

**SGI** Sustainable  
Governance  
Indicators

## 2014 Italy Report

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## Executive Summary

The state of Italian governance and its sustainability can be summarized as follows:

(1) During the period under review, the Italian system has faced one of the most serious crises of its recent history. Internal and international confidence in the ability of Italy's government to overcome the global economic and financial crisis reached an all-time low. Yet in the most difficult moments the political system managed through the Monti government (a non-political Council of Ministers with the parliamentary support of all the main parties) to find a solution that reversed the downward trend. Once more Italy has shown significant resilience and an ability to react to difficult situations. The important results obtained in this period do not mean, however, that some of the traditional and most serious weaknesses of the country have been solved – long-term and strategic reforms are still lacking.

(2) The recurrent alternation in power between center-right and center-left governments during the last 20 years seems to have exhausted Italy's ability to generate innovative ideas and has not produced the quality of governance that one could have expected from a very competitive system. Governments have been too short-lived or too conflicting to develop solid strategies in the central policies. The Democratic Party (Partito Democratico) and the People of Freedom Party (Popolo della Libertà) – the two main parties which dominate the political environment – are in need of a profound renewal. There is no political force at the moment which might be considered able to face the nation's challenges.

(3) The functioning of democracy has displayed several familiar and new weaknesses. The main issue remains the quality of political competition in a bipolar political environment. The model of competition in place since the early 1990s – in which voters had a choice between center-right and center-left coalitions – enabled clear electoral results and the simple and effective creation of governments, but has also generated a political debate focused more on

personal aspects and attacks than upon serious discussion and the pursuit of policy alternatives. At the same time however there was considerable collusion between all established parties to preserve and increase the privileges of politicians and the costs of politics. The mounting disaffection of public opinion for the traditional political class has swollen the electoral following of a new populist party – the Five Star Movement (Movimento Cinque Stelle) and eroded the votes of the established parties. As a consequence, since the 2013 elections neither of the two main coalitions has been able to sustain a stable government. The choice of a grand coalition was dictated by necessity more than by a convergence between the parties that met the current needs of the country. It is no guarantee that a new style of politics will be inaugurated. Distrust in political parties is very high. The political crisis sees no end.

(4) The government in office during this period has shown the determination to approve and implement the stern measures required to reverse the damage done to Italian sovereign debt. Public expenditure has been brought under control and the budget has found a more favorable equilibrium. The government has also been able to restore somewhat the confidence of international political and financial circles in Italy's ability to tackle its problems. It is clear, however, that the efforts required are not complete and that they must be prolonged into the future in order to stabilize public finances and reduce public debt to less risky dimensions. Substantial reforms remain out of sight.

(5) While public finances received plenty of attention, the state of Italian economy suffered. The recession worsened under the impact of fiscal austerity, household incomes shrank, unemployment – particularly among the young – increased dramatically, and failures of small and medium businesses skyrocketed. Only the export-oriented sectors of the economy did somewhat better than average. The government made some limited attempts to elaborate economic policies oriented to foster the competitiveness and growth of the economy but it lacked the energy and political clout to break the resistance of the many vested interests which hamper modernization. The reform of labor law has not yet produced the anticipated effects.

(6) Reform of the public administration – traditionally one of the Italian system's major weaknesses – has often been mentioned as one of the crucial goals of the government, but not much could be accomplished in this field. A thorough spending review was initiated but the government did not have the time to translate its results into specific policies. It is clear, however, that the problem is not only that of controlling the expenditures of public administration but also increasing the quality of its management and its ability to deliver

efficiently the services required from it. The political and administrative system consumes and wastes too many financial resources.

(7) Corruption has a direct effect on the quality of public administration and remains a major handicap of the Italian system. The distortions produced in public services and in the economy by the high levels of corruption are incompatible with the modernization of the country. This is one of the areas where the efforts of the government have been blocked by its parliamentary majority.

(8) The deficiencies of current family policies have been revealed by the crisis and its effects on the life of individuals. With little fiscal support for children and only weak measures aimed at increasing gender equity in the workforce, or at helping women to reconcile work and family roles, individuals have become increasingly reluctant to have children. This contributes to a still more unbalanced age profile and a depression in the propensity to innovation. The low quality of life produced by the public system causes concern.

(9) Under the impact of the current crisis, a significant section of the Italian political elite and public opinion has become convinced of the importance of taking Italy's European role far more seriously. This means fully respecting the commitments made, but also contributing a leadership role to the shaping of a more satisfactory European Union. At the same time, however, another section of public opinion and the political elite has become more skeptical toward supranational integration and more inward looking. The evolution of the balance between these two orientations will be of great relevance in the future.

## Key Challenges

As a consequence of the prolongation of the economic and financial crisis in Europe, the country has suffered severely. The following fundamental (and often underestimated) strengths of Italian society have contributed to preventing more damaging consequences and have facilitated the beginning of a recovery: strong family bonds; high level of savings of households; the inventiveness and resilience of small businesses; the strong traditions of some manufacturing sectors; the quality and prestige of some public institutions such as the presidency of the republic and the Bank of Italy. However, they have now reached their capacities. Italy as we know it today is at risk. At the same time, the crisis has more clearly exposed the serious weaknesses of the country

that need urgent redress if the recovery is to have more lasting effects. These weaknesses concern both the public and the private sector, and both institutional and policy dimensions.

