Decentralization and Party Organizational Change:

The Case of Italy

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Introduction

This chapter examines the relationship between the process of political decentralization in post-war Italy and the Italian party system, and in particular, the impact of decentralization on parties' internal organizations. The Italian Constitution of 1948 established a regional tier of government in selected territories, which was extended to the rest of the country a little over two decades later. Further reforms in a decentralizing direction were made in the 1990s and 2000s. This evolution of the territorial shape of the Italian state has changed the institutional context in which Italian party politics takes place, and territorial politics have become a central part of the political debate. Our aim here is to provide a preliminary analysis of the effects of these developments on the parties themselves and the distribution of power between national and sub-national party leaderships. We proceed by generating some basic hypotheses on the impact of decentralization for party organizations, then go on to summarize the process of institutional change itself. The rest of the chapter examines how party organizations have reacted to the changing institutional context.

Decentralization and Party Organization

The study of territorial politics within political parties, after a long period of neglect, has attracted the interest of many political scientists in recent years, as the profession has sought to make sense of the apparently generalized trend towards decentralization in Western democracies. As a result, there is a growing literature seeking to document and explain the ways in which political parties adapt to decentralizing institutional change (see for example Hopkin 2003, Chhibber and Kollman 2004, Deschouwer 2006, Thorlakson forthcoming, van Houten forthcoming). Our theoretical expectations are derived from this literature, which in the most basic sense envisages party organizations responding to decentralization of the state by decentralizing some of their own internal structures. Party organizations have a tendency to reflect the territorial distribution of state power, because there are strong incentives for them to do so: decentralization often creates new electoral arenas for which centralized parties lack adequate territorial units, it creates new arenas of government formation and policy-making, which require parties to make decisions at a new level of territorial organization. All other things being equal, decentralization reforms should therefore provoke some degree of decentralization of party organizations, although the organizational legacies of a previous, more centralized context can obstruct change and limit the scope of internal restructuring (Hopkin and Bradbury 2006).

The logic of this argument is that politicians are essentially power-seekers who aim to maximize their access to political resources and influence, within a set of institutional constraints. When new regional institutions are created, sub-national political elites will often demand greater powers to be delegated from the centre in order to compete effectively in elections to the new institutions, and to develop strategies of coalition-building and policy-making tailored to the interests of the party's regional organization, rather than simply execute decisions taken at the national level. Although these demands may be focused mainly on enhancing the power and status of the party sub-national elites themselves, national leaders may

well have an interest in agreeing to this delegation, since regional party leaders are likely to have a greater understanding of the dynamics of the political game at the sub-national level. For these reasons, the formal distribution of power within parties tends to reflect the distribution of electoral resources and control over public office. This argument has been taken still further by Chhibber and Kollman (2004), who argue that the party system itself is likely to change as a result of decentralizing reforms, because regionally-based parties become more viable.

However, the literature on party organizations also suggests factors which tend to stabilize party organizations and limit the effects of institutional reform. Organizational change is costly, in terms of time and effort, and undermines the influence of some organizational actors. Internal decentralization weakens the degree of control of the national party leadership over the territorial organization, and makes it more difficult to present a unified front in the national political arena. Opening up the prospect of a redistribution of power within a party risks destabilizing the organization and provoking a much greater degree of delegation than national party leaders are prepared to accept. Often, lack of agreement on the new organizational model and lack of trust between competing party elites can block change, and obsolete party rulebooks can persist despite not reflecting the real balance of internal power. In sum, decentralizing reforms can have unexpected consequences depending on a variety of institutional factors.

Rather than testing predictions, this chapter will assess some evidence from the Italian case of organizational changes resulting from decentralization, and draw some tentative conclusions of more general interest. We will attempt to gauge the degree to which decentralization has enhanced the autonomy of the sub-national elites of national political parties, by assessing how decisions on the management of sub-national party structures are taken. A first step is to analyze the institutional context in order to understand how reform changes the incentives available to party actors.

Decentralization in Italy

Italy is a complex, but useful test case for this purpose. The Italian case combines a substantial degree of territorial homogeneity, with a tradition of the centralized institutions of a unitary state which have recently been reformed to give greater powers to sub-national units known as regions (*regioni*). Italy therefore offers a clear case of institutional change in a decentralizing direction (albeit with a number of complexities and uncertainties) with a set of quite distinctive political, economic and socio-cultural circumstances in different regions. We would therefore expect decentralization to make a difference of national political parties' internal distribution of authority.

