

## Italy's new government: new game changer of European politics

Lighthouse Europe

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### Introduction

On 25 September 2022, the right-wing coalition formed by **Fratelli d'Italia**, **Lega**, and **Forza Italia** won the Italian national election with roughly **45% of the vote** and therefore secured a majority of the seats in the Italian Parliament,<sup>1</sup> marking the come-back of the most right-wing government in Italy since the 1920s<sup>2</sup>

The coalition led by *Fratelli d'Italia* obtained **116 out of 200 seats in the Senate** (63 Fratelli d'Italia, 29 Lega, 18 Forza Italia and 6 Noi Moderati<sup>3</sup>) and **234 out of 400 seats in the Lower Chamber** (118 Fratelli d'Italia, 66 Lega, 44 Forza Italia and 9 Noi Moderati<sup>4</sup>), ensuring stable majority control over both chambers.

Following political consultations on 22 October, the new Italian government was sworn in and officially appointed by the President of the Republic, Sergio Mattarella.<sup>5</sup> The 25 **appointed ministers** of the new government mainly reflect the political weight that each party has within the coalition,<sup>6</sup> with Giorgia Meloni's political group in the lead, represented by 10 ministers<sup>7</sup>.

This article analyses what impact the new Italian right-wing government could have on European politics, and looks into how the Meloni administration will (re-)orient its **priorities** at the European level: what possible **alliances** could be in the making, and **who** will lead and support the Italian government's actions within the European institutions?

<sup>1</sup> For any further information about the results of the elections, we invite you to refer to the analysis conducted by [Ipsos](https://www.politico.eu/article/italy-election-exit-poll-far-right-giorgia-meloni-brothers-of-berlusconi-salvini-mario-draghi/).

<sup>2</sup> <https://www.politico.eu/article/italy-election-exit-poll-far-right-giorgia-meloni-brothers-of-berlusconi-salvini-mario-draghi/>

<sup>3</sup> <https://www.senato.it/leg/19/BGT/Schede/Gruppi/Grp.html>

<sup>4</sup> <https://www.camera.it/leg19/46>

<sup>5</sup> <https://www.governo.it/it/media/il-giuramento-del-governo-meloni-al-quirinale/20742>

<sup>6</sup> <https://www.governo.it/it/media/il-giuramento-del-governo-meloni-al-quirinale/20742>

<sup>7</sup> <https://www.openpolis.it/i-ministri-del-governo-meloni/>

## Which priorities could the new government bring to the attention of European institutions?

During both the inauguration speech on the 25 October<sup>8</sup> and the first round of visits carried out on 3 November in Brussels,<sup>9</sup> the newly appointed Prime Minister Meloni reiterated the upcoming priorities of the Italian government.

In the short-term, the new government wants to **keep lower energy prices for families and businesses** and **introduce measures to reduce the cost of energy**, for instance, through a **temporary gas price cap**. In light of this, the new government will seek to **reorient the Next Generation EU (NGEU) Funds of the Piano Nazionale di Ripresa e Resilienza (PNRR)**, the Italian Recovery Plan, **towards a stronger focus on the energy sector**. Meloni's government committed to **continue to support Ukraine** and to **defend EU borders from illegal immigration**, a topic which recently caused a quarrel between Italy and France over migrant redistribution rules.<sup>10</sup> In the long-term, the new government is seeking to prepare the ground for a **fiscal reform of the European Treaties**, which would allow for greater flexibility for countries such as Italy that are facing high debt pressures.

To reach these priorities, the new government is proposing the diversion of **uncommitted cohesion funds (2014-2020) and RepowerEU funds, approximately 7 billion EUR, to sustain energy costs**. It will also ask for the **partial re-evaluation of NGEU financial allocations** in order to tackle energy prices and inflation as part of the Italian national recovery plan. Following the approach of the previous Italian government, it will also try to **promote a gas price cap agreement within the European Council** by the end of the year. Regarding **migration issues**, the new government will take a more assertive approach, proposing a new step-by-step redistribution system of migrants amongst Member States. References were made in Meloni's inauguration speech of a possible collaboration plan between the Union and African countries. Concerning a possible **reform of EU fiscal rules**, the new government will also aim to **open the debate and contribute to the reform of the Stability and Growth Pact (SGP)**. However, it is not yet clear how the new government will intend to proceed as no practical action has been proposed thus far.

