The Investment Institute
by UniCredit

Coffee Break

Coffee Break is our daily publication, offering topical insights as an intellectual ingot to start the day.

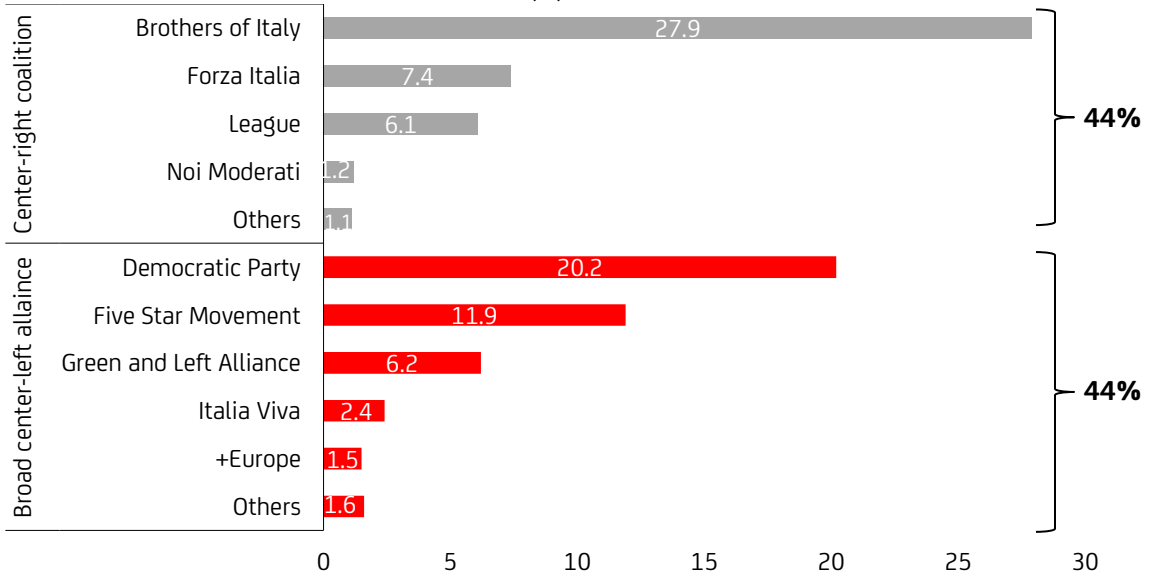
New voting system under scrutiny as Italy's election clock starts ticking

2 November 2026

Current polling points to a neck-and-neck race between the incumbent centre-right coalition and a broad centre-left alliance, with smaller parties potentially determining whether the new voting-system's majority bonus is triggered. Complicating the picture, constitutional challenges could affect both the electoral framework and the timing of the next general election.

THE RACE BETWEEN THE TWO MAIN COALITIONS IS CURRENTLY TIGHT

OPINION POLLING FOR THE NEXT GENERAL ELECTION (%)



Source: Youtrend, The Investment Institute by UniCredit
Note: The polling data represent a weighted average of the main national polls on voting intentions conducted over the previous two weeks.

THE CONTEXT

Italy's voting system has been thrust back into the spotlight following the approval of a new electoral law, the so-called "Stabilicum". Legal challenges were filed last week before ordinary courts, with opponents arguing that key provisions violate constitutional principles.

The ultimate objective is to refer the law to the Constitutional Court, which could issue a ruling as early as next Spring. As a result, uncertainty is set to linger over the electoral framework governing the general election, which is expected to take place next year as the current legislature draws to a close. Specifically, the Stabilicum is based on proportional representation but incorporates a majority premium aimed at facilitating government formation. A coalition securing at least 42% of valid votes in both chambers of parliament would be awarded an additional 70 seats in the lower house and 35 in the Senate. If no coalition reaches the threshold, seats would be allocated on a fully proportional basis, and a governing majority would need to be assembled after the election. The law sets electoral thresholds at 3% for individual parties and 10% for coalitions, reintroduces preference voting while retaining fixed lead candidates, and requires parties to designate a prime ministerial candidate before the election. It also quadruples the number of signatures required for parties not currently represented in parliament.