It is quite evident that some limited but significant revisions of the institutional architecture of the public sector are crucial. The perfect bicameral system needs revision to deal with its excessive deadlocks and delays in the decision-making process. The agenda-setting powers of the executive in the parliamentary law-making process should be increased to reduce the veto potential of small minorities. At the same time, the oversight powers of the opposition should be reinforced to balance a more powerful Council of Ministers. Parliamentary regulations should more strictly control the formation of parliamentary groups and avoid the possibility of micro-groups. In the executive, the Prime Minister's Office should be drastically streamlined to eliminate all redundant and nonstrategic offices and functions. Its ability to oversee and steer the policymaking process should be significantly strengthened. To improve the process of representation and accountability, the electoral law should be changed: it should provide a more direct relationship between candidates and voters and reduce the excessive majority bonus given by the current system to the winning coalition. The party system is a source of citizen distrust: personnel must be changed and parties need to be regulated and democratized in their internal structure. Anti-system parties should not be admitted to elections.

Institutional reforms should also be accompanied by changes in the mentality and behavior of politicians. Here the most crucial obstacle to overcome is an excessively personalized and rhetorical style of competition which overrides a pragmatic focus on the problems to be solved. The political leadership also require a less inward-looking perspective and a greater attention to the international dimension of problems.

A determined effort must be made to improve significantly the quality and effectiveness of public administration. This presupposes a deep organizational restructuring of many bureaucratic departments in view of the new distribution of tasks between central government and regional authorities. It also requires a deep rethinking of recruitment procedures, particularly for high administrative levels. There is an extreme need for personnel more able to think strategically and innovatively, to take responsibility for administrative decisions and be less obsessed with continuity and formalistic criteria.

In the private sector, the need to stimulate a more dynamic and growth-oriented economy is obvious. This requires first of all more aggressive liberalization

policies in many sectors where monopolies and oligopolies prevail. A drastic simplification of legal and bureaucratic regulations is the second priority. The third priority is fiscal reform. Given the strong budgetary constraints, these should be strategically prioritized to reduce the most negative impacts of high fiscal pressure on production and employment. The conditions of access to credit for small businesses also need to be renewed. Government policies obviously play a crucial role in this, but at the same time entrepreneurial associations and trade unions should be aware of their responsibilities in enabling the economic system to overcome its inefficiencies. More cooperative and pragmatic attitudes could be a strategic resource.

As an increasing share of the workforce will be composed of immigrants, policies devoted to a more careful management of legal immigration – as well as more effective integration and protection of the rights of immigrants – should receive continued attention. And finally, as some Italian politicians have in fact demanded, immigrant residents should also be given a feasible path to Italian citizenship in order to make integration efforts complete.

More careful management of natural resources and of cultural and artistic heritage can be achieved through better cooperation between public authorities and private actors. Natural and cultural resources are key to re-establishing quality of life, maintaining economic success, sustaining a large agricultural sector and to attracting foreign investors and tourists. Citizens' lives and income depend on the protection of natural resources and prevention of natural disasters. Furthermore, numerous scientific studies demonstrate that environment – both natural and cultural – is a positive factor in a more advanced and quality-oriented economy.

Even in a situation of limited resources, the school and university systems should be a high priority to safeguard the nation's future. They need to be more flexible and able to respond to the changing needs of society, while at the same time guaranteeing higher levels of quality and openness of access. Only in this way will the country attain the highly skilled workforce and the sophisticated knowledge and research capacities required to compete globally.

Italy could perform better on European and global scales. The country should try not merely to defend its national interests in institutions and organizations like the European Union, but instead take a more active role and ask for cooperation in achieving those interests. Italy is already part of a vanguard in some aspects, but the country should open itself more to cooperation with neighbors and partners with the same or similar interests and needs.

# Policy Performance

## I. Economic Policies

### Economy

Economic Policy  
Score: 5

The Berlusconi government during its final months (June – October 2011) and the Monti government thereafter both faced the sovereign debt crisis and the dramatic rise of interest rates for Italian treasury bonds. The swift and deep actions of the Monti government (in particular a very strong pension system reform that significantly raised the retirement age, fiscal reforms and some liberalization measures) were supported by the new policies of the ECB. They significantly improved the budgetary situation and brought the country to the point where the European Commission was ready to close the excessive deficit procedure against Italy in the spring of 2013.

Through these policies, the Italian government has also avoided the need to request the help of the new European institutions of financial stabilization, the European Financial Stability Facility and European Stability Mechanism, and has escaped major bank crises. At the same time the very strong fiscal measures have negatively affected – at least in the short term – the outlook of the Italian economy, which has plunged into recession. The fiscal treatment and the bureaucratic burdens for enterprises are still too high, thus making investments in Italy comparatively more costly. Moreover, because of the strong resistance of organized groups, liberalization-oriented reforms have not been as successful as those oriented to financial stabilization. The government was also not very successful in improving labor laws. Italian governments continue to have no serious approach in economic policy and future-oriented strategy.

## Labor Markets

Labor Market Policy  
Score: 4

Existing labor market policies were inadequate to meet the challenges of the crisis. The new ones introduced under the Monti government have not significantly improved the situation. In combating the effects of the crisis, the government has concentrated resources into the existing salary integration programs (the “cassa integrazione”), which temporarily either partially or fully subsidize the salaries of workers kept idle by private companies, thus encouraging firms to avoid dismissing employees. But even these mechanisms have not enabled Italy to contain increases in unemployment during this period.

The difficult economic situation has further worsened one of the typical problems 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 has risen very significantly during the last two years but the increase has been particularly dramatic for young people. The lack of significant unemployment benefits has made their position extremely difficult. Shortcomings in labor market policies demonstrate the lack of liberalization and incentives to create low-income jobs. The existing system tries to keep people in their jobs but not to increase employment.