As for other priorities on the European Agenda, the new Italian government will fully **support common European efforts in strengthening raw materials and energy supply chains** in the European Union to avoid future crises. However, Meloni underlined her intention to **boost national sovereignty in matters of food and digital**, with the aim of protecting Italian products and interests, **especially strategic infrastructure and digital domains**, such as network facilities and cybersecurity.<sup>11</sup>

<sup>8</sup> <https://www.governo.it/it/articolo/le-dichiarazioni-programmatiche-del-governo-meloni/20770>

<sup>9</sup> [https://www.ansa.it/europa/notizie/rubriche/altrenews/2022/11/04/prima-di-meloni-a-bruxelles-ecco-i-miei-punti-fermi\\_7e47cba2-0c4b-49b1-a860-9a650895324a.html](https://www.ansa.it/europa/notizie/rubriche/altrenews/2022/11/04/prima-di-meloni-a-bruxelles-ecco-i-miei-punti-fermi_7e47cba2-0c4b-49b1-a860-9a650895324a.html)

<sup>10</sup> [https://www.lemonde.fr/international/article/2022/11/10/migrants-secours-en-mediterranee-que-dit-le-droit-international\\_6149382\\_3210.html](https://www.lemonde.fr/international/article/2022/11/10/migrants-secours-en-mediterranee-que-dit-le-droit-international_6149382_3210.html), <https://www.politico.eu/article/giorgia-meloni-emmanuel-macron-italy-france-clash-migrant-ship-ocean-viking/>

<sup>11</sup> <https://www.euractiv.fr/section/economie/news/la-position-des-partis-italiens-sur-la-politique-numerique/>

It is not clear how the new government intends to balance this **protectionism à l'italienne** within the European cooperation framework, especially when the EU negotiates **trade agreements on the Union's behalf**. Finally, on environmental issues, the new Prime Minister will certainly **remain aligned with commitments undertaken at European and international level** as evidenced by her speech at the COP27 in Sharm-El-Sheik. Nevertheless, the new government will maintain a very pragmatic approach on both topics, meaning that none of them, neither the tech nor green transitions, will have priority over the economic recession and energy urgency.

## Which alliances could the new government promote within the European institutions in order to achieve its objectives?

The new government will certainly need to build coalitions and seek alliances within European institutions to achieve its objectives, especially in the European Parliament (EP) and in the Council, whilst carefully managing its relations with the Commission.

In the **European Parliament** the new government may face several challenges due to the political **fragmentation of its coalition**. The three parties of the national government coalition are members of three different political groups at European level: Forza Italia is part of the European People Party (EPP), Fratelli d'Italia is part of the Conservatives and Reformists (ECR), while Lega is part of Identity and Democracy (ID), the most right-wing group of the European Parliament. Contrary to the EPP party, which has a relative majority of the seats in the EP, the ID and ECR political groupings do not have significant bargaining power and are traditionally opposed to EU initiatives.

The new Italian government could challenge this trend by pushing its MEPs to **legitimise the ECR as a mainstream party and forge a right-wing alliance with the EPP** whilst distancing itself from the ID<sup>12</sup>. Nevertheless, two issues may arise. On the one hand, traditional legislative cooperation within the EP may be hard to break: if this state of affairs persists, the cohesion of the Italian right-wing coalition in the EP will be difficult to maintain because the EPP usually votes in favour of EU laws, while the ECR and ID usually vote against. On the other hand, Lega is part of the ID group and this could make it even more challenging to cooperate with the EPP group.

Meloni seems to have approached the European institutions with a **moderate and collaborative tone**, especially with EP President Roberta Metsola, who is part of the EPP Group. If Meloni takes advantage of her victory and allies herself with the EPP, this could possibly change the European political landscape and thereby, the strength of the new Italian government's actions within the EP.

A collaborative and careful approach will also be necessary within the **Council of the EU and the European Council**, where political and ideological affinities between Italy and Eurosceptic Member States may cause diplomatic friction and isolation. Considering the extremely delicate situation in Europe, with

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<sup>12</sup> <https://www.euractiv.com/section/eu-priorities-2020/news/brothers-of-italy-mep-no-way-for-ecr-and-id-to-merge-in-one-group/>

Russia's unprovoked and unjustified military aggression against Ukraine, raging inflation and economic recession, **Italy may avoid political ambivalence** in terms of its foreign policy and keep all the communication channels open.

