



Italy Report

Maurizio Cotta, Roman Maruhn,
César Colino (Coordinator)

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Executive Summary

Over the past decade, Italy has experienced one of its most serious economic crises, which has negatively affected industry, employment and government budgets. National and international confidence in the economy have been seriously damaged and are yet to fully recover. Increased immigration with refugees arriving from Africa and a major earthquake in 2016 have added new challenges. Recent governments have faced a difficult dilemma of pursuing fiscal stabilization or promoting economic recovery. While the outgoing Gentiloni cabinet tried to achieve a delicate balance between fiscal sustainability (and respect for EU rules) and promoting economic development, the two political parties that obtained the best results in the 2018 elections, the Five Star Movement (5SM) of Di Maio and the Northern League of Salvini, share a much more confrontational attitude toward the European Union and its budgetary rules.

In spite of some very important differences in political orientation and policy programs, these two parties have reached an agreement to form a new government. However, the specific priorities of the two parties remain rather different. The policies of 5SM (e.g., its costly “citizenship income”) are oriented toward southern Italian, young unemployed and poor voters. In contrast, the tax reductions and pension reform proposed by the Northern League are tailored more for northern Italian voters, older workers and small entrepreneurs. Combining the two programs would necessarily involve a significant increase in public expenditure and the public deficit. This dramatic change from the more prudent conduct of the previous government has immediately strained relations with EU authorities and has scared the international financial markets, producing a significant increase in the spread between Italian and German state bonds.

While the government has justified this move on the basis that the increased expenditure will boost Italy’s slow economic recovery and make Italian state debt more sustainable, most internal and external observers are not convinced

about this outcome because the specific policies proposed are expected to have a weak fiscal multiplier effect.

The high level of public debt, which leaves the economy vulnerable to external financial shocks, will require a more aggressive policy of fiscal consolidation in the near future. A bolder approach to the spending review process should be adopted with the twin purpose of cutting waste and enhancing the efficiency of state bureaucracy.

The reform of public administration initiated under previous governments has not made enough progress and would require a more vigorous effort. The quality and efficiency of public administration is still far from satisfactory. Civil service recruitment at all levels needs more selective and less cumbersome procedures. At the same time, a rigorous performance evaluation process must be fully implemented for senior civil servants. The efficiency and speed of judicial procedures must also be significantly improved, and the evaluation of the quality of judicial work must be stricter.

Corruption continues to be a key factor undermining the quality of public administration. It distorts public service provision and economic activity, and inhibits modernization. Important progress in addressing this problem has been made but efforts must continue.

The relationship between central government and local authorities has not found a satisfactory equilibrium. A clearer division of responsibilities is required, while sufficient funds must be made available to local authorities to fulfill their functions and mechanisms of accountability must be improved.

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

The recent economic and financial crises have exposed failings in family and social policies. Italy has an aging population and very low birthrate, which current policies are failing to address. Fiscal support for families with children is still too low. Similarly, measures to improve gender equality in the workplace, and reconcile work and family life are weak. Poverty also needs to become a much more important priority.

Increased dissatisfaction among the public and political elites about the weak support given by EU policies to the solution of the economic and immigration crises has significantly contributed to the success of the euroskeptic coalition

government parties. While there is nothing wrong in advocating a more assertive leadership able to defend the interests of the country in Brussels, this strategy can only be effective if the Italian government is perceived as a credible partner and is able to enlist the support of other EU member states. Respecting the commitments of previous governments is a crucial precondition for assuming a constructive role in EU decision-making. An aggressive strategy of non-compliance with EU rules may simply isolate Italy in the European Union, a position which is not in Italy's national interest. Further, Italy's new government should take care to preserve peace and stability in the country, and stop aggressive rhetoric against minorities, immigrants and foreigners.

Key Challenges

Italy suffered severely from a long period of economic and financial crises. However, Italy's recent economic recovery could build on strong family bonds, high household savings rates, the resilience of small- to medium-sized businesses, several strong manufacturing and export-oriented sectors, and the quality of some public institutions (e.g., the Presidency of the Republic and the central bank). At the same, the economic and financial crises have exposed serious weaknesses across the public and private sectors, which must be addressed in order to strengthen the economic recovery, make the economic recovery more sustainable and tackle several serious social problems (e.g., poverty).

State institutions continue to need significant reform. After the failure of the constitutional referendum of 2016, the need to improve crucial mechanisms of governance remains.

Special attention should be given to improving the organization of the Prime Minister's Office (PMO). The PMO should become a more effective tool for steering and coordinating cabinet decision-making. This is particularly important for a coalition government of two parties whose policy priorities are not easily compatible. If the prime minister cannot count on an efficient and highly qualified PMO, the prime minister's ability to steer a coherent governmental path is seriously endangered. The continuing accumulation of heterogeneous functions in this office should be discouraged and non-strategic functions should be transferred from the PMO to other government bodies, so that the PMO can focus on important policymaking issues. More opportunities for independent experts and open consultations to improve the quality of

policymaking should be encouraged. Greater emphasis should be given to strategic and innovative policymaking approaches.

The parliament must improve its procedural rules to discourage fragmentation of parliamentary groups and make decision-making more efficient. Parliamentary committees should more carefully scrutinize government activities and legislative proposals.

The relationship between central and local governments has yet to find a satisfactory equilibrium. Central government must respect the spheres of regional and municipal government autonomy, and ensure local governments have sufficient resources to manage their specific functions. At the same time, central government must require a higher degree of fiscal responsibility from local governments. Local government dependency often goes hand-in-hand with irresponsible behavior. The legislative role of regions, in the past excessively extended, must be focused more on truly regional issues.

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

Public administration requires a fundamental restructuring and a cultural transformation to enable it to provide more timely and professional support to citizens and economic enterprises. In this perspective, a substantial reform of recruitment procedures, particularly for senior civil servants, should play a crucial role. Careful performance evaluation processes for all levels of public administration and greater accountability for senior civil servants should be a priority. The judiciary should be actively encouraged to accept reforms that increase its professional quality and ability to ensure timely justice. A less politicized judiciary should be enforced.

Economic policymaking needs to promote a more dynamic and growth-oriented economy. This will require further economic liberalization, and the curtailment of monopolistic and oligopolistic power. In addition, business regulation should be simplified to enable traditional and startup businesses to co-exist. Economic policy must also focus on reducing the excessive gap between the more dynamic regions and sectors, which have reached high levels of productivity and occupation, and the more backward ones where a lack of innovation, high levels of unemployment and illegal job conditions prevail. This will require a significant improvement in physical and financial

infrastructure in those areas, but also an extraordinary effort to enhance the quality of education facilities (with special attention to technical and professional schools). Resources to encourage young people to establish new innovative businesses should be increased. Government, business associations and trade unions should share responsibility for achieving these goals, which will require an economic culture of cooperation and pragmatism.

A carefully designed fiscal expansion, oriented to ease pressure on production and employment, must be balanced against fiscal sustainability.

As immigrants form an increasingly large proportion of the workforce, the management of immigration, and the effective integration and protection of immigrants' rights must receive greater attention. Proposed legislation addressing the issue of access to citizenship for immigrants should define a realistic path toward citizenship to facilitate integration.