## Taxes

Tax Policy  
Score: 5

The Italian tax system remains characterized by the need to sustain the burden of high public expenditures and to pay very high interests on the 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 on the contrary very low for all those who want to and can evade taxation (for instance, many enterprises, and large shares of independent workers and professionals). Families with children also receive very limited exemptions. One of the most negative aspects of this situation is that it results in significant competitive distortions that advantage the non-compliant earners.



The Monti government – under pressure from the eurozone sovereign debt crisis and the need to ensure the sustainability of the public debt – has increased the global tax pressure by reintroducing the tax on property abolished by the Berlusconi government, raising the taxation of financial assets and strengthening the fight against tax evasion. These measures have undoubtedly improved the equity of the tax system somewhat and have ensured the resources needed to reach the budget deficit targets agreed at European level. But they have not made any significant step towards greater competitiveness for the Italian economic system.

Labor and business are heavily taxed, which results in fewer new businesses and job opportunities. Italian taxation policy gives nearly no incentive and no stimulus to declare your revenue but encourages tax evasion. The monitoring of and fight against tax evasion within this difficult system are insufficient and far from successful.

Overall one can say that the Italian tax system is able to generate a sufficient amount of resources but needs significant changes to increase its equity and to reduce obstacles to competitiveness.

### **Budgets**

Budgetary Policy  
Score: 5

In the second half of 2011, during the last months of the Berlusconi government, doubts about the fiscal sustainability of Italy had become very serious. The Greek crisis remained unsolved, Italian 10-year bonds rose dramatically compared to German ones (in November 2011 they reached a level of more than 500 basis points) and there was strong internal dissent in the Council of Ministers between the Treasury, which tried to ensure fiscal moderation and the other ministers. Many national and international observers had serious doubts about Italy's chances of avoiding a budgetary crisis without external help.

The prompt decisions taken by the Monti government in fiscal and budgetary matters, coupled with a regained prestige of Italian political leadership at the European level, and the new policies of the ECB have changed the situation very significantly. The level of public debt to GDP has continued to increase in part because of the new burden of contributing to the European Financial Stability Facility and European Stability Mechanism – which cost the Italian state approximately €40 billion between 2010 and 2012 – and in part as a statistical effect of GDP shrinking due to recession. It reached 127% of GDP at the end of 2012, but the government has been able to bring the level of deficit

under control to the point that the primary balance of Italy in 2012 (2.5% of GDP) was among the most positive in Europe. International stability of the public finances is also guaranteed by a highly experienced debt management department within the Ministry of Economics and Finance: interest rates paid on long-term treasury bonds have significantly decreased. But it is also a fact that all levels of the public administration have a debt of some estimated €90 billion with private business in Italy. So the state, regions and municipalities clearly do not sustain economic growth but in fact do the contrary.

The government has thus begun a more virtuous path that should enable it to start reducing the levels of debt and thus reverse the highly negative practice of shifting the burden of expenditures onto future generations. In the short term, however, these policies have negatively affected economic growth.

Citation:

[http://www.mef.gov.it/doc-finanza-pubblica/def/2013/documenti/DEF\\_2\\_-\\_Analisi\\_e\\_tendenze\\_della\\_Finanza\\_Pubblica\\_xon-linux.pdf](http://www.mef.gov.it/doc-finanza-pubblica/def/2013/documenti/DEF_2_-_Analisi_e_tendenze_della_Finanza_Pubblica_xon-linux.pdf)

## Research and Innovation

R&I Policy  
Score: 4

In recent years Italian governments' research and innovation policies have been weak, underfunded and not strategically coordinated. The governments of the period under examination (essentially the Monti government) have not been able to improve significantly this situation because of the difficult budgetary situation. Funds for R&D have not increased, but some new measures have been introduced to foster start-up companies. As a result society, media and also some parts of politics have become more aware of the strategic importance of R&D.

## Global Financial System

Stabilizing Global  
Financial Markets  
Score: 7

The government and other public financial institutions such as the Bank of Italy have been in general 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 more collective style of work within the framework of European institutions and G8.

## II. Social Policies

### Education

Education Policy  
Score: 4

The Italian education system is a predominantly public system organized at state level with some participation by local authorities. The private sector is limited and mainly consists of religious schools. At university level there are a few private high prestige universities (Bocconi, LUISS, Cattolica). The education system is in principle open to everybody without discrimination. Students pay limited fees only at the university level. In practice, however, access is seriously limited at the upper secondary and tertiary level by the limited amount of resources devoted to scholarships or similar support mechanisms for financially needy students. As might be expected, the share of individuals who do not complete their studies is above OECD averages.

Expenditure for all levels of education per student is close to the OECD mean, but due to the smaller percentage of students, the global expenditure as a share of GDP is significantly lower than the mean. 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 in OECD countries. With regard to expenditure in tertiary education, Italy is lagging even more significantly behind. The share of education expenditure devoted to the salaries of teachers, professors and technical staff – the number of which is often unnecessarily high – compared to the share for capital expenditures, is larger than the mean. 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, the system as a whole does not yet ensure satisfactory standards of quality.

During the current period no significant changes have taken place in the education policies. At tertiary level a reform passed by the Berlusconi government entailing a significant strengthening of university governance has been implemented. A national evaluation process for university research has also been put in place and its results will be delivered soon. This evaluation process should have significant effects in stimulating a more competitive and quality-oriented university system.

