

**THE ITALIAN 2013 GENERAL ELECTIONS:
Using the Sequential Negotiation Model to Understand the Outcomes**

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Introduction

On February 24th and 25th 2013, Italy held its last political elections. Italians were called upon to elect all 630 members of the lower house, the Chamber of Deputies, and all the 315 new elective members of the higher house, the Senate. This vote should have also determined the formation of a new Italian government. Election results, however, were not conclusive. No major coalition was able to win enough votes to obtain a majority in the Senate, while the center-left coalition won a fairly solid parliamentary majority in the Chamber of Deputies. Italian constitutional law, however, mandates that any government must receive formal support by both chambers, through a vote of confidence; elected parties would have to make a deal in order to form a new government.

Italy's perfect bicameralism—according to which both the lower house and the Senate need to give a confidence vote to any government in order for it to be able to take office—has historically generated unstable governments. From 1946 to the end of 2013, Italy has had sixty-two different governments¹, ten from 1994 to the end of 2013. Never, however, had it been as difficult to form a new one as it has been in the wake of the 2013 elections, in which voters were split between three main coalitions and when at one point, parties

were stuck in a situation of *impasse* that seemed solvable only through new elections. However, to make the situation even trickier, elections could not be held immediately, even if there were political will from all parties to support it: the seven year mandate of Italy's President of the Republic, Giorgio Napolitano, was, in fact, set to expire by the beginning of April 2013 and Italy's Constitution did not allow President Napolitano to call new elections until Italy's parliament and regional delegates elected a new President of the Republic, the only one with the authority to take the necessary actions to have a new vote.

In this paper I will use the sequential negotiations model (Brams, 1994) to analyze the negotiation process that led to the formation of a new government. I will also examine whether any of Italy's three major parties could have done better in these negotiations by not playing strategically, walking away from negotiations, or by misrepresenting their preference for *impasse*.

Some Factual Background

The incumbent Italian Prime Minister in February 2013 was Mario Monti. Monti had been the head of a large, technocratic coalition government since November 2011, when Silvio Berlusconi, leader of a center-right government since 2008, stepped down after the explosion of Italy's debt crisis.

¹ J.P.P. (2013, April 24th). "Why is it so hard to form a government in Italy?" The Economist, The Economist Newspaper. Retrieved from <http://www.economist.com/blogs/economist-explains/2013/04/economist-explains-8>

In 2013, Italy witnessed a critically unstable political situation: Mr. Monti's government was extremely unpopular because of its inability to pass major reforms through the parliament and because of a tragically declining economy (Dinmore, 2012). Before the elections, there were four major players in the contest: a center-left coalition, led by former secretary of the Democratic Party, Pierluigi Bersani, whom polls indicated as the likely winner (Diamanti, 2013); a center-right coalition, led by Mr. Berlusconi (although, nominally, the leader was Mr. Angelino Alfano); a centre coalition, led by incumbent prime minister Mario Monti, and a new "anti-system" party, the Five Star Movement, led by former comedian Beppe Grillo.

Election results caught the country by surprise, as many expected Bersani to win. However, Bersani's centre-left coalition barely won a majority in the Chamber of Deputies, with 29.55% of the votes. Berlusconi's coalition came in a close second with 29.18%, only 124,958 votes behind. Grillo's Five Star Movement was a stunning surprise. The *movement*, who had not even participated in previous national elections, and had been polled around 12%, was able to win 25.56% of the votes. Monti's coalition, on the other hand, received only 10.56% of support, much less than expected. No other coalition was able to elect representatives to the lower house (Ministero dell'Interno, 2013).

