

POLITICAL REFORM AND REALIGNMENT IN ITALY (I)

The Impact of 1989 and an Italian Response

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Introduction

In 1989, a storm of democratization blew through East European countries which had been suffering persistent economic stagnation and dictatorship. The first free election was carried out in Poland in June 1989 in which "Solidarity" won a sweeping victory and the first non-communist government was born. In Hungary, reformist forces which had been expanding their influences gradually introduced a competitive multi-party system and promoted democratization in a "reform from above" manner. In October, the communist party transformed itself into the socialist party in name and in reality. At the same time, the newly organized party applied for participation to the Socialist International in which democratic socialist parties gathered, and made a new step toward realizing a market economy and democracy. These waves of democratization and liberalization in Poland and Hungary gave rise to sequential waves for changes in other East European countries. In East Germany, Honecker withdrew in October, and eventually the Berlin Wall dramatically collapsed in November. Meanwhile, also in Bulgaria and Czech, the communist leaders resigned. A limited self-reform initiated by the reformist groups within the

regime faced a large-scale citizens' offensive demanding thorough democratization, and the communist one-party dominance was abandoned. In Romania, in December, the dictatorship was overturned, although through a violent confrontation.

The surge of changes in East Europe triggered a move for political realignment in West Europe, and shook the entirety of the European political world at the roots. This made the ebb of non-democratic trend in Europe clear, and brought about a situation in which the unification among leftist parties could be possible by canceling out old confrontations between socialists and communists both in international and domestic levels. Domestically, the communist parties in each West European country have had their democratic character called into question by citizens and rank and file members of the parties. All the parties that had been clinging to democratic centralism suffered a crushing blow. In France, criticism for the Secretary Marche' was heated, and the reformist factions within the party demanded a reshuffling of the leadership. In Spain and Portugal, citizens' support for the communist parties dropped drastically. The Greek communist party tried to form a new party in alliance with non-communist left. Italian and Swedish communist parties chose a change of party name.

Internationally, a series of East European reforms accelerated the emergence of and expanded the scope of a unified political space toward European integration. Remarkable victories of social democratic parties in the European parliament elections in June 1989 seemed to repaint the neo-conservatist European political map to leftist predominance. As a matter of fact, in the "Stockholm declaration" presented by the Socialist International at that time, solidarity among social democratic parties in each

country was emphasized. Such a move, which could be distinguished from traditional social democracy represented by the Swedish model that had been domestically developed mainly on the workers' base, seemed to suggest social democratic innovation on a European level beyond national borders. As the "Berlin Program" of the West German SPD symbolized, an industrialist, old social democracy aiming mainly at the protection of workers' interests was transforming into a more universalistic form of democracy targeting every citizen as illustrated by environmental protectionism. Furthermore, this tendency, involving East European countries which were acquiring Polyarchy (political democracy), lead to basic self examination of the *raison d'être* of European left and its role.

In this context, Italy which had the biggest communist party in West Europe drew attention. The Italian Communist Party (*Partito Comunista Italiano*, PCI), which once was in the vanguard of Eurocommunism and long pursued a reformist line, abandoned democratic centralism by its own initiative in March 1989. Then, in March 1990, it officially decided to change the name of the party at the Bologna Congress and triggered leftist realignment in Italy thereafter. The policy shift of the PCI contained the possibility of fundamental changes which would bring an end to the frozen structure of conservative dominance by cancelling out internal divisions within the left (typically, the confrontation between socialists and communists) which had been regarded as unavoidable. Further, the PCI maintained that it was imperative to cooperate with social democratic parties such as the German SPD, British Labor Party and French Socialist Party, aiming at reorganizing European left in the context of European integration, and applied for participation to Socialist International. This was perceived as a positive intention of the PCI, which had parted from

Eurocommunism, to play an indispensable role as a member of European left.

This chapter analyzes the transformation of the Italian left in the context of the new trend of the European left to pursue economic democracy beyond borders. In particular, I will review the transformation of Italian politics since the second half of the 1970s. One of the main factors that forced the PCI to change its strategies after the breakdown of *compromesso storico* was an emergence of strong leadership of the PSI under Craxi. What was the impact, then, of a rapid change in the relationship between Italian socialists and communists on party realignment in Italian politics?

1 The Strategies of The Italian Socialist Party

The PSI in Italian Political System

Unlike in northern and central European countries where huge reformist labor movements believing in Keynesianism and a comprehensive social democratic party played important roles in national politics, in Italy, there had been an exceptional party alignment that contained a huge communist party and a weak and small socialist party.