## Social Inclusion

Social Inclusion  
Policy  
Score: 4

The impact of the crisis on the incomes of a significant percentage of households and the increasing levels of unemployment – particularly among the youth – 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 and new policies conceived for them have started being discussed although not yet put in place.

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 due to inflation, as well as the prevalence of 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.

In this period of economic crisis all the weaknesses of Italy's social policy have been unveiled. Social policy means in the first place pensions. There are just a few other instruments which might reduce social exclusion. Furthermore, Italy is really not performing well in national standards. On average, social programs in the north of the country can deliver an amount three times higher than in the south. Italian families are still the most important and informal instrument of social policy.

## Health

Health Policy  
Score: 7

Italy's national health system provides universal comprehensive coverage for the entire population. Depending on income levels, limited contributions to the costs can be due. The health care system is funded predominantly by the

national budget, but is administered by regional authorities. On average the services provided achieve medium to high standards of quality, but, due to significant differences in local infrastructures, cultural factors, and the political and managerial proficiency of local administrations, the quality of public health care is not nationally uniform. 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, health care costs are also out of control because of corruption, clientelism and administrative inefficiency. 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 programs are effective and well publicized in some regions (for instance, in Tuscany and other regions of northern and central Italy) but are much weaker and less accessible to the average health care user in other regions like, for example, Sicily.

### 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) today remains a major provider of welfare for its weakest components – children, young couples with precarious jobs and elders. Within the family, significant amounts of monetary redistribution take place, and important services are provided, such as the care of preschool age children by grandparents. Partly because of this reliance, family support policies have been generally 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 on one hand to the limited participation of women in the workforce, and on the other to a very low birth rate (except in the immigrant population).

In its 2008 program, the Berlusconi government proposed to introduce important changes in the tax treatment of families (the “quoziente familiare”), but these ideas were put aside during the crisis, and the government has to date introduced only limited subsidies for families and children in the lowest income brackets. In the economic crisis levels of children poverty are higher than the mean.

New and innovative Scandinavian-style concepts (such as parental leave) which go beyond maternity allowance are not widely used. 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 European countries. Many institutions and projects working in family support have run out of money and threatened to shut down their services since the Berlusconi and Monti governments cut the transfer of financial resources to regions and municipalities.

### Pensions

Pension Policy  
Score: 5

Under the Monti government, Italy’s pension policy has undergone an important reform which has very significantly improved its sustainability by a steep increase of the age of retirement to 67 years, and by reducing benefit levels for higher income groups. As a consequence no major reform will be needed in the next few years in spite of the serious demographic imbalance between an increasingly elderly population and the relatively smaller size of the younger generations. The current situation, however, is less positive from the point of view of intergenerational fairness, as the younger generations will receive smaller amounts upon retirement. This problem is worsened by the increasingly late or even entirely absent entry into the labor force of the younger cohorts due to the economic crisis.

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.

The role of complementary pension schemes is still too low and the fiscal policies adopted to encourage their diffusion have not been sufficiently bold.

Integration Policy  
Score: 5

## Integration

Immigration on a large scale is a relatively new issue 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 than on matters of 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. Italy's agricultural industry, for example, relies on a workforce of low-paid illegal immigrants. 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 for immigrants.

Anti-immigrant policies became electoral campaign issues, but after a period of ideological debate and confrontations on these matters, a more pragmatic approach to integration seems to have developed. Employers of legal (but also illegal) immigrants often make the politicians understand that in some sectors they are able to continue to operate in Italy only thanks to the high number of migrants available in the workforce. Agriculture, the building industry, private-sector elderly care, and often child care and private cleaning services are often dependent on legally or illegally employed immigrants. Greater controls over illegal employment have been made and under the Monti government a minister for integration was nominated. The position was given to Andrea Riccardi, a distinguished personality with a long experience as director of Comunità di Sant'Egidio, one of the strongest Italian NGOs working in the field.

### 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. Crime levels are not particularly high and the population has in general a rather high level of confidence in the security forces. The segmentation of security forces (Carabinieri, Polizia di Stato, Guardia di Finanza, Polizia Municipale) makes for some inefficiencies but also stimulates a certain degree of positive competition.

### Global Inequalities

Global Social Policy  
Score: 4

The engagement of the Italian government in promoting socioeconomic opportunities in the world is generally rather limited. Over the years the Italian level of international aid has been among the lowest for developed countries (0.13% of GDP for 2012). Under the Monti government the Minister for International Cooperation, Andrea Riccardi, a well-known personality long engaged in this field with the Comunità di S. Egidio, would have probably liked to do more but was strongly constrained by the difficult budgetary situation. The minister has assured that the downturn will end in 2013 and there might be a slight increase in aid.

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).



### III. Environmental Policies

#### Environment

Environmental  
Policy  
Score: 4

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 the mean in its performances for CO<sub>2</sub> emissions in comparison to GDP, and the percentage of renewable sources in its overall energy mix. 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 under the Monti government (and in part also because of other conflicting environmental reasons such as protection of the landscape) these incentives have been reduced but by now the percentage of these sources has reached an important level. The government has also provided incentives for sustainable house building and house renovations. An initial discussion about the return to nuclear energy with the purpose of further reducing CO<sub>2</sub> emissions was stopped by the Fukushima disaster.

Forest area has been growing significantly in recent years and biodiversity is above the European mean.