Like other large national states in Western Europe, Italy comprises territories with deep historical differences. Such was the cultural heterogeneity of the peninsula that it is estimated that only around 10 per cent of Italians actually spoke the Italian language at the time of unification[1]. Added to this linguistic diversity, different regions had been dominated before unification by a variety of different foreign powers: the Spanish Hapsburgs and Bourbons had governed the South in the Early Modern period, whilst the North fell under Austrian domination in the pre-unification period. Finally, for a variety of reasons including geographical proximity to different markets, the North was more economically advanced than the South on unification, a situation which has persisted through the history of the unified state. This set of

historical legacies ensures that Italy remains a far from homogeneous or uniform country, leading to the expectation that political decentralization will have substantial effects in the Italian context.

The initial administrative model established by the unified state in the late nineteenth century was inspired by the centralized French state, in which the national territory is divided into small and similar-sized portions (departments in France, provinces in Italy) which are controlled directly by the national government through the presence of centrally appointed 'prefects'. Through this hierarchical system, the centre can, in theory, impose uniformity on political and administrative practices throughout the state. Although in practice this system was not particularly successful in imposing uniformity in the Italian case, it did establish a bureaucratic and legal tradition which tended to centralize decision-making and discourage distinctive patterns of government in different territories. At the same time, the inability of this centralized state to achieve genuine control established a practice of clientelistic relations, in which local notables negotiated directly with the central authorities, securing local order in exchange for bureaucratic favours (Panebianco 1984: 113). This weak but centralized state model is therefore the starting point for the development of democratic politics in post-war Italy.

The decentralizing reforms experienced by Italy since the war can be crudely distinguished into two broad phases. A first phase began with the approval of a new democratic Constitution in 1948. The Constitution established a regional tier of government, which would have administrative responsibilities and some limited legislative powers (subordinated to the primary legislative role of the Italian Parliament) (Putnam 1993). However, only four of the 20 regions were created immediately: Sicily, Sardinia, Val d'Aosta and Trentino-Alto Adige were established as regions with 'special statutes', giving them greater autonomy than that envisaged for the remaining regions, including exclusive legislative authority in some policy areas. The 15 'ordinary' regions (Friuli-Venezia-Giulia, another 'special' region, was created in 1963) were not established until 1970, partly at least to avoid providing a power base in the institutions for the Italian Communist Party (PCI), the strongest political force in some of the central regions (Bull 1994). These 'ordinary' regions had complementary legislative powers, subordinated to the framework legislation produced by the Italian Parliament in Rome. Although the actual devolution of powers and resources to these institutions was a slow and tortuous process, ultimately this wave of decentralization led to responsibility for much of education and health policy, as well as regional transport, research and innovation, and local policing being passed down to the regional level. By the early 1990s, regional government spending amounted to around 10 per cent of Italy's GDP (Putnam 1993: 6).

An analytical (rather than chronological) distinction can be made between these reforms, which gradually implemented the provisions of the 1948 constitutional text, and a further set of changes deriving from the 'earthquake' that shook the Italian political system in the early 1990s, ushering in what has become known as the 'Second Republic'. Between 1992 and 1994 an acute political crisis, involving a threatened collapse of the state finances, a judicial offensive against political corruption, a mafia terror campaign, and a reform of the Italian electoral system, effectively dismantled the centre-right coalition which had governed Italy in various guises since the war. Amongst the multiple causes of this crisis were the electoral growth of the Northern League (*Lega Nord)*, a radical right-wing populist party advocating the independence of the prosperous North from the less developed South of the peninsula, which League politicians blamed for Italy's problems (Mannheimer

1991, Biorcio 1997). The success of the League fatally undermined the Christian Democrat party by robbing it of its electoral base in the North-East, and placed the territorial structure of the state at the top of the political agenda. In the bipolar politics of the new Italian party system the League held a pivotal position, ensuring that the other major parties quickly became responsive to demands for decentralization.

