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“The Labor Market of Italian Politicians”  
Second Version

by

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# The Labor Market of Italian Politicians\*

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## INTRODUCTION

Like voters (*the represented*), politicians (*the representees*) are the heart and soul of representative democracy. But isn't being a politician just like any other job? After we get past the rhetoric, is politics any different than other occupations? In the political sector, voters, parties and politicians represent the counterparts of consumers, firms and workers/managers in the market sector. In fact, the analogy is much deeper than it may appear at first sight. In the market sector, consumers determine to a large extent the success of a firm and ultimately the management's fate. However, managers are chosen by the firms, which typically have an objective that is different from those of consumers and managers. Likewise, while in all democratic systems the voters ultimately determine who is elected, it is typically the case that political parties nominate candidates for public office. Furthermore, the objectives of voters and parties with respect to the selection of candidates may differ, and are constrained by the career ambitions of individuals with political aspirations. But then, what really makes a career in the political sector different from a career in any other economic sector?

There are at least three distinctive features that characterize the labor market in the political sector. First, politicians are typically "under the spotlight," receiving the attention of the media and of a variety of citizens' organizations. This makes politics a "showcase," where politicians in office can display their political skills, while it might be more difficult for individuals working in the market sector to reveal their market ability. Second, inter-party competition for potential politicians is likely to be of secondary importance, as ideological preferences are more likely to attract individuals toward specific parties at the beginning of their political careers. Third, it is often the case that political parties "take care of their losers" by reserving party's positions to defeated incumbents. As a result, while individual careers within the political sector are inevitably linked to the opportunities available within parties, the extent to which individual endowments of "political" and "market" skills are correlated, or experience in the political (market) sector is also valuable in the market (political) sector, links the labor markets of the two sectors. This link affects the selection of politicians, the politicians' careers, and the relationship between parties and voters.

In his famous 1918 lecture *Politics as a Vocation*, Max Weber writes:

“Politics, just as economic pursuits, may be a man's avocation or his vocation. [...] There are two ways of making politics one's vocation: Either one lives ‘for’ politics or one lives ‘off’ politics. [...] He who lives ‘for’ politics makes politics his life, in an internal sense. Either he enjoys the naked possession of the power he exerts, or he nourishes his inner balance and self-feeling by the consciousness that his life has meaning in the service of a ‘cause.’ [...] He who strives to make politics a permanent source of income lives ‘off’ politics as a vocation.” [from Gerth and Mills (1946; pp. 83-84)]

This quote highlights the importance of analyzing the motivations of politicians in the context of their career decisions over the life-cycle, and represents the starting point of a large literature where scholars from different disciplines within the social sciences have been tackling these issues from a variety of angles.<sup>1</sup>

In this study, we analyze the career profiles of Italian legislators in the post-war period. Using a unique, newly collected dataset that contains detailed information on all the politicians who have been elected to the Italian Parliament between 1948 and 2008, we address a number of important issues that pertain to their career paths prior to election to Parliament, their parliamentary careers, and their post-Parliament employment. Our data span two institutional regimes: Italy's First Republic (1948-1994) and the Second Republic (1994-present), characterized by different electoral rules and party structures.

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<sup>1</sup> The contributions by sociologists and political scientists are particularly numerous, and it is outside of the scope of this study to survey this literature, which is vast even if one were to restrict attention to the case of Italy. In addition to the references we cite in the remainder of this study, there are many others we read to help us place our work in the context of the literature. In particular, we refer the interested reader to Aberbach, Putnam and Rockman (1981), Bartolini and D'Alimonte (1996), Caciagli and Barnes (1994), Cotta and Isernia (1996), Di Palma (1977), Di Palma and Cotta (1986), Dogan (1975, 1989), Doring (1995), Eldersveld (1989), Ignazi and Ysmal (1998), La Palombara (1987), La Palombara and Weiner (1996), Morlino (1998), Norris (1997), Norris and Lovenduski (1995), Patzelt (1999), Putman (1976), Sartori (1966), Spotts and Wieser (1986), Verzichelli (1994, 1996), Vianello and Moor (2000), and Wertman (1988). The economics literature on this topic is more recent and quite smaller, and is surveyed by Merlo (2006).