Italy, too, saw broad citizens' movements demanding reform and political modernization in the 1970s. However, the PSI failed to legitimize itself as a reformist leader when such a chance was close at hand. It was the PCI that demonstrated reformist leadership in Italy. Postwar Italy was ruled by centralist governments led by the DC. In 1963, the PSI participated in the governing coalition to

establish the so-called *centro-sinistra*. Yet, the PSI's participation in the government was full of contradictions. On the one hand, it claimed the traditional social democratic ideology as the party conducting social reform. However, in reality, it needed to collect votes as a power broker depending on the clientelistic convention in the South. And the PSI gradually showed symptoms of schizophrenia. Access to a political patronage system in which political parties devastatingly control the state resources seriously injured solidarity within the PSI. The internal democracy that the PSI had adopted often caused conflicts among factions with regards to intra-party hegemony. And an introduction to the patronage system deteriorated such internal cleavages, as enormous resources were abused in friction within the party. Meanwhile, the decision of the PSI to break with the PCI and ally with the DC in *centro-sinistra* governments seriously damaged leftist solidarity. The PSI consolidated a self-image as component of inefficient regime by participating in the governments as a junior partner of the DC.⁽¹⁾ This resulted in an utter stagnation of the votes for the PSI even in the 1976 elections in which a climax of citizens' movement brought a drastic leftist turn among voters. A radicalization of the voters that characterized Italian politics in the 1970s bypassed the PSI.

Craxi's "Socialist Alternative"(1977)

The PSI was a party that repeated internal divisions continuously

(1) David Hine. 1989. "The Italian Socialist Party," in Tom Gallagher and Allan M. Williams, eds., *Southern European Socialism*. Manchester : Manchester University Press.

and figured out its own fate as a permanent medium-sized party⁽²⁾, although it increased clientelistic influences in the Italian party system. Craxi's installation as Secretary, which brought drastic changes to the PSI, thus struck the Italians by surprise. Contrary to most members' expectations, Craxi had already prepared a clear blueprint for acquisition of political power when he was elected in 1976 as a stopgap secretary to fill the cleavages between the left and right within the party. Craxi's style placed the PSI in an utterly new phase in terms of party alignment and of ideology.⁽³⁾

Craxi tried to find a way for the PSI by choosing a gradual but certain transition to socialism through the reformist practices which just the northern European social democratic parties were doing. The biggest problem for the PSI was continuously sluggish votes. In order to overcome this problem, Craxi proposed a strategy to reorganize existing socialist forces into a new group led by the PSI. This meant a breakdown of the communist hegemony in the Italian left. Craxi carried out a series of severe criticisms of the PCI to realize his project.⁽⁴⁾ His first attack on the PCI was that the PCI could not be an effective alternative to the DC rule, since there was a strong tie with Moscow even if the PCI pretended to be reformist. Further, Craxi criticized that the very hegemony of the PCI within the left prevented the Italian party system from developing. Accord-

(2) Norberto Bobbio. 1976. "Questione socialista questione comunista," *Mondoperaio* 29, no. 9, pp. 41-51.

(3) Spencer M. Di Scala. 1988. *Renewing Italian Socialism: Nenni to Craxi*. New York: Oxford University Press.

(4) Bettino Craxi 1978. "Il vangelo socialista," *L'Espresso*. 27 agosto.

ing to Craxi, the Italian political system could be expressed as “imperfect bipolarism” of the DC and PCI, in which the latter had no ability to take the place of the former, and consequently the DC maintained dominance. This, as a result, destabilized Italian politics, and caused successive crises and political paralysis. The only way to break such a deadlock, Craxi claimed, was to form a “socialist pole” by Italian leftist parties under the leadership of the PSI and end the vicious circle. This is Craxi’s “socialist alternative.”

Craxi strategically gave first priority to the concertation of the PSI with the social democratic parties in other European countries in order to realize the “socialist alternative”, in which he thought that the more votes small socialist parties would gain, the more stable Italian political system would become. On this account, he underlined the European parliament elections and played an active role, as a vice president, in the Socialist International. Craxi challenged Eurocommunism in this way by presenting a concept of eurosocialism. Eurocommunists had declared that West European communism should be distinguished from Marx-Leninism. Craxi severely attacked them that such claim itself showed communist backwardness. He argued that eurosocialism was rooted in the democratic tradition in order to tackle the biggest problem of Europe : the presentation of an alternative to European reactionary conservatives.

He further made more efforts to change the image of the PSI to a modern, reformist and technocratic party. The structure and image of the party as traditional class party, with comrade temperament, a central committee and even trade unions no longer played an important role. Rather, Craxi, who had been stimulated by the skills of

American electoral campaigns, urged his party to coopt broader interests of various voters by directly appealing to them through mass media. What Craxi carried out later as a symbol of his strategy was that the hammer and sickle party emblem were changed to a carnation.

