Cartel Parties and Cartel Party Systems: The Italian case

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August 2006

Paper No. 10-2006
Introduction

In spite of the fact that Katz and Mair’s cartel party article has been one of the most widely cited, read, discussed, criticized scholarly works of the past decade, Italian politics experts have been somewhat reluctant to apply the cartel party framework to analyze the Italian party system.\(^1\) This reluctance was probably motivated by an improper understanding of what the cartel party hypothesis actually entails. Italian politics scholars seemed to think that the cartel is a specific type of oligopolistic market in which the supply of goods is distorted by the collusion of the oligopolistic firms which, by colluding, form the cartel. Italian politics scholars further believed that oligopolistic markets, and cartels of oligopolistic firms, are created to resist change and to prevent other firms from entering the market and that they are able to do so successfully.

Applying the cartel party framework to the Italian case was considered to be somewhat problematic. It was not clear whether and to what extent the behavior of Italian parties actually resembled the behavior of oligopolistic firms, it was not clear whether parties were actually colluding, while it was (or at least was considered to be) very clear that the Italian parties had failed to assure their collective survival. For these reasons Italian politics experts thought that it was not only inappropriate

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but even useless to discuss whether and to what extent the Italian party system could be viewed as a cartel party system. This is why the cartel party framework has encountered little fortune in the study of Italian parties and party system.

Italian party system was not investigated as a possible case of cartel party system because the parties of the First Republic had failed to ensure their collective survival. This theoretical approach is somewhat mislead: what allows one to describe a party system as a cartel party system is not whether parties manage to ensure their survival but whether they attempt to secure their survival by colluding.

The purpose of the present chapter is to examine whether it is possible, appropriate or even advisable to use the cartel party framework to analyze party politics Italian style. In order to do so, we will try to provide some evidence in two different respects. First, we will try to assess whether there are some similarities between the behavior of the Italian parliamentary parties and firms in the oligopolistic markets. Second we will try to assess whether there is any evidence sustaining the claim that the system formed by the interactions between the main political parties resembles the functioning of a cartel of oligopolistic firms. The evidence presented in the course of the chapter reveals that political output (legislation) is distorted as the supply of legislation does not seem to be affected by changes in either governments’ ideological orientation or in voters’ demands. As political supply does not adjust to changes in demand, this political market is not competitive in the same way in which oligopolistic markets are not competitive. Additional evidence is presented to show that the conduct of Italian parties resembles the behavior of a cartel. Only those bills that have an all-party endorsement are approved and transformed into law, while all the bills on which there is inter-party disagreement, as these bills may
not be beneficial for all, die in the course of the legislative process. Parties do collude in selecting what legislation can be approved and, by doing so, operate like a cartel.

In the course of this chapter we will proceed as follows. Section One discusses the political context within which Italian parties and coalitions operate. In doing so specific attention is paid to the fact that there three poles in the Italian party system, that the parties belonging to each of these poles claimed to be ontologically different and possibly incompatible with the parties belonging to the other poles. In this part, however, we also point out the fact that there was a noticeable mismatch between party rhetoric and fact. In fact, while parties criticized and insulted each other, they were able to strike deals, they endorsed very similar party programs up to the point that the electoral manifesto of the Prodi-led center-left coalition appealed to some notable arch-conservatives. Section Two discusses the institutional context in which Italian parliamentary parties operate. In addition to discussing how legislation can be passed in the Italian parliament, this section discusses how the data were collected and analyzed. Section Three presents the results of our data analysis and a discussion thereof. This part shows that Italian parties display, as one would expect, very high levels of intra-party cohesion and, surprisingly, very high levels of likeness inter-party agreement as measured by the likeness score. Our data analysis further illustrates than on a majority of the bills approved by the Italian parliament in the course of the XIII Legislature, legislative proposals were supported by nearly unanimous majorities of the voting MPs. Building on these results, Section Three goes on to discuss not only why legislation was enacted by nearly unanimous majorities and likeness scores were so high, but it also discusses how these findings
are consistent with the cartel party hypothesis. Specifically it is argued that since only the bills that had received, directly or indirectly, an all-party endorsement could be passed, the Italian parliamentary party system was effectively functioning as a cartel of oligopolistic firms where parties, by ganging up and colluding, distort the production of legislation which can be viewed as the political analog of supply. Section Four provides some conclusion as to the meaning of our findings.

Section One: The political context

The 1996 Italian elections were held in a very heated, very tense, highly polarized political climate. The high level of polarization was due to the interaction of three factors: the ideologically charged and polarizing nature of Berlusconi’s political discourse, the seeming uncompromising anti-Berlusconism of the parties of the center-left coalition and the secessionist proposals of the Northern League.

After Berlusconi had won the 1994 elections and after a brief government experience, the coalition that had been able to assemble before the elections collapsed. The Northern League withdrew its support to the Berlusconi government and a government of left-leaning technocrats, led by Lamberto Dini, was put in office with the support of the parties of the center-left and the Northern League. The second half of the XII legislature was characterized by all sorts of political and institutional tensions.  