In other dimensions, such as water efficiency and waste management, Italy fares less well. In these fields disparities between northern and central Italy on the one side and southern Italy on the other remain significant. In environmental policy the decentralization efforts of the last 15 years show that southern Italy does not achieve national standards in waste management. Some emergencies in Naples, Palermo and other southern towns demonstrate the low performance of local and regional authorities in environmental matters. The absence of purification plants compromise large parts of the coast line and rivers. Erosion, flood and earthquake prevention should be a high priority for the government.

Italy 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 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.

### **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 not been particularly active. It has in general been supportive of international concerted actions 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. Moreover, because of the crisis the attention of the government and the priorities of the prime minister have been diverted.

## Quality of Democracy

### Electoral Processes

Candidacy  
Procedures  
Score: 9

The registration procedure is fair and no unreasonable exclusions exist. 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 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.

As the electoral law is based on electoral lists within individual political parties, electors have no option of preferring a single candidate and instead have to accept the whole party ticket. This is one of the reasons why there is discussion on electoral law reform.

Media Access  
Score: 7

Although one of the main competitors – Berlusconi and his People of Freedom Party (Popolo della Libertà, PdL) – enjoys favorable treatment from the television chains and newspapers owned by Berlusconi himself, the media system as a whole offers a reasonably fair treatment of all competitors. The most important national newspapers and other privately owned television chains offer fairly equal access to all positions, and under the Monti government Italian state television has maintained a much more neutral position compared to the past. Indeed Italian media – although still heavily criticized and ignored by the opposition Five Star Movement (Movimento Cinque Stelle) – emancipated itself quite well from political parties in the period under review. Other political parties own their own media, like the Democratic Party's (Partito Democratico) YOUDEM television channel.

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

Voting and  
Registrations Rights  
Score: 9

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 air time 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.

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

All citizens are notified 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. Voting takes place on two consecutive days which increases the opportunities for working people to vote. Turnout has diminished in recent years but is still among the highest in Europe.

Party Financing  
Score: 4

The financing of parties is to a large extent public. State financing is regulated 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 is monitored by an independent judiciary organ – the Court of Accounts (Corte dei Conti) – which checks the accounts provided by parties and can 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, which led to a near reprisal of the 1990s “Mani pulite” scandal that resulted in the fall of the First Republic. One of the best known “victims” is Umberto Bossi, former Northern League (Lega Nord) leader, who had to resign as a consequence of public money used by his son and other relatives for private use. The Lazio region was hit by party-financing fraud involving the regional People of Freedom Party (Popolo della Libertà, PdL). In the following regional elections, the PdL was heavily defeated. Substantial cuts in party financing are under way and it is expected

Popular Decision-  
Making  
Score: 7

that parliament should reform the entire system of party financing to eliminate public contributions.

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. 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 proponents must collect at least 500,000 citizens' signatures and the referendum is only valid if there is a turnout of at least 50% of the citizens with the right to vote. Between 1974 and 2011 66 referenda took place. There are some limited restrictions to the issues that can be submitted to a referendum. In some cases, however, their effects have been swiftly overturned by parliamentary laws which pay formal respect to the referendum results but have, in practice, reestablished some of the rules that had been abrogated in new forms.

Citizens can also promote legislative initiatives and in some regions instruments of deliberative democracy (citizens' juries, deliberative polling) are available, but these instruments do not have legally binding effects.

Referenda have had a deep impact on some political decisions at national level, such as bringing to an end civil use of nuclear energy after the Chernobyl disaster, but at local and regional level effective popular decision-making is seldom applied. Several big infrastructure projects like the Val di Susa high speed railway and the Strait of Messina bridge project were not only contested but also resulted in riots and civil disobedience. Italian politics are either unconcerned with building consensus with their citizens on big projects, or make too slow an effort.

### Access to Information

Media Freedom  
Score: 6

While in the past both center-right and center-left governments have exerted a significant or even a strong influence on public media, during the last year the Monti government has taken a much more detached position. The public media organization, Radiotelevisione Italiana (RAI), had previously been steered by government in both its personnel policies and the control of its organizational frameworks and resources. The Monti government nominated as heads of RAI new, fairly independent personalities who have ensured an enhanced political neutrality of the public media. But this reveals a missing institutional or regulatory framework which could turn RAI into a BBC-type institution that might claim some independence.

As for the print media, newspapers and magazines are in general much more independent of government influence.

While the privately owned Mediaset channels have continued to be under the strong political influence of their owner, Berlusconi, other channels have somewhat balanced out this political orientation.

Nevertheless, the 2013 national elections returned television to its central role in Italy's media mix. Electronic and other media (radio programs, newspapers) still seem not to really reach the Italian masses. Italian media legislation and regulation is often not applied as intended by law. Meaningful media law reforms could be pursued in the current and unusual context of a Monti-type government.

Media Pluralism  
Score: 6

The Italian media system is more balanced today than in the past. In television, the earlier duopoly between public television (Radiotelevisione Italiana, RAI) and private television (controlled by Berlusconi's Mediaset) is now less exclusive. Sky TV and La7 (owned by Telecom Italia) offer a relevant alternative 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 high 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 the predominance of television: newspapers, radio programs and electronic media can't counterbalance its influence. And so a single large television company might be decisive in electoral campaigns as in the past. Berlusconi's conflict of interest as active politician and partner in the government coalition has still not been resolved –merely sidelined for the time being.

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, etc.) 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 become more easy and effective.

Both judicial and nonjudicial 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 of technical officers, makes an annual report to parliament. 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 gave a response rate of only 35% within 60 days to information requests.

### 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 legal protection of the rights of immigrants, especially if they are illegal, is far from satisfactory. Cases of police violence are reported with some frequency. Actions by the security agents of the various authorities (including the state police) sometimes seem to contradict the principles of the rule of law. Forms of racist discrimination against immigrants, foreigners and homosexuals are also not uncommon.