THE DATA

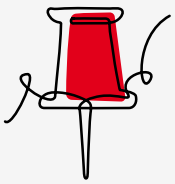
The new electoral system creates strong incentives for parties to form pre-election coalitions, as any alliance securing more than 42% of the vote would obtain a majority in parliament. Our chart shows that current polling suggests a close race, with both the currently governing centre-right coalition and a broad centre-left alliance polling at around 44%. New and smaller parties could therefore prove decisive. National Future, a newly formed political party currently polling at around 6%, appears to draw support mainly from the League and Brothers of Italy, potentially preventing the centre-right from reaching the 42% threshold. National Future's support peaked at nearly 8% in early October before easing more recently. On the centre-left, the participation of Italia Viva – a political party led by former prime minister Matteo Renzi – in a broad alliance could prove crucial to securing the majority premium. If neither coalition exceeds 42%, the bonus would not be awarded and seats would be allocated proportionally, requiring post-election coalition negotiations. These figures provide a preliminary indication of the current balance of forces, while regional voting patterns and the operation of the new preferential voting system could still affect the final outcome.

OUR VIEW

The coming months should provide greater clarity on parties' coalition strategies and the selection of prime ministerial candidates. Yet significant uncertainty is likely to persist well into next year. While lawmakers sought to incorporate the principles established in previous Constitutional Court rulings when drafting the Stabilicum, the outcome of any future constitutional review remains difficult to predict. The court's ruling could affect the law's core architecture, most notably the majority bonus, as well as some of its more technical provisions. Key challenges concern the allocation of the majority bonus to the Senate on a national basis despite the constitution's regional approach, the preferential voting mechanism – particularly when only one seat is won by a list and the lead candidate is automatically elected – the requirement to designate a prime ministerial candidate before the election, gender parity safeguards and higher signature requirements for parties not represented in parliament. The implications could vary considerably. A ruling affecting fundamental features of the law could require parliament to revise the electoral framework before a new election is held, whereas a narrower judgment targeting more technical provisions could leave the overall structure of the Stabilicum intact.

Beyond its implications for the electoral framework, the court's ruling may also prove decisive for the timing of the next general election. We continue to see a plausible path to an early dissolution of parliament towards the end of 1Q27, with elections potentially taking place in the second quarter. Nevertheless, we do not view this scenario as significantly more likely than parliament serving its full term, as domestic political considerations and heightened geopolitical uncertainty are likely to shape the final decision. Importantly, if the court were to require significant amendments to the electoral law, the need for further parliamentary action would increase the likelihood of an election being held in the autumn, closer to the scheduled end of the legislature and the next budget process. However, all this hinges on the court delivering its ruling before parliament is dissolved.

OTHER THINGS TO NOTE



Political tension in Poland

The dispute between Prime Minister Donald Tusk and President Karol Nawrocki regarding the Constitutional Tribunal is keeping Poland's political situation tense. On the one hand, PM Tusk and his party, Civic Platform, accuse the president of blocking the appointment of new judges nominated by parliament. On the other hand, President Nawrocki and the opposition (PiS and right-wing parties) accuse the prime minister of staging a coup, alleging that he requested police intervention at the tribunal, which was surrounded by officers on Friday. The opposition is asking for a technical government ahead of the general election scheduled for autumn 2027. Developments will be followed by European institutions, which have in the past highlighted the tribunal's lack of independence. On Saturday, a spokesperson of the European Commission indicated that "the appointment of eight new members of the Constitutional Tribunal lies within the constitutional power of the Sejm, Poland's parliament".

TODAY'S DATA RELEASES

Time (CET)	Country	Data	Period	UniCredit	Consensus	Previous
09:45	IT	Manufacturing PMI (index)	Oct	50.0	-	50.4
16:00	US	ISM manufacturing (index)	Oct	-	54.7	54.5

Source: Bloomberg, The Investment Institute by UniCredit

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