The relationship between the parties of the center-right coalition on the one hand and the Northern League on the other hand were tense because the Northern League had betrayed Berlusconi and forced his government to resign.

The relationship between the parties of the center-right and the parties of the center-left was tense because Berlusconi saw in the events that led to the fall of the Berlusconi’s government a left-wing plot to achieve power by other, non-electoral means.

Last but not least the relationship between the center-right coalition and the President of the Republic were particularly tense. Berlusconi criticized President Scalfaro for not having dissolved the Parliament after the fall of his government, for having appointed the Dini government, for having allowed the Left to be in power in violation to what Berlusconi considered to be the will of the people. Scalfaro’s decision not to dissolve the Parliament and not to call for new elections was perfectly legitimate and constitutional. The Italian Constitution states that, after a government breakdown, the dissolution of the Parliament is not automatic and can in fact be avoided, provided that a new government can gather the support of a majority of the parliamentarians—which is exactly what happened after the fall of the Berlusconi government. President Scalfaro’s behavior, however constitutional, was criticized by Berlusconi, Berlusconi’s allies and by the Berlusconi-controlled daily papers as a violation of the Constitution. The relationship between the parties of the center-right and President Scalfaro worsened dramatically after the Minister

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of Justice Mancuso was dismissed after losing a vote of confidence. In several editorials published by Feltri on *Il Giornale*, the daily paper owned by Berlusconi’s brother, the right-wing journalist called for the resignation of Dini and for the impeachment of Scalfaro. Similar requests were made by a small group of right wing activists when Scalfaro went to Verona in the Fall 1995 and discussed the Mancuso affair. The position of the center-right coalition before the 1996 elections was fairly clear: Berlusconi and the parties of the center-right were critical of the parties of the center-left, were critical of the Northern League and were critical of the behavior of President Scalfaro.

The position of the parties of the center-left differed from that of the parties of the center-right in some significant respects. The center-left was fairly supportive of President Scalfaro and was somewhat willing to tolerate the verbal excesses and the anticonstitutional secessionist claims of the Northern League. The attitude toward President Scalfaro and the Northern League represented two of the various differences between the center-left and the center-right coalition. But these two differences did not represent the real bone of discontent between the two coalitions. What separated the center-left from the center-right was (the attitude toward) Berlusconi. The center-left was highly critical of Berlusconi and of what Berlusconi represented for three basic reasons. First of all, Berlusconi was viewed as the political heir of the unholy alliance between Craxi, Andreotti and Forlani (CAF). Second, Berlusconi was criticized for a populist political style that was, to say the

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6 “Le menzogne di Mancuso”, *L’Indipendente*, Domenica 22 e Lunedì 23 Ottobre 1995, p. 1. Italian daily papers were on strike and only l’Indipendente coverei the incident.
least, unprecedented in the Italian political tradition and was seen, in a country that had been governed by the Fascists and that had risked a democratic breakdown at several points in time in its republic history, as a possible threat to Italy’s fragile democracy. Third, Berlusconi was criticized by the parties of the center-left for his massive conflict of interest, that is a conflict between his political role and power (amplified by his control over the media system) and his private interests. Berlusconi was viewed as someone who was using his media empire to shape public opinion, to gain political power, and to use this improperly acquired power to further his personal economic interests. The tone of the political discourse of the parties of the center-left reflected the center-left’s aversion to Berlusconi. And since the aversion to Berlusconi was nearly absolute, there was no reason to suspect/expect any collaboration between the two coalitions. The center-left and the center-right coalitions presented themselves as two poles apart with little if anything in common.

The Northern League also took fairly polarizing stances. The Northern League ran the 1996 electoral campaign by launching a major attack against the two major coalitions as well as against the Italian unitary form of state. In the first respect, it should be noted that the Northern League ran its campaign by opposing the Roma Ladrona (Rome big thief) embodied both by the Roma-Polo and by the Roma-Ulivo. The Northern League attacked the Berlusconi government because Berlusconi represented in several respects the political heir of the most corrupt political figures of the late first republic such as Craxi and Forlani, whose political career had been destroyed in the course of the Tangentopoli (Bribesville) scandal, and Andreotti, who was being tried for his alleged connections to Mafia, organized
crime and the murder of Pecorelli. The Northern League had also a second reason to oppose Berlusconi. Berlusconi, with his (nominally) liberal/libertarian platform, represented a more moderate and possibly more appealing champion of many of the values and issues that the Northern League had brought on the Italian political agenda. Hence, Berlusconi was viewed as major threat for the Northern League’s electoral fortunes and was, for this reason, heavily criticized.

