



Agenzia nazionale per l'attrazione  
degli investimenti e lo sviluppo d'impresa SpA

## Country's Profile

*Invitalia is the Italian national agency for inward investments and economic development. Its mission is to promote the country's competitiveness – in particular in the Southern Regions – and support growth in strategic sectors.*

*Its main objectives are:*

- Supporting inward investments*
- Boosting innovation and growth*
- Improving the economic opportunities in the Regions.*

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## Country's Profile

### Political System

Italy is a republic with a democratic parliamentary system.

Sovereignty belongs to the people, who exercises it in accordance with the principles enshrined in the Constitution that came into effect on 1 January 1948.

The Italian Republic recognises and guarantees the inviolable rights of human beings.

All citizens have equal social dignity and are equal before the law, without regard to gender, race, language, religion, political beliefs, and personal or social status.

The Constitution lays down the principles of a democratic system through the separation of powers: executive power is wielded by the Government, legislative power by the Parliament, and judicial power by the judiciary.

### President of the Republic

The President of the Republic is the Head of State. Elected by a joint session of the Parliament along with representatives of each Region, the President represents national unity, and serves for a seven-year term.

The President:

- Promulgates laws, issues decrees with the force of law, and issues regulations
- May request the Parliament to reconsider a law
- May dissolve one or both Houses of Parliament and call new elections
- Is the commander in chief of the armed forces and chairman of the Supreme Council of Defence (Consiglio Supremo di Difesa)
- Declares war on the basis of a decision taken by the Parliament
- Chairs the Supreme Council of the Judiciary (Consiglio Superiore della Magistratura)
- Appoints Senators for life
- Appoints the Prime Minister and, upon his/her advice, Ministers
- Appoints one-third of the judges of the Constitutional Court
- Has the power to grant pardons and commute punishments
- Ratifies international treaties.

The President acts a mediator in the event of a political crisis.

### **The Italian Parliament**

The Italian Parliament is composed of the Chamber of Deputies and the Senate.

The two Houses have similar powers and functions, nevertheless they differ in several concerns – namely:

- Number of representatives (630 in the Chamber of Deputies - 315 in the Senate plus senators-for-life)
- Electoral system (except for 6 seats assigned to the constituency of Italians abroad, Senate seats are allocated to competing lists of candidates in the individual regional constituencies proportionately to the relevant population and possible allocation of a regional majority bonus. Except for 12 seats assigned to the constituency of Italians abroad, Chamber of Deputies seats are allocated on a national basis proportionally to competing lists of candidates and possible allocation of a majority bonus)
- Voting age (18 years for the Chamber of Deputies – 25 years for the Senate)
- Election eligible age (Deputies at least 25 years old – Senators at least 40 years old).

The Parliament largely exercises legislative power.

### **The Government**

The Government must enjoy the confidence of both Houses, and is composed of the Prime Minister (officially the President of the Council of Ministers) and his/her Ministers, jointly constituting the Council of Ministers.

The Prime Minister conducts and is responsible for Government general policies.

He ensures the unity of general political and administrative policies, promotes and coordinates ministers' activities.

Upon enabling authority granted by the two Houses of Parliament, the Government has the power to issue legislative decrees with the force of law. In exceptional cases of necessity and urgency, the Government also has the power to issue decree-laws, subject to Parliamentary ratification (within 60 days in order to gain the force of law).

The Government encompasses a number of major interministerial committees in charge of coordinating issues addressed by ministries, i.e.:

- The Interministerial Committee for Economic Planning (Comitato Interministeriale per la Programmazione Economica - CIPE)
- The Interministerial Committee for Credit and Savings (Comitato Interministeriale per il Credito e il Risparmio - CICR).

### **The Constitutional Court**

Compliantly with the Constitution, the Constitutional Court judges over disputes concerning: the constitutionality of State and Regional laws and acts having the force of law; conflicts arising over the attribution of powers between the State and the Regions, and between Regions themselves; as well as charges brought against the President of the Republic.

### **The Judiciary – Jurisdictional System**

The legal system is organised into the following jurisdictional functions:

- Ordinary, attributed to ordinary courts
- Administrative, attributed to Regional Administrative Courts (Tribunali Amministrativi Regionali - TAR) and the Council of State (Consiglio di Stato)
- Financial, attributed to the Court of Auditors (Corte dei Conti) in the area of State accounting
- Tax, attributed to Regional Tax Commission and Provincial Tax Commission.
- The Judiciary is autonomous and fully independent from the power of the other Government branches.

### **Local Governments**

The Italian Republic is organised into Regions, Provinces, Municipalities, and metropolitan areas.

Italy encompasses 20 Regions, 5 of which ruled by special statute (i.e. Valle d'Aosta, Trentino-Alto Adige, Friuli-Venezia Giulia, Sicily and Sardinia). The Regions, in turn, are divided into 110 Provinces and 8,094 Municipalities. ( Source ISTAT 30 giugno 2010).

## Reforms

The Italian Government is committed to implementing a series of national and local reforms.

### Federal reforms

Constitutional Law n. 3 of 3 October 2001 assigned new legislative powers to Italy's Regions in important sectors, such as foreign trade, education and local administration.

Regions also have decision-making power in all the issues in which European laws exert their impact at regional level.

The central Government retains exclusive jurisdiction over the following issues:

- Foreign policy
- Immigration
- Religion
- Defence
- National currency
- Electoral laws
- Public Administration
- Public security
- Citizenship
- Justice
- Essential assistance provided by the National Healthcare System
- Pensions
- Civil Defence (Civil Protection).

The central Government and Regions exert concurrent legislative power over the following areas:

- Regions' relations with the European Union and other foreign countries
- Foreign trade
- Education
- Scientific and technological research and support to innovation in productive sectors

- Land-use regulation and planning
- Civilian ports and airports
- Major transportation and navigation networks
- Energy production, transportation and national distribution
- Harmonisation of public budgets, and coordination of public finances and tax system.

Within concurrent legislation issues, Regions exert legislative power except for the definition of fundamental principles, reserved to State legislation.

Legislation on tourism is entirely entrusted to Regions. At central Government level, the Ministry for Tourism is in charge of elaborating, in joint cooperation with Regions and the Autonomous Provinces of Trento and Bolzano, general orientations, principles and objectives for valorisation and competitive development of the national tourist system.

#### **Local Taxes**

Article 119 of the Italian Constitution provides Regions, Provinces, Municipalities, and metropolitan areas with financial autonomy. Local governments thus have the power to establish and collect taxes, transferring the due share to central Government.

Local governments' representatives participate in the Parliamentary Commission for Regional Affairs.

#### **National reforms**

The Italian Government has implemented numerous structural reforms to encourage competition and long-term market growth. National reforms have addressed Italy's corporate law, tax system and labour market, and are also aimed at promoting and supporting the international expansion of Italian enterprises, research and development, and e-government initiatives for bureaucracy streamlining.