In Chapter I, we present a brief overview of the Italian political system. Countries differ with respect to their political institutions, which affect the way in which voters, politicians, political parties, the legislature and the government interact, as well as the “industrial organization” of the political sector. The overview of the institutional details of the Italian political system we provide highlights the role played by parties in the selection of politicians and the way in which changes in the electoral law may have affected the selection process as well as the parties’ internal organization and the overall structure of the party system.

In Chapter II, we provide a comprehensive view of the career profiles of Italian legislators over the entire sample period 1948-2008. In particular, we document the extent to which the characteristics of Italian legislators (such as their age, gender, education, occupation and income prior to entering the Parliament) have changed over time and highlight the major differences between the First and the Second Republic. To provide a term of comparison, we also contrast the profiles of Italian legislators and their evolution over the post-war period to those of the members of the United States Congress.

In Chapter III, we use our data to address a number of questions that pertain to the selection of Italian politicians, their labor market, and their overall quality. We then draw some general conclusions that contribute to the debate about the relative efficacy and desirability of alternative policies regarding the selection and the compensation of elected representatives.

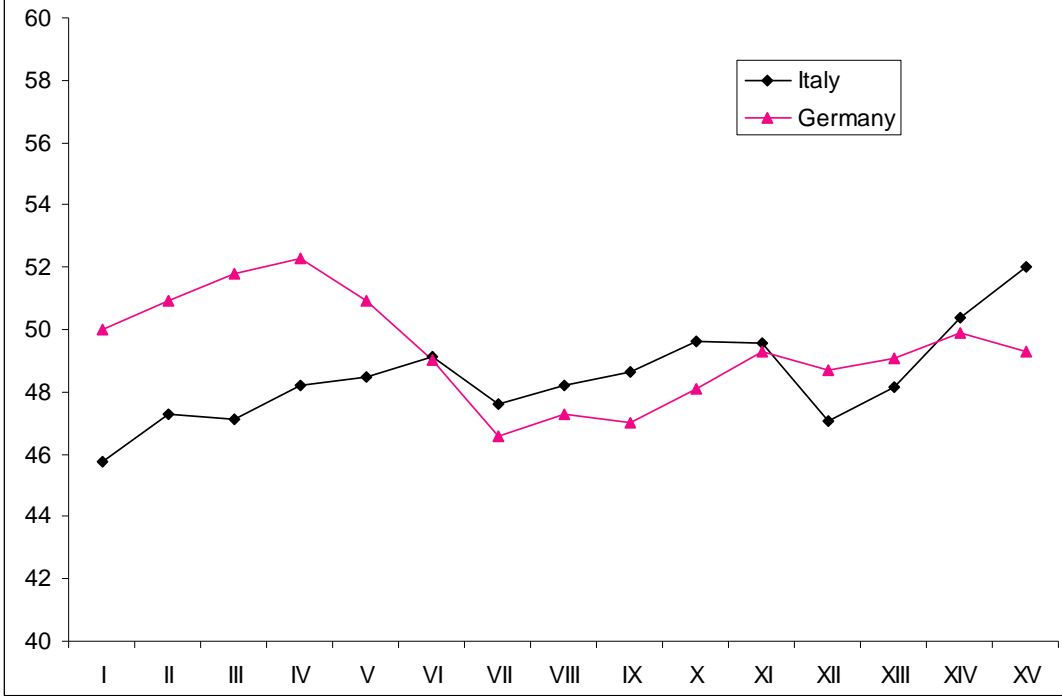
Before turning our attention to the details of our study of the careers of Italian politicians it is legitimate to ask whether Italy represents a good case study in a broader European context or, in other words, to what extent Italian legislators are similar to their counterparts in other European countries with respect to their demographic characteristics. To address this issue, Table 1 reports the average age, the percentage of female legislators and the percentage of legislators with a college degree in the most

recent legislature for a number of European countries; while Figures 1, 2 and 3 depict the time series of these variables for Italy and Germany over their first 15 legislatures. As we can see from Table 1, Italy is by no means an outlier with respect to any of these measures although the cross-country variation in each of these dimensions of the data is quite substantial. With respect to changes over time in the composition of the legislature, Figures 1-3 show that the average age and the percentage of female in the legislature followed similar patterns in Italy and in Germany. The percentage of legislators with a college degree, on the other hand, decreased over time in Italy while it increased in Germany.