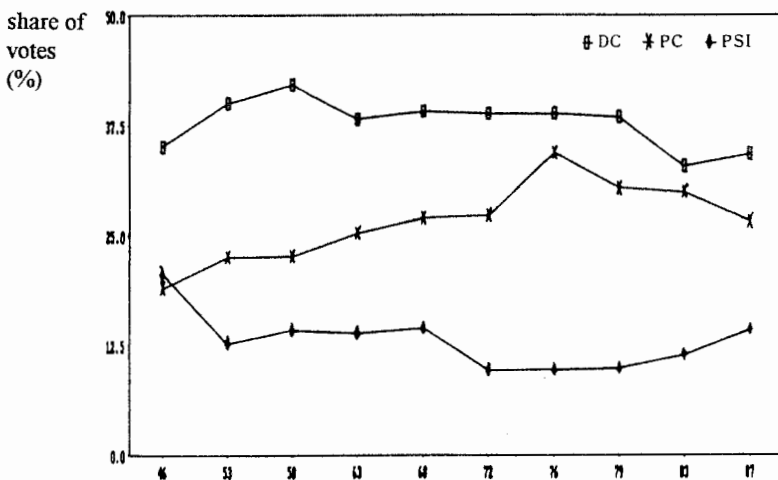
The Birth of Craxi Government (1983)

The internal reform of the PSI as described above yielded some actual fruits unexpectedly quickly. Under the *centro-sinistra* government, the PSI had to be subordinate to the DC. However, when the subsidence of the two major parties, the DC and the PCI, began in the 1980s, the situation surrounding the PSI changed drastically. The pivotal position of the PSI in the center-left coalition government after the collapse of *compromesso storico* essayed between the DC and the PCI provided Craxi with a perfect opportunity to realize political realignment in Italy to the advantage of the PSI.⁽⁵⁾ The *compromesso storico* suffered a setback, and the PCI which had disappointed trade unionists dramatically lost votes in the elections. The DC, which incurred a feeling of distrust among Italian voters by a shocking P2 scandal, marked the worst post-war record of 32.9% in the general elections of 1983. Such a retreat of the DC and the PCI rapidly buoyed up the PSI. In 1976, it was difficult for the PSI to discard the “leftist alternative” based on an alliance between socialists and communists, since the leftist groups within the party were still influential. But Craxi was successful in sweeping off the left

(5) Gianfranco Pasquino. 1983. “La strategia del PSI : tra vecchie e nuove forme di rappresentanza politica,” *Critica Marxista*. no. 1.

within the party by 1980. And he made it possible to advocate a new strategy that reflected drastic changes in political circumstances.⁽⁶⁾ Being convinced that the bargaining power of the PSI for the DC grew by leaps in comparison with that during the 1960s, Craxi declared that he had the intention to participate again in a coalition with the DC in order to enhance the governability of Italy. The votes for the PSI in 1983 elections (11.4%) increased by 1.6%. This is not a big growth. However, even such a little increase of less than 2% was sufficient to let the DC agree to Craxi's proposal, when the votes for the DC decreased by no less than 6.6%. Craxi assumed office in August 1983 as the first socialist prime minister in Italy.

Figure 1 The Electoral Trends of The DC, PCI, PSI



(6) D. Hine. 1989. *op. cit.*

The Neo-Liberal Policies of Craxi Government (1983-1987)

The Craxi government was based on the recognition of the vulnerability of the DC and the awareness that they could not loose in elections any more. In this context, this government was different from the *centro-sinistra* in the 1960s in which the PSI was subordinate to the DC. Craxi fully utilized the central position of the PSI in the ideological spectrum of Italian politics, and suggested that he had the intention to try an alliance with the PCI if the PSI came to occupy a major position within the left. Particularly after the 1983 elections in which the DC suffered a severe loss, Craxi deepened his confidence and developed a series of policies such as the revision of *scala mobile*, and a reduction of the budget deficit. Craxi's administration style, later called *decisionismo*, can be clearly distinguished from the Christian Democrats' decision-making style.⁽⁷⁾ While maintaining a scrupulous and conciliatory stance in a process of policy-making, Craxi did not hesitate, when necessary, to oppose outright partners in the coalition government, President, the judicial authorities, and even major trade unions, not to mention the PCI. The policies of Craxi government, which were enforced in this way, corresponded to the new-conservatism rising in the United States and Britain in the sense that they interpreted the prolonging recession after the oil crises as a debt of the incremental post-war welfare state. Among other things, the revision of *scala mobile* by which Craxi wanted to reduce the power of trade unions which had been

(7) David Hine. 1986. "The Craxi Premiership," in Robert Leonardi and Raffaella Y. Nanetti, eds., *Italian Politics : A Review Volume 1*. London : Frances Pinter. pp. 105-116.

building strong bases since the *autunno caldo* of 1969, and to make industrial relations more flexible, precisely showed characteristics of the Craxi government.