Because of a very criticized electoral law (later declared unconstitutional), known as "Legge Calderoli", the coalition that won the

majority of the popular vote in the lower house was granted a majority bonus, which assigned it 55% of the seats. Bersani's centre-left coalition therefore elected 345 representatives out of 630 in the Chamber of Deputies. Of those 345 representatives, 297 were members of the Democratic Party, while the rest were members of other smaller parties in the coalition. In the Senate, however, the outcome was markedly different. The "Legge Calderoli" law states that seats are assigned on a proportional base per district, but the majority bonuses are won on a regional base, not nationally. Italy has 20 regions and each one is an electoral district. Italians living abroad also elect members of the Senate through specific macro-area districts. Hence, no coalition was able to win a majority in the higher house. As a matter of fact, even though the centre-left coalition won 31.6% of the votes, the centre-right won 30.7%, the Five Star movement won 23.8% of the votes and Monti's centre coalition 9.1%, because of regionally assigned majority bonuses, the centre-left coalition "only" won 123 seats, 111 of which were held by the Democratic Party; 117 were won by the centre-right coalition, 98 of which by the People of Freedom, Berlusconi's party at the time; the Five Star Movement won 54 seats and Mario Monti's coalition won only 19. Two small independent parties each won one seat. Furthermore, at the time, Italy had four Senators for Life, of which Mario Monti remains one. To have majority in the Senate, any coalition had to amass at least 160 votes.

Numbers

Coalition	Party	Seats
Pier Luigi Bersani: Italy. Common Good	Democratic Party (PD)	111
	Left Ecology Freedom (SEL)	7
	South Tyrolean People's Party (SVP)	2
	Trentino Tyrolean Autonomist Party (PATT)	1
	Union for Trentino (UPT)	1
	The Megaphone – List of Rosario Crocetta (IM-LC)	1
	<i>Total</i>	123
Silvio Berlusconi: Center-right coalition	The People of Freedom (PdL)	98
	Lega Nord (LN)	18
	Great South (GS)	1
	<i>Total</i>	117
Beppe Grillo: Five Star Movement (M5S)		54
Mario Monti: With Monti for Italy		19
Associative Movement Italians Abroad (MAIE)		1
Aosta Valley List (APF)	Union Valdôtaine (UV)	1
Total		315

Source: Wikipedia- Italian General Elections 2013; Italy's Ministry of the Interior

Since, as shown, Italy's perfect bicameralism would not allow any of the pre-election formed coalitions to win a confidence vote, parties had to negotiate other options. It is worth noting that the centre-left coalition would have had no problem to win a confidence vote in the Chamber of Deputies and it is therefore evident that, for political reasons, no government could be formed without the support of the Democratic Party.

Furthermore, it is also evident that Monti's coalition is a non-factor in the negotiations in the Senate. If we add Monti's 19 senators to any of the other coalitions or parties, the result is always short of the 160 votes needed to win a majority vote, except for the unrealistic scenario that would have led to a coalition formed by the Centre-Left, Monti, and the Northern League (123+19+18), which would have yielded exactly 160 votes. This would have been impossible for political reasons, since the Northern League is a far-right regional party that does not have any political ties with the

centre-left coalition or with Monti's moderate party (Rame, 2012).

Hence, there is no doubt that any majority in the Senate would have had to draw support from two of the following three parties: the Democratic Party (PD), the People of Freedom (Pdl) and the Five Star Movement (M5S). Furthermore, the Democratic Party would always have to be part of the Senate's winning coalition because $PDL+M5S=98+54=152<160$.

The Model

The model I used is the sequential negotiation model. I chose to concentrate on the Senate because any majority that works in the higher house would have also been sufficient to win a confidence vote in the lower house.

Furthermore, in the scenario that I set up there are only three players: the three leaders Mr. Bersani, Mr. Berlusconi and Mr. Grillo. I assume, for the purpose of this analysis, that the three players perfectly control the way senators in their parties vote. We can therefore assume that Mr. Bersani

controls 111 votes, Mr. Berlusconi controls

98 and Mr. Grillo controls 54.