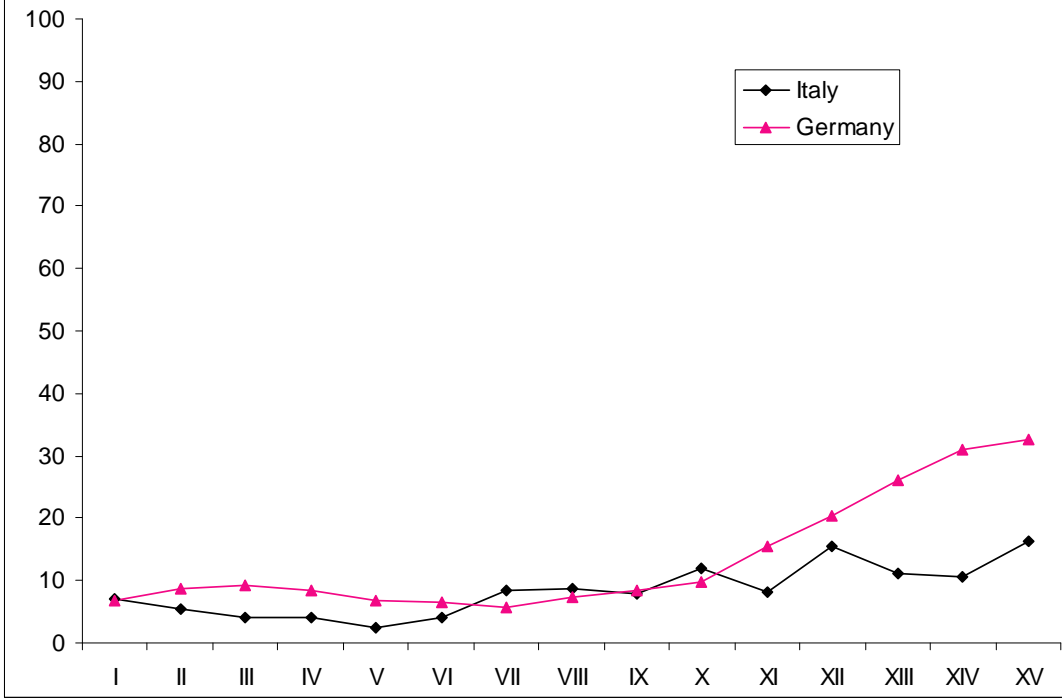
**Table 1: Legislators' characteristics in selected European countries**

<b>Country</b>	<b>Year</b>	<b>Average Age</b>	<b>% Female</b>	<b>% College Degree</b>
Austria	2006	49.1	31.1	36.6
Belgium	2007	44.0	37.9	79.3
Denmark	2007	45.3	37.7	67.4
Finland	2007	46.2	42.0	66.5
France	2007	56.4	18.3	n.a.
Germany	2005	49.3	32.5	86.7
Iceland	2007	49.7	31.7	n.a.
Italy	2007	52.0	16.3	68.5
The Netherlands	2006	42.2	36.6	60.0
Sweden	2006	49.0	47.3	66.7
Switzerland	2007	51.0	28.5	n.a.
United Kingdom	2005	48.2	19.8	67.0
Average		48.5	31.6	66.5

