**Renzi must regain a zeal to reform for Italy’s sake**



The Five Star Movement cannot be defeated by populist gimmicks

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Matteo Renzi has long been regarded as one of Europe’s more assured and charismatic leaders, with a tangible record of economic reform to his credit. But two years after coming to power in Italy, the wave of populism sweeping European politics is now threatening his centre-left government.

Last weekend’s local elections in Italy have cast a spotlight on the challenge he faces. Back in 2014, Mr Renzi’s Democratic party won a commanding victory at the European elections, securing a 40 per cent share of the national vote. This has now slumped to about 30 per cent, putting the centre-left only slightly ahead of the populist Five Star Movement founded by the comedian Beppe Grillo. The populists [scored a notable success in](http://www.ft.com/cms/s/0/21599928-2b79-11e6-bf8d-26294ad519fc.html#axzz4AmzYKUAz) Rome where Mr Grillo’s candidate won the first round in the race for mayor and looks set for victory.

Given that the next general election may be two years away, the decline in the Democrats’ popularity might not seem threatening for Mr Renzi. But it comes [ahead of a referendum on constitutional reform](http://www.ft.com/cms/s/0/908484f8-11dd-11e6-bb40-c30e3bfcf63b.html#axzz4AmzYKUAz) in October that aims to overhaul the country’s gridlocked legislature. The prime minister has staked his future on the plebiscite, saying he will resign if he loses. Such an outcome now looks a possibility and would throw Italy into a period of fresh instability that it can ill-afford.

It is easy to see why some Italians are becoming disillusioned with Mr Renzi and tempted by the siren voices of populism. Although the economy is growing at an annual rate of 1 per cent, it remains well below its pre-crisis peak. Many voters feel the government has failed to tackle what they view as a detached and corrupt political class. Mr Renzi’s tendency to run his party as though it were a one-man show has drawn particular criticism because few of his allies are allowed to shine.

For some of his supporters, the prime minister has also proved disappointingly inconsistent on the question of reform. In his first year [he showed zeal](http://www.theguardian.com/world/2016/feb/22/they-need-a-possibility-of-a-future-has-matteo-renzi-given-italy-what-it-needs), overhauling the country’s sluggish labour market, its cumbersome electoral law and parts of the banking sector. More recently he has been tempted to mimic the populists, most notably by resorting to tax giveaways that have done little to boost economic growth.

Mr Renzi’s flaws need to be placed in their proper context. As the constitutional referendum approaches, Italians should be in no doubt where their interests lie. The plebiscite, if passed, would rightly shrink the Italian Senate and strip its legislative powers. For decades, parliament’s work has been hampered because bills ping-pong endlessly between its two chambers. An end to the deadlock is sorely needed.

Italians also need to recognise that there is no serious alternative to Mr Renzi’s rule at present. The centre-right is struggling to unify after the demise of former prime minister Silvio Berlusconi. The Five Star Movement would take the country down a dangerous path by holding a referendum on Italy’s membership of the euro. With sovereign debt at 132 per cent of gross domestic product, such a proposal would put Italy and the eurozone at risk.

When the local elections are completed in two weeks’ time, Mr Renzi needs to seize back the initiative. He should resist the temptation of trying to outmanoeuvre Mr Grillo by offering more doses of populism. Instead, he ought to stick to his reform programme in the hope that it can deliver improved economic growth before the general election is held in 2018.

Holding to such a course will not be easy. But it is the only way that Mr Renzi can guarantee that his government truly changes Italy