A further problem is that some political parties – for example Northern League or Lega Nord and also some parts of People of Freedom or the Popola della Libertà Party – have an ambiguous stance over civil rights, rule of law and independent courts.

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

Non-discrimination  
Score: 7

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.

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, which is suffering – in some regions – from a lack in 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 progresses 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.

The structural challenge to religious non-discrimination in Italy is the large majority of the Roman Catholic Church: atheism or other beliefs can cause issues in this atmosphere. There is a kind of national consensus that being Roman Catholic is the only valid faith. It is nearly impossible to discuss social topics in a non-religious manner, especially in moral or ethical debates.

Discrimination is a reality in the everyday life of women, people with different sexual orientations and immigrants.

### Rule of Law

Legal Certainty  
Score: 6

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



Judicial Review  
Score: 8

results expected. The difficult situation of public finance in the period under review led to spending cuts – especially under the Monti government – which meant that local communities, municipalities, regions, their welfare systems, citizens and especially pensioners had to undergo unpredictable cuts which produced not only uncertainty but major heavy problems in the welfare system as a whole.

Courts play an important, vital and decisive role in the Italian political system. In the temporary absence of reliable governments, the just and fair functioning of the state is guaranteed by control of political decision-making not only by the president of the republic but also by courts and higher courts. The Italian 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 are independent from the government, and are able to effectively review and sanction government actions. But often court decisions come late because of their length – especially in constitutional affairs. So it might happen that clearly unconstitutional provisions are effective for more than one year before being declared illicit.

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.” Conflicts between executive and judiciary which were frequent under the Berlusconi government have become much more rare since December 2011 under the Monti government. The main problem is rather the length of judicial procedures, which sometimes reduces the effectiveness of judicial control.

Appointment of  
Justices  
Score: 8

According to the 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 approved by the parliament and promoted by the government. The court’s most politically relevant decisions are widely publicized and discussed by the media. Contrary to past situations, the government in office

Corruption  
Prevention  
Score: 4

for most of the period of this report was careful to avoid any criticism of the Constitutional Court.

The Italian legal system has a significant set of rules and judicial and administrative mechanisms (both *ex ante* and *ex post* controls) to prevent officeholders from abusing their position, but their effectiveness is doubtful. The Audit Court itself – one of the main institutions responsible for the fight against corruption – indicates in its annual reports that this remains one of the biggest problems of the Italian administration. The high number of cases exposed by the judiciary and the press suggests 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. Under the Monti government some efforts have been made to improve the situation through a new anti-corruption law (Legge 6, Novembre 2012, no. 190), but these efforts have faced significant opposition in the parliament and had been interrupted by the end of this government.

# 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. Some progress has been made, however, in the last few Councils of Ministers when relatively more detailed coalition and government programs have 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 an annual report 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. Under the Monti government the presence of personnel with technical and expert backgrounds in ministerial positions has increased the long-term perspective in the formulation of policy solutions. On the other hand, however, the limited time span originally assigned to the government and the crisis situation have reduced somewhat their positive impact.

Scholarly Advice  
Score: 7

The Monti government, as a non-party government predominantly composed of technocrats, experts and academics, has by definition given a much greater role in policymaking to academics. Moreover in a number of instances it has explicitly assigned to individual experts or to small commissions of them the role of providing further advice on particularly delicate matters (e.g., in the case of the review of state incentives to industries promoted by Monti in order to complete a deep rationalization of expenditures).

### Interministerial Coordination

GO Expertise  
Score: 7

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 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 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. Under the Monti government, in view of its very focused mission – overcoming the budgetary and debt crisis – the control of the PMO over important bills has been more rigorous than in the past.

GO Gatekeeping  
Score: 9

In the Monti government, the position of the prime minister vis à vis the other ministers was particularly strong as a consequence of his rather autonomous role in their designation. Moreover none of the other ministers had a comparable political weight. This has given the PMO a particularly strong gatekeeping role during this period. This was particularly evident on policy matters that were related to the main mission of the government.

Line Ministries  
Score: 8

The Prime Minister's Office was 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 started from the early stages of drafting and was more significant, involving not only formal but also substantive issues. In the fields less directly connected with the main mission of the Monti government, exchanges were more formal and occurred only when proposals had 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.

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: 8

New informal mechanisms of coordination were required by the Monti government’s special role as a “technical government” with the parliamentary support of an oversized but heterogeneous majority of parties which had not agreed formally a common program. In general the meetings between the prime minister and the leaders of the three main parties supporting the government (the Democratic Party or Partito Democratico, the People of Freedom or Popola della Libertà Party and the Union of Christian and Center Democrats or Unione dei Democratici Cristiani e di Centro) have been the most important instrument of coordination.

### Evidence-based Instruments

RIA Application  
Score: 5

RIAs are in principle required from all ministries and local authorities (under laws 50/1999 and 246/2005). RIAs at national level fall under the responsibility of the Prime Minister’s Office (PMO). The PMO is responsible for the review and quality control of RIAs produced by ministries, as well as for the coordination of activities associated with an RIA. The Presidency of the Council of Ministers, with its department for juridical and legislative affairs, is the body responsible for the elaboration of RIA methodology.