This 'second phase' of decentralizing reforms therefore takes place in a different context. Rather than a relatively consistent delegation of policy areas to a set of fairly similar subnational units, the second phase is composed of reforms which fit into a broader debate about improving the performance of Italy's political institutions, such as changes to electoral rules, and reforms which respond to the secessionist threat of the League, and which therefore at least to an extent open up the possibility of a clear differentiation between regions. Centre-periphery dynamics were affected by the 1993 reform of electoral laws governing regional and local elections, which introduced the direct election of mayors of large cities and presidents of regions under a two round majority system. Although not explicitly a decentralizing move, this reform has enhanced the status of local and regional political leaders vis-à-vis national party leaders, and therefore created centrifugal pressure within the parties. In terms of the broader debate on the shape of the state, the key change has been the constitutional reform passed by the centre-left Amato government in 2001. This reform removed central government controls over regional legislative powers, gave some power exclusively to regions that were previously concurrent, and gave regions the power to legislate on all areas not explicitly reserved to the state. In the context of the Italian political scene of the turn of the century, this reform implied the prospect of regions with most resources enhancing their powers beyond the possibilities of the poorer regions (Vandelli 2002). Further decentralization was envisaged by a set of constitutional amendments proposed by the Berlusconi government, which were rejected in a referendum shortly after the government's electoral defeat in 2006.

These two phases of reforms – which here we describe as the regionalization of the 'First and Second Republics' - have led to significant changes in the way Italy is governed, although it remains a unitary state in which central government retains extensive reserved powers. These reforms come about in different circumstances with varying implications for parties' autonomy, but in all cases pose concrete dilemmas for Italy's main political parties, almost all of which stand candidates throughout the national territory (with the exception of the League). In part these dilemmas stem from the transfer of policy competences to the sub-national level, and in part from the changes to electoral politics resulting from the emergence of multi-level governance. The rest of this chapter will offer some examples of how these dilemmas have played out in practice.

Regionalization in the 'First Republic'

Although the 1948 Italian Constitution contained strong regionalizing components, the Christian Democrats (DC), the dominant governing party until 1992, managed to impose a minimalist reading of the constitutional provisions for two decades until pressure from the parties of the left (Socialist PSI and Communist PCI) forced the creation of the 15 'ordinary regions' in 1970. This implies that the process of regionalization did not coincide in time with the institutionalization of the major Italian parties, which developed as relatively centralized organizations in the immediate post-war period. Our expectation, therefore, would be that the

regionalization process should have some effect on the degree of centralization of political authority within the parties, resulting from the electoral legitimacy and control over real levers of power available to regional-level party elites.

However, this rather straightforward hypothesis immediately runs up against the complexity of centre-periphery relations in the Italian parties. First of all, rather than regionalization being the result of peripheral mobilizations against central state power, the extension of regional government in the 1970s owed much more to the political competition between rival national parties at the national level. In other words, regionalization was the result of bargaining between nation-level elites of articulated and centralized nationwide parties, in particular between the PCI and the DC. The PCI in this period was if anything an extreme case of internal centralization, given its tradition of 'democratic centralism', in which decision-making authority was concentrated in the party executive. Moreover, the regions where the PCI was likely to have access to real political power at the regional level (central regions such as Tuscany and Emilia-Romagna) could not be considered in any sense 'peripheral' to the party structure; on the contrary, these regions were the party heartlands which provided most the party's electoral support and therefore an important portion of its national-level elites.

A second point worth bearing in mind is that the Italian parties' internal articulation, which centralized power around national-level party leaderships, was in many ways more formal than real. The DC in particular was unable completely to centralize internal authority relations because of its initial organizational weakness which led it to coopt clientelistic structures at the local level, especially in the immediate post-war period. This situation, in which 'the politicians (we)re local bosses using their parties as their own exclusive electoral machines' (Allum 1973: 66) reversed the centre-periphery relationship, as local elites often had strong control over packages of votes at the grassroots level, and could use this control to demand autonomy from national party authority see (Tarrow 1977, Zuckerman 1979). Fanfani's efforts to institutionalize the party in the 1950s had a centralizing effect by 'modernizing' clientelistic practices (Chubb 1982, Leonardi and Wertman 1989). As state spending grew, flows of resources for local patronage depended increasingly on decisions made in central ministries, and the DC's organization began to reflect this, with a much greater articulation between centre and periphery. However local power bases still retained importance in the DC as the regionalization process got under way in the 1970s, and party leaders used their influence in local fiefdoms to further their political careers in the party structures at the national level. A similar scenario was valid for the Socialist party (PSI), but rather less so in the case of the PCI, where autonomous political resources were less crucial to the party's internal career structure and the national party executive was able to dominate internal decision-making to a significant degree (Guadagnini 1984: 597, Panebianco 1984: 113-5). In any case, local political experience was a key element in political recruitment well before the regionalization reforms, and local party federations was a key locus of power within the parties (Kogan 1975).