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

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

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

Party Polarization

Polarization of the party system has increased as a result of a greater divide between anti-establishment parties (e.g., the Five Star Movement) and mainstream parties. For the first time in Italy, power is held by a coalition of genuine anti-system parties. This coalition might affect fundamental

constitutional values. Another increasingly important divide is that between pro-European and euroskeptic parties. The new Conte government highlights the existence of a significant divide between left-wing and right-wing populist parties. While the left-wing Five Star Movement and right-wing Northern League have combined forces to support the Conte government, their different policy priorities (e.g., on taxation, judicial reform and welfare provisions) are increasingly problematic for the current government. (Score: 5)

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

During the period under review, there was a major change in the executive following the national election of March 2018. The center-left Gentiloni government was replaced in June 2018 by a new government based on the coalition between the Northern League (Lega Nord) and the Five Star Movement (Movimento Cinque Stelle). The new government has promised substantial changes in economic and social policies, but has had little time so far to introduce them. The Gentiloni government pursued an economic policy agenda oriented to driving economic recovery. Fiscal policy followed a careful path between respect for the euro zone's rules and support for the domestic economy. Using some of the budgetary flexibility granted by the European Union, the government has prolonged the expansionary measures of previous years (e.g., the €80 monthly tax credit for low-income earners and the reduction of business taxes) and has added significant incentives for innovative investments in industry (the so-called Industry 4.0 program). The policies of the government have also encouraged public investment by local authorities, which in previous years had been severely constrained by the internal stability pact. Though public investment in infrastructure remains seriously below required levels. The costs of employing young people have been reduced and measures to tackle poverty have been strengthened.

The budget targets presented by the new Conte government in the revised Documento di Economia e Finanza (NADEF) introduce a significant change in budgetary policies, with higher deficits for the next three years deriving from increases in social expenditure, pension costs and tax reductions. The

government's declared goal is to fight poverty and provide a stronger stimulus for the economy, which started to slow down in 2018. For most expert observers, however, the measures envisaged are not the most apt for driving economic growth, particularly as investments are not at the core of this program.

Citation:

http://www.mef.gov.it/inevidenza/documenti/NADEF_2018.pdf

Labor Markets

Labor Market
Policy
Score: 6

In the past, Italy's labor market policies have been inadequate in meeting the challenges of the recent economic crisis. The main measure to combat the effects of a crisis was the "cassa integrazione," which temporarily subsidized the salaries of workers, either partially or fully, kept idle by private companies. The aim was to discourage companies from dismissing employees. However, cassa integrazione had no effect on those who were unemployed.

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

Starting in 2014, the Renzi and Gentiloni governments have shown a willingness to tackle this problem more resolutely. After some limited but immediate measures to make the hiring of young people easier, the government launched a systematic revision of the labor code aimed at encouraging firms to adopt more flexible but stable labor contracts. The law, informally called the Jobs Act, has given the government broad discretion to define specific labor market norms and has been accompanied by fiscal measures that should make the hiring of new workers more convenient for firms. During the period under review, the government has continued along the same path, gradually expanding the scope of this law and encouraging a new type of labor contract. This new labor contract increases employers' ability to hire and fire, while also encouraging a shift from precarious to long-term contracts.

During 2017, a number of new measures have been introduced to strengthen protections for workers on short-term contracts and independent workers.

Overall the new policies have been relatively more successful in expanding the employment rate of older rather than younger workers. Furthermore, the significant increase in the number of employed people during 2017 and 2018 has been due mainly to the increase in short-term rather than permanent contracts (ISTAT).

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

The new government has promised to significantly change these policies by giving more space again to the “Cassa di Integrazione” and by introducing from next year a broad “citizenship income” to be subordinated to the acceptance of jobs proposed by restructured employment centers. The details of these policies are still not well defined.

Citation:

www.istat.it/it/archivio/219893

Taxes

Tax Policy
Score: 5

The Italian tax system continues to be stressed by the need to sustain the combined burden of high public expenditures and payment of interests on the very high public debt accumulated over the past decades. It is also defined by its inability to significantly reduce the very high levels of tax evasion or the size of the black economy. As a result, levels of fiscal pressure have remained very high over the years (42.5% in 2017) 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 very low for all those who can and do evade taxation (e.g., many businesses and large numbers of independent contractors and self-employed professionals). Families with children have very limited exemptions. Labor and business are also heavily taxed, which results in fewer new businesses and job opportunities. Italian tax policy provides limited incentives and no compelling reason to declare revenues. The monitoring of and fight against tax evasion within this system are insufficient and far from successful. One of the biggest problems is that the system results in significant competitive distortions that benefit non-compliant earners.

The Gentiloni government has not substantially changed this situation. The tax credit for people on low incomes which was introduced in 2014, has been maintained and has shown some redistribution effects, resulting in an

improvement in Italy's Gini coefficient. The same applies to the marginal increase in tax on financial assets, and reductions to income and corporation taxes. The stabilization of these measures has had a modest beneficial effect on the fiscal system, but more needs to be done. The antiquated land register is yet to be reformed, despite repeated promises. As such, inequities in the property tax system continue to persist.

The online system for submitting income tax declarations, the "730 precompilato," has gained momentum. The online system will replace paper forms for the majority of income taxpayers and makes it possible to double-check tax returns. The shift to electronic invoices within public administration and the new payment method for VAT have increased the effectiveness of fiscal oversight.

New fiscal measures (accelerated write offs) to encourage investments in technological innovation introduced by the government took effect in 2017. The new government, which formed after the 2018 election, promised a revolutionary "flat tax" rate for everybody (in fact two rates of 15% and 20%), but faced with the budget difficulties and other priorities has reduced its promises for 2019 to a more limited tax reduction (15% rate) only for autonomous workers ("partite IVA") with earnings below €5,000.

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

Citation:

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

http://www.istat.it/it/files/2017/06/CS_Redistribuzione-reddito-in-Italia_2016.pdf

<http://www.cgiamestre.com/wp-content/uploads/2018/08/PF-TASSE-2017-18-1.pdf>

Budgets

Budgetary Policy
Score: 6

Italian governments have struggled to continue the budget consolidation process begun by the Monti government during an era of prolonged economic stagnation. Fiscal policies have gradually reduced yearly deficits and produced a strong primary surplus. Yet because of the recession environment, attempts to reduce the huge debt stock (by selling, for example, public properties or stocks of state-owned companies) have had little success or have been postponed. The improved climate on the international markets and European Central Bank policies have yielded a sharp decline in interest rates for Italian long-term treasury bonds. This has eased the country's budgetary pressures. After a modest recovery in 2016, economic growth accelerated through 2017,

which has slowed the growth in public debt. However, the previous government's promise that the ratio of public debt-to-GDP would start declining in 2016 will probably only become true in 2018 and may even increase again in 2019 – as the new government has proposed increasing the deficit in future, while economic forecasts predict lower GDP growth.

Fiscal policies for 2017 have benefited from the improved economic conditions. The government, in close coordination with the European Commission and taking advantage of the flexibility allowed by the European Union for countries introducing significant structural reforms, has pursued a path of modest fiscal consolidation balanced by measures to sustain economic recovery. Tax reductions and incentives for entrepreneurial activities have only partially been offset by reductions in public expenditure. In general, cuts to public expenditure, proposed in the government's spending review, have been implemented more slowly than initially proposed. This has been due to resistance from interest groups and fear that such cuts would have recessionary effects. The pace of privatization of public assets has been slower than anticipated.

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

The new coalition government has decided to diverge significantly from this path, and plans to increase the public deficit for 2019 to 2.4% (contrary to previous agreements with the European Commission) and to postpone reducing public debt to 2020 or 2021. For a final decision, however, we will have to wait for the end of the budgetary process.

Citation:

http://www.mef.gov.it/inevidenza/documenti/NADEF_2018.pdf

http://www.rgs.mef.gov.it/_Documenti/VERSIONE-I/CIRCOLARI/2018/17/Nota_tecnica_n._1_Bilancio_2019-2021.pdf

Research, Innovation and Infrastructure

R&I Policy
Score: 5

In recent years, Italian governments' research and innovation policies have been weak, underfunded and not strategically coordinated. The current government has not been able to make much headway in this regard given the tight budgetary context. In spite of complaints from universities, which are severely underfunded compared to other European countries, public funding for universities and R&D has not been increased. The existing policy to link university funding to the quality of research outputs has been continued and

slightly strengthened. This policy is intended to incentivize universities to generate more quality research. Fiscal policies to promote investment in technological innovation in industry, introduced in 2016, gained momentum in 2017. The “Piano Nazionale Industria 4.0” program for 2017 to 2020 is an attempt to catch up with the rate of economic innovation in other OECD countries. As a result, there has been growing awareness of the strategic importance of R&D across society, in the media and among some politicians. At the time of writing, the new government has not shown any specific interest to strengthen research and innovation policies.