However, it is questionable whether sufficient resources are available within the presidency to implement RIA effectively. Implementation has in fact been far from systematic since the beginning of the RIA program. As a consequence, a new plan adopted in July 2007 by the Prodi II government created new, simpler RIA forms that were implemented from November 2007 onwards. Further implementation rules were approved in 2008 – 2009 by the Berlusconi IV government (DPCM 170/2008 and Directive 26 February 2009). According to this framework, the performance of RIAs at the ministerial level is intended to be enforced by a prohibition on Council of Ministers’ discussion of any proposal lacking this assessment. However, in February 2010, the parliamentary committee (Comitato per la Legislazione) responsible for monitoring the quality of legislation at national and regional levels discovered that in a sample of 20 regulations approved by the government in the previous

10 months (March 2009 – January 2010), only eight laws had been accompanied by the requested RIA.

In May 2012 under the Monti government the third report on the implementation of RIAs was presented to the parliament. This report highlighted a quantitatively increasing diffusion of RIAs but on average found they were still not fully satisfactory, being often more formal than substantial, or too legalistic, etc.

Citation:

[http://www.osservatorioair.it/wp-content/uploads/2012/06/Camera\\_Relazione\\_AIR\\_20121.pdf](http://www.osservatorioair.it/wp-content/uploads/2012/06/Camera_Relazione_AIR_20121.pdf)

Quality of RIA  
Process  
Score: 4

The RIA process is still in its infancy in Italy. The participation of stakeholders remains limited and is not systematically pursued. The reports regularly presented every year by the Prime Minister's Office to the parliament indicate a slow but constant improvement in this field. Communication to the public needs to be significantly improved.

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 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: 4

Consultations with economic and social actors have not been one of the main priorities of the Monti government. Pressed by the need to face a very difficult budgetary and economic situation, the government has been afraid to become involved in long and unproductive consultations. Some important reforms like the pension reform and the labor law reform have been promoted by the executive without engaging social interests in the early drafting stages. Consultations at the more advanced stages have not been very fruitful but the government has not been deterred from adopting its choices. Due to the relatively short terms of office and an often unpredictable duration of consensus among coalition parties, there is no continuous consultation with societal actors. But well-established actors like trade unions, employers' federation Confindustria and also the Roman Catholic Church are listened to by the government.

## Policy Communication

Coherent  
Communication  
Score: 5

Italian governments have been in general coordinated communication rather weakly. Ministers and even undersecretaries have been able and willing to express their personal positions without coordinating their comments with the Prime Minister's Office. The Monti government's non-political ministers and dominant focus on economic and financial matters meant that the prime minister and the minister of finance have in general monopolized governmental communication in an often coherent and efficient way. However, instances of uncoordinated and contradictory communications by individual ministers have not been completely absent. In particular this has been the case between the minister of finance and the minister of economic development.

Overall, it's fair to say that communication to the public of the (harsh) measures adopted has not been particularly effective and convincing. One reason is that the Monti government used a technical, cold and elite style in its communication. The other reason is that Monti's coalition parties supported the government's unpopular action in parliament but – as elections drew near – did not communicate that support to the public.

## Implementation

Government  
Efficiency  
Score: 7

The main priority of the Monti government was overcoming the extremely difficult situation in Autumn 2011 when the sustainability of Italian sovereign debt was under threat and the permanence of Italy in the eurozone was being doubted. It can be said that the government was largely successful in the implementation of its main task, restoring confidence and credibility. European and international confidence in the ability of the government to face these problems was quickly restored. This was done thanks to the swift adoption and implementation of a number of strong measures, such as the pension reform, the reintroduction of the house tax, and other public expenditure-controlling provisions.

The government's success was less clear in other fields, such as the labor market reform, liberalizations (where, however, it was able to separate the oil giant ENI from its gas infrastructure subsidiary SNAM), reduction of the costs of political life and the fight against corruption. It must be said that failures in these fields were mainly due to resistance from the parties supporting the majority at parliamentary level. But one should never forget that the Monti

Ministerial  
Compliance  
Score: 9

government had limited political autonomy as it could not touch the political system, but “merely” steer Italy clear of a default.

The dominant role of the prime minister in the Monti government – he served as minister of finance, too, at first – has largely guaranteed that ministers will promote the main points in the government’s program. Many members of the government were academics (it was called a “government of professors”) selected by Monti himself – obviously a rarity for normal party-controlled governments in Italy. Monti furthermore could count on comprehensive support from the President of the Republic Giorgio Napolitano, so that the government was also termed a “president’s government.” However, departmental self-interests have obviously not disappeared, and often led to inertia or contradictory pressures. This has meant that decisions adopted have not always been followed with adequate speed by the more detailed implementation measures required. With the passing of time and the approaching of the end of the legislature, the difficulty of ensuring discipline in the government has increased and in some cases ministers have not responded to the directives of the prime minister.

Monitoring  
Ministries  
Score: 6

The minister (without portfolio) for the implementation of the government program is attached to the Presidency of the Council and monitors the main legislative activities of the ministries. But this activity is not as effective when it comes to monitoring the implementation activities related to the legislation adopted. The resources devoted to this function are not sufficient to conduct a systematic and in-depth control.

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 Finance Ministry 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. There have been cases when some regional ministries and agencies have exhausted their budgets, especially in the health care system. The Monti government tried to regain some control of this crucial service.

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. Local governments have tried to resist this fiscal squeeze without great success and have had to increase local taxation. But given the limitations of these strategies this has meant that functions delegated to subnational governments have often become underfunded, and local authorities have been pushed to reduce the level of services provided.

Constitutional  
Discretion  
Score: 7

The constitutional and legislative changes which have substantially increased the powers and scope of activity of regions in recent years have not made the relationship between different levels of government easier and less antagonistic. The fact is that in an increased number of fields central government and regions 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 competences, impinging upon the sphere of regional autonomy instead.

