



Italy Report

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Sustainable Governance in the
Context of the COVID-19 Crisis

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Executive Summary

The giant stress test produced by the pandemic has revealed the weaknesses and strengths of the Italian system. The health and economic impacts within the country was particularly severe due to the fact that Italy was the first European country to be hit by the contagion, and that in 2019 the Italian economy had not yet fully recovered from the 2008 crisis (in fact Italy was still in a phase of slow growth). A new government, the Conte II executive, had recently taken power in September 2019, with the supporting coalition, made up of the Democratic Party, the Five Star Movement and other minor partners, brought together more by the need to avoid an early election that could have brought a populist-right victory than by any ideological proximity among its members.

The reaction to the first news of the disease's outbreak was uncertain and tended to underestimate its potential impact. In the early days, many assumed that the new virus was no more dangerous than a normal flu virus, and that threats were coming primarily from foreign visitors. However, the contagion was at this point already within the country, being transmitted within the community. In normal times, the Italian healthcare system was considered able to provide high quality and (overall) free treatment to the population, especially in northern regions where the first wave had a big impact. However, as it became clear that the coronavirus was spreading rapidly, with severe public-health consequences (a high rate of hospitalizations in particular) it soon became evident that the system was not prepared to face such an emergency. The healthcare system had been weakened by a reduction of resources (at constant prices) following the economic crisis of 2008, (Osservatorio CPI 2021) a reduction in investment (Agenzia Coesione 2021) and only partial replacement of doctors and other medical personnel who had left, rendering it less ready to face the impact of the pandemic.

Moreover, policy in many regions had given a preference to highly specialized medical treatments rather than to territorially diffused medical care. After an initial period of skirmishes between the national executive and regional authorities, and considerable uncertainty in responding to the virus, the prime minister and his office increasingly gained a central role as the gravity of the contagion became more clear, and as regions proved unable to respond. The

prime minister exerted a prominent role in the governance of the crisis through a series of decree-laws (decreti legge; DLs), and an even greater number decrees of the president of the council of ministers (dPCMs; 22 such decrees were issued between February 2020 and December 2020; the president in this case is the prime minister) (Osservatorio sulle fonti 2021). However, the prime minister's political authority did not go uncontested. On the one hand, regional executives often resented this centralized guidance, arguing that the center could not fully understand the specific problems of different territories. On the other, the opposition in particular, but even some components of the majority, lamented the lack of consultation and the disempowerment of the parliament, which often learned about major government decisions from the prime minister's press conferences.

A generalized lockdown was adopted in March and maintained for nearly two months. The vast economic damages created by the complete cessation of nearly all activities required a broad series of compensatory programs for entrepreneurs, professionals, workers and employees. In hindsight, it might be asked whether more selective lockdowns could have reduced the economic costs, when many Italian regions were not hit very strongly by the contagion. But this was not feasible, since most scenarios were predicting that the disastrous situation in Lombardy would also occur in the poorer regions in the south.

Citation:

Osservatorio CPI 2021: Healthcare expenditure: <https://osservatoriocpi.unicatt.it/cpi-archivio-studi-e-analisi-l-evoluzione-della-spesa-sanitaria> (accessed 4 January 2021) Agenzia coesione: Healthcare investments: https://www.agenziacoesione.gov.it/news_istituzionali/cpt-sanita/ (accessed 4 January 2021) Osservatorio sulle fonti: Government decrees: <https://www.osservatoriosullefonti.it/emergenza-covid-19/fonti-governative/decreti-del-presidente-del-consiglio-dei-ministri/2997-emcov-dpcm-elenco> (accessed 4 January 2021)

Key Challenges

The crisis has clearly illuminated some of Italy's persistent problems, and has prompted recommendations for strategies that should be adopted. Overall, the country must be made more resilient, and the speed of adaptation must be increased. The two main challenges facing Italy concern the state of the economy on the one hand, and the system of political governance on the other, including its administrative branch.

With regard to the first aspect, the pandemic crisis again exposed the internal dualism of the Italian economic system. That is, key sectors of the advanced and export-oriented manufacturing industry proved broadly resilient, while other industrial sectors and significant areas of the services economy were weaker, and often dependent on state aid. During the crisis nearly all economic sectors were sustained with bank loans guaranteed by the state, subsidies or income protection for workers left idle. However, these instruments cannot be made permanent. As they come to an end, public policies should be shaped to favor the most resilient sectors of the economy, creating conditions for a smooth shift of labor and financial resources to these sectors. Public investments in infrastructure as well as more efficient and robust active labor-market policies will be crucial here. Tax policies must also be reformed to stimulate investment, and bureaucratic rules affecting firms must be systematically simplified. Civil justice reforms must drastically reduce the time taken to decide judicial cases.

In an increasingly knowledge-based economy, the whole school, university and research system must be made a top priority. This not only means the allocation of more resources, but also requires reforms that increase institutional autonomy (a prerequisite for improving adaptability to changing conditions), improve benchmarking capacities and enhance accountability.

With regard to the system of political governance, political leaders should seek to move past a populist style, characterized by slogans, ideological preconceptions and superficial discussions of the problems of the country, that has revealed its inability to produce positive results. A more pragmatic approach to problem solving is required. The relationship between central governments and regional and municipal authorities must be improved. This can be done by better clarifying each level's specific competencies and duties (particularly in emergency health-related situations); providing a more adequate and stable allocation of resources; and creating a climate of reciprocal confidence, communication, cooperation and solidarity. A nationwide healthcare assistance mechanism that smoothly shifts resources between regional health systems as needed has to be built up.

The role of the prime minister and of its office must be better configured, given the realities of the coalition-based parliamentary system. While the ability of the head of government to guide and steer the action of the whole executive must be improved, in part through the creation of a government office more effectively able to monitor the actions of different ministries, the temptation to create ad hoc and extraordinary structures in this office that duplicate and compete with ministerial offices must be avoided.

The core public administration entities must improve their capacity to promptly implement policies adopted by political authorities. In order to achieve these results, it will be necessary to recruit younger, skilled personnel that are more goal oriented and less legalistic than the current employee base. Robust performance evaluation mechanisms must be put in place.

Resilience of Policies

I. Economic Preparedness

Economic Preparedness

Economic Policy
Preparedness
Score: 4

The policies adopted by the Italian government during the review period have not been very effective in fostering a more competitive economy. Before the outbreak of the COVID-19 pandemic, the Conte II government had followed more prudent fiscal and economic policies than the previous government, but without seriously addressing the long-term problems of the Italian economy, such as slow growth and low productivity, the excessive fragmentation of industrial and services enterprises, low levels of employment, and regional disparities between the North and South. Nor have the inefficiencies of the public bureaucracy and judiciary system, with their significantly negative impact upon economic activities, been seriously addressed.

The digitalization of public services has progressed, but parts of the country remain without efficient broadband access. The resources devoted to infrastructural investments increased slowly in 2019, but without effectively compensating for years of insufficient expenditure produced by the prevalence of current expenditures and the weight of public debt (Osservatorio CPI 2020). The government was also unable to fix some ill-conceived policies such as the regressive pension reform of early 2019 (the “Quota 100”) or the “citizen’s income.” In the case of the latter, poverty prevention measures had proved reasonably successful, but the failure of its labor- market component quickly become apparent. On the positive side, the Italian economy has grown progressively more environmentally sustainable. Energy production has become greener, waste management has improved in most parts of Italy, and more effective recycling policies have been adopted in many industrial and services sectors. The Conte II executive was also able to reestablish trust with EU authorities. This was bound to play a positive role in the pandemic crisis, and made it easier to reach agreement on the Next Generation EU program.

Since the onset of the coronavirus pandemic, the government has focused mainly on providing support for the economy, but without a clear focus on a transformative direction. The large increase in deficit spending required by the crisis has been distributed in all directions, prioritizing the needs of individuals and the survival of enterprises. Limited attention has been given to encouraging the most dynamic sectors of the economy or to developing advanced infrastructures.

Overall, the position of Italy with regard to sustainable development has not worsened during the crisis; in this field the government has introduced some strong measures of support for “green” retrofitting in the building sector, and has reintroduced support for high technology investments in innovative private firms.