There is nonetheless some evidence that the regionalization process led to shifts in the internal equilibria within the most important Italian parties. First of all, the emergence of a new layer of elective politics and a new tier of elected politicians affected parties' patterns of recruitment, although not dramatically. Research carried out in the early 1980s suggested that the regional tier had become part of the 'career ladder' of aspiring politicians, with many regional councillors moving on to stand for the national parliament (Cazzola and Motta 1984). This pointed to the regional

institutions acting as a kind of 'apprenticeship' for aspiring national leaders, much as the local level had served as a necessary first stage in national political careers. However the total number of regional councillors moving to the higher level remained relatively small – a little over a eighth of the total of regional representatives (p.622) – meaning that many ambitious politicians bypassed the regional level. This suggests a lack of relevance of the regional level for broader internal power struggles, perhaps not surprisingly given the slow pace at which powers and resources were transferred to the regional level in the 1970s and early 1980s. Local power resources, relating to the municipal level of government and influence within the provincial federations of the parties, appeared more important than regional-level resources in battles between national leaders of the major parties. However, even in the early 1970s some impact of regionalization on internal party dynamics could be detected. Kogan (1975) reported that in some regions of the Centre and North the DC's regional elites had established substantial political autonomy from the national leadership, and that even the disciplined PCI had coopted key regional leaders into the national leadership structures in recognition of their growing influence. Although Kogan also presented evidence of national interference in regional affairs, and his data do not lead to any clear trend in the level of autonomy enjoyed by the regional elites, this research covering only the first two years after the first regional elections suggest that the deepening of the reforms would be likely to provoke an impact.

Later research offered some confirmation of this. Putnam *et al*'s surveys of local elites revealed that regional party leaders were perceived as growing in influence between the regional reform of 1970 and 1989, mainly at the expense of municipal leaders. In these surveys, the perception that regional leaders controlled regional council nominations grew from 10% to over 30% of respondents, whilst the perception that they decided regional coalition formation grew from just over 50% to 80% (Putnam 1993: 39-41). Significantly, this growth in influence was perceived to be at the expense of local, rather than national elites, suggesting a recalibration of peripheral power balances rather than of the centre-periphery relationship. However these surveys also showed that local elites increasingly questioned national party discipline during this period, with growing support for the possibility different coalition strategies in different regions (p.42). This subjective data is backed by objective evidence that during the coalition changes at the national level were less frequently followed by similar crises at the regional level as the regionalization process advanced between 1970 and 1990 (Fedele 1990, cited in Putnam p.41).

The shifting balance of power within the parties did not generally take the shape of formal organizational reforms, such as statutory changes giving regional leaderships greater powers. However the regionalization process inevitably changed internal dynamics, particularly because Italian parties had become, by the 1970s, increasingly absorbed in state institutions through the well-known mechanism of *lottizazzione*, the spoils system whereby public officials tended to be party appointees, their roles in the state bureaucracy conflated with their positions within party organizations (Panebianco 1984: 126-7). The regionalization process – not surprisingly given the voracious appetite of the Italian parties for state resources – led to the creation of a new layer of bureaucracy and of public appointees which the parties could guide and control. The creation of a regional tier of government therefore had the effect of creating a new group of party operatives, with their own interests and strategies. Moreover, although the regional tier initially lacked financial autonomy and therefore had limited material resources, its growing role as a 'broker'

between central and municipal governments gave it substantive influence and therefore enhanced the position of the regional elites within their parties, particularly at the expense of the local level (Panebianco 1984: 127; Dente 1996: 181). National party leaders were therefore faced with the emergence of 20 sets of regional elites, rather than the innumerable distinct municipal and provincial leaderships which were not necessarily easily controlled, but were unlikely to pose a serious challenge to national leaders' authority.

