism" and reduces significantly the legislative powers of the second chamber with the purpose of enabling the government to push forward its programs more speedily. The recentralization of powers at the expense of regional governments will increase the ability of central government to promote important infrastructures, environmental plans and national networks. The prime minister and government have demonstrated substantial political will to implement wide-ranging reforms.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 6

Existing public opinion studies indicate that only a minority of citizens (about 35%) are significantly interested in politics and that about a similar percentage talks regularly about politics and follows TV programs featuring political debate. A large majority (85%), however, regularly follows the TV news where political news has a significant weight. While data show that the level of sophistication and knowledge about parties, personnel and composition of government is not low, data concerning levels of information about policies were not easily available. They probably vary greatly depending on the policy field.

On certain policies (concerning major economic and fiscal aspects, education, health care, foreign policy), which parties use to define their position, levels of information are fairly high. On other policies, they drop significantly. As Italian politics is fast changing, not very stable and strongly personalized it should be difficult for the citizens to be well informed about the contents of government policymaking. Television – by far the main information source in Italy – can't give in-depth information.

The government and in particular Prime Minister Renzi are campaigning vigorously and directly informing citizens about their ambitious reform agenda. This is particularly evident with respect to the constitutional reform. Public opinion polls indicate an increasing level of information among citizens on this issue. Though a very sizeable proportion of respondents express approval or disapproval for the government rather than for a specific constitutional issue.

Citation:

Vincenzo Memoli, How Does Political Knowledge Shape Support for Democracy? Some Research Based on the Italian Case, in *Bulletin of Italian Politics*, Vol. 3, No. 1, 2011, 79-102

Legislative Actors' Resources

Parliamentary
Resources
Score: 8

Members of parliament can draw on significant resources of highly qualified personnel to monitor the activities of the government. The permanent staff of both chambers is quite large and is selected through highly competitive mechanisms. Most staff members possess legal expertise. The parliamentary

staff regularly produces studies on issues and reforms under discussion. A special office of the parliament (the Ufficio Parlamentare di Bilancio, Upb), created in 2015 following the Fiscal Compact Treaty and successive decisions of the European Council, is now responsible for providing parliamentarians with a detailed evaluation of the government's fiscal proposals. The two chambers have extensive libraries at their disposal. Members of parliament also have at their disposal resources for hiring personal parliamentary assistants. The selection of these assistants is much less merit-based and their quality highly variable. Whether in general MPs are really interested in using systematically the available resources for monitoring the government is another matter. Probably only a minority fully utilizes these resources.

Citation:

<http://www.upbilancio.it/>

<http://www.upbilancio.it/rapporto-sulla-programmazione-di-bilancio-2016-2/>

Obtaining
Documents
Score: 8

Parliamentary committees are comparatively powerful. They can significantly amend legislation and they have extensive oversight powers. Committees also have the right to ask for documents from the government. Delivery of the documents may not always be prompt, but there is no significant evidence that the government fails to comply.

Summoning
Ministers
Score: 9

Article 143 of the Chamber of Deputies' rules of procedure enables parliamentary committees to summon ministers for hearings. Similar rules apply for the Senate. Summoning ministers is a regular practice, and ministers normally comply with such requests.

Summoning
Experts
Score: 9

Parliamentary regulations provide for the right of committees to invite any person able to provide important information (art. 143, 144 Regolamento Camera dei deputati). They can also ask the government to command special studies from the National Statistical Office (ISTAT) (art. 145). The rights of committees are not limited, and committees frequently use this opportunity to summon experts. This also reflects the fact that the Italian committee system plays a more prominent role in the legislative process than do committees in other European parliamentary regimes.

Task Area
Congruence
Score: 8

The tasks of committees and ministries mostly coincide. However, there are a few cases where more than one ministry is overseen by a single committee (for instance, this happens with the Presidency of the Council and the Ministry of the Interior, for the Ministries of Cultural Affairs and Education, and for the Ministries of the Environment and Public Works). Parliamentary committees have instruments at their disposal enabling the effective monitoring of ministry activity.

Committees meet frequently and their members are assisted by highly qualified technical personnel. However, parliamentarians are not always

interested in fully exploiting these possibilities. Often, they prefer to concentrate on issues with high media visibility or of local relevance rather than on the more important administrative processes taking place far from the spotlight.

Audit Office
Score: 6

General auditing functions are conducted in Italy by the Court of Accounts (Corte dei Conti), which oversees all administrative activities. The court regularly reports its findings to the parliament, but cannot be said to be accountable to the parliament as it is an independent judicial body. The court can review *ex ante* the legitimacy of executive acts (although its decisions can be overruled by the government), and is responsible for the *ex post* review of the management of the state budget. The court oversees the financial management of publicly funded bodies. It is protected from political influence; its judges remain in office until they are 70 years old, and cannot be removed without cause. Judges are nominated through national competitive exams, and members of the court nominate the court president. The court has a highly skilled professional staff. Citizens may access court decisions via the internet, at no cost, shortly after decisions are rendered.