Citation:

Osservatorio CPI: On public investments: <https://osservatoriocpi.unicatt.it/cpi-archivio-studi-e-analisi-riscuotono-ad-aumentare-gli-investimenti-pubblici> (accessed 5 January 2020)

Labor Market Preparedness

Labor Market
Policy
Preparedness
Score: 5

The government has taken few significant steps to correct or improve existing labor-market policies. Before the coronavirus crisis, the main innovation in this field was the “reddito di cittadinanza,” the citizen’s-income law introduced in January 2019 by the Conte I government. A year after it was implemented, some of its weaknesses were becoming evident, particularly the provisions related to the creation of a new national service of employment and to the control of eligibility conditions, ostensibly requiring recipients of the “citizen’s income” to perform community service and take job offers that match their qualifications. However, the Conte II government has remained internally divided regarding reforms, and no significant improvements have been made. Thus, the citizen’s income just remains a financial assistance program, but does not provide effective incentives to look for or provide jobs. Employment figures were also slow to improve in 2019 (including youth employment); this seems to be related to the equally slow economic improvement overall in the months before the coronavirus crisis rather than to policy efforts by the government.

The pandemic has obviously stalled even these slow improvements (ISTAT 2020). From March 2020 on, government policy has mainly been focused on protecting existing jobs. This has been done with a temporary (but repeatedly extended) prohibition on layoffs, and with the extension of the Cassa Integrazione, the instrument providing a (partial) substitute salary for

employees left idle. These measures typically protect people who have permanent and regular contracts.

However, they do not cover other large labor-force components such as employees with short-term contracts, youth seeking work or people in informal jobs.

The retraining services currently offered by regional authorities are deemed inefficient. No significant provisions have been put in place to improve them. As a consequence, no significant progress has been made in retraining workers from sectors permanently harmed by the coronavirus crisis.

Citation:

Istat 2020: www.istat.it/it/archivio/249697 (accessed 5 December 2020)

Fiscal Preparedness

Fiscal Policy
Preparedness
Score: 5

In past years, Italian governments have sought to achieve fiscal sustainability mainly by achieving significant positive primary balances which, in recent years, have consistently exceeded EU and euro zone averages (ECB 2021). This has enabled Italy to meet European Union guidance with regard to annual public deficits, and has stabilized public debt at a high level, but has not allowed for reductions. The persistence of a high level of state debt has meant that the country means badly vulnerable to changing international interest rates, and the ability to repay debt depends significantly on the policies of the European Central Bank.

The fiscal austerity adopted over the years has been pursued mainly by cutting expenditures, especially with regard to public investments. However, there have also been severe limitations in replacing departing personnel in the healthcare, school and university sectors. This policy has left these public services seriously understaffed (ISTAT 2021). Italy now has among the lowest levels of public investment and public employees in the European Union.

At the same time no significant effort has been made to redistribute the tax burden more equitably. Currently, the income tax (IRPEF) burden is borne predominantly by a limited section of the population (dependent workers and employees) and by enterprises, while a significant proportion is able to escape either through tax evasion or tax exemptions.

This budgetary policy has shifted costs to future generations, while simultaneously reducing the economy's potential for growth (with negative effects on the denominator of the debt/GDP ratio).

The coronavirus crisis has further worsened these imbalances and increased the need for external aid from the EU. It has seriously worsened the country's overall level of indebtedness, and extraordinary expenditures have done little to improve the denominator of the debt/GDP ratio.

Citation:

ECB 2021: primary surplus data: <https://sdw.ecb.europa.eu/reports.do?node=1000004700> (accessed 5 January 2021)

ISTAT 2021: public employees as percentage of labor population: <https://www.istat.it/economia-europea-millennio/bloc-4d.html?lang=it> (accessed 11 January 2021)

Research and Innovation

Research and
Innovation Policy
Preparedness
Score: 5

Research and innovation policies have been underfunded in recent years, and have not been strategically coordinated. In 2019, the Conte II government increased funding for universities and research slightly, but the Italian university and research system continues to have much more limited resources in terms of funds and personnel than is the case in most other European countries. Moreover, it remains fragmented, with many university institutions that lack the critical mass to perform their duties effectively. There are few research centers of adequate size.

In the private sector, the prevalence of small firms limits funding for research and innovation. Financial services for startups and innovation incubators are underdeveloped. No significant policies have been put in place promoting the mergers and enterprise growth that could contribute to overcoming this handicap. Overall, the central government's ability to prioritize investments in strategic fields is rather weak.

In spite of these systemic weaknesses, Italian researchers are internationally quite competitive, as shown by some international studies (International Comparative Performance of the UK Research Base – 2013)

Citation:

International Comparative Performance of the UK Research Base – 2013: A report prepared by Elsevier for the UK's Department of Business, Innovation https://www.elsevier.com/data/assets/pdf_file/0016/53026/Elsevier_BIS_2013_web_Dec2013-2.pdf (accessed 5 December 2020)

II. Welfare State Preparedness

Education System Preparedness

Education Policy
Preparedness
Score: 5

The Italian education system can still rely on well-established traditions of high- quality teaching, particularly in the humanistic fields (and somewhat less so in the fields of natural sciences). Some secondary-level technical and professional institutions are also strong. However, policymakers have in recent years paid limited attention to its problems. Few resources have been allocated to improving the quality of education facilities, scientific laboratories, libraries or ICT instruments, and cumbersome, inefficient recruitment mechanisms have generated serious weaknesses. Limited funds for scholarships have made it difficult for members of disadvantaged social groups to perform at a level comparable to that of their peers. Little has been done to combat relatively high school dropout levels (especially in southern regions).

The inflow of young teachers has been slow and irregular, consequently leading to an aging of the teaching staff. This, combined with the rigidities of the central bureaucracy and the limited autonomy afforded to educational institutions, has negatively affected the school system's ability to adapt to changing societal and economic conditions. While the fundamental elements of the classical education heritage need to be fully preserved, there is also a strong need to modernize school curricula, and to enrich them with new disciplines and new teaching methods. With regard to new technologies, many schools lack the resources to enable teachers and pupils to learn how to use and evaluate them.

Some efforts have been made in recent years to create closer ties between schools and companies; however, the success of such measures remains limited by organizational problems and the limited availability of economic resources.

These deficiencies have contributed to making the Italian school system less able to face the challenges deriving from the pandemic. Students from low-income or single- parent families (and to a greater degree from southern Italian families) are generally less equipped with learning aids. As schools have been closed, these populations have been more negatively affected.

The level of school dropouts in Italy is higher than the EU average. Full data for 2020 are not yet available, but a recent survey forecasts a further rise in this level.

According to this survey, a majority of students say educators have been unable to adapt their teaching methods to the distance-learning environment.

Citation:

<https://www.savethechildren.it/cosa-facciamo/pubblicazioni/i-giovani-ai-tempi-del-coronavirus>

Social Welfare Preparedness

Social Welfare
Policy
Preparedness
Score: 5

Social policies (with generous pension schemes, a comprehensive free healthcare system, and strong job protections) are fairly effective in ensuring protection for a large majority of the population. However, they are much less effective for part-time or non-regular workers (young people in particular). For most such individuals, pension coverage is bound to be insufficient when they reach retirement age. The stock of social housing is insufficient. Social policies have also failed to effectively address the significant proportion of the population that lives under conditions of absolute poverty. Children and single mothers suffer disproportionately in this regard (see Rapporto Caritas, (Caritas 2020). Provisions for childcare and school scholarships are insufficient, thus failing to ensure the inclusion of marginalized groups. In recent years, measures to fight poverty have been stepped up with the so-called citizen's income introduced in 2019. However, as this policy has not been accompanied by active labor-market policies designed to reduce unemployment, the citizen's income has not been sufficient to reduce poverty rates substantially.

A large number of irregular immigrants are employed in agriculture (often under conditions that come close to enslavement), in the building industry or in family households for domestic work, while others are without any employment (Piuculture 2020). This population receives limited protection under public welfare policies and faces serious disparities with regard to labor rights, access to subsidized housing and medical care. Members of this group are largely dependent on the support provided by voluntary associations.

Citation:

Caritas 2020: Rapporto Caritas sulla Povertà: http://s2ew.caritasitaliana.it/materiali/Rapporto_Caritas_2020/Report_CaritasITA_2020.pdf (accessed 3 January 2021) Piuculture 2021: On irregular immigrants: <https://www.piuculture.it/2020/05/chi-sono-e-quant-sono-gli-immigrati-irregolari-dati/>

Health Policy
Preparedness
Score: 7

Healthcare System Preparedness

International studies generally assess the Italian healthcare as being of quite high quality. Overall, the system ensures that every resident has free access to high-quality treatments in specialized hospitals. The system also provides broad disease-screening and prevention programs. However, this generally positive picture masks significant interregional differences. In some regions (especially in the south) the quality of the healthcare system is significantly lower than the average both in terms of the availability and modernity of healthcare infrastructure, organizational efficiency and personnel numbers. This situation produces a high level of “health tourism,” with patients from southern Italy traveling to northern hospitals. Data for 2018 indicate a net flow from south to northern regions of approximately 200,000 patients (Truenumbers 2020). Lombardy, with its broad presence of advanced medical centers, is the major beneficiary of this flow. This phenomenon is linked not only to the greater development of highly specialized treatments in northern regions, but also to different levels of trust in healthcare systems.