Craxi started reducing the deficit by cutting the tax rate by 2% in 1984 and 85, and by enacting the revenue law which contained cuts in transfer payment and health care. He further emphasized that the *scala mobile*, which was considered as a main source of inflation because of its over-protection of workers, must be reformed in order to erase the two-digit inflation. This claim faced intense resistance in the largest trade union CGIL and the PCI whose members had interpreted it as an implicit stipulation not to touch the *scala mobile* (*la scala mobile non si tocca*). In such a situation, Craxi enacted a restraint of the *scala mobile* by resorting to his unique *decisionismo*, a compulsory legal intervention. This aroused a storm of controversy and it developed into a referendum of June 1985 which questioned the legitimacy of Craxi's ordinance. The referendum turnout, 78%, was the worst record in post-war Italy, and "yes" votes for PCI/CGIL ended up 45.7% while "no" votes 54.3%. This result impressed Italian people as a fall of the PCI's hegemony.⁽⁸⁾ In order to break economic stagnation and to fortify international competitiveness, Craxi advocated new policies such as activating investment in industrial sectors, opening the capital market, privatizing the state corporations. In Italy, like in other advanced countries, de-regulating economic activities was strongly demanded. In the general elections of 1987,

(8) Peter Lange. 1986. "The end of an era : The wage indexation referendum of 1985," in Leonardi and Nanetti, eds., *Italian Politics : A Review Volume 1*. pp. 29-46.

the PSI made great gains and recorded its highest results since the 1950s, 14.3%. Contrarily, the PCI lost even more votes to the lowest level since the 1960s. In 1976 when the PCI advocated *compromesso storico*, the difference of both parties votes was almost 25%. However, in 1987, such difference was diminished to 12%.

2 The Strategies of the Italian Communist Party

The Rise and Fall of *Compromesso Storico*

Enrico Berlinguer, then-secretary of the PCI, proposed a well-known strategy of *compromesso storico*, recognizing, through the lessons of Chile in 1973, that stability of democracy required not only concertation among leftist forces but also broader alliances with the centrist in order to prevent the rise of ultra right wing. There came various interpretations about his *compromesso storico*. It was clear, however, that Berlinguer's assertion contained a strong message that only a compromise between the DC and the PCI could truly stabilize Italian politics. Therefore, this was literally a different compromise from a socialist transformation. Yet, under a situation in which leftist forces were growing since the *autunno caldo* in 1969, this proposal on the part of the PCI was perceived as a fully persuasive idea to overcome structural problems and to secure democratic stability in Italy. Actually, a marvelous progress of the PCI in 1976 elections and its unprecedented flexible shift of party policies seemed to create a possibility to break the Italian impasse in the middle of the 1970s. During the period of *solidariet  nazionale*, 1976-79, the influence of the PCI covered almost all fields of Italian political

of *compromesso storico*. As a matter of fact, the Italian government at that time, as known for notorious *monocolore* government, consisted only of cabinet Ministers from the DC, and just reflected the balance of power among the DC factions. When the vulnerability of the PCI became clear, the DC immediately broke off its cooperation with the PCI.

Another factor elucidating the failure of Berlinguer's intention was that direct access of the PCI to the DC bypassing the PSI provided the latter with an excuse for renouncing its policy after retracting the center-left line, PSI's policy since the beginning of the 1970s not to take part in the government without the PCI. This policy-shift of the PSI diminished their distance with the DC and determined political isolation of the PCI. An arrogant prediction by the PCI that the PSI was at best a second-class party which would never play an important role for the Italian future strained the relationship between the two parties. When Craxi promoted intra-party reform after 1976 and strengthened the political voice of the PSI, the PCI was forced into a difficult position. The PCI was once an indispensable partner of the government, but such a role was no longer valid after 1979. The PCI had to clarify its own strategy in opposition to the government and deepened its crack with the PSI.

From the *Compromesso Storico* to the Democratic Alternative

At the end of the 1970s when a breakdown of the *compromesso storico* became clear, the PCI had to recognize its own position as an opposition party. After that the PCI was faced with an impasse in which the party was politically alienated most seriously through

1970s and 80s, although it had obtained a much stronger influence compared with that in the 1960s. The fact that the DC no longer needed the support of the PCI forced the party into a subordinate and unstable position. In addition, a prolonged recession poured cold water on labor movements, and the influence of trade unions rapidly shrank in the 1980s.⁽¹¹⁾ It was an historic Fiat strike in September 1980 that critically determined the further retreat of the PCI/CGIL.

