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Directorate
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Office of European Analysis
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Italy: No Clear Outcome in Sight With Less Than Two Weeks to Elections

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Summary

Italy is in the final campaign stretch before national elections on 27-28 March. As things now stand, neither the leftist "Progressive Alliance" nor the rightist "Freedom Pole" will win a majority of seats.

- Silvio Berlusconi's Forza Italia movement on the right continues to enjoy a lead in overall popularity, but Forza Italia has fielded relatively few candidates of its own,

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- Candidates have been preoccupied with trading personal attacks; debate on substantive issues has been limited and foreign policy has scarcely figured in the campaign.

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Amid this confusion, veteran political moderates are increasingly calling for a post-election "institutional government" similar to the current administration.

This memorandum was prepared by analysts in the Office of European Analysis. Comments and queries are welcome and may be directed to the

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- Any such coalition, which might rely on technocrats or be a brokered arrangement with broad party participation, would be weak and unlikely to last long.
- Such an outcome is probably more likely than a rightist government--which would be plagued with internal bickering and torn over the role of the neofascists--or a center-left pact which would tie the resurgent Democratic Party of the Left with discredited traditional politicians.



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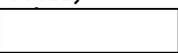
Discussion

Berlusconi Still Ahead, But Experiencing Setbacks...

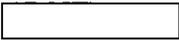
For several weeks Italian media magnate Silvio Berlusconi's new Forza Italia (FI) party seemed to be taking the jaded, scandal-weary Italian electorate by storm. Recent polls indicate, however, that Berlusconi and his allies on the right have slipped back to approximate parity with the leftist "Progressive Alliance" dominated by the Democratic Party of the Left (PDS), the former communists. Each has the support of approximately 35 percent of voters who have made their up their minds (see Figure).

- According to early March surveys, however, about 40 percent of voters remained undecided, and more than 58 percent could not identify local candidates and their platforms or understand how the new electoral laws work. 

On its own, Forza Italia continues to lead other parties in opinion polls but is coming up against the limitations of entering the race late as a new group. One of the last of the pre-election polls, which by law cannot be published in the final two weeks of the campaign, suggests that Forza Italia's popularity may not translate into parliamentary seats.

- An early March survey by the respected polling firm CIRM, which asked voters their party preference for single-member-district candidates--who will account for 75 percent of seats in parliament--shows the Democratic Party of the Left (PDS) and its allies leading with 35 percent over 31 percent for the right. Moreover, Forza Italia candidates on their own garner only 3 percent, compared to 17 percent for the Northern League and 14 percent for the National Alliance.
- This almost certainly is due to Forza Italia's lack of recognizable, established candidates and threatens to undermine its hopes for a major electoral success, despite the popular appeal of Berlusconi's upbeat, "can-do" campaign. 

Many Forza Italia candidates have the popular virtue of being new to politics, but voters confused about new balloting procedures and the proliferation of new parties are seeking familiar names.