For their part, regions often adopt a posture of resistance to national rules. This has produced a significant amount of litigation before the Constitutional Court. Tensions between the two levels have been worsened by the difficult financial situation which has induced the central state to increase its control over local governments – often seen as a source of uncontrolled expenditure – and to cut transfers to them. This was mainly true for some regional governments which had trouble offering public services because of mismanagement and/or corruption. State intervention in subnational affairs under the Monti government was necessary and helpful for the sake of citizens.

National Standards  
Score: 4

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 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 efforts to overcome it have not proven very successful.

National standards have increasingly been adopted for utilities (water, electricity, telephone, etc.), but, in most cases, independent authorities are

responsible for their definition and implementation. Implementation in this field is fairly adequate. As municipalities and also regions have a crucial role in defining quality of life of citizens but national standards are not guaranteed, this point contributes much to the north–south divide and seriously affects equality of opportunities.

### **Adaptability**

Domestic  
Adaptability  
Score: 8

On 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 eurozone, the minister of finance has acquired increasing weight in the governmental decision-making process, exercising an effective gatekeeping role with respect to line ministry proposals.

Under 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 (13 ministers with portfolio, six minister without portfolio and 29 undersecretaries). In practical terms and in response to the difficult requirements of the national and international economic situation, an informal troika composed of the prime minister, the finance minister and the minister for European affairs has played a crucial role in steering the implementation of the government program and guiding the most important decisions. Other ministers, perhaps with the exception of the minister of labor and welfare, have had a secondary role. The downstream adaptation of European integration requirements worked quite well. However, there is still no efficient structure across all political levels for upstream adaptation processes that articulate and transfer the national need for political action to – for instance – the European level.

International  
Coordination  
Score: 5

The ability of the Italian government to take a leading role in international efforts is in general limited, partly for objective reasons such as the limited size of the country, but also because of a predominant focus of Italian politics on internal matters and frequent changes of political personnel which makes it difficult to have 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). Under the Monti government efforts have mainly focused on the European level and the Italian executive has contributed to the promotion of mechanisms of European economic and financial solidarity.

### Organizational Reform

Self-monitoring  
Score: 4

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. Under the Monti government a spending review has been initiated. 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). The minister for public administration has further developed existing projects aimed at monitoring the effectiveness of the state administration.

Institutional Reform  
Score: 6

Although the need to improve the effectiveness and efficacy of the institutions of central government has been a constant theme in the political debate of Italy in recent years not much was done in the past. The special nature of the Monti government (a “non-political government” supported by a broad but heterogeneous majority in parliament) was complemented by an informal division of labor between the executive and its parliamentary majority. The government was in charge of facing the economic and financial problems while the majority parties were to develop proposals for an institutional and electoral reform. In fact, while the government was able to accomplish a significant part of its goals, the parties of the parliament were unable to reach any significant agreement on institutional reforms. So no significant step forward was made.

It is, however, true that the existing instruments available to the government and in particular the possibility of issuing legislative decrees with immediate legal effects (to be then ratified by the parliament within 60 days) made it possible for the government to exert a significant strategic capacity.

The government’s action has been changing and enhanced also by a different organization of ministers and their portfolios.

## 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 are 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.

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. Whether MPs are really interested in doing this systematically is another matter, as the allowances for it often are treated as additional income and not invested in monitoring government activity.

Obtaining  
Documents  
Score: 8

Italian committees are comparatively powerful. They can significantly amend legislation and they have extensive oversight powers. Committees 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. 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: 5

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.

The parliament also has its own offices for checking the budgetary accounts provided by the government. This 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.

Ombuds Office  
Score: 2

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

## 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 two main national newspapers, *Corriere della Sera* and *la Repubblica* have print and online versions; the three

state television channels RAI1, RAI2 and RAI3; two Mediaset channels 5 and 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. Infotainment prevails.

### Parties and Interest Associations

Intra-party  
Democracy  
Score: 6

With regard to intra-party democracy, the major Italian parties differ very significantly. At one extreme, the People of Freedom Party's (Popolo della Libertà) decision-making and leadership selection remain fundamentally dominated by its leader Berlusconi. An attempt to adopt primaries to designate the candidate for the position of coalition leader and (potentially) prime minister before the last elections was abruptly stopped when Berlusconi decided to run again as leader. The situation is rather different in the main center-left party, where the position of coalition leader was decided through primaries open not only to party members but to any one willing to subscribe a declaration of support for the center-left coalition.

A similar procedure was adopted for the selection of parliamentary candidates. Primaries however have not fully displaced the power of the party apparatus and elites when it comes to crucial choices. The Five Star Movement (Movimento Cinque Stelle) of Beppe Grillo has also introduced new mechanisms of online direct consultations for decisions and for candidate selection. At the same time, behind the scene (and sometimes openly), the leader of the movement has maintained for himself a strong steering role. Unfortunately with the rare exception of the center-left party Democratic Party (Partito Democratico) there is little intra-party democracy in Italy's political system. Personalization determines the lack of democracy and inclusion inside parties and is the reason for the lack of confidence and credibility Italians feel for politics and their political parties.

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 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 (such as Caritas, which deals with immigration policies) and environmental groups (such as Legambiente, WWF, etc.) deserve special mention and are able to provide well-articulated or scholarly grounded analyses of significant breadth. An increasing number of single-issue movements are gaining ground in Italy and are contributing policy proposals.

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

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