No. 136/2022, 27 OCTOBER 2022 © PISM

SPOTLIGHT

A Government of Many Compromises—Meloni Becomes Prime Minister of Italy

Łukasz Maślanka

Formed from the Centre-Right coalition, Italy's incoming government led by Giorgia Meloni received a vote of confidence from the Italian Chamber of Deputies (25 October) and the Senate (26 October). Although Meloni emphasised in her exposé the unambiguously political nature of her cabinet, in contrast to the cross-party government of Mario Draghi, Italy's difficult financial situation will force a conciliatory policy towards the EU and a softening of her controversial agenda in domestic politics. The sustainability of the coalition is also uncertain, as put to the test by the ambitions of League leader Matteo Salvini and by Silvio Berlusconi's statements, troublesome for the country's image.

What is the composition of the new Italian government?

Despite the significant advantage of the dominant Brothers of Italy party (FdI) over its coalition partners, it was agreed during the negotiations that the League and Forward Italy (FI) would each receive five ministerial posts and one deputy prime minister, while the FdI would appoint nine ministers and the head of government. The continuation of the existing economic policy is to be guaranteed by Giancarlo Giorgetti (League) in the seat of minister of the Economy and Finance (in the Draghi government, he held the analogous position of minister of Development). A symbol of the Meloni government's intention to conduct predictable foreign policy is the former president of the European Parliament, Antonio Tajani, who will be deputy prime minister and foreign minister. The appointment of Salvini as a deputy PM and minister of Infrastructure strengthens, on the one hand, his position as the League's leader, contested within his own party, but also limits his influence on the most sensitive issues from the point of view of the government's image (migration, security). The appointment of FdI politician Eugenia Maria Roccella, known for her ultraconservative views, as the minister for Family Affairs and Equal Treatment, and the entry into the government as the

minister of Culture of Gennaro Sangiuliano, a commentator with pro-Russian views who was formerly in charge of the editorial department of the TV channel Rai Due, has caused concern among political watchers.

What will be the most important domestic policy objectives?

In her exposé to the Chamber of Deputies on 25 October, Meloni announced the inclusion of anti-inflationary measures in the draft budget for next year (reduction of VAT on basic necessities, reduction of the tax on bonuses) and support for those affected by rising energy costs. The government's strategic objective is to stimulate economic growth as a means of reducing the public debt, which has reached 146% of GDP. The PM also announced measures to strengthen Italy's energy independence (development of gas extraction in the Adriatic Sea and renewable energy in the south of the country). Policies to support southern Italy are to be combined with deeper decentralisation, including in particular an increase in the competences of municipalities. Meloni also made it clear that the government will not restrict existing civil rights, such as same-sex partnerships or abortion; however, the limited room for manoeuvre in European politics may prompt the right-wing coalition to

PISM SPOTLIGHT

maintain the support of the "Identitarian" electorate by emphasising social conservatism.

What will Italy's European and foreign policy look like?

Meloni announced active Italian policy "inside the European institutions", denying any intention to "sabotage or impede integration". Priority will be given to negotiating changes to Italy's National Reconstruction Plan (NRP) with the European Commission, taking into account higher energy costs and inflation. The prime minister also expressed her demand for greater EU efficiency, especially on strategic issues such as the common energy policy. She also made it clear that Italy would continue to demand an EU policy of capping gas and electricity prices, implying a continuation of Draghi's efforts. The aspect of institutional reforms was omitted—the FdI, unlike its coalition partner FI and the Draghi government, is sceptical about treaty changes. It is possible that this issue will become a subject of conflict in the coalition in the future. Despite her anti-inflationary rhetoric, Meloni criticised the European Central Bank's steps that were detrimental to Italy's budgetary stability (raising interest rates and halting the purchase of member states' bonds).

The new prime minister stressed Italy's commitment to NATO and "Western civilisation". She unequivocally condemned the Russian aggression against Ukraine and announced further support for defending the latter. She criticised conciliatory stances towards Russia as unrealistic in view of the country's policies. At the same time, Italy's foreign policy priorities are to remain rooted in the

Mediterranean: the recipe for an effective fight against irregular migration is to be Italian investments in North Africa and agreements with countries in the region to prevent attempts to cross the Mediterranean. Although the Centre-Right government supposedly will support foreign investment in Italy, Meloni stipulated that this does not apply to countries that use "predatory" methods, which could be interpreted as an announcement of a tougher course towards China.

What can Poland expect from the policies of the new Italian government?

From the point of view of Polish interests, Meloni's assurances of further support for Ukraine are important. The Polish government also gains in FdI an ally in criticising EU institutions and opposing treaty changes. However, there is concern that the pro-Russian stance of the FdI coalition partners, as well as the desire to defend Italy's economic interests, could complicate negotiations on further EU sanctions on Russia. Meloni's declarations about the need to strengthen EU ties with non-European democracies ("friendshoring") also contradict her party's previously expressed opposition to free trade agreements with the U.S., Canada, and Japan. Meloni's demand for support from the EU in its policy to move away from Russian gas minimises the responsibility of the country's elite for having pursued the opposite policy over the past 20 years. It also increasingly raises the prospect of a future rivalry between Poland and Italy for EU budget funds.