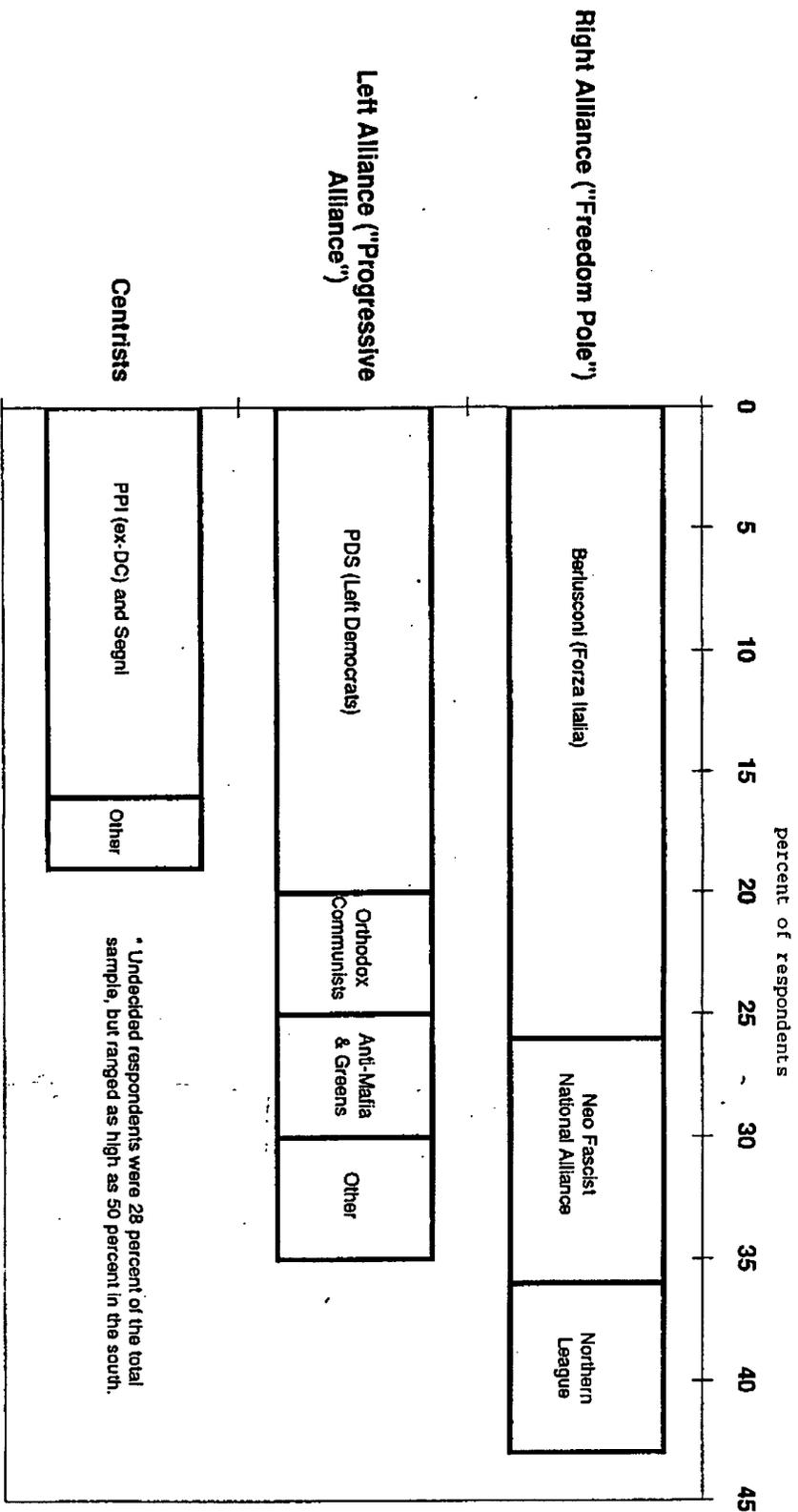
- Forza Italia has fewer well-known candidates than other parties, although they include Ambassador Sergio Romano, a leading foreign policy writer and former diplomat, and retired General Luigi Caligaris, defense policy commentator. Both are being bruited as ministerial prospects in a Forza-led government. 

Although fresh faces are presumed to be untainted by corruption, some appear not to have been well-vetted, and politicians recycled from other parties may come with some risk.





Figure
Support for Italian Parties*



* Undecided respondents were 28 percent of the total sample, but ranged as high as 50 percent in the south.

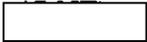
Source: CIRM poll completed 10 March 1994

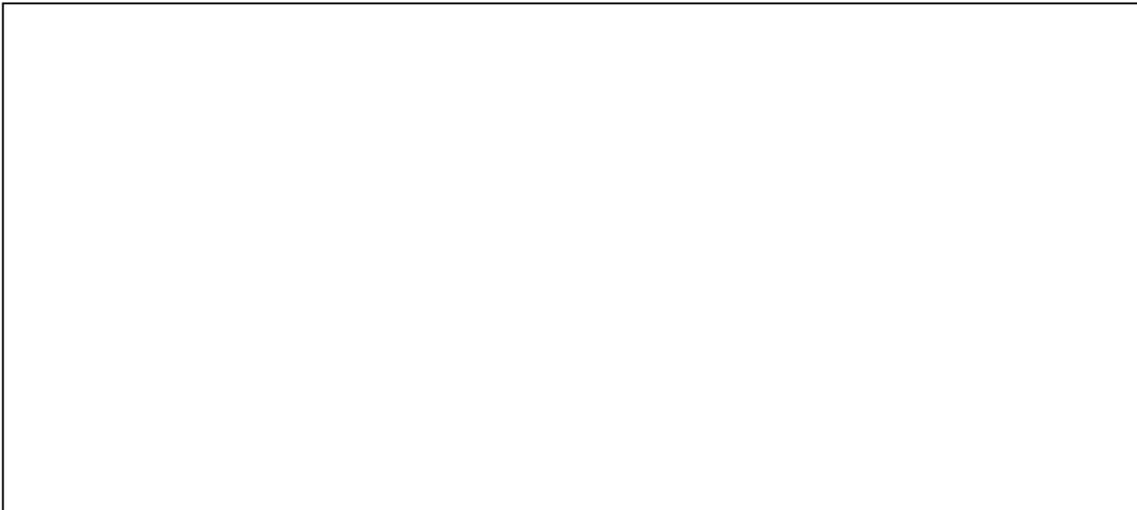


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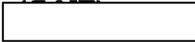
...And the Knives Are Out For Him