In April 2014, the parliament created the Parliament Budgetary Office (Ufficio parlamentare di bilancio), which is tasked with assessing the government's macroeconomic and fiscal forecasts and monitoring compliance with national and European fiscal rules. This new body plays a particularly important role during the budgetary session, and enables the parliament to have its own independent source of information in evaluating government proposals. In 2016, this office demonstrated its increased independence by openly contesting some of the government's economic forecasts.

Ombuds Office
Score: 3

Italy does not have a national ombuds office. Some functions are performed by regional ombudsman offices (difensore civico). Through questions and other oversight instruments, members of parliament perform with significant vigor an analogous advocate's function with regard to issues and complaints raised by citizens.

Citation:

Russo, F. & M. Wiberg (2010). Parliamentary Questioning in 17 European parliaments: Some steps towards comparison. *The Journal of Legislative Studies*, vol. 16(2), pp. 215-232

Media

Media Reporting
Score: 7

The space allocated to political themes in Italian media is quite significant in the 10 most important mass media brands (the three main national newspapers, *Corriere della Sera*, *la Repubblica* and *Il Sole 24 Ore*, which have print and online versions; the three state television channels RAI1, RAI2 and RAI3; the two Mediaset channels Canale 5 and Rete 4; and two other private TV

channels – Skynews and La7). Television time (both public and private) allocated to political themes is substantial throughout the year, averaging more than seven hours per week. A large part of this time is devoted to debates and talk shows involving politicians, journalists and experts, and to covering the most important aspects of current political controversies.

However, detailed, in-depth analysis of government decisions is much rarer, and debates tend to focus on the personality-driven dimensions of power politics. National newspapers provide more in-depth coverage of government decisions, often providing detailed dossiers on their content. Some radio and internet programming gives high-quality information in advance. The broader public has no access or does not seek access to these media.

Parties and Interest Associations

Intra-party
Democracy
Score: 5

With regard to intra-party democracy, Italy's major parties differ significantly. At one end of the spectrum lies the Forza Italia party (previously called the People of Freedom Party's or Popolo della Libertà), where decision making and leadership selection were both fundamentally dominated by its leader, Silvio Berlusconi. Requests to adopt primaries to designate candidates for leading positions at national and sub-national levels were recurrently aired but have always been stopped by Berlusconi. With the decline of Berlusconi, the party is largely in disarray. The situation is rather different in the main center-left party, the Democratic Party, where leadership has in past years been selected through primaries open not only to party members but to anyone willing to subscribe a declaration of support for the center-left coalition. A similar procedure was adopted for the selection of parliamentary candidates. Given the increasingly strong power acquired by the current leader of the party and prime minister, Matteo Renzi, the space for minority positions inside the party has increasingly narrowed.

The Five Star Movement (Movimento Cinque Stelle) of Beppe Grillo has introduced new mechanisms of online direct consultations for decisions and for candidate selection. At the same time, behind the scenes (and sometimes openly), the leader of the movement has maintained for himself a very strong steering role. Internal oppositions have found it very difficult to have a space for voicing their positions and cases of dissidents expelled from the party have been frequent.

Overall intra-party democracy in Italy's political system is not well developed. In particular, it seems difficult to balance an increasing personalization of leadership and the preservation of internal debate. Discussions about regulating the internal dynamics of political parties are recurrent, but have not been implemented.

Association
Competence
(Business)
Score: 7

The big-interest associations (employers' associations and trade unions) have developed research units which regularly use experts and rely upon scholarly knowledge. Their proposals are often detailed and based upon substantive policy know-how. However, it must be noted that trade unions generally have a rather conservative outlook, and are reluctant to adopt innovative policies in the areas of labor relations or pensions.

Employers' associations (the most important of which being Confindustria) in general adopt a more innovative perspective, and are less defensive of the status quo. Their policies are more prudent on issues associated with increasing competitiveness or reducing government subsidies. In recent years, two of the largest trade unions (CISL and UIL) have shown a somewhat greater willingness to negotiate with the government and employers' associations over measures designed to increase the flexibility of labor relations.

Association
Competence
(Others)
Score: 6

The landscape of non-economic interest organizations is increasingly rich and diversified. But only few of them are able to formulate articulated policy proposals and most operate in a reactive mode instead. Among the most professional associations, some religious ones (such as Caritas, which deals among other things with immigration policies, Comunità di S. Egidio), humanitarian (such as Emergency) and environmental groups (such as Legambiente and WWF) deserve special mention, and are able to provide well-articulated, expert analysis. An increasing number of single-issue movements are gaining ground in Italy and are contributing to policymaking in their respective areas.

There are also a series of foundations and think tanks in the field of international affairs (IAI, ISPI), social and economic problems (Censis, Eurispes) producing critical studies and conducting oversight activities. But their infrastructures, resources and personnel are in general limited.

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