Fiat at that time suffered from a world-wide recession like automobile producers in other countries. Managers tried to get out of this predicament by long-term lay-offs for no fewer than 20,000 workers. The labor rebelled intensely by a retaliatory general strike. The PCI stood in an extremely difficult position. While requesting the three major unions (the CGIL, the CISL and the UIL) for strike relaxation at Fiat, the PCI at the same time tried to utilize this opportunity to embarrass the PSI which had gradually increased its influence and to send a clear message on the part of the PCI for a coalition government. Berlinguer himself went to Turin at the end of September, and declared, in front of Fiat workers, that the PCI totally supported the strike. Meanwhile, Craxi claimed that workers should be more responsible in order to overcome the economic crises in Italy and appealed strongly for a strike restraint. What Craxi emphasized was his own *governabilità*. The PCI evaluated this nega-

(11) Mimmo Carrieri and Carlo Donolo. 1986. "The Political System as a Problem for the Trade Unions in Italy: 1975-1983," in O. Jacobi, B. Jessop, H. Kastendiek and M. Regini, eds., *Economic Crisis, Trade Unions and the State*. London: Croom Helm.; Gianprimo Cella and Tiziano Treu. 1986. "Colective Bargaining," in Jacobi et al. eds.

tively, criticizing that the PSI has already lost the nature of a labor party. On October 10, the unions carried out a general strike again. The supervisors dissatisfied with such unions' action organized an anti-strike demonstration called "supervisors' march" on October 14 and turned out to the center of Turin city in force involving no fewer than 40,000 white-collar workers. On this account, the Fiat strike that had continued for 35 days suddenly came to an end with a victory on the managers' side. This event told that the decline of the PCI/CGIL had already begun.⁽¹²⁾

As the PSI were going into the very core of Italian politics, the PCI quickly reacted. In November 1980, Berlinguer proposed a project of coalition government excluding the DC, and shifted the basic strategy of the PCI from the old *compromesso storico* to a "democratic alternative" in which the party would cooperate with the PSI in order to give birth to a new government in Italy. However, the PCI took much time to organizationally formulate this subtle new strategy since Berlinguer decided such a policy-shift at his own discretion without even sounding out the feelings of the central committee.

Meanwhile, the PSI, an indispensable partner to the new strategy of the PCI, was already slanted largely toward an alliance with the DC. The PSI was preparing a scenario to isolate the PCI and to acquire the premiership. After Craxi was installed as prime minister in 1983, the confrontation between the PSI and the PCI sharpened.

(12) Stephen Hellman. 1988. *Italian Communism in Transition : The Rise and Fall of the Historic Compromise in Turin, 1975-1980*. Oxford: Oxford University Press. pp. 106-109.

The PSI, which was expected to be a partner of the “democratic alternative” the PCI advocated, intended to drive the PCI to a periphery of the Italian political system, to rob of all the votes for the PCI, and to acquire the hegemony of the Italian left. As a result, the PCI which was put on the defensive had to attack Craxi after all, and the “democratic alternative” was gradually losing its meaning.

Having recognized that what one party could attain was quite limited either by participating in or by accessing the government, the PCI came to be subordinated to other parties. In particular, among European leftist parties which had been directly hit by the recession and unable to find a way out of social democratic dilemma, the position of the PCI was especially difficult. The PCI had to make a more complicated response to the problems concerning the identity and structure of the party than that of other leftist parties in that it was communist.⁽¹³⁾ Faced with such an impasse, an assertion that the PCI should change the name to totally wipe out a communist label already gained considerable support among the party leaders in the first half of the 1980s. Luciano Lama, then Secretary of the CGIL, pro-PCI trade union, suggested that the PCI should take part in the Socialist International in cooperation with the PSI. Giorgio Napolitano, an executive of the PCI, agreed with Lama’s view and insisted that long-lasting conflicts between communists and socialists in Italy were completely meaningless. However, a more substantial problem was the very fact that the PCI had lost its identity. What should be sought for as a new identity the PCI could base itself

(13) Gianfranco Pasquino. 1985. “Il PCI nel rompicapo italiano,” *Rinascita* no. 26.

on? The issue was extremely complex and opinion within the party was divided. Berlinguer's death in June 1984 collected sympathy among voters, and the PCI made a historical record of 33.3% that slightly exceeded the votes for the DC in the European Parliament Election of 1984. However, defeats in the local elections in the next year, 1985, firmly impressed the Italian voters of the fatal slump of the PCI.