Citation:

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

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

Global Financial System

Stabilizing
Global Financial
System
Score: 6

The government and other public financial institutions (e.g., the Bank of Italy) have been generally supportive of international and European policies oriented to improve the regulation and supervision of financial markets. Typically for Italy, the government and the Bank of Italy have preferred a collective working style within the framework of EU and G7 institutions rather than embarking on uncoordinated, but highly visible initiatives. However, the government has occasionally failed to fully understand the implications for the economy and banking sector of the introduction of new international regulations. It has therefore not been fully prepared for the consequences of the new rules. The new government has not shown any great inclination to work cooperatively in European and international organizations.

II. Social Policies

Education

Education Policy
Score: 5

The Italian education system is a predominantly public system headed at the state level by the Ministry of Education, Universities and Research (MIUR). MIUR dominates education policy, including hiring and funding. Though regional and municipal school authorities have some power with respect to the curricula, physical infrastructure and resource management. Private education in Italy is limited and consists primarily of religious schools. Italy also has a handful of private universities with a prestigious reputation (e.g., Bocconi, LUISS, Cattolica). The education system is, in principle, open to everybody

without discrimination. Tuition fees are excised only at the tertiary level and are low. However, given the scarce amount of resources allocated for scholarships or similar support mechanisms for financially needy students, access is seriously limited at the upper secondary and tertiary levels. The share of individuals who do not complete their studies is above OECD averages.

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

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

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

The new government has not yet given any sign of having a significant interest in this policy field.

Social Inclusion

Social Inclusion
Policy
Score: 6

The impact of the economic crisis on the incomes of a significant percentage of households and the increasing levels of unemployment – particularly among young people – have had important negative effects on social inclusion. The gap between the more protected sectors of the population and the less protected ones has increased. The traditional instruments of social protection (e.g., those guaranteeing unemployment benefits for workers with permanent labor contracts) do not cover a large part of the newly impoverished population, while new policies are only slowly being implemented.

In general, allowances for families with children are rather small, and do not compensate for the costs of raising a (large) family. The problem of poverty is

thus particularly serious for young families, especially where only one adult is employed. Some of the pensions of the elderly are also extremely low.

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

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

To address these problems the Gentiloni government has maintained some of the instruments adopted by the previous government, such as the €80 monthly tax credit for low-income earners, the “Bonus bebé” (an allowance paid to families for each new baby) and the NASPI (a stronger unemployment allowance). It has also introduced a new maternity bonus for pregnant mothers and a new measure of integration income for families below the poverty line (Reddito di inclusione). These measures go in the right direction, but their impact is still insufficient. The new government has proposed a much larger program, “reddito di cittadinanza” (citizenship income). Due to start in 2019, the program should reach a large proportion of young people not in education, employment or training, particularly in the south of Italy. The details of this program are not yet fully defined.

The inclusion of women in positions of economic and political leadership has shown some improvement due to new rules that require a more balanced representation of women in executive positions.

Citation:

<http://www.infodata.ilsole24ore.com/2017/10/11/le-borse-apprezzano-le-quote-rosa-nei-cda/>

<http://www.pariopportunita.gov.it/media/2976/report-febbraio-2017.pdf>

http://download.repubblica.it/pdf/2018/politica/contratto_governo.pdf

Health

Health Policy
Score: 7

Italy's national health system provides universal comprehensive coverage for the entire population. The health care system is primarily funded by central government, though health care services and spending are administered by regional authorities. On average, the services provided achieve medium to high standards of quality. A 2000 WHO report ranked the Italian health care system second in the world and a recent Bloomberg analysis also ranked the Italian system among the most efficient in the world. A 2017 study published by Lancet rated the Italian system among the best in terms of access to and quality of health care. However, due to significant differences in local infrastructures, cultural factors, and the political and managerial proficiency of local administrations, the quality of public health care varies across regions. In spite of similar levels of per capita expenditure, services are generally better in northern and central Italy than in southern Italy. In some areas of the south, corruption, clientelism and administrative inefficiency have driven up health care costs. In these regions, lower quality levels and typically longer waiting lists mean that wealthier individuals will often turn to private sector medical care. Regional disparities also lead to a significant amount of health tourism heading north. Early moves in the direction of fiscal federalism are now stimulating efforts to change this situation through the introduction of a system of national quality standards (correlated with resources), which should be implemented across regions.

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

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

Citation:

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

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

[http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(17\)30818-8/fulltext](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(17)30818-8/fulltext)

Families

Family Policy
Score: 4

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

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

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

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

In this field, the new Conte government has made only vague proposals.

Citation:
[government contract download.repubblica.it/pdf/2018/politica/contratto_governo.pdf](https://www.governmentcontractdownload.repubblica.it/pdf/2018/politica/contratto_governo.pdf)

Pensions

Pension Policy
Score: 5

Following the 2011 Fornero reform of Italy's pension policy, which increased the retirement age to 67 years, reduced benefit levels for higher income groups and linked the age of retirement to rising life expectancy, the pension system achieved a satisfactory level of sustainability. Thanks to this reform, no further major reforms of the retirement system would have been needed, at least in the next few years, to ensure its sustainability – despite the demographic imbalance between the aged and the young.

The current situation, however, is less positive from the point of view of intergenerational fairness, as the younger generations will receive significantly smaller amounts upon retirement. This problem is exacerbated by the late or uncertain entry into the labor force of younger cohorts, which itself is a consequence of the economic crisis. In addition, the growing number of permanently unemployed also face receiving little to nothing in terms of a pension. The high percentage of public spending on pensions also diverts financial resources from other welfare policies (e.g., family policy). Ensuring pensions comes with high costs for the rest of society.

The problem of poverty prevention, which exists today for an already significant share of the population, will be even more relevant for today's younger cohorts when they reach retirement age.

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

The new government has promised to introduce a deep reform of the Fornero pension and to reduce the age of retirement (enabling retirement at 62 years of age after at least 38 years of contributions). This reform is to be implemented in 2019 and will have a substantial negative effect on the sustainability of the pension system. At the same time, the government has promised to increase the minimum pension payment to the threshold of €780 per month.

Integration

Integration Policy
Score: 5

Large-scale immigration is a relatively new phenomenon in Italy compared to other countries in Europe. In recent years, the number of legal (mainly from new EU member countries) and illegal immigrants has increased significantly, making immigration one of the hottest political issues. Issues associated with immigration have been cast in negative or even xenophobic rhetoric by some

parties (especially the Northern League) during electoral campaigns, with immigrants portrayed as dangerous social elements.

Policies dealing with the topic have concentrated more on controlling illegal immigration and temporarily hosting refugees than on integration. However, given the failure of measures designed to prevent illegal immigration, successive governments have adopted provisions for the large-scale regularization of immigrants, especially those working for and within families. In spite of these measures, a large number of immigrants are still involved in the black economy and are thus subject to economic exploitation, dangerous working conditions and a lack of respect for their rights. Some sectors of Italy's agriculture, for example, rely heavily on a workforce of low-paid illegal immigrants. In general, it is clear that in some sectors entrepreneurs and families are only able to operate due to the high number of migrants available to work. Agriculture, the building industry, private elderly care services, many child-care services and private cleaning services are dependent on legally or illegally employed immigrants. Access to citizenship for immigrants remains problematic. The discussion about the "ius soli" (i.e., granting Italian citizenship to children with a migrant background born in Italy) has been heated and legislative proposals remain blocked in parliament.