The expansion of the policy and administrative responsibilities of the regions further boosted the position of the party regional elites by giving them power over significant public services, most notably on of the biggest ticket items of the Italian welfare state, the national health service, which was largely devolved down to the regional level by the 1990s, although regional responsibility for healthcare also involved extensive delegation down to the local level, and in particular the Local Health Authorities (*Unità Sanitarie Locali* or USL) which acquired increasing autonomy as a result of the administrative reforms of the 1990s. These changes in the territorial structure of the public services increased the control of local elites over the distribution of public resources (Putnam 1993), and it has emerged out of the judicial investigations of the last few years that the decentralization of health services created opportunities for local elites to use public money for the purposes of mobilising electoral support.

Patterns of corrupt activity by party politicians offer one window for observing the change in the internal power structure of Italian parties during this period of decentralization. Extensive research by scholars such as Donatella della Porta (della Porta 1992, della Porta and Vannucci 1994, della Porta and Pizzorno 1996) analyze in some detail how different levels of party elites interacted in the kinds of corrupt and clientelistic exchange mechanisms that became endemic in the Italian 'First Republic'. Although not necessarily a reliable indicator of the internal power arrangements, the examination of these corruption networks suggest that decentralization had not undermined the essentially unitary nature of Italian parties in the 1980s and early 1990s. In numerous cases, the choice of which firms would benefit from public contracts in exchange for bribes (the proceedings of which in part financed party activities) often required the approval of party leaders at the national level (Della Porta and Vannucci 1994), with national party treasurers, and even party secretaries themselves, playing a direct role. In one characteristic example, the corrupt networks around the Socialist party (PSI) in Milan often bypassed the formal territorial structures of the party, with an informal party 'treasurer' coordinating the payment of bribes and interacting directly with the party leader Craxi (pp.236-8). Similarly, in the Christian Democrat party (DC) corrupt financing was channeled through the party's internal factional structure, with the factions each having their own territorial networks which directed corrupt earnings to factional leaderships at the national level (p.236). Even though key competences had been delegated to the regions, the weight of the existing territorial structures (especially the provincial federations and the local authorities) and the lack of discretionary budgeting available to the regions, prevented the 'meso' level of party structures challenging the national leaderships.

In the particular case of the Socialist party, the period of state decentralization from the 1970s to the early 1990s coincided with a dramatic *centralization* of internal power in the party. With the help of his period as Prime Minister, Craxi transformed the PSI into a 'presidentialist' party, weakening the old party organisation based on the factions, leaving a light-weight structure of local electoral machines under the

direction of an authoritarian leader (Pasquino 1986, Hine 1989). The PSI is perhaps exceptional amongst the major parties, having a smaller electoral base and weaker structure in the first place. However there is relatively scant evidence of any signficant decentralization in the other major political forces. The DC had a complex structure in which local power resources served as a basis for political careers within the party's distinct factions; for example, Ciriaco De Mita, national party secretary in the mid-1980s, had a power base in Irpinia, in the Campania region. However, the implications of corrupt financing for the distinct factions were also managed at the national level, with local party leaders handing over sums of illegally gathered money to the national administrators, who would then redistribute it back to the party federations (della Porta and Vannucci 1994: 428). Although it is difficult to establish any general patterns on the basis of the fragmentary evidence available on corrupt financing, the heavy involvement of national leaderships in these matters is difficult to square with any claim of decentralization or regionalization of these major governing parties.

The case of the Communist party (PCI) is rather different, both because of its exclusion from the institutions of national government until the mid-1990s, and because of its formally highly centralized structure inherited from the 'democratic centralism' of the immediate post-war period. The PCI did not recognize any organized factions, and the party programme was tightly controlled by the national party executive, following the Leninist-inspired organizational model of communist tradition, until the 1980s (Ignazi 1992: 85-6). A relaxing of the party's strict ideological discipline in the 1980s rapidly modified this situation, partly in response to demands from the party grassroots for greater participation in decision-making. This trend was accentuated with the transition from the PCI to the new 'post-communist' formation the PDS (Party of the Democratic Left), which aspired to align itself with contemporary European social democracy and adopted a less centralized organizational model which recognized, for example, the possibility of different currents of opinion within the part (Ignazi 1992, Baccetti 1997). However there is no clear evidence that this had any relation to the decentralization of the Italian state, and the organizational changes in the party did not clearly redistribute power to the regional level. Instead the PCI's transformation into a democratic left party responded to the international decline of the communist ideology and the demands of the left electorate for a party capable of responding to changing needs and demands.