Hence the three players' preference set:

$a=PD+PDL$; $b=PD+M5S$;
 $c=PD+PDL+M5S$; $d=M5S+PD$; $i=impasse$.

To explain this preference set: Take, for example, preference " $a=PD+PDL$ ". This means that Mr. Bersani and Mr. Berlusconi decide to form a government together: $111+98=209>160$. The Senate in this scenario has a majority. The Prime Minister, in this formulation, will be chosen by the Democratic Party, the first party named in preference " a ". The same holds for all the other preferences. Moreover, by "*Impasse*" I assume a situation in which no parliamentary majority will result from the negotiations between the parties involved.

It is important to notice that the PDL is never the coalition leader in any of the preference sets. This is because, in the days following the elections, Berlusconi stated he would "yield the premiership to a PD member"², even to Mr. Bersani himself. Mr. Grillo and other members of his party, on the other hand, have often repeated that "we want to pick the Prime Minister"³ as a condition to be part of a government with the PD, therefore I listed $d=M5S+PD$, as one of the options.

The Preferences of the Players

Mr. Bersani: $bcadi$

After the elections, Mr. Bersani declared almost immediately that he would try to convince Mr. Grillo to form a PD+M5S government (Argentieri, 2013) and he would not try to make a deal with

Mr. Berlusconi (a position later reconsidered, as we will see further on); hence, " b " was Mr. Bersani's preferred option. Option " c " was second best. Bersani stated that he would not pursue a big coalition government with Mr. Berlusconi prior to the elections, but this scenario would likely have been accepted by Mr. Bersani as his second best option. Option " a " was Mr. Bersani's third best. He wanted to become prime minister, or at least wanted a member of his party to hold the position, even if it meant negotiating with Mr. Berlusconi. Mr. Bersani's second to last option was " d ". This is only because the Democratic Party and its leaders repeatedly declared that they did not want a situation of "impasse," in the name of "responsibility."

- Mr. Berlusconi: $abdci$

Mr. Berlusconi declared right away that " a " was "the only option he would consider"⁴; in a way, Mr. Berlusconi declared he would not lower his support to include any of his other preferences, which were the following. Option " b " was his second best: being in opposition is something Berlusconi has historically done well—effectively criticizing whoever ran the country and using it as an opportunity to increase his own popularity. A similar argument can be made for option " d ," his third best, only behind " b ," because he dislikes Mr. Grillo more than he dislikes Mr. Bersani. "Impasse" was Mr. Berlusconi's second to last option: it would have made him look bad and selfish to push for instability. His last choice was " c ": Mr. Berlusconi would only have had something to lose in a big coalition government with the 5SM.

- Mr. Grillo: $d\text{iacb}$

² Rai News (2013). Berlusconi insiste: "Bersani premier con Alfano vice. E al Quirinale un moderato". Rai News 24. Retrieved from <http://www.rainews24.rai.it/IT/news.php?newsid=176105>

³ SALA, ALESSANDRO (2013). La prima forza politica del Paese? È il Pd. Il Corriere della Sera. RCS. Retrieved from http://www.corriere.it/politica/13_marzo_21/prima-forza-politica-Italia-Pd-M5s_cddedafcc9232-11e2-9bc7-5a8f13477f3e.shtml

⁴ Rai News (2013). Berlusconi insiste: "Bersani premier con Alfano vice. E al Quirinale un moderato". Rai News 24. Retrieved from <http://www.rainews24.rai.it/IT/news.php?newsid=176105>

Mr. Grillo declared several times that his party had “won the elections”⁵ and, therefore, deserved to run the government. Mr. Grillo publicly asked the President of the Republic, Giorgio Napolitano, to appoint a person close to the M5S as premier and declared it would be the only way he could have accepted to form a coalition with the PD; “d” was, hence, his first option. His second best option was impasse “i”: Mr. Grillo declared several times that he had no problem with Italy not having a government and that a government in a parliamentary system is “not necessary.”⁶ Although many, among scholars, politicians and political commentators, believe there are no constitutional bases for Grillo’s words, it is clear he would not have minded a situation of “impasse.” Option “a” was Grillo’s third best: it was in his interests to let “establishment parties” form a big coalition government, so that he could ferociously attack that outcome as a deal arranged behind closed doors by the traditional parties, accusing them of only being interested in maintaining power. Option “b”, PD+M5S, was preferred to option “c”, because none of Mr. Grillo’s supporters could have accepted to form a coalition with Mr. Berlusconi.