The PCI in Transition (1984-1988)

The “democratic alternative” line that the PCI under Berlinguer's leadership adopted in 1980 as a substitute for the *compromesso storico* was inherited by Alessandro Natta elected as the Secretary after the death of Berlinguer. At the 17th Congress in Florence in 1986, the meaning of this slogan was reconfirmed. The Congress emphasized that the PCI was an integral part of the European Left, defining the PCI as a party extremely close to the West German SPD. At the same time it was made clear that various problems Italy faced must be solved not only by a domestic strategy but also by a European-level strategy.⁽¹⁴⁾

However, the realization of the “democratic alternative” the PCI declared as an aim was not easy. The first barrier was the PSI, the biggest and most indispensable partner for the PCI. It was very probable that the PSI might only utilize the strategy of the PCI in order to increase its own influence without breaking off relations

(14) JoanBarth Urban. 1988. “The PCI's 17th Congress: a triumph of the new internationalism,” in R. Nanetti, R. Leonardi and P. Corbetta, eds., *Italian Politics: A Review Volume 2*. London: Frances Pinter.

with the DC, making the most of its subtle position in-between the PCI and the DC, even though the PSI was closer to the PCI. Craxi's "socialist alternative" by which he appealed for a convergence of the Italian left around the PSI had already transformed into almost a rhetorical expression through *Pentapartito* (five-party coalition) governments since 1983. Moreover, the PRI, the second largest potential partner, displayed the least hostility to the PCI within the *Pentapartito* governments. But it seemed difficult for the PRI to share a common base with the PCI, since the former advocated pro-American foreign policies, maximum pursuit of market mechanism, and support for nuclear power generation. In addition, neither the PSI nor the PRI seriously considered an alliance with the PCI possible in near future. Particularly, a "communist" image of the PCI was hardly accepted by the PSI and the PRI, even though the PCI redefined itself as a social democratic force. The biggest problem was that the total votes for the PCI, the PSI and the PRI did not seem to reach a majority. To solve this problem, an idea to invite the PSDI, the Proletarian Democrats, and the Greens into the coalition was proposed. Yet, a six-party alliance appeared totally unattainable, since even a three-party coalition of the PCI, the PSI and the PRI was difficult because of the heterogeneity among the parties.⁽¹⁵⁾ Such a difficult situation of the PCI brought an unprecedented defeat in the general elections of June 1987 after the resignation of Prime Minister Craxi. The 26.6% was actually almost a 8% decrease

(15) Donald Sassoon. 1989. "The 1987 Elections and the PCI," in Robert Leonardi and Piergiorgio Corbetta, eds., *Italian Politics: A Review Volume 3*. London: Frances Pinter.

compared with the 1976 elections (34.4%). This meant a return to the old low levels of before the *autunno caldo* in which the PCI was excluded from the political arena (27.0% in the 1968 elections). A more devastating fact for the PCI was its loss of votes concentrated in the Northern industrial area and in Middle Italy. The PCI lost the votes of workers and the youth. Quite contrarily, the PSI recorded a marvelous growth again. It obtained 14.3% which increased by 2.9% compared with the 1983 elections. The Greens also grew to be recognized as a socialized political force.

Occhetto's New Strategy and European Left

Subsidence of the PCI was not confined to a complete defeat in the 1987 elections. In the local elections of 1988 its decline further continued. The difference between the votes for the PCI and for the PSI shrank further (4.4%) and a sense of impending crisis within the PCI increased. Repeated retreat in elections drove Natta into resignation. In June 1988, Achille Occhetto was elected through an intra-party conflict as new Secretary. The fact that the secretary was not elected unanimously itself verified the party's real democratization. For Occhetto, however, the situation was extremely serious. While social democratic governments led by Mitterand and Gonzalez were stable for a long period, the communist parties in France and Spain, earlier Euro-communist sworn friends of the PCI, were forced into the periphery and very their existence appeared unsteady. The PCI, faced with a severe catch-up of the PSI, needed a totally new strategy which would bring a drastic change of the situation.

In March 1989, at the 18th Congress in Rome, Occhetto came out

to the first bet. He officially declared an abandonment of democratic centralism, and asserted that the party must change from the roots. Simultaneously, Occhetto shifted the base of the party from workers to the citizens in general, and redefined the PCI as a party pursuing environmental protection and equality between women and men. Furthermore, he made clear his policies to reinforce solidarity with West European social democratic parties such as West German SPD, French Socialist Party and British Labor Party and to commit more positively to expand influences of European Left with the soon-to-be realized European integration in 1992.⁽¹⁶⁾

The post-PCI and Convergence of Italian Left

The European Parliament Elections of June 1989 brought a “victory” to Occhetto contrary to general expectations. The PCI increased its votes to 27.7%, a 1.1% growth compared with the 1987 general elections. A declining tendency that had lasted for many years was stopped. A vigor revived after a long absence to the windows of *Botteghe Oscure*, the PCI headquarters in Rome, and how this *colpo rosso* (red blow) the European Elections gave would affect Italian politics attracted attention.⁽¹⁷⁾

Occhetto made a bolder gamble again. It was a gamble to rebuild the party and the Italian left by discarding the name of Italian Communist Party. This seemed to be a logical next step for PCI that had already abolished democratic centralism and walked along a reformist line. The name of communists no longer represented the

(16) *L'Espresso*, 14 maggio 1989.