In sum, the evidence available suggests that the 'first wave' of regionalization in the Italian 'First Republic' had relatively little effect on formal rules or internal balance of power in the main Italian parties. Such organizational changes as took place in this period did not result in a straightforward shift of power from the national to the regional level, and in any case can for the most part be better explained by reference to other social, economic and ideological developments.

Regionalization in the 'Second Republic'

The 'second phase' of decentralization in Italy has coincided with a period of dramatic change in the country's party system which is only tenuously related to the transfer of powers to the regional level. The collapse in 1992-3 of the major governing parties in the post-war period – the DC, PSI and small centre parties – resulted from a combination of corruption scandals and judicial activism, a successful campaign for electoral reform, and a financial crisis of the Italian state (see for example Bardi and Morlino 1994, Morlino 1996, Gundle and Parker 1996, Bufacchi

and Burgess 2001). The emergence of a new regionalist political party, the Northern League, certainly contributed to the pressure on the existing government coalition by making inroads into the Christian Democrat's electoral in the North and undermining its ability to respond to the crisis. However the most immediate cause of party breakdown was the judicial offensive against the 'First Republic's system of corrupt exchanges which placed a substantial proportion of the DC and PSI elites under investigation. These parties were effectively 'decapitated' by the anti-corruption drive and ceased to function normally, which in itself indicated an inadequate development of the parties' territorial structures, unable to operate without direction from the national leadership.

Gauging the effects of institutional change in this second phase therefore faces two major difficulties. First, the lack of continuity in the party organizations makes it impossible to trace changes in party structures over time: the DC and PSI ceased to exist, and new parties took their place (albeit integrating some of the same elites), while the PCI transformed into the PDS (later DS, Left Democrats) which was a very different organization, not least before of a schism which resulted in a further party, the PRC (Party of Communist Refoundation)[2]. Second, there are many competing potential causal variables of the changes in party organizations after 1992, above and beyond decentralization. Public financing of parties was abolished by referendum (although later reestablished), the PR electoral law was replaced by a largely majoritarian system, and the judicial activism of the 1990s added to a much tighter fiscal environment completely transformed the redistributive strategies of Italian political elites. Having established these caveats, we can cite several institutional changes in this period which had decentralizing effects on the parties.

First, the electoral reform of 1993, and the concomitant reforms of elections at the regional and local levels, had consequences for parties' territorial organization. On the one hand, the switch from PR to a largely single-member district system for the elections to the national parliament had if anything centralizing effects for party organizations. Given the fragmentation of the Italian party system, which persisted despite the changes in the parties themselves, single-member districts created powerful incentives for parties to form pre-electoral alliances in which they would agree to support each others' candidates in single-member contests. This enhanced the role of parties' national leadership in candidate selection, since reciprocal arrangements of *désistement* require coordination at a higher level than the electoral district. On the other, the reform of local and regional electoral laws in a majoritarian direction in 1995 had the opposite effect. The new law for elections to regional assemblies in the 14 'ordinary' regions retained the pre-existing PR list arrangement for 80 per cent of the seats, but offered a 'majority premium' to the winning coalition, as well as directly electing the regional president (see Vassallo 2005). This 'presidentialization' of the regional executive clearly reinforced the position of regional leaders (especially winning candidates) with regard to the national party elites. A similar reform to the electoral systems for municipal elections in large cities strengthened the position of mayors in much the same way.

The powers of regional governments also changed in the 'Second Republic'. First, on the basis of existing constitutional provisions, regions gained greater powers in their main areas of responsibility, in particular the health service. A key feature of this extension of regional powers were the so-called Bassanini laws of 1997-8 which amongst other things decentralized many functions of the public administration from the central government down to regions and local authorities in the areas of health, education, planning and environmental policy. As a result of these and other

measures, the sub-national share of government spending doubled 15 per cent to 30 per cent from the mid-1990s to the mid-2000s. Another important reform in the same period was the establishment of a regional business tax, the IRAP, which provided regions with an unprecedented degree of fiscal autonomy, trebling regions' share of total tax receipts from just under 5 per cent in 1996 to over 15 per cent less than a decade later (Gold 2003: 117-9). Although the central state retained significant control over fiscal resources, which acted as a significant constraint on the regional level, these reforms undoubtedly enhanced the important of regional institutions in the Italian political system. As well as extending the expenditure controlled by the regions, the reforms gave much greater discretionality over spending decisions in areas such as health and transport than had previously been the case (although this was accompanied by the imposition of much greater audit control than had been the case before the reforms) (Badriotti 2007).