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

To address the influx of immigrants from Africa arriving in Italy by the dangerous Mediterranean Sea routes and prevent immigrants from drowning at sea, Italian governments have deployed significant naval forces in the Mediterranean Sea, which have been joined by NGO vessels. While international support for these operations has increased in recent years, the willingness of other EU countries to accept a redistribution of migrants has been minimal. The efforts of successive Italian governments to promote a common European policy to address the phenomenon have so far been ignored or opposed.

The new government has dramatically changed policy course in this area. In particular, Interior Minister Salvini has made access to Italian ports for ONG ships with refugees and immigrants significantly harder, and has stepped up

the anti-immigration and xenophobic rhetoric, which has encouraged acts of violence against immigrants and foreigners.

Safe Living

Internal Security
Policy
Score: 6

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

The new government has exploited feelings of insecurity, which exist among some groups of the population, and has introduced measures to broaden the legitimacy of armed self-defense, which might negatively impact safe living. The media report that the number of cases of xenophobic, racist and hate crimes are increasing as a consequence of the coalition government party, the Northern League, and Minister of Interior Matteo Salvini's incitements to fight immigration.

Global Inequalities

Global Social
Policy
Score: 4

The engagement of the Italian government in promoting socioeconomic opportunities internationally is generally rather limited. Over the years, the Italian level of international aid has been among the lowest for developed countries, but has increased recently from 0.13% of GDP in 2012 to 0.26% in 2016, according to the OECD and other sources. A special sector where past governments have displayed a significant activity is that of providing help at sea through the Italian navy for illegal immigrants crossing the Mediterranean Sea on unsecure boats belonging to traffickers. In order to address the rapid increase in immigration across the Mediterranean Sea and the humanitarian catastrophes produced by this increase, the Italian government has proposed an EU "immigration compact," which should strengthen long-term EU help to African countries and develop bilateral agreements for the regulation of migration.

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

The Conte government does not seem to have any interest in being more active in this field.

Citation:

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

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

<https://donortracker.org/country/italy>

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

Italy was not an early mover in the field of environmental policies compared to other European and OECD countries, but in a number of aspects its environmental record has significantly improved. For instance, Italy ranks above average in its performances for CO₂ emissions in comparison to GDP. In the field of renewable energies, where Italy traditionally fared reasonably well thanks to its large hydroelectric (and geothermic) plants, the promotion of new sources (e.g., solar or wind energy) has been very effective in recent years thanks to generous incentives. Because of budgetary constraints (and in part also because of other conflicting environmental reasons, such as the protection of landscapes) incentives for solar energy have been reduced in the recent years. Nonetheless, the transition toward renewable energy has gained momentum and renewable energy sources now supply between 32% and 35% of total energy demand (data from GSE). Strong fiscal incentives for sustainable house building and renovations have existed for several years. An initial discussion about the return to nuclear energy with the purpose of further reducing CO₂ emissions was stopped by the Fukushima disaster.

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

In other dimensions, such as water efficiency, Italy fares less well. Disparities between northern or central Italy, and southern Italy remain significant. Some

waste emergencies (e.g., in Rome, Naples, Palermo and other places in southern regions) have demonstrated in recent years the lower performance of some local and regional authorities in environmental matters. The absence or inadequacies of purification plants still affects parts of the coastline and rivers. As with other oceans, the Mediterranean is polluted by microplastics.

Recycling rates have increased very significantly in central and northern Italy. According to Reuters, Italy ranks very highly in Europe for recycling. Recent ISPRA data also indicates significant improvements in southern Italy where recycling rates had traditionally lagged behind.

Erosion, flood and earthquake prevention should be a high priority for the government, as the geology of the Italian peninsula means that the country is very exposed to natural disasters. After the recent 2016 earthquakes, the government is launching a long-term investment policy to promote public and private rebuilding.

Climate change has and will have a huge impact on Italy. The country has among the highest numbers of cars per capita in the world, and this combines with poor short-, medium- and long-haul public transport to make life in cities difficult. It also compromises the transport of goods and persons across Italy. Smog, particulate matter, poor air quality and traffic jams increasingly undermine the quality of life significantly in Italian towns. 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.

At least in theory, the new government declares a strong pro-environment orientation.

Citation:

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

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

<http://www.asvis.it/rapporto-2017/>

<https://it.reuters.com/article/topNews/idITKBN1CE1D5-OITTP>

Global Environmental Protection

Global
Environmental
Policy
Score: 6

The contribution of the Italian government to international efforts in the field of global environmental protection has been generally positive. Italy has been supportive of coordinated international actions, including the recent COP 21 Paris conference, but in general has not played a significant leadership role. This is due also to the fact that the resources of the Ministry of Environment

have been seriously curtailed. Due to the recent economic crisis, the attention of the government and the priorities of the prime minister have been diverted to internal matters, and economic recovery. The June 2017 G7 meeting, chaired by Italy the minister of environment, reaffirmed Italy's strong support for COP21. At the 2017 Bonn COP23 summit, Italy joined the anti-coal alliance, declaring that it would phase coal out by 2030.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 9

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

The old electoral system was based on closed electoral lists in large districts. Consequently, voters had no option of expressing a preference for a single candidate, but had to accept the whole party ticket. The new electoral law, approved in November 2017, envisages a mixed electoral system for both chamber and senate. One-third of the members of parliament will be elected in single-member districts; the other two-thirds will be elected through a proportional system in small multi-member districts.

Media Access
Score: 8

A significant portion of television channels are owned by a single political leader, Silvio Berlusconi, and demonstrate a special favor toward him and his party. Overall, however, the media offers a reasonably fair treatment of all political candidates. The most important national newspapers and privately owned television broadcasters offer fairly equal access to all positions. State television maintains a generally neutral position.

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

newspapers both with and without a clear political orientation provides sufficiently balanced coverage of all positions.

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

Voting and
Registration
Rights
Score: 9

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

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

Polling stations are very numerous and typically very near to places of residence. National and regional elections normally take place on two consecutive days, which increases the opportunities for working people to vote. Turnout has diminished significantly in recent years but is still among the highest in Europe.

Party Financing
Score: 5

State financing was regulated until February 2014 by a 1993 law (Legge del 10 Dicembre 1993 no. 515) and was monitored by an independent judiciary organ – the Court of Accounts (Corte dei Conti) – which checked the accounts provided by parties and could sanction infringements. Private financing must be declared by candidates and parties, and is controlled by regional judicial bodies. The existing rules about private and public financing of parties and their enforcement are largely inadequate for a fully transparent system. The degree of publicity over private contributions is largely left to the parties and in many cases is very defective. In recent years, many cases of individual or institutional abuse or even fraud of public party funding emerged in almost all of the political parties.

A new reform (Law 21 February 2014, no. 13) has significantly reduced public financing for parties. It has introduced a new regime of fiscal exemptions for private contributions and created a new oversight institution, the “Commissione di garanzia degli statuti e per la trasparenza e il controllo dei rendiconti dei partiti politici,” whose members are nominated by judicial bodies. The new system only became fully effective in 2017. The main financial source should be the “due per mille” policy, which enables citizens to

nominate a political party to receive 0.2% of their income tax. So far, this system has proven highly unsuccessful. In 2015, only 1.1 million out of 41 million people who paid income tax (2.7%) exercised this option. This percentage went down to 2.38% in 2016, a sign of the limited sympathy Italians have for political parties. Private donations are also very low in spite of the fiscal exemptions. An important source are the funds distributed by the two chambers to parliamentary groups, approximately €50,000 for each member of parliament. Part of these funds are transferred to the party organizations, while members of parliament contribute part of their parliamentary salary to their party.