(17) *L'Espresso*, 25 giugno 1989.

sensus of two thirds of the party to his scenario.⁽²⁰⁾

Occhetto's scenario sought for liberal democracy. While maintaining a rivalry with the PSI, the party was assumed to join in the Socialist International in cooperation with the PSI. The biggest bet in his scenario was his attempt to introduce new forces from the outside and to absorb them into the party. He wanted to coopt broad forces in civil society including the independent left, greens, a part of anti-DC Catholic forces, and the women's movement. His scenario assumed Occhetto himself as Secretary, Vittorio Foa as President, and an environmentalist leader, Gianfranco Amendola, as an executive.⁽²¹⁾ Further, what in particular attracted attention was that the thought of Norberto Bobbio, a foremost political theorist in Italy, was advocated as a basic principle of the post-PCI. Bobbio is a philosopher who has been theoretically examined if two mutually contradictory notions, socialist ideal—equality and distributional justice—and individuals' freedom, could be compatible. He has been thoroughly criticizing communism as a restriction to individuals' liberty.⁽²²⁾ It showed a true transformation of the PCI that Occhetto definitely supported Bobbio's philosophy. A slant to Bobbio and abandonment of communism meant that an ideological wall that had separated the PCI from the PSI was now virtually taken away. This made it more possible that a relationship between them would be

(19) *L'Espresso*, 11 marzo 1990.

(20) *L'Espresso*, 25 marzo/1 aprile 1990.

(21) *L'Espresso*, 26 novembre 1989.

(22) Norberto Bobbio. 1984. *Il Futuro della democrazia*. Torino: Einaudi.; idem. 1976. *Quale socialismo?* Torino: Einaudi.

radically improved. Actually, Craxi himself showed up as an observer at the Extra Congress in Bologna in March 1990 and suggested his concerns about such project of leftist realignment. This might indicate the thaw between the PCI and the PSI.⁽²³⁾ If these two parties made mutual concessions, it seemed possible that they would introduce new vigor into permanently stagnant Italian politics. This contained a possibility to bring a drastic change to Italian politics that had never achieved in even one leftist government, exceptionally in advanced societies. Yet, this possibility had to depend on the outbreak of *Tangentopoli*, unprecedented scandals in post-war Italy, to be realized later.

The Local Elections and New Issues

The local elections that were carried out in this situation in May 1990 attracted world attention as a predicative indicator of the success of Occhetto's new strategy. But the votes for the PCI fell short of 24%, a further retreat in comparison with the 30.2% of the local elections five years prior and the 27.8% of the general election of 1987. Occhetto spoke in defense of his choice: "the 23% is a satisfactory figure if the East European situation is taken into account. Without new strategies, the PCI might have been faced with ruin." Yet, attacks from opposition groups within the party increased and objective analysis of the situation was needed urgently.⁽²⁴⁾ The PSI, contrarily, secured more than 15% of the votes, which exceeded the 13.3% of the last local elections and the 14.3% of the 1987 general

(23) *L'Espresso*, 18 marzo 1990.

(24) *L'Espresso*, 20 maggio 1990.

elections. This was still an insufficient figure for the PSI to take the place of the PCI. The votes of the DC, 33.8%, did not grow compared with the 35% in the last local elections. On the other hand, anti-emigrant local parties made an unexpected success in Northern Italy including *Lombardia* and *Veneto*. They increased influences afterward holding elections at some crucial phases in the 1990s which would determine the direction of national politics, i.e. if it swung to the right or turned to the left.

The result of the local elections of May 1990 suggested that the coalition government led by the DC and the PSI would be maintained for a while. Occhetto's scenario aiming at a realization of a leftist coalition government seemed extremely difficult at that time. In particular, a "wall of 50%" appeared unclimbable for leftist parties either alone or by alliance. Only one exception in advanced societies was Swedish politics in which leftist forces had attained stable governments for considerably long a period.⁽²⁵⁾ Yet, this wall was unclimbable for the right also. The choices of the PSI and centralist parties, therefore, came to have more important meanings.