A second important development is the constitutional reform of 2001, which rewrote Title V of the Second Part of the Italian Constitution (the part dealing with the territorial organization of the state) in a clearly decentralizing direction. The most significant feature of this reform is that it reversed the centralizing bias of the 1948 text by specifying the central state's reserved powers and those areas where competence would be concurrent between state and regions, and leaving exclusive legislative competence for all other areas in the hands of the regions. Although in the absence of major fiscal reform this change has not yet revolutionized the role of regional governments, by constitutionalizing regional autonomy in important policy areas it enhances the status of the regional institutions (Vandelli 2002).

Tracing direct causal effects of these various developments on party organizations is beyond the scope of this chapter, but some consequences of the recent movement towards greater decentralization can certainly be detected. The most visible change is the greatly enhanced status of sub-national political leaderships. The direct election of presidents of regions has given them a personalized legitimacy, which is reflected in generalized use of the term *governatori* ('governors') in the press and in political debate (derived from the term used for the heads of state executives in the United States). The regional presidents' position is also aided by the majority premia winning lists in the regional elections receive, which give them greater chances of maintaining stable governing coalitions than is the case for national level governments. Regional leaders have therefore become powerful personalities on the national stage, capable of challenging the national leaderships of their parties.

This is particularly striking in the case of the centre-right parties. *Forza Italia*, the electoral vehicle of Silvio Berlusconi, is a highly personalized party in which the formal organizational rules provide no scope for internal dissidence or territorial differentiation (Hopkin 2005), yet the president of the prosperous and populous Lombardy region Roberto Formigoni is a clear, if perhaps unique exception to this monolithic picture. Although elected on the *Forza Italia* ticket, Formigoni has followed an independent political line, forming social and political alliances with a much broader range of interests than those contemplated by the national level electoral alliance led by *Forza Italia*, the 'House of Liberties' (*Casa delle Libertà*) coalition. Similar dynamics can be seen in the other major centre-right party present throughout the national territory, National Alliance (*Alleanza Nazionale* – AN), which despite its highly centralized tradition (as the heir to Mussolini's Fascist Party) and strong national leader (Gianfranco Fini), was unable to prevent the regional president of Lazio, Storace, following an independent political strategy which set him

in open opposition to the national party leadership. Although these examples are also consistent with the relatively low cohesion of Italian parties generally in the most recent period, it is safe to suggest that the 'Governors' were strengthened viz-a-viz the national parties by the growing status of their office. Indeed, on the territorial issue itself the regional leaders have been more than willing to express opposition to national party policies. Most notably, the regional presidents of the centre-right coalition – Formigoni most vocal among them - joined the rest of the presidents in openly criticizing the devolution project proposed by the Berlusconi government in 2001, because of its lack of any serious reform of regional finance.

The increasing status and autonomy of regional presidents has opened up space for political figures outside the normal patterns of party recruitment. In the centre-left this is particularly visible, with two regional 'governors' emerging from outside the party structures as representatives of civil society sympathetic to the centre-left parties, after the institution of the direct election of the regional presidency. In the North-Eastern region Friuli-Venezia-Giulia, coffee entrepreneur Riccardo Illy first won the mayoral office of Trieste and then used this as a platform to win the candidature of the centre-left for Friuli regional presidency in 2003. In Sardinia, internet entrepreneur Renato Soru has a similar trajectory. Although close to the Left Democrats (DS), Soru instead formed his own political movement, *Progetto Sardegna* (Project Sardinia) and on this basis won the support of the centre-left parties for his successful candidature to the regional presidency in 2004. The implications for the centre-left parties' national leaderships of their parties supporting effectively non-partisan figures to govern two major regions should be clear; this suggests a 'hollowing out', rather than a strengthening, of the parties' territorial organizations.