As members of the Visegrad Group,<sup>13</sup> **Hungary and Poland** could represent an easy call for the new Italian government with whom it shares political affinity and priorities, such as migration control, as well as national sovereignty and Eurosceptic considerations. With **France and Germany** in a weaker cooperative phase, Italy may look elsewhere to build coalitions and alliances, in a highly game-changing political situation at European level where **more conservative parties** are assuming leading roles in national governments, such as Hungary, Latvia, Sweden, and Slovenia. If Vox (ECR) and the Partido Popular (EPP) were to win the Spanish election in December 2022, governments with right-wing group participation could form a **blocking minority in the Council of the EU** (more than 35% of the EU population), becoming indispensable in passing any EU legislation.

However, Italy could find that these alliances are not particularly in line with its national priorities such as achieving a fair redistribution of migrants and easing budgetary constraints. This may shift the political **effort towards lowering energy prices for families and businesses** and reaching a final compromise on the energy price cap, relying on the negotiations already initiated by the previous government and trying to overcome German and Dutch reluctance.<sup>14</sup>

Finally, in the **European Commission**, the new Italian government will need to showcase its most constructive and pro-European outlook. However, this will not be an easy task, considering past harsh criticisms that von der Leyen's Presidency has received from Italian right-wing parties. The focal point of the discussion will be on the **National Recovery and Resilience Plan**, the **PNRR**, whose third tranche of payments is expected before the end of the year when the Italian government will have to include all 55 objectives foreseen by the Regulation within its plan. However, the preparation of the **national plan is still ongoing and quite lengthy; currently, only 25 out of 55 objectives have been achieved**, while the others, according to the government, have raised a few concerns.<sup>15</sup>

In the Commission, the purpose of the new Italian government will be to leverage on the current energy crisis to change some parts of the PNRR, **using RePowerEU to open the discussion about the number of financial allocations** fixed by the current plan. Considering that the plan was designed before Russia's aggression against Ukraine and the energy supply crisis that has followed,<sup>16</sup> the requests of the new Italian

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<sup>13</sup> <https://www.lighthouseeurope.com/the-visegrad-group>

<sup>14</sup> <https://www.euractiv.fr/section/economie/news/le-ministre-allemand-des-finances-sceptique-quant-aux-nouvelles-regles-sur-la-dette-de-lue/>

<sup>15</sup> [https://www.ansa.it/europa/notizie/euoparlamento/news/2022/11/09/fitto-incontra-a-bruxelles-gli-eurodeputati-italiani\\_606c0014-d2b2-4523-aeae-e06ec9049453.html](https://www.ansa.it/europa/notizie/euoparlamento/news/2022/11/09/fitto-incontra-a-bruxelles-gli-eurodeputati-italiani_606c0014-d2b2-4523-aeae-e06ec9049453.html)

<sup>16</sup> [https://www.ansa.it/europa/notizie/euoparlamento/news/2022/11/09/fitto-incontra-a-bruxelles-gli-eurodeputati-italiani\\_606c0014-d2b2-4523-aeae-e06ec9049453.html](https://www.ansa.it/europa/notizie/euoparlamento/news/2022/11/09/fitto-incontra-a-bruxelles-gli-eurodeputati-italiani_606c0014-d2b2-4523-aeae-e06ec9049453.html)

government may not be unjustified, but the EU budget has limited funds to cover all expenditure and the Commission will carefully scrutinise timing, financial covering and feasibility of the Italian plan.

## Who will shape the Italian strategy at the European level?

The Minister for Foreign Affairs, former President of the European Parliament, **Antonio Tajani**, and the Minister for European Affairs, former Member of the European Parliament, **Raffaele Fitto**, will certainly play a strategic role in the discussions with European counterparts, relying on their previous experiences in the European Parliament. They have strong connections within the EPP and the ECR as well as with national conservative parties in several countries. The recent endorsement of the President of the EPP group, Manfred Weber, has to be seen as a positive signal for the new government, despite strong critics of the German CDU leader.<sup>17</sup>

Other kingmakers worth considering are the Minister for Economy, former Minister of Economic Development under Mario Draghi's previous government, **Giancarlo Giorgetti**, and the leader of Lega, **Matteo Salvini**, appointed as Minister of Infrastructures and Sustainable Mobility and Vice Prime Minister. Leveraging on his considerable experience in national administration, Giorgetti will seek to build solid relations with the most frugal Member States, such as Germany and the Netherlands, in order to **promote the reform of EU fiscal rules**. The recent round of meetings held in Brussels confirmed the pragmatic and cautious approach Italy will have to contend with when dealing with debt and expenditure.<sup>18</sup> Salvini could instead push the government into a thornier position by **revamping his good relations with the Hungarian Prime Minister** Orban. This may force Italy to take a side if Salvini were to explicitly support Budapest. If Italy stands by its Vice Premier, **this could cause political friction with other Member States**, notably Germany and France. On the contrary, if the new government decides not to indulge Salvini, this could bring about **political turmoil within the coalition and result in government instability**.