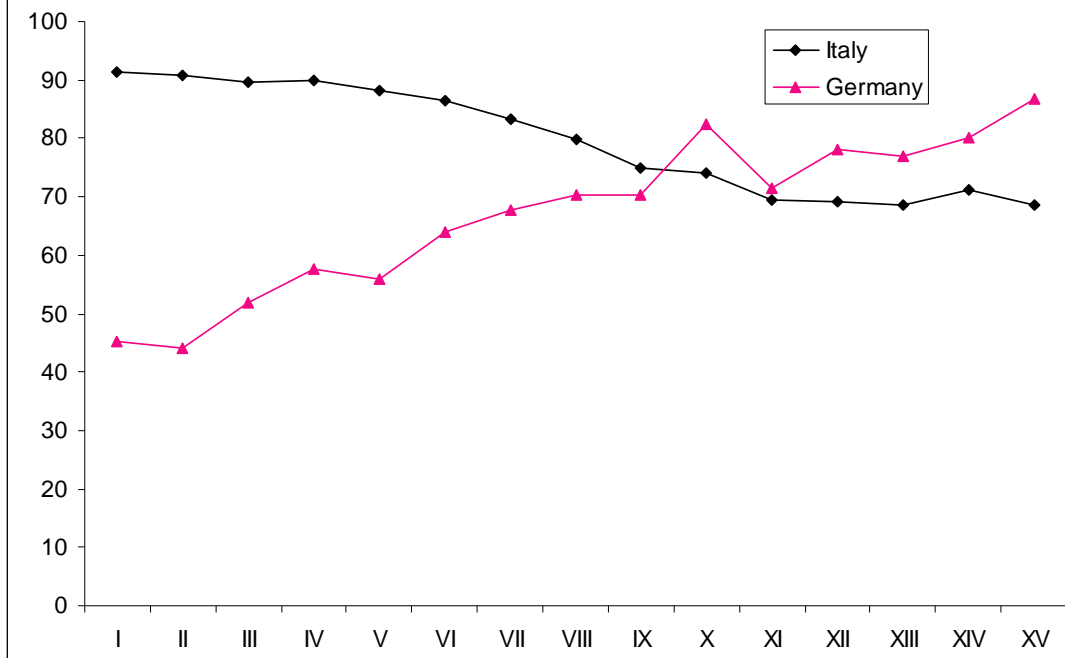
**Figure 1: Average age of legislators by legislature**



**Figure 2: Percentage of female legislators by legislature**



**Figure 3: Percentage of legislators with a college degree by legislature**



## CHAPTER I: Institutional background

The set of political institutions put in place by the 1948 Italian Constitution were designed to prevent the concentration of power in the hands of the majority, and required the political and institutional power to be shared among many actors. This was achieved through the establishment of a strong bicameral parliamentary system where the balance of power between the legislative and the executive branches favored the former, and through a proportional electoral law, which guaranteed the representation of many political forces in the Parliament leading to a multiparty system and to executive power sharing within broad coalition governments. The combination of all of these features makes Italy a consensus democracy.

### 1. The Italian Parliament

Italy is a parliamentary democracy with a perfect bicameral structure, where the House (*Camera dei Deputati*) and the Senate (*Senato della Repubblica*) have symmetric legislative power. In fact, during the *iter legis*, which represents the procedure to finalize a law, the text of the law has to be approved by both chambers.<sup>2</sup> Approvals typically require a simple majority of votes of the members who are present at the time of deliberation (*quorum funzionale*). The presence of a majority of the members of each chamber is however needed for any decision to be valid (*quorum strutturale*).<sup>3</sup>

The House is composed of 630 members (MPs), all chosen by the Italian electorate during general political elections.<sup>4</sup> The Senate, on the other hand, has 315 elected members chosen through competitive elections, but also a handful of non-elected members. Non-elected members of the Senate are the past Italian Presidents (*senatori di*

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<sup>2</sup> Typically, the initiative to draft a law arises within the government or is brought up by some members of the Parliaments, and is then assigned to a committee for further investigation. The newly drafted text has to be approved by (simple) majority by the committee and then by the two chambers of Parliament. If either chamber modifies the text that was previously approved by the other chamber, the text has to go back to the previous chamber for a new approval.