Similar dynamics can be observed at the local level, where large cities have also adopted a more personalized electoral system with victorious mayoral candidates receiving direct support and reinforced majorities. In the midst of the crisis and transformation of the Italian party system in the early 1990s, the emergence of strong and directly elected mayors in major cities such as Rome, Milan and others for a time appeared as a substitute for the fading national level parties; the term 'party of the mayors' (*partito dei sindaci*) was coined to reflect their newfound political weight. Although the reemergence of a national party system has recalibrated the balance of power, the mayoral office of major cities is a crucial political resource, to such an extent that ambitious politicians have begun to seek mayoral office as a prelude for national political careers; the examples of Francesco Rutelli – mayor of Rome and subsequently leader of the centre-left *Margherita* party -, and his successor as mayor Walter Veltroni, now leader of the newly formed centre-left *Partito democratico* (Democratic Party) are eloquent in this regard. Although levels of autonomy are not always clearly visible, the independent power resources of local political leaders do become clearer in situations of conflict. A stark recent example of this is the election of Massimo Cacciari as mayor of Venice in 2005: previously mayor with the support of the centre-left in 1993-2000 (and recognized as a key figure amongst the 'party of the mayors'), he decided to stand again, against another progressive candidate already selected by the centre-left coalition, the well-known prosecuting magistrate Felice Casson. Despite most of the national parties of the centre-left throwing their support behind Casson, Cacciari won in the second-round of voting, in a scenario reminiscent of Ken Livingstone's election as mayor of London as an independent in 2000.

This changing balance of power inside the Italian parties and electoral coalitioons, with a much greater relevance for sub-national elites, should not be

exaggerated. Electoral politics in Italy is still strongly influenced, if not exclusively dominated, by national-level elites and the central leaderships of the major parties. Most strikingly, the largest Italian party, *Forza Italia*, remains a highly centralized organization, notwithstanding the presence of an exceptionally powerful regional leader such as Formigoni. The territorial structures of the party are fragile in the extreme, as is demonstrated by the party's weak showing in regional and local elections (Diamanti 2003), and its political strategies are not only decided at the national level, but by a very restricted circle around the all-powerful leader Berlusconi (Hopkin 2005). Similarly, the merger in autumn 2007 of the two main parties of the centre-left, the former Communists in the DS and the progressive Christian Democrats in the Margherita party, appeared as a manoeuvre pacted between national-level elites without a clear participation of the parties' regional leaderships. The territorial balance of power within the new formation remains unclear, but its creation itself suggests a prevailing control of national political dynamics by the national party leaderships

Concluding comments

The Italian case offers some evidence in favour of the proposition that decentralization can enhance the power of sub-national elites within the organizations of nationwide political parties. The changes to the electoral system at regional and municipal levels after 1993, and the ongoing process of delegation of increasingly important policy competences to the regional level in particular since the 1980s, appears to have strengthened the position of sub-national party elites, particularly those that win election to leadership positions in the sub-national institutions. However the effects of decentralization, it can be argued, have been less acute than might be expected, and changes in the territorial balance of power have not always resulted from the kinds of developments identified in the literature. For example, the process of regionalization in Italy between 1970 and the early 1990s does not appear to have had a dramatic impact on the parties' internal structures, and even the growing role of sub-national elites after the early 1990s had as much to do with changes in the national party system and in the electoral systems used, as with decentralization of policy responsibilities. The safest conclusion is that political decentralization will tend to induce some decentralization within political parties, but this effect is contingent on a number of further variables relating to parties' internal organizational inertias, and the broader dynamics of party competition in the political system as a whole.

This conclusion may be disappointingly ambivalent in terms of the paucity of its predictive power, but it does have rather clearer theoretical implications. The Italian case does suggest that the incentives for political aggregation deriving for the territorial structure of the state – the key explanatory variable in the rational choice institutionalist approach to our research question in this volume – are seriously incomplete as a basis for predicting the effects of decentralization on political parties. Put simply, these incentives may encounter countervailing incentives from other features of the opportunity structure – institutional or otherwise – and whether or not parties respond strategically to these incentives depends on their own internal dynamics as complex, plural organizations. In short, we cannot understand how parties respond to decentralization unless we have a profound and nuanced

understanding of the parties themselves, as key political institutions in their own right.

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[1] Although it is worth pointing out that with the exception of some Alpine areas, the languages and dialects spoken in Italy were all Latinate and therefore closely related to the Tuscan dialect that became established as 'Italian'.

[2] To give an idea of the discontinuity, the turnover of parliamentary personnel in Italian lower chamber was an astonishing 71% (Ignazi 2002).