In the European Parliament, the new government has a majority within the group of Italian MEPs (43 out of 75). However, this does not reflect the current forces in the coalition. **Fratelli d'Italia, the leading force at national level, only has 8 seats in the EP**, while Forza Italia has 10 seats and Lega 25 seats, which accounts for one-third of the total number of Italian MEPs. Due to Lega's membership in the ID group, their **vote will mainly be against legislative proposals coming from the Commission**. This could mean weaker bargaining power within the EP and an uncomfortable position as regards the Commission. With newcomer Italian MEPs and new roles within the political groups, it will be interesting to see how they will change the political landscape.

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<sup>17</sup> <https://www.sueddeutsche.de/bayern/bayern-manfred-weber-csu-berlusconi-soeder-1.5664226>,  
<https://www.euractiv.fr/section/elections/news/lallemagne-inquiete-du-resultat-des-elections-en-italie-les-critiques-fusent-contre-le-ppe/>

<sup>18</sup> [https://www.ansa.it/europa/notizie/rubriche/altrenews/2022/11/07/giorgetti-ai-suoi-omologhi-europei-sulla-spesa-litalia-prudente-e-realista\\_678ee4d6-0202-4395-bdd1-a4ed01a3a32f.html](https://www.ansa.it/europa/notizie/rubriche/altrenews/2022/11/07/giorgetti-ai-suoi-omologhi-europei-sulla-spesa-litalia-prudente-e-realista_678ee4d6-0202-4395-bdd1-a4ed01a3a32f.html)

In the European Commission, the Italian government may rely on several Italian officials within its ranks who serve in significant roles in various Directorates General. The European Commissioner for Economy, **Paolo Gentiloni**, will certainly have an important role in **steering the relations between the new government and the Commission**, despite the Italian Commissioner's and Meloni's divergent political backgrounds. His support within the Commission for the upcoming proposal on the energy package to be presented to the Council of Ministers will certainly be strategic in meeting Italian demands and may help overcome the possible risk of a minority bloc vetoing the proposal.<sup>19</sup>

## Conclusions

The new Italian government led by Meloni could mark a turning point in European politics, but it is hard to predict how far this change will go. One scenario is that Meloni could **polarise the political landscape in Europe**, jeopardise Italian relations with France and Germany, form a minority bloc in the Council and face strong opposition in the European Parliament. As a consequence, Italy may risk being isolated within the Union, making it extremely difficult to reach political agreements on EU legislative proposals.

A second scenario could see Meloni promoting **closer political cooperation within the European Union**, bringing conservative right-wing governments collaboratively closer together and favouring a political alliance between the EPP and ECR groups in the European Parliament. In such a scenario, the 2024 European election could see a coalition candidate stand for the presidency of the European Commission, even if a party candidate is more likely, given the proportional electoral system. Mario Draghi will be well placed to become the new President of the Commission.

A third and final scenario could mean a **political shift in European politics towards a conservative position**. After the recent right-wing coalition wins in Sweden and Slovenia, Spain may follow in December, as well as other Member States, which will hold general elections in 2023 and 2024. The possible success of the new right-wing Italian government could also have an impact on the next European election, possibly on 9 May 2024<sup>20</sup>, when **European citizens may decide to elect a more right-wing parliament**. It is noteworthy that during turbulent and unstable times, individuals tend to prefer a more secure and conservative approach in dealing with political issues. If the current situation lasts, as it seems it will, European politics may soon reach a turning point, as has already been witnessed in Italy.

*As a public affairs consultancy, Lighthouse Europe helps its clients to understand the impact of the newly constituted Italian government's policies on their business at European level and to outreach relevant policymakers and stakeholders at the national and European level.*

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<sup>19</sup> [https://www.ansa.it/europa/notizie/rubriche/altrenews/2022/11/11/commissione-ue-a-stati-membri-presto-schema-su-price-cap-al-gas\\_a583100b-4893-4c25-868e-7ada38ba52c2.html](https://www.ansa.it/europa/notizie/rubriche/altrenews/2022/11/11/commissione-ue-a-stati-membri-presto-schema-su-price-cap-al-gas_a583100b-4893-4c25-868e-7ada38ba52c2.html)

<sup>20</sup> [https://www.consilium.europa.eu/media/59610/background-note-gac-18-october\\_rev.pdf](https://www.consilium.europa.eu/media/59610/background-note-gac-18-october_rev.pdf)