The Birth of the Democratic Party of the Left

In such a difficult and fluid situation, two years of deliberation had already passed until the PCI reached a conclusion concerning the direction and name of a new party. Meanwhile, Craxi, who challen-

(25) Stefano Bartolini. 1979. "La sinistra nei sistemi partitici europei : 1917-1978," *Rivista Italiana di Scienza Politica* 9.; Adam Przeworski and John Sprague. 1986. *Paper Stones : A History of Electoral Socialism*. Chicago : The University of Chicago Press.

ged new strategies of the PCI, surprised everybody including members of his staff when he decided at his own discretion to call the PSI the *Unità Socialista* on October 4, 1990.⁽²⁶⁾ This reflected Craxi's new policies to transcend a traditional concept of "party". His calculation behind this was to impress upon Italian voters that his party was ahead of the PCI.

Such an unexpected decision of Craxi made the turn of the PCI inevitable and more urgent. On October 10, Occhetto at last officially announced that the name of a new party would be *Partito Democratico della Sinistra* (Democratic Party of the Left) and he showed a design of new symbol for the party at the same time.

Nonetheless, there was a storm of criticism toward Occhetto within the party, both from the right led by Napolitano who claimed a necessity to cooperate with Craxi and from the left who still cherished attachment to the PCI. And the party contained the potential peril of division.⁽²⁷⁾ However, Occhetto negated the possibility of split, insisting that the PDS was based on the history of the PCI and leaving the party meant a denial of the glorious communist tradition in Italy. He put a check on both the left and the right within the party.⁽²⁸⁾

What the Italian experience verified was the following three points: First, unless socialists and communists cooperate with each other, no leftist government would be realized. Secondly, in order to bond with socialists, the PCI needed to abandon communist labels

(26) *L'Espresso*, 14 ottobre 1990.

(27) *Panorama*, 21 ottobre 1990.

(28) *L'Espresso*, 21 ottobre 1990.

and to redefine itself as a citizens' party. Thirdly, as a result, the new party would join in a trend toward the European left that would reform economic structures in a democratic political framework. It is a trend toward a new form of democracy constituted by citizens including women and ecological movements in society with gradually decreasing manufacturing workers.

Conclusion

Craxi's strategy was based on his own recognition that a confrontational structure composed of Marxist labor movements vis-à-vis traditional catholic culture was about to break down. Craxi thus expected that many votes once directed to the two major parties, the DC and the PCI, would turn to reformist small and medium-sized parties led by the PSI. However, such a scenario did not have sufficient grounds. *L'effto Craxi* did exist. Yet, it is difficult to conclude that Craxi changed Italian politics from the roots. The PSI's vote was at most 15%, which appeared clearly a small figure if compared with those of social democratic parties in other Latin European countries. The PSI, after all, did not grow enough to be a catch-all party. Craxi was not able to change the Italian left.

As often argued, Craxi's administration was certainly exceptional in long governments in post-war Italian politics. But it is not correct to attribute this exceptionality to his neo-liberal policies alone. An economic recovery in Italy since 1985 seems to have resulted not from Craxi's policies but from an international factor that each advanced country's economy had escaped from recession

and from a domestic factor that economic restructuring in the production sector which had already been started before Craxi's government was bearing fruit finally at that time. It is possible to say that the effect of Craxi was limited.

On the other hand, the PCI has constantly sought renovation: from Berlinguer's *compromesso storico* to "democratic alternative" and to Occhetto's even more radical reforms. One of the most meaningful contributions of Berlinguer was that he urged the PCI to reform itself by showing the possibility to take office through an alliance with other parties.⁽²⁹⁾ Changes of the PCI encouraged by Berlinguer consolidated its image as a political force that played a game based on a democratic rule and created a space in which other parties seriously considered the PCI as a potential member of government. Berlinguer's claim, —commitment of the PCI to political pluralism and to democratic institutions, approval of NATO, criticism to Soviet political system—, fully renovated the PCI. It grew to become a significant political force. However, it was impossible that communists represented Italian left as a whole. The *compromesso storico* which excluded the PSI broke down. And a shift to the "democratic alternative" alone could not cancel out a confrontation with the PSI. A possibility to overcome internal conflicts within the Italian left was brought only after the complete abandonment policy of communism by Occhetto was realized.

However, the Italian left by itself was not able to change the entire Italian politics. For the real reform and realignment, strong extra-parliamentary factors outside the Italian party system, a series of political scandals and the citizens' demand for justice,

needed to emerge later.

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- (29) Stephen Hellman. 1986. "The Italian Communist Party between Berlinguer and Seventeenth Congress," in *Italian Politics : A Review Volume 1*. Donald Sasson. 1981. *The Strategy of the Italian Communist Party*. New York : St. Martin's Press.