<sup>3</sup> In the House, abstentions are not counted as votes – effectively reducing the number of votes required to pass a law; whereas in the Senate, abstentions are counted as votes – thereby maintaining constant the number of votes required to pass a law.

<sup>4</sup> The number of representatives became fixed at 630 in the 1963 election. In the previous three Legislatures, it depended on the size of the population in each electoral district. The number of representatives who were elected to the House prior to 1963 was 574 in 1948, 590 in 1953 and 623 in 1958.

*diritto a vita*) and those citizens who have been declared senators for life (*senatori a vita*) by the Italian Presidents, as the highest national recognition for exceptional achievements in science, art or social life.

The constitutionally mandated duration of a parliamentary term or Legislature is five years. Within seventy days before the end of a Legislature new elections have to take place to nominate the members of the new Parliament. Early elections may however take place before the regular end of the Legislature. Indeed, early elections have been relatively frequent in Italy, as documented in Table 1, which reports the beginning and end dates of the 15 Italian Legislatures between 1948 and 2008. The authority to dissolve Parliament and call early elections rests with the President of the Republic, who by calling an early election acknowledges and certifies that the current Parliament is unable to support the formation of a government (i.e., no government can obtain a majority of the votes in each of the two chambers of Parliament).

The (active) electorate for the House is composed of all Italian citizens who have reached 18 years of age, whereas the voting age for the Senate is 25 years. Differences in age restrictions across elections are a peculiar feature of the Italian system, since everywhere else in Europe the minimum age to vote in all elections is 18 years, with the sole exception of Belgium, where voters have to be at least 21 years old. Age restrictions are also imposed on the passive electorate. To be eligible to become a member of the Parliament, an Italian citizen has to be at least 25 years old for the House and at least 40 years old for the Senate. The latter is the highest age limit in Europe.<sup>5</sup>

The members of the Italian Parliament enjoy a special status. Regardless of the party list or of the geographic location of the district in which they have been elected, the members of Parliament have the legal duty of representing the interest of the entire nation. For instance, their electoral-affiliation party has no formal control over their political or voting behavior while in Parliament. Moreover, MPs cannot be arrested or prosecuted

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<sup>5</sup> The only other European country that imposes such a limit is the Czech Republic. In Belgium, candidates have to be older than 21 years of age, in France 23 and in Greece 25.

without a previous permission granted by the chamber of Parliament they belong to, except in few special instances.

The relative importance of the legislative power (the Parliament) vis-à-vis the executive power (the government) is captured by two important institutional features that regulate the interaction between these two functions. First, the head of the government (the Prime Minister) is not directly elected by the citizens, but is instead selected by the Parliament. Typically, the name of the prime minister (and the composition of his cabinet) emerges from consultations among the major parties. However, to assume power, the government must be approved by a majority in each chamber of Parliament (investiture vote). Second, the Prime Minister is responsible to the Parliament. Namely, in order to remain in power the government must retain the support of a parliamentary majority, and either chamber of Parliament can remove the Prime Minister from office at any time with a legislative vote of no confidence.

Political parties play an important role within the organization and the daily working of the Italian Parliament. Each chamber of Parliament has a President and an Office of the President, which represent all the parties and have mainly administrative duties, as well as some (permanent) committees. In addition, the parties also have some institutional organizations within the Parliament: the parliamentary groups (where typically each group represents a different party, although the mapping between parties and groups has become increasingly complicated over the years), and the heads of these groups (*Capigruppo*), who jointly form a body called *Conferenza dei Capigruppo*, which has an important agenda-setting role since it determines the calendar of the Parliament and the issues to be discussed during each parliamentary session.

## **2. The electoral law**

The 1948 Italian Constitution instituted an electoral law with proportional representation for both chambers of the Parliament. In the House, the proportionality applied at the national level to elect all the representatives. The entire electorate was divided in large electoral districts. In each district several MPs were elected. In the Senate, on the other

hand, the proportionality applied at the regional level. Each of the 20 Italian regions elected a share of the 315 senators, according to its population, with a minimum of seven senators per region, except for small regions, such as Valle d'Aosta (which elected only one senator), and Molise (which elected two).