The Northern League was also fairly critical of the neofascist National Alliance. The Northern League criticized the National Alliance for two basic reasons. The first was that the AN had its roots in the neofascist Italian Social Movement (MSI), a party that had made no mystery of its connection with the Republic of Salò led by the late Mussolini. And in spite of the fact that the Northern League was on its way of becoming a party of the extreme right, a party not so different from the French National Front, the Northern League did not want to be mistaken for one of those parties of the old, fascist right. Hence, the LN had to

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10 Early studies on the Northern League pointed out that the Northern League was in many respects a center party, see Ilvo Diamanti, La Lega, Donzelli, Roma, 1994; Ilvo Diamanti, Il Male del Nord, Donzelli, Roma, 1996; Renato Mannheimer, “The electorate of the Northern League”, in Gianfranco Pasquino and Patrick McCarthy (eds.), The End of post-war politics in Italy, Boulder, Westview Press, 1992; Robert Leonardi and M. Kovacs, “The Lega Nord: the rise of a new catch all party”, in Italian Politics, vol. 8, pp. 50-65. More recent studies have however pointed out that the Northern League can no longer be regarded as a center party but that it now resembles in may respects the parties of the new extreme right, see Hans-Georg Betz, “Contro la globalizzazione: xenofobia, politica dell’identità e populismo escludente nell’Europa occidentale”, Trasgressioni, anno XVII, n. 1, 2002, pp.21-46; Joan Anton Mellón, “Il neopopulismo nell’Europa occidentale. Un’anàlisis comparada dei programmi di Mnr, Fpoe e Lega Nord”, Trasgressioni, anno XVII, n. 1, pp 69-87; Marco Tarchi, “Radicalismo di destra e neofascismo nell’Europa del dopoguerra”, Trasgressioni, anno XVIII, n. 2, 2003, pp. 103-126. The Northern League’s transformation from a catch-all party to a populist party was timely noticed by Ilvo Diamanti, “La Lega: dal federalismo alla secessione”, in Roberto
distance itself from the AN. Second, the Northern League criticized the National Alliance because in spite of the fact that the AN was a national party, it was particularly strong in the South and the AN almost portrayed itself as a Southern League. And the Northern League had very little sympathy for the Southern Italians.

Last but not least, the Northern League was also critical of the parties of the center-left as these were viewed as an obstacle for the federalist reform of the Italian state that the LN had been advocating since the early 1990s.

The important point to be made in this respect is however that regardless of whether there were any substantive differences between the LN on the one hand and the parties of the center-right and center-left coalition on the other hand, the LN had a strategic interest in presenting itself as a third pole. By running against the system-parties’ coalitions, by running against the Italian (unitary form of) state, the LN was effectively running as a protest party which could capitalize on the discontent of those voters who were properly represented neither by the center-left coalition nor by the center-right coalition.

To sum up, the tones and the content of the political statements uttered by the parties of the center-right, by the parties of the center-left and by the Northern League testified to the extremely high levels of polarization of the party system and to the impossibility of any mediation, collaboration and agreement between the parties of these three poles. Inter-party competition, in the words of Italian political leaders, sounded very much like a war of everybody against everybody.

Reality was however quite different from what parties’ statements suggested. The parties belonging to each pole invoked a sort of ontological difference from the parties belonging to the other two poles. Parties were not only claiming to have differences in degree from the parties of the other coalitions –we want more or less taxes, we want more or less European integration, and so on – they were claiming to be ontologically different. They claimed that inter-party differences were differences in kind and that these differences could never and under circumstance be resolved or reconciled: Bossi is mad, Berlusconi is fascist, and the communists eat babies. Yet, very little evidence supports this self-proclaimed ontological difference as we are going to argue on the basis of some empirical evidence.

At the end of 1995, the heterogeneous coalition supporting the Dini government was not very cohesive and the Party of the Communist Refoundation (PRC), that up to that point had, if not supported, not opposed the Dini government announced that it was not going to vote the budget bill drafted by the Dini government and on which the government had asked a confidence vote. This defection gave the parties of the center-right a golden opportunity to sink the budget bill, defeat the government, force its resignation, convince Scalfaro of the need for new elections, and claim a major political victory before the elections. Showing that your political opponents are unable to govern is the best evidence one can use to explain to the voters why they should not vote for your opponents and put them in government.

This is what the parties of the center-right and Berlusconi should have done if there had been any truth in their ideologically charged statements. But this is not what the center-right decided to do.
Since without the support of the Party of the Communist Refoundation, the Dini government would not have been able to control a majority of the seats to pass the budget bill, some MPs from the center-right coalition, notably from the National Alliance, made a strategic use of the absence. If these MPs had gone to the Parliament and voted along party lines, the government would have been defeated. If these MPs had gone to the Parliament and voted along with the government coalition, they would have had serious problems explaining their behavior to their voters to whom they had promised merciless opposition. Hence, these MPs stayed home, lowered the quorum required to pass the budget bill, and allowed the budget bill to be passed without actually having to support it openly. To make a long story short, while parties were constantly making very ideological statements and predicating their ontological diversity, they were also able to find some room for agreement. This budget bill incident revealed that there was a major gap between parties’ self-proclaimed diversity and their behavior.

The electoral campaign did very little to narrow the gap between parties’ rhetorics and facts. The parties of the center-left were criticizing Berlusconi, the conflict of interest, the fascists. The parties of the center-right were denouncing the threat of a communist take over. And there was of course an (un)healthy exchange of insults between the parties of the three poles. But in spite of these insults and criticisms, there was, with the possible exception of the Northern League which

11 Data concerning the absence-rate among the MPs of the center-right coalition are presented by Gianfranco Pasquino, “Il governo di Lamberto Dini”, cit., p. 173.
advocated the creation of an independent Padania, very little difference from a programmatic point of view. In this respect, Montanelli and Cervi noted that:

“the electoral campaign was heated and boring. The Ulive Tree Coalition and the Polo coalition presented similar programs, pretending nonetheless to advocate very different things”.