These regional differences also apply to prevention programs, which are typically more effective in northern and central regions than in southern ones. A recent study (Geddes da Filicaia 2020) provides a balanced judgment of the level of preparedness of the Italian healthcare system, underlining its strengths (the universality of care) but also the weaknesses in terms of capital investment and personnel scarcity.

This traditionally high-quality background has several deficiencies that became particularly relevant during the pandemic. In recent years, due to expenditure cuts, recruitment of young doctors and nurses has not kept pace with retirements, leaving many hospitals thinly staffed. The general-practitioner network was not prepared to implement an effective disease-screening program; this in turn overburdened hospital emergency rooms. Moreover, there are too few intensive care beds to meet needs in critical situations such as the pandemic.

The early months of the coronavirus crisis also featured a shortage of personal protective equipment (PPE) and insufficient testing capacities, which slowed the initial reaction to the pandemic.

Citation:

Truenumbers 2020: On sanitary tourism: <https://www.truenumbers.it/turismo-sanitario/> (accessed 18 December 2020)

Geddes da Filicaia, *La sanità ai tempi del coronavirus*, Il Pensiero Scientifico Editore, 2020)

Families

Family Policy
Preparedness
Score: 4

Family institutions have been traditionally rather strong in Italy, with (extended) families contributing significantly to an informal welfare system. For example, it is rather common for grandparents to contribute significantly to childcare. On the other hand, official family support policies are rather weak. In spite of some recent improvements, financial provisions for families with children are still rather low in a comparative sense. The limited access to free infant-care facilities (especially in southern regions) heavily affects mothers' ability to reconcile parenting and work.

While some positive changes are underway in younger generations, women still perform vastly more household chores than men. These conditions have had a doubly negative effect, dramatically reducing birth rates and keeping the employment rate among women significantly below the European average. In difficult economic times, women tend to be disproportionately affected by layoffs and other job risks. The coronavirus pandemic's negative impact on working women has been well documented in a Leone Menoressa Foundation study (Fondazione Leone Menoressa 2021).

Citation:

Fondazione Leone Menoressa 2021: <http://www.fondazioneleonemoressa.org/> 2021/03/01/occupazione-femminile-studio-federcasalinghe/

III. Economic Crisis Response

Economic Response

Economic
Recovery
Package
Score: 6

The general lockdown adopted during the first coronavirus wave and the more regionally differentiated but still severe closures associated with the second phase have had a deep negative impact on most sectors of the economy. The government's response has been multifaceted and has included a flurry of recovery packages. The price tag for all state interventions, defined through eight successive decree-laws (decreti legge), reached a sum of about €108 billion by the end of 2020 (MEF 2020). The first measures adopted extended salary subsidies for workers left idle, delayed tax payment deadlines, introduced a variety of financial support programs for different categories of people, and prohibited layoffs for a period of 60 days. However, as the crisis developed, it became clear that the relatively small sums allocated by the first

measure (Decreto Cura Italia No. 18, passed on March 17) were vastly insufficient and had to be quickly increased. A new decree-law with a budget of €25 billion (Decreto Liquidità No. 23, passed on April 8) was predominantly devoted to providing support to private enterprises, largely through a generous state guarantee for bank loans. Not much later, the government issued a new decree-law (Decreto Rilancio No. 34, passed on May 19) with an even bigger budget (€54 billion) that contained a very broad array of measures, including extremely generous financial incentives for green building renovations; tax deferrals; grants for small businesses; a further extension of the prohibition on layoffs; and subsidies for low- or zero-emission cars, bicycles and other mobility tools. In August, a new decree-law (DL No. 104, passed on August 14) mobilized further resources (about €25 billion) that were mainly used to provide subsidies to the tourism industry, extend previous measures and grant significant tax exemptions to enterprises in southern Italy that hired new employees. This measure also provided firms with significant financial incentives to upgrade employees on temporary contracts to permanent status. Finally, in the last months of 2020, a series of new decree-laws devoted new subsidies to most economic activities suspended by the lockdowns adopted during the second coronavirus wave.

The great number of different subsidies provided indicates that the government made a broad effort to respond to all the needs emerging from the crisis, but also reveals that the decision-making process was strongly shaped by the need or desire to respond to special interests.

To a significant extent, the measures adopted were focused on the immediate emergency situation and were responding to demands coming from the different sectors of the economy. Most therefore were of a temporary nature, and their effects will expire with the end of the crisis. There was considerably less focus on measures that might have a more permanent and strategic impact on the economy, or on other related aspects such as the country's environmental sustainability. Among this smaller category were measures providing tax relief for hiring women or young people, and a number of green measures (such as subsidies for green building renovations, consumer bonuses for the purchase of environmentally friendly cars, etc.).

As of the time of writing, there had been little careful discussion as to how the transition from the emergency situation to more normal conditions would take place.

Citation:

MEF 2020: Recovery measures: <https://www.mef.gov.it/covid-19/misure-coronavirus.html>

Sustainability of Economic Response

Recovery
Package
Sustainability
Score: 4

The measures adopted during the crisis were predominantly guided by the need to offer short-term relief to individuals and firms that suffered significant income losses. Less attention was given to measures intended to generate transformative opportunities in the transition toward a more sustainable economy. In the various recovery packages adopted during 2020, we find here and there a series of environmentally oriented measures, but in spite of the recurrent rhetoric regarding the need to transform the economic system in a more sustainable direction, no common or coherent strategy has been developed in this regard. In terms of the financial resources allocated, the most generous measure was a very significant tax-relief provision for the restoration of existing buildings to make them more energy efficient. Subsidies for electric cars, bicycles and other environmentally friendly means of transport were also adopted, as well as subsidies promoting “smart” working and distant learning. The crisis packages contained no significant energy-transition investments; this issue was deferred to following years, with the intention of using funds provided by the Next Generation EU program.

Labor Market Response

Labor Market
Policy Response
Score: 7

The crisis’ very severe impact on the labor market has been predominantly addressed by extending and strengthening instruments traditionally used in Italy. The Cassa Integrazione Guadagni, which protects private workers (with permanent contracts) kept idle by their employers by providing a partial substitution of their salary, has been repeatedly extended during the crisis and supported by a strong inflow of public funds. In spite of the initial delays in its implementation, this measure has provided very significant support for a large part of the working population. The temporary (but repeatedly extended) prohibition on layoffs has added further protection. Public workers have not needed this protection, as they are (practically) immune from layoffs. However, the measures adopted have not provided effective protection for part-time or non-regular workers, which still make up a significant proportion of the working population. The same applies to the large population of self-employed workers. The rise in unemployment during this period (especially among women and young people) (ISTAT 2020) has not been addressed effectively, as active labor-market policies are still very weak, and their implementation marked by shortcomings. Measures providing tax relief for firms hiring new employees in the southern regions may lead to some positive future effects. After a small improvement in the third quarter, unemployment and inactivity levels again showed an upward trend at the end of the year. Worse developments were mainly prevented by the continuing prohibition on

layoffs (ISTAT 2021). As of the time of writing, it remained unclear what would happen to employment levels when this prohibition was discontinued; much will depend on the strength of the economic recovery.

Citation:

ISTAT 2020: http://dati.istat.it/Index.aspx?DataSetCode=DCCV_TAXOCCU1

ISTAT 2021: <https://www.istat.it/it/archivio/251214> (accessed 7 January 2021)

Fiscal Response

Fiscal Policy
Response
Score: 5

After the initial uncertainty and strong underestimation of the resources that would be required, the Italian government's response to the coronavirus crisis shifted fairly rapidly to broadly expansionary fiscal measures that are bound to increase the already high level of public debt very significantly. Through a series of government decrees subsequently ratified by parliament, the fiscal response during 2020 entailed approximately €108 billion in net borrowing. To this must be added an unprecedented amount of public guarantees relating to the extraordinary liquidity provided by banks to private enterprises. Together with the abrupt decline in GDP produced by the crisis, the new expenditures were expected to increase the 2020 deficit to more than 10% of GDP, while boosting overall public debt to about 160% of GDP (MEF 2021). The measures taken by the government were progressively adapted in reaction to the changing conditions of the pandemic, and were driven by the pressure of societal needs and demands arising from a variety of population groups. This meant that they did not always reflect a coherent strategy, and that they were oriented more toward the present than the future. Outlays primarily took the form of short-term subsidies, with capital investment (except healthcare equipment) and structural reforms receiving limited attention.