Popular Decision-Making
Score: 7

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

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

Confirmative referenda may be promoted on constitutional reforms approved without a two-thirds parliamentary majority. A recent case was the referendum of December 2016, which rejected the broad constitutional reform promoted by the Renzi government. Consultative referenda were promoted in October 2017 by the Lombardy and Veneto regions, which proposed increasing regional autonomy. The final decision, however, will depend on the outcome of negotiations between the central state and regions.

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

Access to Information

Media Freedom
Score: 7

Until recently, successive governments exercised political influence over the public broadcaster and largest media organization, Radiotelevisione Italiana (RAI). Governing parties interfered in its personnel policies, and controlled its organizational frameworks and resources. Some space was, however, always guaranteed to opposition parties. RAI has enjoyed abundant funding combining a mandatory subscription from every person that owns a TV set and advertising revenue.

The Renzi government's reform of RAI has increased the powers of the CEO while reducing the powers of the board, which has typically comprised representatives of the main political parties. This has reduced the direct influence of political parties over RAI, but can result in increased government influence. The new Conte government seems to be willing to exert a strong influence over all nominations.

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

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

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

Media Pluralism
Score: 7

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

It would be difficult to say that certain positions are not published or are marginalized, especially in the case of newspapers. One of the big issues in Italy is still the predominance of television: newspapers, radio programs and electronic media can't counterbalance its influence. A large television

Access to
Government
Information
Score: 7

company, Mediaset, continues to exercise significant influence over electoral campaigns. With the decline of Berlusconi's political prominence, the influence of Mediaset may become less important.

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

Both judicial and non-judicial mechanisms of appeal exist, and are increasingly used. Among these is the Commission for Access to Public Documents (Commissione per l'Accesso ai Documenti Amministrativi) of the Presidency of the Council of Ministers, which receives appeals in cases of information-disclosure denials, and can force public administrative bodies to reconsider their decisions. The commission, which is composed both of parliamentarians and technical officers, makes an annual report to parliament. Though the publication of these reports is usually delayed by at least a year. The most recent report for 2016 identified a continuing increase in and responses to citizens' appeals. Regional administrative tribunals can judicially enforce the disclosure of documents. In spite of this regulatory and organizational progress, the propensity of public administration to provide the answers in due time is still far from being fully satisfactory either because of bureaucratic inefficiency or because of a reluctance to disclose internal matters. A recent report by an Italian NGO found that only 35% of information requests received a response within 60 days.

Citation:

http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/Decreto_legislativo_trasparenza.pdf

<http://www.funzionepubblica.gov.it/foia-7>

<http://www.commissioneaccesso.it/media/56634/relazione%20al%20parlamento%202016.pdf>

Civil Rights and Political Liberties

Civil Rights
Score: 6

The legal system includes detailed constitutional provisions and a series of ordinary laws that provide an articulated protection of a broad set of rights. Strongly independent courts serve in principle to guarantee their implementation. In practice, however, inefficiencies in the judicial administration, the heavy backlog of many courts and the consequent length of judicial procedures can make the protection of civil rights (both personal and

property) less effective. The Gentiloni government has further promoted reforms to judicial procedures and the organization of courts. These actions are slowly reducing the backlog of judicial proceedings, particularly civil proceedings.

The legal protection of the rights of immigrants, especially if they are illegal, is far from satisfactory. Some cases of police violence are reported. Actions by the security agents of the various authorities (including the state police) sometimes seem to contradict the principles of the rule of law. Immigrants and homosexuals sometimes experience discrimination. After years of discussion and on request of supranational institutions, Italy has finally introduced a law against torture. Though the law has been criticized by U.N. authorities for being too restrictive.

The new Conte government, under the influence of Northern League leader Salvini, appears likely to adopt more restrictive law and order policies, which may constrain civil rights and political liberties.

Citation:

http://www.camera.it/leg17/522?tema=reato_di_tortura

Political Liberties
Score: 9

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

Non-discrimination
Score: 6

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

The Department for Equal Opportunities of the Government Presidency has made a greater effort to monitor the impact of gender discrimination in public administration on a regular basis. The department's report of 2018 indicates – with some exceptions – significant gains made in gender representation in the

higher levels of state administration. The percentage of women among the top ranks of the central administration reached 46%. Levels are lower in universities and independent authorities. The situation of gender representation in the business sector is generally less satisfactory but improving. Much greater progress was achieved in political institutions, such as parliament, assemblies and cabinet.

With regard to immigrants and especially illegal immigrants, discrimination is widespread. Whereas immigrants generally enjoy access to the health care system, their rights in other areas – labor relations in particular – are not well protected. The new government and especially Minister of Interior Matteo Salvini (Northern League) officially encourages Italians to oppose immigrants and foreigners, promoting discrimination against immigrants and other minorities.

In 2016, the parliament approved legislation allowing same-sex civil partnerships.

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

Citation:

<http://www.pariopportunita.gov.it/wp-content/uploads/2018/10/tabella-andamento-temporale.pdf>

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 complexity of regulations (which are sometimes contradictory) creates opportunities for corruption.

The government has backed efforts to simplify and reduce the amount of legal regulation but has yet to obtain the results expected.

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

The increasing use by ministers of social media (e.g., Twitter and Facebook) to communicate decisions before they are formally announced creates a degree of legal uncertainty.

Recent announcements of the new government are questioning whether the government will always act in accordance with legal provisions.

Judicial Review
Score: 8

Courts play an important and decisive role in Italy’s political system. The judicial system is strongly autonomous from the government. Recruitment, nomination to different offices and careers of judges and prosecutors remain out of the control of the executive. The Superior Council of the Judiciary (Consiglio Superiore della Magistratura), a representative body elected by the members of the judiciary (and partially by the parliament), governs the system without significant influence by the government. Ordinary and administrative courts, which have heavy caseloads, are able to effectively review and sanction government actions. The main problem is rather the length of judicial procedures, which sometimes reduces the effectiveness of judicial control. Previous governments have made some efforts to increase the efficiency of the judicial system. Digitalization of procedures has been promoted and the Gentiloni government has introduced new measures to resolve civil proceedings faster as a way to affect proceedings related to economic activities. The 2017 report of the minister of justice suggests that these measures have had some success. The new government has yet to do anything substantial.

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.” The head of state, who has the power to block laws approved by the parliament that are seen to conflict with the constitution, adds another pre-emptive control.

Citation:
https://www.giustizia.it/giustizia/it/mg_2_15_7.page

Appointment of
Justices
Score: 8

According to the present constitution, members of the Constitutional Court are appointed from three different and reciprocally independent sources: the head of state, the parliament (with special majority requirements) and the top ranks of the judiciary (through an election). Members of this institution are typically prestigious legal scholars, experienced judges or lawyers. This appointment system has globally ensured a high degree of political independence and prestige for the Constitutional Court. The Constitutional Court has frequently rejected laws promoted by the government and approved by the parliament. The court's most politically relevant decisions are widely publicized and discussed by the media.

Corruption
Prevention
Score: 6

The Italian legal system has a significant set of rules and judicial and administrative mechanisms (with ex ante and ex post controls) to prevent officeholders from abusing their position, but their effectiveness is doubtful. The Audit Court (Corte dei Conti) itself – one of the main institutions responsible for the fight against corruption – indicates in its annual reports that corruption remains one of the biggest problems of the Italian administration. The high number of cases exposed by the judiciary and the press indicates that the extent of corruption is high, and is particularly common in the areas of public works, procurement, and local building permits. It suggests also that existing instruments for the fight against corruption must be significantly reconsidered to make them less legalistic and more practically efficient. With the reforms of previous governments, the Anti-Corruption Authority has been significantly strengthened and its anti-corruption activity progressively increased.