Berlusconi has taken some recent hits, however. He faces a tougher race than he anticipated for the lower house seat representing a prestigious district in the heart of Rome. His opponent on the Progressive Alliance slate, Budget Minister Luigi Spaventa, has come from behind and--boosted by the personal campaigning that Berlusconi has avoided--is now tied with Berlusconi in the polls at 34 percent. 



Looking Ahead with Concern

The intensified focus of parties across the political spectrum on the "threat" that Berlusconi poses to many of them has helped to push debate of substantive issues farther to the margins than usual in the campaign.

- In the televised, multiparty panel discussions that dominate evening programming, discussion of platforms and specific proposals rarely progresses beyond general statements. Foreign policy issues are peripheral to nearly every debate. 

Despite a decline in the importance of ideology in post-cold war politics, this election campaign is seeing parties fall back on old labels to define their adversaries and themselves, with the right warning against the old habits of communism and the center and left urging opposition to a revival of fascism.

- Because so many voters are having trouble sorting through the challenges of new parties, issues, and election rules, many may rely on old ideological signposts to make their decisions in the voting booth, which would likely benefit the center. 

Against this unsettled backdrop, a range of established political figures--including former Prime Minister Giuliano Amato, Popular Party chief Mino Martinazzoli, Reform Pact leader Segni, former Defense Minister and Liberal Party

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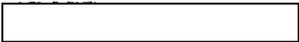
legislator Valerio Zanone, and Republican Party chief Giorgio La Malfa--are now calling for the formation of an "institutional" government following the election.

- As individuals whose parties are almost certain to be among the "losers" in the elections, they are proposing a formula that would best safeguard their interests and give them a chance of participating in government. 

Talk of an "institutional government" is probably also being driven by the view among Italian elites that no easily workable coalition will emerge from the election--especially if the rightist "Freedom Pole" comes out ahead.

- Internal bickering--especially over the role of the neofascist National Alliance--probably would prevent the right from forming a government. Personality clashes between Berlusconi, fiery and outspoken League leader Bossi, and neofascist Fini would almost certainly complicate matters.
- The PDS could try to form a government with the centrists--party leader Occhetto refuses to rule this out--but this would link the PDS with members of the discredited traditional parties. They would be more likely, in our judgment, to bide their time with an "institutional" government, perhaps with some PDS participation. This would allow them to boost their respectability and image as a party responsible enough to govern, while hoping that in the meantime the Berlusconi phenomenon fades. 

Both the PDS and Berlusconi have accepted the possibility of an "institutional" government. The Northern League--which has lost significant support to its Forza Italia ally--has endorsed a similar concept in its calls for a "government of guarantee."

- A likely election outcome appears to be a brokered coalition with broad participation and a heavy reliance on technocrats. Potential leaders include Prime Minister Ciampi and Romano Prodi, Chairman of the state holding company IRI.
- Such a government would almost certainly will be weak, however, and unlikely to last long. 

Implications for the US

Whatever government emerges from the elections, Italian foreign policy will undergo a period of uncertainty, particularly over the long run:

- Because an "institutional" government would be short-lived and preoccupied with domestic political reform, it would retain the foreign policy posture of the current regime. Nonetheless, Rome would be increasingly worried that Italy is not being taken seriously because of its lingering domestic political woes. Italian officials would be especially sensitive to perceived diplomatic slights and would press hard for consultations and a seat at the table on important international issues such as Bosnia.

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- In the short term, a PDS-center alliance would work hard to convince its allies that it is a reliable NATO partner. Over the longer run, however, the foreign policy of a PDS-dominated government would probably diverge with that of the United States, particularly on security matters such as US basing rights.
- In the less likely event of a rightist government, Rome would be more nationalist and assertive and less likely to follow the US lead. For his part, Berlusconi would make economic and commercial interests the driving force behind Italian foreign policy. 

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