Even if this huge growth in debt is allowed by the new EU rules in the short term, and its negative impact has been partially contained by interest rates kept low by the policies of the ECB, the exit strategy from this situation remains somewhat obscure. Neither the government nor opposition has devoted considerable attention, at least in public, to the period following cessation of these emergency measures, and to the strategies that will be required to shift the economy toward faster growth. Forecasts provided by the minister of finance predict a gradual flattening of the public deficit and state debt curves over the next three years. However, by 2023, public debt levels will still be much higher than those of 2019. The capacity to take a positive path toward budget sustainability will depend strongly on the broader economy's growth rates in the coming years, as well as on interest-rate levels in the global financial markets.

Citation:

MEF 2021: Public debt estimation: <https://www.mef.gov.it/en/inevidenza/Update-Note-of-the-2020-Economic-and-Financial-Documents-approved-by-Government-00001/> (accessed 7 January 2021)

Research and
Innovation Policy
Response
Score: 5

Research and Innovation Response

During the period under review, government policy was focused on urgent, immediate needs rather than on supporting pandemic-focused research and innovation. The few measures introduced in this latter field met with mixed success. While general resources for research were not significantly increased during the review period, a special fund for COVID-19 research was established by the Health Ministry, (Ministero Salute 2021) and funds for digital innovation within small enterprises were put in place by the Ministry of Economic Development. The strongest instrument implemented in this regard was the National Innovation Fund administered by the Cassa Depositi e Prestiti (CDP), an economic-development investment bank. This fund enables the CDP to provide support for innovative startups in the fields of high tech, biotech and applied medical research (MISE 2021). The CDP's considerable managerial proficiency suggests that this action will bear significant fruit.

The government also supported the development of a contact-tracing app called Immuni, designed to monitor the spread of COVID-19. The app is designed to send a notification via cellphone to people who have been in close contact with a user who has tested positive for the COVID-19 virus, to alert them of the risk of infection.

However, the efficacy of this instrument was seriously reduced by the fact that local health authorities did not provide complete test-result data. Recent reports indicate that the app is effective in only approximately 3% of relevant cases (Agenda Digitale 2021).

Citation:

Minister Salute 2021: On the research fund for COVID: http://www.salute.gov.it/imgs/C_17_bandi_216_3_file.pdf (accessed 7 January 2021)

MISE 2021: Fondo Nazionale Innovazione: <https://www.mise.gov.it/index.php/en/news/en/202-news-english/2039363-the-national-innovation-fund-unveiled> (accessed on 7 January 2021); see also: https://en.cdventurecapital.it/comunicati_stampa/?id=3 (accessed on 6 January 2021).

Agenda Digitale 2021: On Immuni and its diffusion see <https://www.agendadigitale.eu/sanita/immuni-perche-lapp-sembrava-morta-ma-non-lo-e/> (accessed on 7 January 2021).

IV. Welfare State Response

Education System Response

Education
Response
Score: 5

The Italian education system suffered significantly during the pandemic, with schools closed for long periods of time. In the first wave, following some initially scattered closures in different provinces, a national school shutdown was imposed at all levels beginning on March 5. This closure continued until the end of the school year (Osservatorio sulle fonti 2020). In September, schools reopened more or less regularly, but with the rise of the second coronavirus wave of infection, new closures were soon implemented (with the exception of the preschool and primary school levels). Schools systematically organized distance-learning mechanisms during periods of closure, encouraged by the government. The extent to which individual education institutes were prepared to work in this way, and the quality level thus obtained, varied significantly across regions and across schools. Many teachers were not used to teaching in this way, and the availability of the tools and devices needed to participate varied between institutions and between families.

To compensate for these problems, the government introduced a variety of measures, including a “babysitter bonus” for working families unable to send their children to preschool and primary schools, and a prolongation of parental leave. The state also provided funds for schools to lend electronic devices to students unable to pay for them, and issued some direct subsidies for students were also adopted (MIUR 2020). In summer 2020, special provisions were introduced enabling students with physical or mental disabilities to attend school (Istruzione Governo 2020). However, these measures were not able to create equal access for students from socioeconomically disadvantaged families. In general, the quality of the education offered was significantly reduced for all students.

Citation:

Osservatorio sulle fonti 2020: Schools closures: dPCM 4 March 2020 (<https://www.osservatoriosullefonti.it/emergenza-covid-19/fonti-governative/decreti-del-presidente-del-consiglio-dei-ministri/2997-emcov-dpcm-elenco>) (accessed 8 January 2021)

MIUR 2020: Education ministry provisions for electronic devices: <https://www.miur.gov.it/documents/20182/0/Nota+prot.n.+562+del+28+marzo+2020.pdf/75b48ea1-c6d4-178c-55c1-f6a37a25821e?version=1.0&t=1585419275262> (accessed 8 January 2021)

Istruzione Governo 2020: Special provisions for students with handicaps: https://www.istruzioneer.gov.it/wp-content/uploads/2020/08/m_pi.AOOGABMI.Registro-DecretiR.0000089.07-08-2020.pdf

Social Welfare
Policy Response
Score: 6

Social Welfare Response

Social welfare policies in Italy typically provide weaker protection (in the fields of pensions, workplace defense, income integrations) for population groups such as the self-employed (the “partite IVA”) and part-time, short-term, seasonal and unofficial workers. Protections for the unemployed are quite weak. Families with many children and only one working parent (or a single parent) are also at greater risk of poverty.

The coronavirus crisis and its ensuing effects (layoffs, income losses, etc.) worsened conditions for these groups significantly.

The government’s response to the general decline in economic conditions addressed the largest (and typically better protected) population groups most quickly. The prohibition on layoffs and the salary subsidies significantly reduced the negative impact for these groups. Measures targeting population groups with fewer protections were slower to come and less substantial.

With the March 17 “Cura Italia” decree-law and the May 16 “Rilancio” decree-law, monthly bonuses of between €600 and €1,000 and tax credits for house-rental costs were provided to self-employed, short term, seasonal and professional workers.

There was also a special monetary benefit for people receiving the “citizen’s income.” A special emergency income (REM) lasting for a period of two to five months was introduced for families lacking any other protection. In practice, access to this measure proved rather difficult, in part due to information costs. A study in late 2020 indicated that only about 40% of an eligible population of about 700,000 people ultimately obtained this benefit (La Voce 2021).

In the second wave of the crisis, new subsidies were introduced for small entrepreneurs and self-employed workers, targeted especially at restaurants, bars and small shops negatively affected by the new round of closures. Early evaluations of these measures’ impact on incomes indicate a significant reduction in losses for regularly employed and self-employed workers (La Voce 2021). The impact for more marginalized groups has been more limited, and their poverty risk has not been sufficiently addressed.

Citation:

La Voce 2021: Emergency Income: <https://www.lavoce.info/archives/71170/perche-poche-famiglie-ricevono-il-reddito-di-emergenza/> (accessed 8 January 2021)

La Voce 2021: Impact of income integration measures: <https://www.lavoce.info/archives/71071/lavoratori-in-lockdown-come-cambia-la-distribuzione-dei-redditi/> (accessed 9 January 2021)

Health Policy
Response
Score: 4

Healthcare System Response

Though generally rated by international evaluations as one of the best in the world, the Italian healthcare system's response to the COVID-19 pandemic evidenced some important deficiencies that were not apparent in normal times. Surprisingly enough, serious problems emerged in Lombardy, a region normally regarded as among the best performers in this domain. With the rapid spread of infection, it was soon clear that even in the most efficient regions, the administrative healthcare apparatus was not able to react promptly, and did not have a carefully prepared emergency plan in place. Moreover, there was an insufficient supply of intensive care beds, and even of ordinary hospital beds for infected people. Many hospitals were unprepared to operate separate intake facilities for infected and non-infected patients so as to avoid further spread of the disease. Specialized medical supplies (such as testing equipment, protective masks and anti-contagion medical clothing) were hard to obtain during the early weeks of the crisis. Lombardy's healthcare system thus failed to provide for equal access to high-quality healthcare and disease protection; rather than being hospitalized, significant numbers of infected older persons were kept in their rest homes. Many of these people died.

The national level too proved unprepared to face such a large-scale health emergency.