The new Conte government has declared its willingness to step up the fight against corruption, but it is too early to judge its performance in this field.

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

Citation:

https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/Attivita/Pubblicazioni/RelazioniAnnuali/2017/re1.anac.2016.doc.06.07.2017_.pdf

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 5

The concept of strategic planning is not particularly developed in Italian governmental and administrative culture. This is in part due to the fact that governments have been predominantly preoccupied with coalition problems and that the administration is still very much guided by a legalistic culture. Nevertheless, some progress has been made with recent governments. Recent government programs have been more detailed, and become significant instruments for organizing and planning government activity. Within the government office (called the Presidency of the Council of Ministers, or Presidenza del Consiglio), a special department guided by a minister without portfolio has been created to oversee the implementation of this program. This department produces regular reports on the program's implementation status. Given the political weakness of the new prime minister, Conte, relative to the two deputy prime ministers (and coalition party leaders), it is likely that the strategic planning of this cabinet will be downplayed.

The financial aspect of strategic planning is in general more developed, as the treasury has to implement rigorous budgetary stability goals and works within a triennial perspective. However, the minister of finance has a weaker role under the new government compared to the previous Gentiloni government.

Expert Advice
Score: 3

The government does not regularly consult non-governmental academics. A small group of partisan experts selected by the prime minister frequently offer strategic and technical advice. However, independent experts are rarely consulted in a transparent way. Important legislative proposals do not benefit from an institutionalized, open and transparent consultation process. In the finance, culture and labor ministries the role of external experts is more established. Independent academic experts have been involved in the spending review, but only on a short-term basis.

The current coalition government (between the Five Star Movement and Northern League) has developed a strong anti-expert rhetoric, which is bound to reduce the space for independent consultation.

Interministerial Coordination

GO Expertise
Score: 5

The Prime Minister's Office (PMO) as a rule evaluates all draft bills before they are submitted to the Council of Ministers for approval. This scrutiny however mainly deals with legal aspects (which largely concern compatibility with European laws) as the PMO itself does not have the size and the systematic sectoral expertise that would allow it to scrutinize policy in detail. This means that intervention by the PMO is in general more reactive than proactive. As a result, corrections to the legislative proposals of the government are often necessary prior to parliamentary approval. 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.

Compared to Renzi, the previous prime minister, Gentiloni, adopted a rather softer leadership style when guiding the cabinet. Under the new prime minister, Conte, the Government Office has even less control over the legislative process.

Line Ministries
Score: 6

The Prime Minister's Office is in principle 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, the consultation process starts from the early stages of drafting and is more significant, involving not only formal but also substantive issues. In the fields less directly connected with the main mission of the government, exchanges are more formal and occur only when proposals have been fully drafted. Under the new Conte government, given the political weakness of the prime minister and the dual nature of the coalition, government control over line ministries is less strong than in previous governments. It is likely that ministers will respond more readily to their party leader than to the head of government.

Cabinet
Committees
Score: 7

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 committees are not an 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, which usually include the Treasury, typically avoid provoking conflicts in the council. In meetings of the Council of Ministers, discussion of policy proposals are typically very cursory. Most problems have been resolved before meetings of the Council of Ministers, either in formal or informal meetings. Under the new Conte government, the strong political clout of the two coalition party leaders (who are also both deputy prime minister) will make consultations between the prime minister and the party leaders an essential instrument for the solution of conflicts.

Ministerial
Bureaucracy
Score: 7

Before every Council of Ministers meeting there is a preparatory meeting – the pre-consiglio – where the heads of all legislative ministerial offices filter and coordinate the proposals to be submitted to the Council of Ministers meeting. The head of the Department for Juridical and Legislative Affairs of the Presidency of the Council of Ministers chairs these meetings. Proposals on which there is no agreement will rarely make it to the Council of Ministers. Further informal meetings between ministerial officials take place at earlier stages of drafting. However, the bureaucracies of individual ministries are normally protective of their prerogatives and are not keen to surrender autonomy. Under the new government, the PMO bureaucracy seems to have lost some power for coordination.

Informal
Coordination
Score: 6

Under the Gentiloni government, with the leader of the Democratic Party outside the government, informal coordination mechanisms became weaker and the Treasury acquired a more important role in these informal coordination mechanisms. Under the new Conte government, meetings between the president of the council and the two deputy prime ministers have acquired increased importance. But they are often hastily convened when an internal conflict erupts. This coordination mechanism does not seem to work smoothly, as the two coalition party leaders of the Five Star Movement and Northern League are often busy conducting political campaigns. This can lead to poorly prepared decisions, which later need to be corrected.

Digitalization for
Interministerial
Coordination
Score: 3

There seems to be no substantial use of digital technologies to support interministerial coordination.

Evidence-based Instruments

RIA Application
Score: 7

RIAs are in principle required from all ministries and local authorities (under laws 50/1999 and 246/2005). At the national level, RIAs fall under the responsibility of the ministries. The Prime Minister's Office (PMO) is responsible for the review and quality control of the whole RIA processes as well as for the coordination of activities associated with an RIA. The

Department for Juridical and Legislative Affairs of the Presidency of the Council of Ministers is responsible for the elaboration of RIA methodology. Annual reports are submitted to parliament.

Following reforms adopted by previous governments, the current RIA framework prohibits any discussion by the Council of Ministers of a proposal that lacks a RIA. It is, however, questionable whether sufficient resources are available to implement RIAs effectively. While in the past these rules were not always applied, things have gradually changed and now most normative acts are accompanied by a RIA. The 2016 government report to parliament documents this increase, which is also due to the growing pressure of EU rules. The quality of RIAs is, however, still far from homogeneous and qualified observers have found that while RIAs conducted by independent authorities are in general sounder, those of ministerial departments continue to be rather formalistic (Osservatorio air 2014). From 15 December 2017, a new RIA regulation takes effect which should be more comprehensive.

The Conte government recently started to review the impact of large infrastructure and transportation projects currently under construction.

Citation:

Maria Francesca Rocchetti: Impact Assessment in Italy: State of the Art and Patterns of Regulatory Reform: <http://regulatoryreform.com/wp-content/uploads/2015/02/Rocchetti-Impact-Assessment-in-Italy-Sept-2014.pdf>
http://presidenza.governo.it/DAGL/uff_studi/AIR.html
http://presidenza.governo.it/Sito2015-Presidenza/DAGL/uff_studi/Relazione_2016.pdf
<http://www.osservatorioair.it/lair-e-gli-altri-strumenti-per-la-qualita-della-regolazione-nellannuario-2014/>
<http://www.osservatorioair.it/1%E2%80%99air-nelle-autorita-indipendenti-il-nuovo-libro-a-cura-dell%E2%80%99osservatorio-air/>
<http://www.osservatorioair.it/in-gazzetta-ufficiale-il-nuovo-regolamento-di-disciplina-dellair-della-vir-e-della-consultazione/>

Quality of RIA
Process
Score: 3

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

Sustainability
Check
Score: 5

Sustainability checks within the framework of RIA are still underdeveloped but are gradually improving. The reports of the Prime Minister's Office to the parliament show that they are not yet systematically integrated within RIA and they are not exhaustive from the point of view of the indicators included (economic indicators play a greater role than social and environmental ones). With a decision taken in 2017, the PMO together with the Ministry of Environment will exercise tighter control over the adoption of sustainability criteria in regulation.

