

Italian politics

Salvini faces stumbling blocks in his push for power

Coalition partner Five Star resists snap elections before budget vote



Matteo Salvini paddles a canoe in Policoro on Sunday. He has been campaigning on Italy's southern beaches during the summer © Tony vece/EPA

Rachel Sanderson in Milan and Hannah Roberts in Rome AUGUST 11, 2019

After calling time on Italy's ruling populist coalition last week and [raising the prospect of new elections](#), far-right interior minister Matteo Salvini resumed campaigning in Italy's southern beach resorts — sipping cocktails, paddling and taking selfies with beachgoers.

Since he agreed to form a government with the anti-establishment Five Star movement 18 months ago, the leader of the League party has cultivated a man-of-the-people image. It has made him a constant media fixture and spread his popularity into the poorer south that was his coalition partner's stronghold. With a fierce anti-migrant stance, he has transformed a party with a core voter base of northern Italian business owners into Italy's leading political force garnering about 38 per cent of vote intentions.

Now, as he seeks to cement his ascent with a national election, political analysts say his challenge will be to reconcile a promise to ease joblessness and poverty in the south with his pledge for pro-business policies — all this in a context of a fragmented political landscape and stagnant economy.

“For a country that is on its knees from an economic point of view, the worst possible scenario is there will be no government willing to do a coherent economic policy and all the problems will be once again postponed,” said Paola Subacchi, economics professor at Queen Mary University and founder of e-economics.

But first, Italy is facing a month of intense political manoeuvring that could provide many stumbling blocks to Mr Salvini achieving his stated goal of snap elections.

Italy's parliamentarians are expected to return from summer recess within the next two weeks for a [no-confidence vote](#) against the government. President Sergio Mattarella could then give exploratory mandates to the League and Five Star to try to form another government either with each other or the centre left.

But a person close to the president's office said he is considering whether or not to impose a budget before or to give it to an interim government to do. There has not been an election in the early autumn in Italy since 1919 — except for a referendum in 1988 — as this period is traditionally seen as off limits because of the need to pass the budget.



Matteo Salvini has toned down the Euroscepticism that dominated his campaign last year © ANGELO CARCONI/EPA-EFE/Shutterstock

The biggest threat to Mr Salvini's plans would be Five Star and the centre-left Democratic Party forming a caretaker government to pass the budget. Matteo Renzi, the former centre-left premier, said on Sunday that holding early elections during the preparations of budget was "crazy". Luigi Di Maio, leader of Five Star, said it was "foolish and dangerous".

However, Pierluigi Testa, director of the Rome-based Trinita di Monti think-tank, said that while "the temptation of power" was strong, such a coalition was improbable. The League being "forced into opposition would start a revolution" to demand elections, he said.

Since the 2018 general polls, the League has gained 6 percentage points in support from voters that backed Silvio Berlusconi's centre-right Forza Italia, 3 percentage points from Five Star and 11 percentage points from voters who did not vote last time, said Antonio Noto, the pollster.

With Giorgia Meloni's far-right Fratelli d'Italia party, the League could make it over the 40 per cent threshold needed to form a government. But Mr Salvini and Giancarlo Giorgetti, the League's main decision makers, have not ruled out also striking a deal with Mr Berlusconi, whose party is polling at 7 per cent, say people familiar with those discussions.

Such a coalition would have historical precedent with the Berlusconi governments of the early 2000s, which were made up of Forza Italia, the League and the far-right National Alliance, which is a predecessor of Fratelli d'Italia.

Such a League-led government would be probably akin to the Trump administration in pushing tax cuts for business owners and promising infrastructure spending, said Francesco Confuorti, founder of Advantage Financial. It would be perceived as “a pro-market development” partly because it would remove Five Star from power, he added.

Insiders say while publicly partying on the southern beaches, behind the scenes Mr Salvini has been telling local leaders in southern Italy he would plan a huge infrastructure drive to boost jobs growth if he gained power.

Mr Salvini has also toned down the Euroscepticism that dominated his campaign last year and spooked international investors, as opinion surveys show Italians are more in favour of staying in the euro.

[Credit ratings Fitch Ratings](#) on Friday left Italy’s rating unchanged at BBB with a negative outlook, citing an extremely high level of government debt, low trend gross domestic product, and policy and political risk.

But it also noted while “tensions with the European Commission are likely to resurface”, Fitch said: “We believe a future government will be wary of fully disengaging from EU processes which could risk financial market instability.”

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