In view of the healthcare-system fragilities that emerged in the strongest regions, observers were very pessimistic about the prospects for weaker regions if the virus was to spread with the same intensity. This was among the reasons that convinced the government to adopt a national lockdown in March, rather than a regionally limited policy.

Only in the second wave of the pandemic, after regional healthcare systems had prepared further, was it possible to implement closures on a region-by-region basis. The management of the pandemic revealed that screening mechanisms could not effectively separate patients requiring hospitalization from those that could be treated at home. Hospital emergency rooms were crowded as a result, probably accelerating the virus' spread. The insufficient medical staffing levels, generated by previous years' failures to replace departing doctors and nurses, also emerged as a weakness, and new recruitment proved difficult during the crisis. Regionally specific problems created tensions and coordination problems between the national health

ministry and its advisory bodies on the one hand, and the regional authorities on the other, which have significant autonomy but lacked the organizational resources to fight the crisis effectively.

In the first wave of the pandemic, there was nearly no coordination or cooperation, and indeed little solidarity, between the different regions and their healthcare facilities. Accountability and responsibility were not well defined between the state and the regions. At least during the first wave, Italy's healthcare system – which assigns regions a primary role – was not prepared for or able to cope with the pandemic. Healthcare institutions initially had difficulties in obtaining needed supplies of medical materials through normal channels. This was remedied by the creation of a special commissioner with extraordinary powers to provide for speedier procurement. By the end of the first peak, the supply situation had generally improved.

The intense pressure placed most hospitals resulted in the delay of many other non- coronavirus-related procedures and treatments (with the exception of highly urgent cases). This was exacerbated by the population's fear of potential infection.

A report by the Banco Farmaceutico (a voluntary association of pharmacies that promotes free distribution of pharmaceutical products for needy individuals) indicated that voluntary associations were facing growing demand for free pharmaceuticals by people living under conditions of poverty (OPSAN 2021).

Citation:

OPSAN 2021: Pharmaceutical poverty report: <https://www.opsan.it/> (accessed 9 January 2021)

Family Policy Response

Family Support
Policies
Score: 5

The crisis has had a strongly negative impact on a large share of families from the point of view of health conditions, economic and practical problems, and mental health. Many families experienced economic hardship, the loss of jobs, difficulties in managing children that were out of school, and in some cases separation from other family members. Although the impact has generally affected both parents, the negative effects for women have often been more significant. More women than men have lost their jobs, and the increased workloads at home due to COVID-19 restrictions have typically been shouldered more substantially by mothers than by fathers.

A number of measures were developed during the crisis to expand support for families, which in ordinary times is relatively minimal within the Italian

welfare system. The three main decree-laws of March, May and August introduced three main groups of provisions: 1) support for working parents (the babysitter bonus, increased compensation for parental leave, facilitated access to remote working for parents with children under 14, funds for ICT devices for low-income families); 2) increased funding for people with disabilities and for their families and schools; 3) tax credits for vacations, enhanced bankruptcy protections and emergency income support for families without any other protection.

Increased funds were also provided for the “bonus beb ” program (a financial benefit provided upon the birth of a child), and eligibility restrictions were loosened.

Overall, the support measures have mitigated the negative impact of the crisis upon families. However, they have not had a significant impact on the distribution of responsibilities within families, as few measures were targeted directly toward women.

In this regard, some improvements emerged in late 2020. The new budget law for 2021 introduced a significant tax incentive for private firms that hire young women, and increased the mandatory paternity leave (MEF 2021).

Citation:

MEF 2021: Family measures of the 2021 budgetary law: <https://www.mef.gov.it/focus/Legge-di-Bilancio-2021/> (accessed 9 January 2021)

International Solidarity

International
Cooperation
Score: 5

Italy has provided comparatively little aid to low-income countries in recent years. Promised levels of aid have been consistently missed (Open Polis 2021). Nor did the picture improve substantially during the pandemic. When the virus exploded in China, the Italian government sent some medical materials, but when the pandemic hit Italy, the country soon found itself unable to spare any equipment to send abroad. Most efforts in this regard have been made by private associations and religious organizations (Chiesa cattolica 2021).

Since the beginning of the pandemic, Italy has called for the implementation of a multilateral and multidimensional response, based on the core principles of international cooperation and solidarity, and guided by science, medicine and innovation. Based on this vision, Italy has participated with WHO and other countries in the creation of the ACT-Accelerator (Access to COVID-19

Tools), a multilateral and cooperative platform intended to ensure universal and equitable access to diagnoses, treatments and vaccines (WHO 2021). As of the time of writing, however, Italy (like many other countries) had paid in only part of the sum initially committed.

In the field of research and industrial development of vaccines and other relevant medical products, Italian industries have participated in various international efforts (Farmindustria 2021).

Citation:

OpenPolis 2021: Help for developing countries: <https://www.openpolis.it/esercizi/un-altro-passo-indietro-per-la-cooperazione/> (accessed 9 January 2021)

Chiesa Cattolica 2021: On religious solidarity see: <https://sictm.chiesacattolica.it/emergenza-covid-e-paesi-poveri-gli-aiuti-cei/>

WHO 2021: On international cooperation see: <https://www.who.int/initiatives/act-accelerator> (accessed on January 10 2021)

Farmindustria 2021: On the international role of the Italian pharma industry: <http://www.farmindustria.info/agenda-covid-19/agenda.pdf?event=no>; and

Resilience of Democracy

Media Freedom

Media Freedom
Score: 8

Media freedom is in general respected by the government. The diffusion of false information in the media is punished according to the penal code if it is deemed likely to foment social disorder. This prohibition is rarely applied to social media.

A reasonable level of pluralism within the media system (including newspapers, TV channels and a variety of new social media) enables the full and varied coverage of events. The government in office typically exerts significant influence on state television and radio channels (RAI) through its power to appoint the company's top executives, and also through significant informal influence on the nomination of some of the main information programs' anchors. The country's ranking in Reporters without Borders' most recent Freedom of the Press report has remained the same as in 2020 (rank 41 out of 179 countries), (RSF 2021).

Overall reporting about the coronavirus crisis has been characterized by a robust level of pluralism. Government and opposition positions have been fully covered. In-depth and high-quality information about the scientific aspects of the pandemic and the virus' spread has been less common.

The government and especially the prime minister have carved out a very high profile in the information system through the abundant recourse to press conferences and official declarations. However, no major infringements on press freedom or independence have emerged. The quantity of official information has not been matched by its quality, which has been undermined by public authorities' occasionally confused or limited release of pandemic-related data.

Citation:
RSF 2021: <https://rsf.org/en/italy>

Civil Rights and
Political Liberties
Score: 8

Civil Rights and Political Liberties

Freedom of movement, freedom of assembly, and the freedom of access to cultural and religious events have been significantly or even drastically curtailed during the pandemic. During the first wave of the pandemic (March – May 2020), the government had not yet developed sufficiently sophisticated instruments for measuring the geographical diffusion of the virus. Thus, it adopted a common national measure of confinement (based on the “red zone”) without taking into account the very broad differences existing among the country’s regions and provinces. As a consequence, access to social and cultural activities, to political demonstrations, and to religious services was drastically suspended in the first period. Given the various regions’ very different levels of infection, this meant that these severe restrictions were unwarranted and uselessly curtailed civil and political rights in some parts of Italy where case numbers were low. However, citizens engaged in no major protests, and filed no significant judicial proceedings on the issue.

In September, regional elections were held in six regions, along with a nationwide constitutional referendum. Citizens were allowed to engaged in political activities without excessive constraints.

During the so-called second wave, restrictions were introduced in a more differentiated manner, through the adoption of a system of variable regional “colors.” The negative impact upon civil liberties was thus reduced. Access to religious services was fully reintroduced, though with strict social-distancing rules. All restrictions were implemented through prime ministerial decrees, previously authorized by government decree-laws (Decreto legge), and justified by the emergency powers derived from these latter provisions. According to the constitution, all decree-laws have been ratified within two months of issue by the parliament. The parliament frequently complained that the prime minister’s decrees were often announced on television before being communicated to the parliament, providing limited ability to discuss or modify them.