Citation:

http://presidenza.governo.it/DAGL/uff_studi/Relazione_2017.pdf

<http://www.minambiente.it/pagina/la-strategia-nazionale-lo-sviluppo-sostenibile>

Quality of Ex
Post Evaluation
Score: 5

Italian governments and parliaments rarely conduct in depth ex-post evaluations of policies before promoting a revision of existing or the development of new policies. Any new bill is accompanied by a technical report, which typically discusses existing policies and explains the benefits of the new policy. But only rarely is this the result of an evaluation process conducted through a public and open debate. A good example is the deep revision of the pension reform of 2011 (the so-called Fornero reform, named after the then minister of welfare) proposed by the current government. This revision was an election campaign promise of the Northern League, but its implementation has not followed any serious cost-benefit analysis.

Societal Consultation

Public
Consultation
Score: 3

Consultations with economic and social actors have not been a key priority for recent governments. Pressed by the need to face a very difficult budgetary and economic situation, recent governments have been reluctant to involve themselves in long and (according to experience) often unproductive consultations. Former prime minister Renzi in particular, who was keen to communicate the image of an innovative and responsive government, tried to avoid entangling himself in official discussions with trade unions, which are increasingly less popular. He also publicly criticized trade union leaders for being too conservative and focused on the interests of the most protected employees, while ignoring the problems of unemployed people. The Gentiloni government's style has been less confrontational. The government has tried to consult trade unions more extensively, particularly concerning the delicate question of reforming the pension system. However, these consultations have not been particularly successful. Relations between the government and the employers' association, Confindustria, have been smoother. The new coalition government (between the Five Star Movement and Northern League) so far seems rather reluctant to engage and consult with social actors. The coalition prefers to present itself as the direct representative of the people.

Policy Communication

Coherent
Communication
Score: 4

Italian governments have in general coordinated communication rather weakly. Ministers and even undersecretaries have often been able and willing to express their personal positions without coordinating their comments with the Prime Minister's Office. Under the Renzi government, the prime minister had largely overshadowed the communication of other government bodies. Under the Gentiloni government, the prime minister and his press office have

adopted a much less aggressive communication strategy. The prime minister intervened far less often and generally adopted a softer tone. Due to its dualistic political structure, with the two deputy prime ministers (i.e., the coalition party leaders, Di Maio and Salvini) overshadowing the prime minister, the Conte government has so far shown a rather incoherent communication “strategy.”

Implementation

Government
Effectiveness
Score: 6

As 2018 was an election year, not much could be done in terms of implementing new policies by the then incumbent Gentiloni government. The Gentiloni government continued to sensitively conduct budgetary policy, respecting EU rules (under the close scrutiny of the European Commission) and promoting economic recovery. The Gentiloni government also succeeded in reducing the number of immigrants arriving in Italy by sea from North Africa by adopting a more active policy of establishing diplomatic agreements with North African countries. The formation of the new Conte government, following the elections, has proved rather difficult and the policy differences between the two coalition parties have made the swift implementation of their policy platforms problematic. Under the new government, policy implementation has been most prompt with regards to blocking the influx of immigrants, as demanded by the Northern League and even at the price of antagonizing Italy’s European partners. However, in other fields (e.g., pension reform and the new “citizenship income”), preparatory work has proven more awkward and uncertain.

The most important and highly discussed policy initiative of the new government is the budgetary project, which has opened a direct and substantial conflict with the European Union. The consequences of this conflict will only become clear over the next year.

Several important policies inserted in the government program were a simple copy of electoral promises (formulated in order to capture votes without a careful indication of the details and costs involved) and required extensive work to transform them into workable policies.

Citation:
<http://www.programmagoverno.gov.it/media/3877/report-sullo-stato-di-attuazione-all8-luglio-2018.pdf>

Ministerial
Compliance
Score: 6

The “contract” (i.e., coalition agreement) between the two coalition parties of the Conte government is the main instrument that ensures ministers fulfill the government program. Problems are, however, already emerging for a number of reasons. First, the contract in many policy fields sets only general principles

rather than clearly defined solutions. Second, in other fields where the government might be required to act because of emerging problems, the contract says very little. Third, the two coalition parties respond to different electoral constituencies, which increasingly tends to produce open conflicts that block decision-making.

Finally, there is the problem of the amount of resources devoted to different policies given budgetary limitations. The ability of the prime minister to solve these problems and effectively steer ministers is severely limited by the prime minister's lack of political weight. The more frequent use of "summits," which bring together the prime minister and the two deputy prime ministers, is the rather unwieldy solution currently adopted. These summits often lead to the postponement of a decision.

Monitoring
Ministries
Score: 7

The monitoring of the implementation of the government program is delegated to one of the undersecretaries attached to the Presidency of the Council of Ministers and supported by a special office of the presidency (Ufficio per l'attuazione del programma di governo). This office monitors the main legislative activities of the ministries and more recently has started to monitor regularly also the implementation activities related to the legislation adopted. The office publishes a monthly report. The current undersecretary in charge of the office is a close political friend of Salvini, the leader of the Northern League, but is less close to the current president of the council and to the other coalition party. This may create some political problems from time to time. Monitoring tends to be a formal activity, which documents what has been done, rather than a real instrument of political control.

Citation:
<http://www.programmagoverno.gov.it/media/3877/report-sullo-stato-di-attuazione-all8-luglio-2018.pdf>

Monitoring
Agencies,
Bureaucracies
Score: 4

Autonomous executive agencies are not very common in Italian ministries, but they have increased with time. Although their activities are monitored, this monitoring is neither systematic nor particularly effective. There are some exceptions: for example, the monitoring of the tax agency (Agenzia delle Entrate) by the Ministry of Finance is more effective than many other oversights. The Corte dei Conti – the main Audit Office – performs a systematic monitoring of bureaucratic offices and also of executive agencies but this monitoring is mainly focused on legal and procedural aspects and is much less effective in covering other aspects such as cost efficiency. Monitoring of regional health care agencies, and health care expenditure and procurements is still inadequate. Despite major regional differences and deviations from "standard costs," established by recent studies, systematic oversight is not yet in place. After long discussions about the introduction of

nationally defined “standard costs” in the health sector this decision is yet to be implemented. The capacity of regional governments to properly manage and monitor health care resources can vary significantly from region to region, which has cast doubt over further decentralization and the ability of the central government to control this sector.

Task Funding
Score: 5

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. At the same time, the government has reduced the autonomy of municipalities to levy property taxes. As a result, functions delegated to subnational governments are now often underfunded, and local authorities have been forced to cut services.

The new government has not devoted great attention to this aspect as yet. However, there are some signs that it will not be particularly keen to increase local resources, as some of its preferred national policies (e.g., the pension reform and the citizenship income) are extremely expensive.

Constitutional
Discretion
Score: 7

The constitutional and legislative changes, which had substantially increased the powers and scope of regional government activity over the last 20 years, did not make the relationship between different levels of government less antagonistic. Across an increased number of policy fields, central and regional governments have concurrent legislative powers. In these areas, the central state should simply define general guidelines, leaving the articulation of specific legislative contents to regional assemblies. However, the national government and parliament have a tendency not to respect this division of authority, impinging upon the sphere of regional autonomy instead.

For their part, regions often adopt a posture of resistance to national rules. This has produced an exceeding amount of litigation before the Constitutional Court. Tensions between the two levels have also increased as a result of the strained fiscal context. The central government has sought greater oversight over local governments (often perceived as the culprits of unrestrained spending). In order to balance the national budget, central government

transfers to local authorities are repeatedly cut. These cuts are typically applied universally, rather than selectively. However, in several emergencies, the national government has given substantial financial aid to municipalities and regions. Moreover, central government has provided the necessary funds whenever local governments have been close to defaulting.

A clearer definition of the powers and responsibilities of central state and regions failed when the proposed constitutional reform was defeated in the referendum of December 2016.

The new government has introduced no policies that have significantly changed this situation.