The differences between the center-right and the center-left were so negligible from a programmatic point of view that Montanelli, the arch-conservative dean of Italian journalism, had no problem voting for Prodi and the center-left coalition.

Montanelli’s decision to support Romano Prodi and the center-left coalition was, to say the least, truly remarkable. Montanelli was not and had never been a moderate or a centrist, and he had definitively had never had any sympathy for any political party located left to the center. Montanelli was a conservative, he was the champion of the Italian non-fascist right in the years in which, with the exception of the neofascist MSI, nobody wanted to be associated with the right. When Montanelli, in the early 1970s, felt that the Corriere della Sera, the main bourgeois daily paper, had become too sympathetic to the left, Montanelli abandoned the Corriere della Sera and created his own daily paper, il Giornale. Montanelli conducted his daily battle against the left from the pages of il Giornale advising, in the 1976 elections, the

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13 Looking at the “Constitution of the political community of the people of the North”, Atti del Parlamento della Padania, sezione II, Venerdi’ 21 Giugno 1996, p. 4, it become immediately apparent what the Northern League advocated: the Northern league wanted the secession of Northern Italy (which included Piemonte, Lombardia, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Trentino Alto Adige, Liguria, Umbria and Val d’Aosta) from the rest of Italy.

14 Indro Montanelli and Mario Cervi, L’Italia dell’Ulivo, Milano, Rizzoli, 1997, p. 54.

moderate voters to vote for the Christian Democracy (DC) ‘tirandosi il naso’ in order to stop the seemingly unstoppable Communist Party (PCI). To make a very long story short, Montanelli was an arch-conservative, more in the line of de Maistre than in the line of anarcho-conservative Prezzolini, and had never manifested anything but a lucid hatred for the left and its parties. Hence, Montanelli’s decision to support Prodi and his coalition rather than supporting Berlusconi was quite remarkable. What was even more remarkable, for the purposes of the present analysis, was the reason why Montanelli decided to support Prodi and the center-left coalition. Montanelli’s vote for the Ulivo was not only motivated by the fact that he did not see any major ideological difference between the center-left and the center-right coalition but also by the fact that he thought that Prodi and his allies would be better suited to take decisions and enact policies in line with Montanelli’s own arch-conservative right-wing stances than would Berlusconi and his allies. In other words, in spite of the self-proclaimed ontological diversity Italian parties were able to help each other when cross-coalitional collaboration was required (as the Dini budget bill incident exemplified), were basically endorsing the same programmatic platforms, and the parties of the left took positions that were quite palatable if not attractive for an arch-conservative. This point has two basic implications. The first is that all this evidence supports the claim that, in Italian politics, there is a major gap between rhetoric and facts. Inter-party differences exist more in parties’ rhetoric than in real facts. The second implication is that all this evidence (inter-coalition agreement, programmatic similarities and the center-left’s appeal for right wing voters) is consistent with the so called cartel party hypothesis. One of the main claims of the cartel party hypothesis is that there is a very weak, and possibly
insignificant, relationship between governments’ ideological orientation and political output. The political output remains the same regardless of the ideological orientation of the parties in government. The Italian case is consistent with this claim. Since, in the Italian case, there was virtually no difference between the parties of the center-left and those of the center-right, if instead a center-left government and a center-right opposition there had been a center-right government and a center-left opposition, the political output of such a system would have stayed the same. Which is exactly what the cartel party hypothesis argues.

Having discussed the political and institutional context, in the next section we will investigate the legislative behavior of Italian parties and MPs by analyzing the voting patterns on final bills in the course of the XIII legislature. We perform this analysis because it provides some evidence of the fact that on policy grounds the differences between the parties belonging to the center-left and the center-right coalition were actually quite negligible as Montanelli had pointed out in explaining his vote choice.

The institutional context and data

Before we analyze the voting patterns of the Italian MPs in the course of the XIII legislature, we need to provide some information regarding the institutional context in which parliamentary votes take place. In doing so specific attention will be paid to the bill referral and to the various modes of voting in the House.