⁵ Mr. Grillo declared this on the M5S’s radio show. The audio can be found here <http://www.youtube.com/watch?v=0m7KCMd-3SA>

⁶ Redazione (2013, March 28th). Consultazioni, da Zanda l'ultima vana speranza. Da Grillo nuovi attacchi: "Governo non serve". *La Repubblica*. Gruppo Editoriale l'Espresso. Retrieved from: <http://www.repubblica.it/politica/2013/03/28/news/governo-55517236/>

The outcomes

	1	2	3	4
Mr. Bersani	b cadi	bc adi	bca di	bca di
Mr. Berlusconi	a bdic	a bdic	a bdic	a bdic
Mr. Grillo	d iabc	di abc	di abc	dia bc
OUTCOME	<i>i</i>	<i>i</i>	<i>a</i>	<i>a</i>

As shown by the immobile red bar, by departing from negotiations and by stating that “a” was the only option he would really consider, Mr. Berlusconi ended up with his preferred outcome (a=PD+PDL), while Mr. Bersani and Mr. Grillo, only got their third-best option (for more on the

sequential negotiation model, see Steven J. Brams, Theory of Moves, Chapter 7). Let us now take a look at what would have happened if Mr. Berlusconi kept negotiating?

	1	2	3	4
Mr. Bersani	b cadi	bc adi	bc adi	bca di
Mr. Berlusconi	a bdic	ab dic	ab dic	abd ic
Mr. Grillo	d iabc	di abc	dia bc	dia bc
OUTCOME	<i>i</i>	<i>b</i>	<i>i</i>	<i>a</i>

The outcome would have still been “a”. In the first stage, the outcome is “impasse”; in the second stage, all players lower their support to include their second-ranked preference: at that point (stage 2), there is majority for outcome “b”; however, Mr. Grillo would then lower its support to include “a”, which he ranks higher than “b,” while the others stay put. At this point (stage 3), the outcome would be “i” again. Mr. Berlusconi and Mr. Bersani have their next

preference ranked higher than “i”, hence lowering support to their third ranking preference; at the fourth stage, as shown, “a” gets support from all three players, becoming the final outcome. Hence, Mr. Berlusconi could have decided not to walk away from negotiations and he still would have gotten his best outcome.

Could Mr. Bersani and Mr. Grillo have done better by not negotiating further?

The first table refers to Mr. Bersani's hypothetical decision not to negotiate; the second one shows the same hypothetical scenario for Mr. Grillo.

	1	2	3	4	5
Mr. Bersani	b cadi	b cadi	b cadi	b cadi	b cadi
Mr. Berlusconi	a bdic	ab dic	ab dic	abd ic	abdi c
Mr. Grillo	d iabc	di abc	dia bc	dia bc	dia bc
OUTCOME	<i>i</i>	"b"	<i>i</i>	<i>i</i>	<i>i</i>

	1	2
Mr. Bersani	b cadi	bc adi
Mr. Berlusconi	a bdic	ab dic
Mr. Grillo	d iabc	d iabc
OUTCOME	<i>i</i>	"b"

By walking away from negotiations, *ceteris paribus*, Mr. Bersani would have induced "i", his worst possible outcome, so it was a good idea, on his part, to keep negotiating even if it meant having to deal with Mr. Berlusconi. And what would have happened if Mr. Grillo had walked away? The outcome would have been "b", his next-to-worst option, because neither Mr. Bersani, nor Mr. Berlusconi would have had interest in lowering their support after stage 2. Mr. Grillo was smart enough to not walk away!