Overall, the right to health has prevailed without much discussion over other rights, but political pluralism has not been endangered. Upon request of the European Parliament, the Italian parliament provided information regarding its oversight role relative to government decisions during the coronavirus pandemic (European Parliament 2021)

Citation:

European Parliament 2021: <http://www.epgencms.europarl.europa.eu/cmsdata/upload/a17d34b8-a8c1-4b1f-8253-6435f6f62542/No.>

29_Emergency_Laws_and_Legal_Measures_against_COVID-19.pdfhttp://
 www.epgencms.europarl.europa.eu/cmsdata/upload/a17d34b8-
 a8c1-4b1f-8253-6435f6f62542/No.
 29_Emergency_Laws_and_Legal_Measures_against_COVID-19.pdf

Judicial Review

Judicial Review
 Score: 7

Judicial review during this period of emergency has been only partially affected by the government's actions. As is to be expected in a situation of severe crisis, the government has made broad use of the decree-law (DL) instrument, which the Italian constitution allows in cases of "necessity" and "urgency." A DL has immediate legal effect as soon as it is approved by the government (and signed by the head of state), but must be confirmed by the parliament within 60 days. The government used this instrument to introduce (DL 25 March 2020) and repeatedly prolong (DL 16 May 2020; DL 24 July 2020; DL 7 October 2020) a temporary state of emergency. These legislative instruments enable the court system and ultimately the Constitutional Court to review the constitutionality of governmental decisions. In fact, the Constitutional Court has ruled on and rejected several requests related to COVID-19 legislation (Corte Costituzionale 2021).

However, most of the rules and regulations that seriously affected personal freedoms during the review period were introduced via another instrument, the decree of the president of the council of ministers (Decreto del Presidente del Consiglio; DPCM). Due to their administrative nature, these instruments do not need to be approved by the parliament, and do not fall under the purview of the Constitutional Court, although administrative courts can review them. Some scholars have therefore criticized the excessive use of this instrument. Even in such cases, however, the Constitutional Court can be addressed in a more indirect way, following an administrative process. While no rules have been adopted directly curtailing the role and independence of judicial courts, their activities have met with significant practical obstacles due to the general health-related restrictions on their procedures, and the delays thereby produced.

Citation:

Corte Costituzionale 2021: Pronouncements of the Constitutional Court on COVID related matters: <https://www.cortecostituzionale.it/actionRicercaSemantica.do> (accessed 11 January 2021).

Informal Democratic Rules

Informal
 Democratic Rules
 Score: 6

The complex configuration of the Italian party system, as shaped by the national election of 2018, has made it particularly difficult to achieve a broad consensus on measures related to the pandemic crisis (Cotta 2020). The rise of

the Five Star Movement (5SM) and the new populist version of the Lega (League), led by Matteo Salvini, has supplemented the traditional left-right divide with a new line of division, between mainstream parties and anti-establishment parties (which is often also characterized by a more or less strong euroskepticism). This has rendered political alignments more complex, while making both the government and opposition coalitions more internally contentious and fragile.

The formation of the second Conte government expelled Salvini's League from the governing coalition. Under the influence of the Democratic Party, the coalition has adopted a more pro-European and less populist line. Meanwhile, the opposition, now hegemonized by Salvini, has become more politically aggressive and less amenable to compromise with the government in office. For its part, the governing coalition is internally divided between the comparatively mainstream Democratic Party and the anti-establishment 5SM, and is guided by a prime minister without a party of his own. It has consequently shown little internal cohesion, and has been reluctant to enter into serious talks with the opposition lest this expose its internal weaknesses.

Thus, in spite of frequent calls from both sides to bridge divisions and make a common front against the pandemic, the majority and opposition have reached no serious agreement except on the repeated parliamentary votes that have been required to lift the limit on government deficit spending (the constitution currently prescribes a qualified majority to accomplish this task, and government's small majority has not been enough). Heated and uncompromising debates between the majority and opposition have been common. The strong parliamentary polarization between government and opposition has also shaped the relationship between the national government and the regional executives, most of which are now in the hands of opposition parties.

In conclusion, conflicts between the majority and opposition have not presented an obstacle to deficit spending, or to passage of the required crisis measures. However, they have made it impossible for the two sides to lessen the widespread popular distrust of political elites.

Citation:

M. Cotta (2020) The anti-establishment parties at the helm: From great hopes to failure and a limited resurrection, *Contemporary Italian Politics*, 12:2, 126-139, DOI: 10.1080/23248823.2020.1744894

Resilience of Governance

I. Executive Preparedness

Crisis Management System

Crisis
Management
System
Score: 4

Italy has a fairly well-developed crisis-management organization (the Civil Protection Department (Protezione Civile), which reports to the Prime Minister's Office), which is often employed following earthquakes, floods and similar natural events. The Civil Protection Department has always been rated as fairly effective in providing initial aid, and for its initial reaction to catastrophic effects, but is not designed to manage a protracted crisis. However, it was the first tool to be utilized following the outbreak of the COVID-19 crisis. As it was not particularly well prepared for a serious health crisis, especially one that proved to be of long duration, some changes had to be immediately introduced. In particular, a new special Technical-Scientific Committee was swiftly created on 5 February 2020, with the goal of providing the expertise that was lacking (Protezione civile 2020).

This lack of preparedness was thrown into relief by the press' discovery that a pandemic plan (Piano nazionale di preparazione e risposta ad una pandemia influenzale) had in fact been formulated some years before, by the National Center for Disease Prevention and Control of the Health Ministry (CCM 2008), (Ministero Salute 2021). However, this had been left more or less untouched in the drawers since 2010. It soon became clear that this plan had not been fully implemented nor even seriously tested before the onset of COVID-19. This meant also that no serious provision had been made to store medical materials for the event of a major crisis.

The National High Institute for Health (Istituto Superiore di Sanità) and the Civil Protection Department were jointly put in charge of handling the pandemic, but were not sufficiently ready to face all the procurement and infrastructural aspects this job. As a consequence, the supply of medical materials and even the availability of hospital beds proved highly insufficient

during the first weeks of the crisis. A special commissioner with an ad hoc administrative structure had to be quickly created in order to acquire the protective gear and other medical materials that were heretofore unavailable. This new structure, which drew personnel and resources from the Civil Protection Department and a variety of ministries, was also put in charge of collecting the (non-epidemiological) data required in managing the emergency (Governo 2020). A few independent foundations and research centers (such as the Gimbe Foundation and the Hume Foundation) have supplied their own monitoring and evaluation data relating to the pandemic, but they too proved unable to forecast the rapid spread of the virus.

Additional problems were generated by the regionalization of the healthcare governance and the insufficiently clear allocation of competencies between central and regional authorities, which in turn led to considerable uncertainty with regard to responsibilities. The weak coordination between national and regional authorities, paired with exuberant competition for media visibility by both, additionally made it more difficult to mount an efficient and rapid reaction to the spread of the disease.

Citation:

Protezione civile 2020: Decreto del Capo Dipartimento n. 371 del 5 febbraio 2020. Istituzione del Comitato scientifico

05 febbraio 2020

Ministero Salute 2021: <https://www.saluteinternazionale.info/wp-content/uploads/2020/04/pianopandemico.pdf> (accessed on 5 January 2021)

Governo 2020: <http://www.governo.it/sites/new.governo.it/files/>

CSCovid19_Ord_7-2020-txt_0.pdf (accessed 10 January 2020)

II. Executive Response

Effective Policy Formulation

Effective Policy
Formulation
Score: 5

As Italy was one of the first European countries to be hit strongly by the coronavirus pandemic, its relatively slow initial reaction was more or less understandable. After the first period of uncertainty, however, the government developed a progressively stronger reaction. By the end of January 2020, the government had decreed a state of medical emergency, and the Civil Protection Service had been put on alert. A team of experts (the Technical-Scientific Committee) was created on February 5 to provide scientific advice to the Civil Protection Department and to the government (Protezione civile 2020). Among the first steps was the creation of a few “red zones” in Northern Italy in which the public was subject to strict movement restrictions. In March,

schools and Universities were closed, and restrictions were gradually extended to the whole country. After March 22, following a decree by the ministries of Interior and Public Health, all of Italy was deemed a red zone with very tight restrictions, and most economic activities were blocked.

Overall, one can say that the measures adopted by the government were guided by sound expert advice, but should have been introduced more rapidly, especially in certain areas of the country (such as Lombardy) where the virus' diffusion was initially quite fast. In these cases, weak coordination between national and local authorities delayed the initial reaction. On the other hand, the extension in March of an undifferentiated red zone to the whole of Italy was probably premature, as some regions were in fact largely untouched by the contagion and could have maintained a more active economic life. Generally speaking, the government (advised by scientific experts) sought to act prudently, preferring to impose somewhat excessive restrictions rather than risk the emergence of more substantial negative effects.