In a typical legislature in a parliamentary regime, the legislative (law-making) process is fairly straightforward: the bill is introduced, is then assigned by
the Speaker of the House to one or more parliamentary committees, the bill is
discussed and modified by the relevant committees, the bill is then returned to the
assembly where it has to be approved.\(^{16}\) When a bill is so referred to a parliamentary
committee in Italy, the bill is said to be assigned to a committee in *sede referente*.\(^ {17}\)
However, this is not the only role that parliamentary or rather House committees can
play in the Italian legislative process. The standing orders of the Italian Chamber of
Deputies rule in fact that bill referral to committees can take two additional forms as
bills can be referred to committee either in *sede redigente* or in *sede legislativa*. A
bill is said to be referred to a committee in *sede redigente* when the Assembly gives
a committee the authority to draft some articles of a given bill. Such a bill has to be
approved by a vote of the whole Assembly. A bill is said instead to be referred to a
committee in *sede legislativa* when the committee is given the power to examine
and approve the bill. In this case, a bill is approved without the vote of the whole
Assembly. When a vote of the assembly is needed to approve a bill, the approval of
the bill depends on the following two conditions: first, a majority of the deputies
must be present and, second, a majority of those who are present must vote in favor
of the bill.\(^ {18}\)

With regard to the votes in the assembly, it should be noted that votes can
take two forms: they can be open votes or they can be secret votes. The open vote

\(^{16}\) For the sake of simplicity we have assumed, in this stylized account, that the legislature is
unicameral.

\(^{17}\) Note that in the Italian case, the Parliament is bicameral and that the same version of a bill must be
passed by the House of Deputies and by the Senate for the bill to be approved. After a bill is
approved by the two Houses, it must be signed by the President of the Republic and then it is
published in the *Gazzetta Ufficiale*.

\(^{18}\) The dispositions concerning the bill referral can be found in the articles 68-96 of the Standing
Orders of the House of Deputies.
was introduced by the 1988 reform of the Standing orders.\textsuperscript{19} This reform circumscribed the use of the voto segreto (secret vote) to very specific circumstances. Most parliamentary votes can no longer be cast as secret votes, with the exception of votes concerning individuals, House rules, constitutional bodies, regional bodies and electoral laws.\textsuperscript{20} All the other votes are now open votes.

The fact that the House of Deputies does not have to vote on all bills in combination with the fact that some parliamentary votes are still secret implies that the record of the parliamentary votes on final bills is smaller than the number of bills approved. The case of the XIII Legislature is no exception in this respect. While the Parliament passed 905 laws in the 1996-2001 period, there is a record for only 630 votes on final bills. Our analysis of the voting behavior of the Italian MPs and parties in the XIII legislature is based on their voting behavior in these 630 votes.

On the basis of the data provided by the House of Deputies, we are able to track how each Deputy has voted on each bill. By aggregating the data concerning the individual MPs by party, we are able to estimate two metrics that have long been used in the study of the US Congress, namely the Rice index of cohesion and the likeness score.

The Rice index of cohesion provides an estimate of the extent to which a party is cohesive. This index measures the average absolute difference between the percentage of a party’s MPs voting yes in a given legislature from the percentage of that party’s MPs voting no. This index is computed in the following way. We first compute the percentage of a party’s deputies voting yes on a given bill. Then we

\textsuperscript{19} Gianfranco Pasquino, 1945-1996. Profilo della Politica in Italia, Bari, Laterza, 1996.\textsuperscript{20} The dispositions concerning parliamentary votes can be found in the articles 51-56 of the Standing Orders of the House of Deputies.
compute the percentage of that party’s deputies voting no. By calculating the absolute difference between the two percentages, we obtain that party’s cohesion score on a given bill. The formula to measure the cohesion index for a given party A is: $$\text{cohesion} = \left| \% \text{yes}_A - \% \text{no}_A \right|$$

By averaging this score across all the votes held in the course of a legislature, we obtain that party’s cohesion score for that legislature. We compute the cohesion score for all the major parties in the XIII Legislature.

The Likeness score is a metric that provides some evidence of the extent to which two parties voted in the same or in the opposite way in the course of a given legislature. The likeness score is measured in two steps. In the first step we calculate the absolute difference between the percentage of a party’s parliamentary group voting yes on a given bill and the percentage of a different party’s MPs voting yes on the same bill. Once we have computed this absolute difference, we subtract the result from 100. Hence, the formula to measure the likeness score between two parties A and B on a bill can be written as:

$$\text{Likeness} = 100 - \left| \% \text{yes}_A - \% \text{yes}_B \right|$$

By averaging the likeness score across all the votes held in the course of a legislature, we find the likeness score between two parties in the course of that legislature. In the next section we will present some evidence concerning the intra-party cohesion and the inter-party likeness in the Italian parliamentary party system in the course of the XIII legislature.
Part Three: Results and Discussion

Given the ideologically charged nature of the political discourse of the Italian parties, and the nature of the (professed) inter-party, what we should find? First of all, one should find high levels of intra-party cohesion. If parties compete against each other on the basis of profound, and if members join and support their respective parties because they do somehow believe in the ideological stances of their respective parties, they are quite unlikely to defect from party lines and to join forces with the parties belonging to a different coalition. Besides, and in addition to this quasi-ideological motivation, parliamentarians have very few reasonable, if not rational incentives, to cross party lines. Crossing party lines may not lead to any reward from the opponents, and may in all likelihood lead to some punishment from their own party and coalition. Italian MPs knew very well that in spite of the fact that with the adoption of the mixed member electoral system that was supposed, among other things, to reduce parties’ control over their elected officials, party control on their MPs had actually increased. Parties in fact preserved the power not only to decide whether candidates were going to run in the SMD or in the PR quota but also whether candidates in SMD district were going to run in safe districts or not. Hence, parties had several tools at their disposals to punish their defectors: parties could decide not to candidate MPs who had previously (and without party permission) violated party discipline or they could candidate defectors in districts where these traitors could easily be defeated (possibly with the help of their own party). Under these circumstances, for an individual MP the benefits associated with defecting were low and quite uncertain, while the costs were high and almost
assured. Second, one should find low levels of likeness. In a highly polarized system, where the costs of defecting for individual MPs are high, MPs have very little incentive to break party lines. And the more ideologically diversified the parties, the more polarized the system, the lower the inter-party likeness should be. Third, one should find however that likeness between parties belonging to the same coalition is higher than the likeness registered between parties belonging to different coalitions. Fourth, one should find that in the light of its total opposition against the Roma-ladrona of the Roma-Polo and of the Roma-Ulivo, the likeness between the Northern League and all the other parties should be lower than the likeness recorded between any party (other than LN) and any other party (other than the LN).