National
Standards
Score: 5

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

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

Effective
Regulatory
Enforcement
Score: 5

The ability of the government to effectively enforce regulations against resourceful interest groups has received renewed attention after the collapse of the Genova bridge. It has become clear, for instance, that the Ministry of Transport and Infrastructures inadequately monitored (particularly in the field of investments and security controls) the implementation of the motorway concession agreements by the private companies who were the concessionaires. A review of what happens in other fields would likely show similar problems.

Adaptability

Domestic
Adaptability
Score: 6

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

Under the new Conte government, there are strong signs that this trend might be reversed. The weight of the prime minister and finance minister have been significantly reduced to accommodate the policy initiatives of the two coalition party leaders, Di Maio and Salvini.

International
Coordination
Score: 5

The ability of Italian governments to take a leading role in international efforts is generally limited. This is in part due to the country's relatively small size, but also because Italian politics tends to focus on internal matters. Moreover, frequent changes in political leadership have made it difficult to provide a strong and clear position in international efforts. There have been occasional exceptions when the government has been more active on a specific issue (such as the abolition of death penalty, or in the promotion of peace talks in the Middle East). The Gentiloni government mainly focused on the EU level, with the executive actively engaged in EU policy discussions promoting the need for economic growth over simple fiscal balance. With regard to the immigration crisis, the Italian government has promoted the shared responsibility of EU member states. Overall, the government has shied away from confrontation in the European arena, and opted for cooperation with the European Commission and the main EU member states.

The new Conte government has chosen a much more confrontational path with the European Union and some of the main EU member states, while at the same time trying to strengthen bonds with the United States and Russia. This change is bound to increasingly isolate Italy in the main playing field (i.e., the European Union) and to reduce the effectiveness of Italian participation in international governance.

Organizational Reform

Self-monitoring
Score: 5

Traditionally, the attention paid to the internal organization of the government machine has been selective and sporadic. No systematic monitoring was accomplished on a regular basis. The spending review initiated under the Monti government, and continued by the Letta, Renzi and Gentiloni governments reformed this field somewhat. Reforms have focused mainly on financial aspects, but have also involved the monitoring of institutional arrangements of government (with particular attention given to the structures of local government). However, many proposals for a deeper restructuring of government offered by these review exercises have not been implemented. The Prime Minister's Office has been partially restructured to increase the effectiveness of implementing and monitoring the government program. However, a full restructuring is yet to be undertaken. The reform of state bureaucracy – promoted by the minister for public administration – introduced stronger instruments for systematic monitoring of public administration (Decree DLgs. 25 May 2017). Though it is too soon to determine how effectively the new instruments have been used.

The new Conte government has yet to take any significant steps in this field.

Citation:

http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/Valutazione_DLgs_25_maggio_2017_n74.pdf

Institutional
Reform
Score: 5

Despite several years of public debate, successive governments have been unable to significantly improve the effectiveness and efficiency of central government. The attempt of the Renzi government to introduce a broad constitutional reform was strongly rejected by the referendum of December 2016. The reform had aimed to reduce the delays caused by and veto powers originating from the perfect bicameralism, and redistribute powers between regional and central governments to make the responsibilities of each level clearer. The rejection of the reform demonstrated the difficulties of introducing broad reforms.

The current government has so far given little attention to this topic.

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 6

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

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

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

Open
Government
Score: 4

The government does not have a systematic and comprehensive policy of making information easily accessible for citizens, which would enable citizens to hold the government accountable. The Presidency of the Council and the ministries maintain web pages, which publish information about government activities. However, the information published on these websites provides more a sequence of events (e.g., meetings of the ministers) than data-rich documentation.

Legislative Actors' Resources

Parliamentary
Resources
Score: 8

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

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

Citation:

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

<http://en.upbilancio.it/publication-of-the-report-on-recent-economic-developments-for-october-2018/>

Obtaining
Documents
Score: 8

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

Summoning
Ministers
Score: 9

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

Summoning
Experts
Score: 9

Parliamentary regulations provide for the right of committees to invite any person able to provide important information (art. 143, 144 Regolamentoo Camera dei deputati). They can also ask the government to command special studies from the National Statistical Office (ISTAT) (art. 145). The rights of committees are not limited, and committees frequently use this opportunity to summon experts. This also reflects the fact that the Italian committee system plays a more prominent role in the legislative process than do committees in other European parliamentary regimes. Special parliamentary commissions may be established to investigate particular topics. These parliamentary commissions can also summon experts to give evidence. Recently, a joint parliamentary commission of inquiry on the banking system was established and senior officials from the Banca d'Italia were summoned.

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.

Media

Media Reporting
Score: 7

The space allocated to political themes in Italian media is quite significant in the 10 most important mass media brands (the three main national newspapers, *Corriere della Sera*, *la Repubblica* and *Il Sole 24 Ore*, which have print and online versions; the three state television channels, RAI1, RAI2 and RAI3; the two Mediaset channels, Canale 5 and Rete 4; and two other private TV channels, Skynews and La7). Television time (both public and private) allocated to political themes is substantial. For instance, the La7 channel alone averages approximately 10 hours per week of political content. A large part of this time is devoted to debates and talk shows involving politicians, journalists and experts, and to covering the most important aspects of current political controversies.

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

Parties and Interest Associations

Intra-party
Decision-Making
Score: 6

With regard to intra-party democracy, Italy's major parties differ significantly. At one end of the spectrum lies the Forza Italia party (previously called the People of Freedom Party's or *Popolo della Libertà*), where decision-making and leadership selection are both fundamentally dominated by its leader, Silvio Berlusconi. Requests to adopt primaries to designate candidates for leading positions at national and subnational levels were recurrently aired but have always been stopped by Berlusconi. With the decline of Berlusconi, the party is largely in disarray. The situation is rather different in the main center-left party, the Democratic Party, where leadership has in past years been selected through primaries open not only to party members but to anyone willing to

subscribe a declaration of support for the center-left coalition. A similar procedure was adopted for the selection of parliamentary candidates.

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

Northern League party activists and members selected their current leader, Matteo Salvini, through primaries in 2017.

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

Association
Competence
(Employers &
Unions)
Score: 7

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

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

Association
Competence
(Others)
Score: 6

The landscape of non-economic interest organizations is increasingly rich and diversified. But only few of them are able to formulate articulated policy proposals and most operate in a reactive mode instead. Among the most professional associations, some religious ones (such as Caritas, which deals among other things with immigration policies, Comunità di S. Egidio), humanitarian (such as Emergency) and environmental groups (such as

Legambiente, FAI and WWF) deserve special mention, and are able to provide well-articulated, expert analysis. An increasing number of single-issue movements are gaining ground in Italy and are contributing to policymaking in their respective areas.

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

Independent Supervisory Bodies

Audit Office
Score: 7

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

In April 2014, the parliament created the Parliament Budgetary Office (Ufficio parlamentare di bilancio), which is tasked with assessing the government's macroeconomic and fiscal forecasts and monitoring compliance with national and European fiscal rules. This new body plays a particularly important role during the budgetary session, and enables the parliament to have its own independent source of information in evaluating government proposals. In 2016 and again in 2018, this office demonstrated its increased independence by openly contesting some of the government's economic forecasts.

Ombuds Office
Score: 3

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

Citation:

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

Data Protection
Authority
Score: 8

The Italian Data Protection Authority (Garante per la protezione dei dati personali) is an independent administrative authority set up by the so-called Privacy Law (Law No. 675 of 31 December 1996). Its four members are elected by the parliament for non-seven year terms. They cannot be re-elected. The authority has extensive powers and enjoys a high degree of independence

Citation:

<https://www.garanteprivacy.it/web/guest/home/attivita-e-documenti/documenti/relazioni-annuali>

<https://www.garanteprivacy.it/documents/10160/0/Annual+report+2017+-+Highlights>

Address | Contact

Bertelsmann Stiftung

Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Christof Schiller

Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann

Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini

Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de
www.sgi-network.org