The government's efforts to manage the pandemic's economic and social effects were less clearly guided by formally organized expert groups. The economic policies put in place were largely reactive type, and were driven by the mounting demands of multiple economic sectors crippled by closures. There was often little overall strategic design. Even less attention was paid to the social impact of the restrictions imposed. When the second wave of the pandemic erupted in autumn 2020, the government was again taken by surprise by the rapid increase in case numbers, and proved uncertain in its attempt to adopt commensurate measures. It was clear that preventive measures in the reopening of schools had been insufficient, for example. In particular, the problem of crowded transportation systems had not been sufficiently addressed.

Citation:

Protezione civile 2020: Creation of CTS: http://www.protezionecivile.gov.it/amministrazione-trasparente/provvedimenti/dettaglio/-/asset_publisher/default/content/decreto-del-capo-dipartimento-n-371-del-5-febbraio-2020 (accessed 22 December 2020)

Policy Feedback and Adaptation

During the coronavirus crisis, the government has drawn broadly on the expertise of its scientific advisory bodies such as the Italian National Institute of Health (Istituto Superiore di Sanità or ISS) and the Technical-Scientific Committee (CTS) of the Civil Protection Department. With the support of these bodies, it has been able to regularly assess pandemic-related developments and evaluate the need for new measures.

Policy Feedback
and Adaptation
Score: 5

Internal dissension within the executive and with regional authorities has sometimes made it more difficult to make the decisions required and adopt necessary measures. This has produced delays in adopting the restrictive measures recommended by the scientific bodies.

In general, the government has reacted to developments rather than acting based on sound forecasts of future developments. This has led to frequent changes in the measures adopted, featuring micromanagement rather than a stable course of action. There has not been sufficient attention paid to making an open and systematic assessment of the results of specific adopted measures. In November, during the second wave of infection, the government and its expert bodies adopted only a more sophisticated system of indicators that enabled a regionally differentiated system of restrictions (Governo 2020). However, the quality of this rather cumbersome system was criticized from the point of view of its statistical accuracy and reliability, and in the weeks before the end of the review period, some revision of the indicators used appeared likely.

Citation:

Governo 2020: <http://www.governo.it/it/articolo/coronavirus-il-presidente-conte-firma-il-dpcm-del-3-novembre-2020/15617> (accessed 10 January 2021)

Public Consultation

Public
Consultation
Score: 4

In recent years, the government has consulted frequently with societal actors when preparing policy decisions, but not in a systematic and regular way. Societal actors have often complained about this trend. During the pandemic, government consultations with societal actors have been even more irregular, probably because of the deep internal divisions within the parliamentary majority. This does not mean that the government has not taken the reactions of labor unions, employers and professional associations into consideration. But overall, a post hoc and unsystematic mode of action has prevailed rather than any preemptive or even regular pattern of consultation.

An apparent exception to this pattern were the General States of the Economy (Stati generali dell'Economia) gatherings organized by the government (13 – 17 June 2020), which featured the participation of national and international political authorities, scientific experts, and representatives of societal actors. This meeting was intended to prepare the groundwork for the elaboration of the government plan for relaunching the economy after the pandemic. However, this widely publicized meeting turned out to be more of a public relations event than a first step in a process of regular consultations. The conclusions reached at this meeting were largely ignored in the following months (Governo 2020).

The limited effectiveness of societal consultations was further on display in autumn, when the government took the first serious steps to prepare the National Recovery and Resilience Plan (Piano nazionale di ripresa e resilienza, PNRR). This work was done by the Prime Minister's Office and the Ministry of Finance without engaging in systematic consultation with societal actors, and often without even the full involvement of the coalition parties. This confirmed the prime minister's limited willingness to engage in broad consultation, and his preference for keeping the policy-elaboration process under the strict control of his office.

Citation:

Governo 2020: <http://www.governo.it/it/progettiamoilrilancio> (accessed 10 January 2021)

Crisis Communication

Crisis
Communication
Score: 4

The government's communication strategy has been characterized by frequent messages and a great amount of raw data relating to the spread of COVID-19. The communication has come from a great variety of actors, including the prime minister, the health minister, the minister of regional affairs, the Italian National Institute of Health (Istituto Superiore di Sanità, ISS), the Civil Protection Department, regional governors, experts, the special commissioner and more. This has produced an overload of not-well-coordinated messages that diminished their authoritativeness, and made it difficult for citizens to access the most important communications in a clear and simplified way (LUISS 2021). For instance, although the information was available, there was no in-depth national campaign informing citizens how they could protect themselves and others.

Messages regarding restrictive measures were often propagated without giving citizens, economic actors and school authorities sufficient time to prepare before implementation. They have typically been communicated through television and radio channels, and only rarely through social media. The meaning of the various data on infection rates and casualties has not been well explained to the general public, and the media has had difficulty in ascertaining the sources of the data.

The prime minister's exceedingly frequent recourse to long messages, press conferences and other similar forms of communication has not had a positive impact upon official communication. More concise messages would have improved official communication efforts and helped slow the spread of the virus more effectively.

Citation:

LUISS 2021: LUISS School of government policy brief by F. Giorgino https://sog.luiss.it/sites/sog.luiss.it/files/LUISS_SOG_policybrief%2015%20ok.pdf

Implementation of Response Measures

Implementation
of Response
Measures
Score: 6

The eruption of the crisis forced the government and a broad set of national, regional and municipal authorities to devise and then implement a broad variety of measures of unprecedented magnitude. These concerned both the direct medical fight against the virus, together with all the required mobility restrictions, as well as the need to provide support for people suffering from the economic and social consequences of the pandemic.

The speed with which measures designed to prevent or slow down the spread of COVID-19 were implemented varied significantly depending on their nature. During the first wave of the pandemic, after the initial and understandable uncertainties due to the novelty of the phenomenon, mobility restrictions and school, office and business closures were (with few exceptions) implemented without excessive delay. Less excusable was the delay in renewing such measures in autumn as a new wave of infections erupted. The government apparatus was initially slow in making medical and personal protective equipment available. Defective center-periphery coordination played a role here.

Efforts to establish a contact-tracing system were not overwhelmingly successful. The great hopes put in the Immuni app were soon disappointed, due both to poor communication and the incomplete input of data. The reorganization of local public transportation systems to reduce crowding following the reopening of schools after summer was neither efficient nor sufficiently prompt.

The numerous measures supporting individuals and businesses suffering from the consequences of lockdown were quantitatively very significant, and implemented promptly. Problems arose whenever these measures did not entail the automatic and direct transfer of resources to individuals or firms, as administrative authorities were often ill prepared to rapidly act on the government's decisions. For example, INPS, the body in charge of paying pensions and subsidies to idled workers, was overwhelmed in the early weeks by the staggering number of people eligible for such payments. This produced significant delays.

Separately, the decision by the government and regional authorities to close schools and adopt distant learning procedures was not rapidly followed by the

provision of instruments necessary to guarantee effective performance. Delays stemmed from the fact that before being implemented, some laws require the additional promulgation of one or more ministerial decrees to establish all necessary rules and regulations. Ministries are often rather slow in producing these decrees (Capano 2020).

Citation:

G. Capano (2020) Policy design and state capacity in the COVID-19 emergency in Italy: if you are not prepared for the (un)expected, you can be only what you already are, in *Policy and Society*, 39:3, 326-344, DOI: 10.1080/14494035.2020.1783790

National Coordination

National
Coordination
Score: 6

Coordination problems between Italy's central government and regional authorities predate the coronavirus crisis. These are partly due to the overlapping competencies in many policy fields created by the constitutional reform of 2001. Though repeated calls to streamline the center-periphery relationship have been made, all such efforts have failed to date. In addition, different political orientations between the two levels may also make policy coordination more difficult.

Regions have very strong powers in the field of healthcare, making the nationwide coordination required by the pandemic crisis sometimes difficult to achieve. In many cases, the national government has imposed stringent restrictions even as some regions were pressing for more relaxed measures, or vice versa. Decisions to open or close schools, restaurants and bars have often been the occasion of heated discussions between regional governors and national ministers. The desire for media visibility (particularly in the regions where elections were to take place in September) often pushed regional officers to emphasize their own role in the fight against the pandemic, while accusing the government of delays in providing the necessary help. However, the national government's assumption of emergency powers ultimately gave it a dominant role in imposing new rules, restrictions and economic provisions. Regions wanting to implement more stringent closures have had to ask the government to provide economic support to the affected actors.