But what do we find when we actually estimate the index of cohesion and the likeness score? First of all, we find that Italian parties display phenomenally high levels of intra-party cohesion. Five of the six largest parties had a cohesion score higher than 95%, two parties had a cohesion score higher than 99% and the lowest cohesion registered was almost 92%. See Table 1.

<table>
<thead>
<tr>
<th>Party</th>
<th>Cohesion</th>
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<tbody>
<tr>
<td>Democrats of the Left</td>
<td>99.3</td>
</tr>
<tr>
<td>Party of the Communist Refoundation</td>
<td>99.2</td>
</tr>
<tr>
<td>Italian Popular Party</td>
<td>98.2</td>
</tr>
<tr>
<td>Northern League</td>
<td>95.5</td>
</tr>
<tr>
<td>National Alliance</td>
<td>95.1</td>
</tr>
<tr>
<td>Forza Italia</td>
<td>91.9</td>
</tr>
</tbody>
</table>


These data are quite impressive in comparative terms. In the 1867-2003 period, the cohesion of the Democrats in the House of Representatives varied from a minimum of about 54% to a maximum of less than 84%, while the cohesion of the
Republicans varied from less than 54% to just more than 90%. Data are presented in Table 2.

<table>
<thead>
<tr>
<th>party</th>
<th>minimum</th>
<th>maximum</th>
<th>average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrats</td>
<td>54.3</td>
<td>83.9</td>
<td>68.0</td>
</tr>
<tr>
<td>Republicans</td>
<td>53.8</td>
<td>90.1</td>
<td>70.6</td>
</tr>
</tbody>
</table>

Source: http://jhunix.hcf.jhu.edu/~jcooper/House_Party_Voting.xls

Second we find that likeness scores between the parties that were supporting the center-left governments were generally higher than the levels of likeness recorded between the parties of the center-right coalition possibly because the government parties were forced, more or less willingly, to stick together in order to make the governments work and survive. Third, we find that the likeness between the parties belonging to the same coalition were generally higher than the levels of likeness registered between parties belonging to different coalitions. Finally, we found that the lowest levels of likeness were recorded between the Northern League on the one hand and the parties of the center-left coalition. Oddly, however, the likeness between LN and the neo-fascist AN – two parties that, at the rhetorical level at least hated each other- was not only higher than the likeness between the LN and the parties of the center-left coalition but were also higher than the levels of likeness between the parties of the center-left and the parties of the center-right. To sum up, the first three hypotheses were corroborated by empirical evidence, while the evidence concerning the fourth hypothesis is, at best, mixed.

If this were the end of the story, we could safely conclude that the notion of responsible party government is safe. Parties or, in the Italian case, coalitions compete on the basis of ideologically informed platform, that when parties/coalitions win the elections tend to enact their programs, and that the
ideological differences between parties are clearly and directly translated into an easily observable legislative behavior.

But this is not, *pace* party government theorists, the end of the story. This would be the end of the story if the likeness score between a party of the right and a party of the left were, not only lower than the likeness between two parties belonging to the same coalition, but were actually low. Instead, what we find is that likeness levels are generally fairly high. The likeness between the Northern League on the one hand and Forza Italia or the National Alliance on the other hand was more than 81. The likeness between Berlusconi’s party on the one hand and the PPI and/or the DS on the other hand was almost 79. Even more startling, in spite of Berlusconi’s constant attacks against Communism, the likeness between Berlusconi’s party on the one hand and the Party of the Communist Refoundation on the other hand were higher than the likeness between DS and AN and it was close to 70. See Table 3.

