

The Italian Job: 'Unlikely' Alliance Could Become Reality

As Italy's traditional parties scramble to rise from the debris, two extremes – populist Five Star and far-right Lega – may eye coalition

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A triumph of "populism." A hung parliament. "Ungovernable" Italy. Berlusconi's demise. The latest chapter in a European saga. The "end of socialist parties." Italy's latest elections were a roller coaster featuring plenty of thrills. Yet the top political nugget is unmistakable: Only one coalition may aspire to an absolute majority, an – unlikely – alliance between the populist Five Star Movement and the extreme-right League, led by Matteo Salvini.

That's what actually will be hangin' in the air for the next – long – days; arguably as many as 51, according to a projection by JPMorgan relayed by Bloomberg. "Europe," meanwhile, will also be hangin' in the balance, as Italy is the third-largest economy in the eurozone.

The Italian race was a highly personalized affair, centered on four stars: former prime minister **Matteo Renzi** – the Italian Tony Blair – of the center-left Democratic Party (PD); the larger-than-life Silvio "bunga bunga" Berlusconi of the right-wing Forza Italia; populist Five Star leader **Luigi Di Maio**; and extreme-right Lega leader **Matteo Salvini.**

As for **Sergio Mattarella**, the president of the Italian Republic, he will have to pull nothing less than a magic trick to come up with a government.

'Italy for Italians'

With nearly 32% of the vote, the populist Five Star Movement is now the top party of a largely fractured Italy. Five Star won largely in the south while Lega won largely in the north. As for the PD, it even managed to lose historically leftist **Emilia-Romagna**.

Five Star's platform features a promise to lower taxes – which in Italy tend to hover around a Dante-esque lower circle of hell; set up a universal minimum wage; raise pensions; revise the terms of "hire and fire"; invest in new technologies; cut red tape for business; and on the crucial immigration issue, come up with more bilateral treaties to increase repatriation of immigrants.

Contrary to alarmist hysteria, Italy is not exactly sinking. The fundamentals are actually solid. Gross domestic product went up 1.5% in 2017 – twice the rate of Rome's forecasts. Of course that's much less than the 2.5% European average, but it's still Italy's best score in 10 years, during which the nation was mostly mired in a horrible recession. Industrial production went up by 3%, and exports by 7%, leading to a trade surplus of €48 billion (US\$59 billion).

Still, the center-left coalition, in power since 2013, ended up in smithereens. The PD will hardly recover. Blair clone Renzi, the party's secretary, might as well say goodbye, as the stigma of "loser" will not vanish.

Indeed, this election result might as well represent the end of a historical cycle of "socialist" – only in name – parties in power; their demise is due to the simple fact they went hardcore neoliberal. The PD most likely will turn into an opposition radical chic minority vehicle for sectors of the educated middle class paying lip service to "humanitarian values." Definitely not a mass party.

All eyes are focused on whether Five Star leader Luigi Di Maio – who succeeded founder **Beppe Grillo** – will bow out to a political alliance.

Five Star may be entering a new, more moderate phase; in fact it will have to, otherwise its "change you can believe in" narrative simply won't be implemented (even as it insists nothing can change with those corrupt political parties in place).

Five Star has been presented with a historic chance actually to rule. As much as there's a fierce internal struggle between the orthodox and the "governists," 5S would hardly trade this electoral gift for playing the role of opposition.

As for the 45-year-old Milanese Salvini, he was rewarded for a master political coup. Salvini erased "Nord" from the party's name and got rid of the green representing wealthy – and largely mythical – Padania from the party logo to the benefit of a nationalist/populist blue. And he bet on campaigning hard on immigration – in the process thoroughly overtaking its right-wing ally, Berlusconi's Forza Italia.

Salvini was praised by **Marine Le Pen** and fully supported by **Steve Bannon**. He even conquered large swaths of southern Italy in the election, promising only 15% in taxes and protection for Italian olive oil from North African competition. Sporting sweatshirts emblazoned with "Italy for Italians," his tirades against "clandestine" immigrants, Nigerian drug dealers, the euro, Islam and homosexual liaisons were wildly popular.

No more bunga bunga?

And that brings us to the fate of Silvio "Il Cavaliere" Berlusconi, cutting quite a lonely figure in his seventh electoral campaign, something totally against his glamour-drenched historical script. He rambled on like a scratched CD. He lost his mojo. He was heavily criticized even by his – much younger – allies. And the worst – from his point of view – happened: The Lega boomed, yet that was still not enough to propel his alliance toward a large majority.

Silvio could always come up with a last-minute cliffhanger – an alliance with Renzi. Too little, too late.

Even as Salvini insists there will be no coalition and the center-right will rule by itself, Italy may wake up one of these days to a political outlook closer to Hungary's Viktor Orban than Germany's Angela Merkel. The real Italian Job would be the surge of an anti-Brussels coalition of 5S and Lega.

Stranger things have happened in the magic peninsula.

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