**Europe's Next Unnerving Referendum: QuickTake Q&A**

[John Follain](http://www.bloomberg.com/authors/ASMq-Znhf24/john-follain) [JohnFollain](http://twitter.com/JohnFollain)

[Chiara Albanese](http://www.bloomberg.com/authors/ASoVYbnHexc/chiara-albanese) [chiaraalbanese](http://twitter.com/chiaraalbanese)

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The last referendum by an EU country had, to put it mildly, [widespread ramifications](http://www.bloomberg.com/news/articles/2016-09-01/british-airways-pares-its-business-only-london-new-york-service). The next one could, too. In late November or early December, Italians will vote on constitutional changes [proposed](http://www.bloomberg.com/news/articles/2016-07-04/a-prime-minister-a-referendum-and-italy-s-turn-to-get-worried) by Prime Minister Matteo Renzi to limit the power of the Senate, the upper house of parliament. At stake is how Italy is run as it endures a [banking crisis](http://www.bloomberg.com/news/articles/2016-07-07/quicktake-q-a-why-italy-s-bank-problem-challenges-the-rulebook), [economic stagnation](http://www.bloomberg.com/news/articles/2016-08-31/italy-still-laggard-of-europe-former-treasury-economist-says), and pressures linked to [migration flows](http://www.bloomberg.com/news/articles/2016-09-01/more-migrants-die-at-sea-even-as-eu-boosts-its-war-on-smugglers). Renzi’s own political fate is on the line as well, as he has promised to quit if he loses the vote. That would be a boost for the opposition Five Star Movement, which wants a national referendum on whether Italy should abandon Europe’s common currency.

**1. What are Italians voting on?**

A proposal to reshape the Senate so that it no longer can block legislation indefinitely, gets consulted on fewer matters and loses its power to call a vote of no confidence in the government. Today’s 315 directly elected senators would be replaced by 100 regional councilors and mayors who are indirectly elected or appointed.

**2. What might that accomplish?**

Renzi says the changes would reduce the instability that has given Italy 63 governments since the end of World War II, crippling its ability to meet political and economic challenges. Governments would have a longer life because the Senate would no longer be able to bring them down with a no-confidence vote. He also says the changes will save some 500 million euros ($561 million), and that the money will go to an anti-poverty fund.

**3. What’s the opposition view?**

That Renzi’s reforms would give prime ministers -- him, in particular -- too much power. Ex-premier Silvio Berlusconi has warned the changes would “lead us straight toward a non-democracy.” Also, critics say the financial savings from the change would be less than 60 million euros.

**4. What might be the consequences of a Yes vote?**

In the near term, the government would stay in power. In the longer term, a Yes vote would -- according to Renzi’s supporters -- mean a more streamlined legislative process and a chance to tackle structural reforms from the Byzantine state bureaucracy to the delay-plagued judiciary. Renzi has said that whatever the result, the next elections will be when his term ends in early 2018. But he might be tempted by a Yes victory to try to force early elections, in a bid to capitalize on his success.

**5. What might be the consequences of a No vote?**

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Inizio modulo

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Political and economic turmoil, the likes of which haven’t been seen since Renzi took office in early 2014. Renzi has pledged to resign. There would be calls for electoral reform before any new elections are held, potentially paralyzing Italy’s decision-making. The [Five Star Movement](http://www.bloomberg.com/news/articles/2016-09-02/renzi-s-hopes-for-referendum-rise-with-five-star-trouble-in-rome), which is virtually tied with Renzi’s Democratic Party, would press its call for a referendum on continued Italian membership in the euro. Business lobby Confindustria says the economy could fall back into recession. “Any outcome of the referendum that is seen as destabilizing the status quo could add to the headwinds for the Italian economy and the euro,” said Valentin Marinov, a strategist at Credit Agricole SA in London.

**6. What do polls say?**

A poll published by the newspaper La Stampa on Sept. 4 credited the No vote with 51 percent, against 49 percent in favor. Its previous poll, in May, had Yes at 56 percent. An Ipsos survey for newspaper Corriere della Sera in July found that 53 percent of voters consider the referendum a vote on Renzi’s performance while only 27 percent see the content of the reform as the key issue.