<table>
<thead>
<tr>
<th>Parties</th>
<th>LIKENESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DS_PPI</td>
<td>99.35</td>
</tr>
<tr>
<td>PPI_RC</td>
<td>96.86</td>
</tr>
<tr>
<td>DS_RC</td>
<td>96.82</td>
</tr>
<tr>
<td>FI_AN</td>
<td>90.52</td>
</tr>
<tr>
<td>AN_LN</td>
<td>81.47</td>
</tr>
<tr>
<td>FI_LN</td>
<td>81.25</td>
</tr>
<tr>
<td>PPI_FI</td>
<td>78.90</td>
</tr>
<tr>
<td>DS_FI</td>
<td>78.89</td>
</tr>
<tr>
<td>RC_FI</td>
<td>69.21</td>
</tr>
<tr>
<td>DS_AN</td>
<td>68.80</td>
</tr>
<tr>
<td>PPI_AN</td>
<td>68.73</td>
</tr>
<tr>
<td>RC_AN</td>
<td>67.37</td>
</tr>
<tr>
<td>DS_LN</td>
<td>64.15</td>
</tr>
<tr>
<td>PPI_LN</td>
<td>64.08</td>
</tr>
<tr>
<td>RC_LN</td>
<td>56.76</td>
</tr>
</tbody>
</table>

**Source:** computations made by the authors on the basis of the data made available by the Chamber of deputies.
The analysis of Italian data alone is insufficient to appreciate how high these levels of likeness are. Hence, in order to put things in perspective, it is useful to compare once again the Italian findings with the likeness scores measured in the USA Congress. In the 1867-2003 period, the likeness between the Democratic and the Republican party has ranged from a minimum of about 21 to a maximum of less than 81, with an average of less than 55. But this information may not be enough to put the Italian findings in perspective.

Table 4. Likeness in the House of Representatives, 1867-2003.

<table>
<thead>
<tr>
<th>Likeness</th>
<th>Minimum</th>
<th>maximum</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21.06</td>
<td>80.71</td>
<td>54.87</td>
</tr>
</tbody>
</table>


Berlusconi’s FI and the Democrats of the Left (DS) are the two major parties in respectively the center-right and the center-left coalition. These two parties spent the whole electoral campaign explaining to their voters and to the electorate as a whole why the other party was unfit to govern. Berlusconi, according to the DS, was unfit to govern because of his media empire, his conflict of interests and his connections with less than honest individuals. Conversely, Berlusconi spent the whole campaign arguing that the DS in spite of the double name change (from PCI to PDS and from PDS to DS) was still the old communist party and as such represented a major threat to Italian democracy. In spite of mutual accusations, the likeness between the DS and FI would have been the second highest in the US House of Representatives in the 1867-2003 period. Only in 8 of the 67 Congresses for which likeness data were available, the likeness between Democrats and the Republicans was higher than the likeness between FI and the PRC. And only in 9 of these 67 Congresses, the likeness
between Democrats and Republicans was higher than the likeness between the neo/post-fascist National Alliance on the one hand and the PRC or the DS on the other hand. In sum, the extent to which Berlusconi’s MPs and the neo/post-fascists on the one hand and the DS and the PRC on the other hand vote along is either comparable to, and in many cases higher than, the extent to which Democrats and Republicans voted along in Congresses judged, by Congressional experts, as bipartisan. Yet, nobody would consider Italian parties as bipartisan, especially on the basis of what they say (and, obviously, of what they say of each of other).

Hence, these findings confirm that there is a major gap between what parties say and what they do. The voting behavior of Italian parties and MPs is in no way consistent with the ontological diversity professed in the course of the electoral campaigns. Italian parties talk trash about each other but then they seem to strike deals. And one, of course, wonders whether when Italian parties criticize each other they do so to raise their stakes in striking deals (as a way of signaling to each other) or whether they do so to divert voters’ attention from the fact that they are making deals with their opponents or both.

Leaving this puzzle aside, remains the fact that Italian parties voted along to a remarkably large (and possibly unexpected) extent. How do we interpret this finding? What does it mean? Is it sufficient to argue that Italian system parties operate as a cartel? If not, do the high levels of likeness relate to the fact that Italian parties may be acting as a cartel of oligopolistic parties? And is so, how?

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With regard to the first question, how can such high levels of likeness be explained? There are two possible explanations depending on whether we think that the issues on which legislation was enacted were the only issues that required the parliament’s attention. If we think that the legislation approved by the parliament addresses all the issues that should be addressed, then we must conclude that there was no substantive policy disagreement between the various Italian parties. In this case, all Italian parties advocate the same solutions for the same problems. Under these circumstances the policy output would be the same even if the governments had different ideological orientations. If the political output remains the same regardless of the alleged ideological orientation of the government (and its coalition), then the party government is not responsive and the political market is not competitive. Hence, in this scenario Italian parties’ behavior in parliament resembles the behavior of oligopolistic firms in the market.

If we think instead that the legislation approved by the parliament does not addresses all the issues that should be addressed, what are the issues on which the parliament legislates? The issues on which legislation is enacted are issues on which parties belonging to both coalitions agreed, while no legislation is enacted on the issues on which there was/is some inter-coalitional disagreement. Either a decision is supported by all the parties, or no decision is made. In this second scenario, the political output is bound to stay the same regardless of the ideological orientation of the government, and the political market is not competitive as it fails to adjust the supply of political goods (policies, legislation, etc.) to changes in political demand. Given its functioning this political market is non-competitive, the behavior of political parties resemble the behavior of oligopolistic firms. But the fact that by
ganging up together and by making only those decisions that are supported by (and are possibly beneficial for) all the parliamentary parties, the parliamentary party system resemble a particular variety of oligopolistic market: the cartel. And this is why it is legitimate to describe this second type of oligopolistic party system as cartel party system.