It is worth asking if Mr. Bersani and Mr. Grillo could have induced a different outcome by misrepresenting their support for impasse in the original scenario, the one

in which Mr. Berlusconi walked away. The models shows that it would not have been in Mr. Bersani's interest to misrepresent "i" as his second-best or third best-option, because, in that case, impasse would have been the final outcome. Moreover, had Mr. Bersani ranked impasse second-to-last, instead of last, it would not have made a difference. In Mr. Grillo's case, had he misrepresented his support for "i", either as a third, fourth or fifth option, instead of a second, it would not have made a difference: the outcome would have still been "a."

At last, it is also worth noting that option "a=PD+PDL" is also the "Condorcet alternative" in this preference set: a>b; a>c; a>d; a>i.

What Really Happened and Conclusions

After weeks of inconclusive formal and informal negotiations between Mr. Bersani and Mr. Grillo to try to form a government together a deal was finally reached. Following a big political defeat for Mr. Bersani and the Democratic Party in April 2013, during the election of the new President of the Italian Republic, in which President Giorgio Napolitano had to be recalled for a second term in office in order to prevent chaos (the first time it happened in the Republican history of the country), members of the PD and of the PDL were able to negotiate the formation of a new government, substantially linked to Napolitano's reelection. The new government was supported by a solid parliamentary majority from PD+PDL. This new government was led by the former vice-secretary of the Democratic Party, Enrico Letta, Mr. Bersani's number two. We can look at this scenario, as Mr. Bersani and Mr. Grillo finally deciding to give up and to lower their support to include option "a", which represents a PD+PDL government.

At this point, it should not surprise the reader that Mr. Grillo and Mr. Bersani were not able to get a deal done. The difference sets of preferences the two players had were not compatible and would not have led to the formation of a PD+M5S government. As a matter of fact, "b" could have been the outcome, as previously shown, only if Mr. Grillo had walked away from negotiations, which would have been against Mr. Grillo's own interests and those of his party. Furthermore, outcome "d" would not have been possible in any of the

analyzed scenarios, given the preference sets I presented earlier.

Mr. Berlusconi, on the other hand, got what he wanted and would have gotten it even if he had not declined to lower his support to any other outcome other than "a", as previously shown. This also proves that the elections outcome and the preferences of his opponents favored him and his party more than anybody else.

Moreover, according to this model, Mr. Letta's big coalition government, supported by a PD+PDL coalition, was an almost unavoidable solution, which could easily be seen as an inevitable outcome, given the preferences of the players and the composition of today's parliament in Italy. This is extremely interesting because in Italy, at the time of the negotiations that followed its political elections, many commentators, both inside the Democratic Party, in the press and, in some cases, even supporters of the M5S, had suggested that the most logical option would have been to form a PD+M5S, or even a M5S+PD, government (Civati, 2013; De Luca, 2013) and most of the more liberal members of the Democratic Party strongly disagreed with the option of forming a government with PDL. This model clearly shows why these commentators were not correct and this paper succeeds in giving a formal explanation of why the scenario of a PD+M5S government could not have been possible, given the conditions previously laid out.

Finally, I believe there is also a more general consideration that needs to be presented. The sequential negotiation model proved to be very helpful in clarifying an

extremely intricate scenario through rational and formal analysis. My suggestion would be for scholars and even politicians to resort to it when similar scenarios present themselves because of its simplicity and clarity. As a matter of fact, every time a post-election negotiation is needed to form a government in parliamentary systems, such as Italy, but also Germany or the United Kingdom, this model could serve as a valid guide and source of interesting insights; the model might even prove helpful in getting to an equilibrium more quickly, thus guaranteeing stability and efficiency in those types of political systems.

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