The proportional rule that had regulated the Italian electoral system since WWII, however, came under strain at the end of the 1980s. This was partially due to the increasing instability of the governments, which was often blamed on the increase in the number of parties, and on the growing relevance of small parties in the coalition governments. As we can see from Table 2, which lists all Italian governments from 1948 to 2008, during the 1980s Italy experienced twelve governments, which lasted on average less than a year.<sup>6</sup> These short lasting executives were typically coalition governments, and in four instances the Prime Minister did not belong to the largest party, which at that time was the Christian Democratic Party or *Democrazia Cristiana* (DC). A move from a proportional to a majoritarian electoral rule was thus presented as an effective way of reducing the power of the small parties and thereby increasing the stability of the executive.

In 1990, a popular referendum was proposed by several politicians with the objective of eliminating the proportional electoral rule for the Senate and also eliminating the possibility of expressing preferences for multiple candidates on each ballot for the House. While the Italian Constitutional Court ruled against the admissibility of the former referendum, the latter was held in 1991. Almost 95% of the 30 millions Italians who voted (65% of the electorate) agreed on abandoning the much criticized multiple vote of preference for House elections. Two years later, the legitimacy of the referendum to eliminate the proportional electoral rule for the Senate was approved by the Italian Constitutional Court, and on April 18<sup>th</sup> and 19<sup>th</sup> 1993, 77% of the Italian electorate voted in the referendum and determined by a large majority (82.7%) the end of the proportional electoral rule for the Senate.

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<sup>6</sup> One cabinet, led by Amintore Fanfani, only lasted eleven days.

Soon after the 1993 referendum, a major modification of the Italian electoral system was implemented for both chambers of Parliament by the so-called “*Legge Mattarella*” of 1994 (named after the Christian Democrat legislator Sergio Mattarella who sponsored it). In the House, Italy moved from a pure proportional system to a mixed system, where 75% of the representatives were elected with a majoritarian system and the remaining 25% according to the proportional system.<sup>7</sup> Italy was divided into 475 uninominal House districts. In each district, one representative was elected by simple plurality according to a pure first-past-the-post election. The remaining representatives were then selected with a proportional rule among the candidates of those parties which were able to reach a threshold of at least 4% of the votes, with a mechanism favoring the losing parties in the uninominal districts. The 1994 law also modified the electoral rule for the Senate. In the new mixed system, 232 senators were elected according to a simple plurality rule in the 232 uninominal Senate electoral districts in which Italy was partitioned. The remaining 83 representatives of the Senate, previously allocated in fixed numbers among the twenty Italian regions, were then selected according to a proportional system. In each region, the representatives elected in the proportional system were selected using the votes received by the losing candidates in the uninominal districts of the region.<sup>8</sup>

Three Legislatures later, in the eve of the 2006 national elections, the Italian electoral system was again modified to move back to a proportional system, although with some notable differences with respect to the original proportional system which had been in use between 1948 and 1994. Representatives to the House are now elected according to proportional rule with a double threshold. If a party does not belong to a coalition, in order to gain a seat in the House, it has to reach the threshold of 4% of the total votes. If instead the party is linked to other parties in a coalition, the threshold (for each party in the coalition) becomes 2%. Special rules apply to allow the first two parties which do not reach these thresholds to gain a seat in the Parliament. In the House, the strict

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<sup>7</sup> The choice of attributing 25% of the seats according to the proportional rule was highly criticized by the proposers of the 1993 referendum, who claimed that the 1994 law contradicted the spirit of the referendum of abandoning the proportional system. Two additional referenda in April 1999 and May 2000 tried to eliminate the 25% proportional quota. However, neither referendum reached the required quorum of 50% of the votes (the turnout in the 1999 referendum was 49.6% of the population of eligible voters, thereby falling short of the threshold by less than 210,000 votes).

<sup>8</sup> The votes received by the winning candidates in the uninominal districts were not counted.



























































































































































