Overall, the conflicts between regions and the national government have nevertheless been more rhetorical than substantive, and the government was able to settle on appropriate instruments for steering the general COVID-19 strategy (Osservatorio sulle fonti 2020). However, the quality of this strategy's implementation has varied widely due to the highly variable regional healthcare systems. Results in some regions have been better than in other. The region of Lombardy, for instance, proved much less effective at handling

the first wave than did Veneto or Tuscany. To remedy this problem, the central state and the regions should immediately install a mechanism that facilitates communication, collaboration and solidarity between subnational levels during major health disaster events.

Citation:

Osservatorio sulle fonti 2020: For an analysis of the conflicts between central state and regions see: <https://www.osservatoriosullefonti.it/archivi/archivio-saggi/speciali/speciale-le-fonti-normative-nella-gestione-dell-emergenza-covid-19-1-2020/1529-episodi-e-momenti-del-conflitto-stato-regioni-nella-gestione-della-epidemia-da-covid-19>

International Coordination

International
Coordination
Score: 7

Overall, the government has cooperated closely with the World Health Organization, with contact channeled through the health minister and the government's sectoral experts. The Italian state has communicated the WHO's strategies and adopted its suggestions. The prime minister and health minister have participated actively in European-level efforts to devise common strategies to prevent the coronavirus from spreading across borders, while formulating policies intended to counter the pandemic's negative economic impact and sustain the economic recovery. Working closely with the governments of France and Germany, the Italian government has played an active role within the European Council in support of the innovative Next Generation EU plan (BBC 2020). However, the administration was initially not clear in communicating proposals for the use of Next Generation EU funds within Italy to the European level.

Throughout 2020, the government coalition was unable to reach agreement on the special European Stability Mechanism (ESM) fund proposed by the EU to address health-related expenditures.

Citation:

BBC 2020: <https://www.bbc.com/news/world-europe-55661781>

Learning and Adaptation

Learning and
Adaptation
Score: 5

The second wave of COVID-19 infections that emerged in Italy in November 2020 demonstrated that the government and its bodies had failed to draw certain important lessons from the first wave (Paterlini 2020). To be sure, the national crisis management system had been improved to some extent; for instance, policymakers had grasped the advantages of a more selective and fine-tuned system of restrictions, and thus no longer imposed the same levels of lockdown on all regions simultaneously. However, the government was also

taken by surprise by the rapid surge of cases in autumn, which was probably linked to the reopening of schools and other productive activities.

Policymakers offered no well-thought-out strategy for managing public transportation systems, or for rescheduling school and work times in order to reduce infection risks. The contact-tracing system put in place soon proved unable to keep pace with the rapid rise in case numbers, and was in practice suspended.

It became clear during the summer and early autumn months that the government had failed to prepare adequately for the safe reopening of schools. More generally, the government did not engage in a systematic review of what had happened during the first wave, or pursue a thorough reevaluation of its crisis-management capacities. Nor did it conduct a careful comparison with the experiences of other European countries.

Citation:

Paterlini 2020: On the limited learning from the first wave see: Paterlini M., Covid-19: Italy has wasted the sacrifices of the first wave, say experts *BMJ* 2020; 371 :m4279 DOI:10.1136/bmj.m4279

III. Resilience of Executive Accountability

Open Government

Open
Government
Score: 5

The COVID-19 information provided by the government has largely been limited to basic national-level data, in a raw format (e.g., number of people infected or hospitalized, number of deaths). Only partial information has been shared about the local distribution of infections or the determinants of the more severe outbreaks.

Relatively little information has been provided to the media regarding the mechanisms or algorithms used to assess regional conditions and impose varying levels of restrictions. Detailed information was available only on relatively complex sites such as the webpage of the Health Ministry (Health Ministry 2020). Overall, the information made available to normal citizens has not been very user friendly.

In sum, the information provided by the government regarding its crisis-management policies was not universally clear. Policymakers specified the

content of measures adopted, but the reasons for adopting specific measures were often not well explained.

Citation:
Health Ministry 2020: data info Health Ministry: <https://opendatadpc.maps.arcgis.com/apps/opsdashboard/index.html#/b0c68bce2cce478eaac82fe38d4138b1>
(accessed on December 27, 2020)

Legislative Oversight

Legislative
Oversight
Score: 5

Italy's coronavirus crisis-management measures have been given legal legitimacy by emergency proclamations issued in the form of government decree-laws. Decree-laws have also been employed in making the extraordinary new expenditures required to address the pandemic's effects. According to the Italian constitution, decree-laws entail post hoc oversight by the parliament, as they must be ratified by the representative assemblies within 60 days of being issued. However, the government also made frequent use of confidence motions at the moment of ratification. This procedural instrument, used at moments of urgency, closes debate and blocks all parliamentary amendments. Its use thus systematically reduced the parliament's ability to discuss government decisions. The legislature's ability to monitor executive actions closely and effectively has been further de facto reduced by the government's frequent use of prime ministerial decrees (dPCM), which do not need parliamentary approval. Parliamentary commissions could have engaged in oversight of these measures and their effects, but even this has been done only irregularly. Moreover, the prime minister has demonstrated limited willingness to present the measures adopted in front of parliament, preferring instead to release direct messages the general public via TV (Robert Schuman Foundation 2020).

Due also to the tense, uncooperative relationship between the majority and opposition, parliamentary debates on the crisis and the government's response have often felt more like rhetorical combat than careful examination. No new specific parliamentary-oversight mechanism was adopted during the crisis. These factors, combined with the difficulties in meeting safely, have contributed to significantly reducing parliament's oversight role during the pandemic.

Citation:
Robert Schuman Foundation 2020: For an appraisal of the difficulties encountered by Italy's parliament during the coronavirus crisis see: https://www.robert-schuman.eu/en/doc/ouvrages/FRS_Parliament_Italy.pdf

Independent Supervisory Bodies

Auditing
Score: 8

The Italian Court of Accounts (Corte dei Conti) serves as the country's main audit office of the country, maintaining a central office and regional delegations. It has continued to perform its oversight role despite the working difficulties caused by pandemic-related restrictions. Like all other courts in the country, it initially experienced some difficulties in adopting remote-working structures.

The Court of Accounts produces a quarterly report assessing government legislation from the point of view of financial accuracy (Corte dei Conti 2021a). These reports have often underlined the insufficient precision in the technical matter accompanying bills, and have asked for a better specification of future costs.

The court has joined a special European project group focused on auditing COVID-19 responses, led by the European Organization of Supreme Audit Institutions (EUROSAI), (Corte dei Conti 2021b).

The highly skilled Parliamentary Budget Office also helps monitor financial risks through its regular reports on all bills entailing government expenditure.

Citation:

Corte dei Conti 2021a: <https://www.corteconti.it/Download?id=56596f6d-8ef0-489c-bff1-cd3eb79c2db2> (accessed on 5 January 2021)

Corte dei Conti 2021b: <https://www.corteconti.it/HOME/StampaMedia/Notizie/DetailioNotizia?Id=a575ca9d-5252-48b9-b94d-de003e6ded7a> (accessed on 5 January 2021)

Data Protection
Score: 8

The Italian Data Protection Authority (Garante per la protezione dei dati personali) is an independent administrative authority established by the so-called privacy law (Law No. 675 of 31 December 1996), and subsequently regulated by the Personal Data Protection Code (Legislative Decree No. 196 of 30 June 2003) as amended by Legislative Decree No. 101 of 10 August 2018. This last-mentioned measure also established that the Italian DPA is the supervisory authority responsible for monitoring application of the General Data Protection Regulation. The independence of this authority, as guaranteed by the law, has been confirmed in practice over the years.

With regard to COVID-19 and the measures adopted by various public authorities, the DPA has developed a list of FAQs that clarify citizens' rights and duties in the area of data processing. It has also issued guidelines for local authorities, employers, school authorities, research facilities and scientific laboratories with regard to collecting and preserving infection data.

The president of the Italian Data Protection Authority participated (8 April 2020) in a Chamber of Deputies videoconference hearing regarding the use of new technologies and the internet to counter the COVID-19 epidemiological emergency (Garante Privacy 2021a). The DPA has also recommended that the media avoid identifying people hospitalized due to COVID-19, in the interest of safeguarding their privacy.

The organization conducted an assessment of the Immuni contact-tracing app, evaluating whether it sufficiently respected privacy rules (Garante Privacy 2021b).

Citation:

Garante Privacy 2021a: . https://www.garanteprivacy.it/web/guest/home/docweb/-/docweb-display/docweb/9308774#english_version (accessed 10 January 2021) Garante Privacy 2021b: <https://www.garanteprivacy.it/web/guest/home/docweb/-/docweb-display/docweb/9356568>

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<https://doi.org/10.11586/2021096>

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