The data analysis suggests that the second scenario provides a more accurate account of the way in which Italian parties behave in parliament. In spite of the fact that the number of laws produced in a year is generally higher than the number of laws produced in other countries (France, Germany and UK), the number of laws that are enacted represent a small percentage of the number of bills introduced by the government and by the MPs. Therefore, even if we are willing to assume that the number of bills is inflated by the fact that MPs introduce some bills without really having a serious intention of getting any law out of those bills, there is still a number of issues that should be addressed by legislative means and on which the parliament takes no action. And action is taken only on bills on which the inter-party agreement is almost unanimous. It was estimated that the majority voting in favor a bill was 97.5% of the voting members for the final vote on 388 out of the 630 bills that were passed in the course of the XIII Legislature. The majorities were nearly unanimous.

There are several factors that explain why there were such large majorities supporting the bills that became laws. We have already mentioned some of these factors: party cohesion is very high and hence, all the government parties, which

22 Some of the data are discussed by Gianfranco Pasquino and Riccardo Pelizzo, *Parlamenti Democratici*, Bologna, il Mulino, 2006.
have the duty of making the government work, were all present and supporting the
bills that the government or its MPs had introduced. We have also mentioned as a
second factor the fact that opposition parties were, to a fairly large extent, voting
along with the government parties. But there is also a third factor: absence.

Absence of an individual MP may be strategic in two different ways. A MP
of a government party may decide to stay home to manifest her opposition to a
specific government bill without actually having to vote against or abstain. A MP of
an opposition party may decide to stay home to manifest her support for a
government-sponsored bill without having to formally vote for it. Yet, absence is a
strategic device in the hands not only of individual MPs, but also in the hands of
parties.

In the course of the XIII Legislature there were several instances in which all
the MPs of an opposition party, or rather all the MPs of all the main opposition
parties (Forza Italia, AN, LN) stayed home. The simultaneous absences of all the
opposition MPs was not fortuitous, it was strategic. In some cases, the opposition
parties were staying home in bloc with the hope preventing the government parties
from reaching the quorum required to vote on final bills. In this case, all the possible
opponents of a bill were home, all the MPs in the assembly were in favor of a bill,
and, as a result the percentage of the MPs who were attending the parliamentary
sitting and supporting the bill was extremely high. This evidence is not consistent
with the notion of a cartel party system. But the cartel party system notion was very
much vindicated in those instances in which the opposition parties knew that the
government coalition was divided on a given bill, and decided to stay home to lower
the quorum required to approve a bill. In the House of Deputies there are 630 MPs,
if all the MPs are attending a sitting of the House of Deputies, the majority required to pass a bill is of 316 MPs. In this scenario, if the government as a bare majority, and if both government and opposition parties vote along strict party lines, the defection of just 2 MPs from the government coalition is sufficient to get the government bill defeated. But if all opposition MPs stay home the majority required to pass a bill is much lower and the passage of a bill is not compromised by possible defections from MPs of the government coalition.

This is what happens in some parliamentary votes on final bills. The opposition stayed home to prevent the government bills from being defeated by the defection of some of its supporters.

The fact that the opposition stays home to help the government to pass its bills, that the opposition parties vote to a large extent with the government parties, that bills are passed by unanimous parliamentary majorities, that only the bills that receive an all-party endorsement are passed while the possibly divisive bills are abandoned sustain the claim that the functioning of Italian parliamentary party system resembles the functioning of oligopolistic markets and that the Italian parliamentary parties operate like a cartel of oligopolistic firms.

Part Four: Conclusions

Previous studies in the cartel party framework have underlined that there are some clear similarities between oligopolistic markets and electoral markets. In fact, in both cases a small number of actors, (firms in the oligopolistic market, parties in the electoral market) control all the shares of the market. In addition to this structural
similarity between oligopolistic markets and electoral markets, previous studies have pointed out that there is some evidence supporting the claim that competition in electoral market is distorted as the competition in oligopolistic markets because, it was argued, the supply of political goods does not adjust accordingly to changes in political demands. Different kinds of evidence have been used to support this claim depending on what was considered to provide a good political analog of supply. For all the cartel party studies parties are the political analog of firms in the market, but there has been some disagreement as to what supply is and as to what evidence best indicates that parties have distorted, by colluding or not, the functioning of the political market. For Katz and Mair party programs represent the political analog of the goods that firm supply in the market and for them the oligopolistic nature of Western party systems is evidenced by the increasing similarity of party programs and platforms. For Blyth and Katz the governments’ supply of public goods represent the political analog of supply in the market and for them the oligopolistic nature of Western Party Systems was illustrated by the fact that parties of the right as well as those of the left agree on the fact that “states should not produce the public goods they had in the past because the market could do it better”. By showing that party programs had become increasingly similar and/or by showing that the provision of public goods had been constrained, both studies illustrated that a change in demand had occurred. But what these studies, given the evidence of the data that they employed, were not able to show whether those changes in supply represented an adjustment to changing demands or not. Pelizzo suggested in this

respect that in order to assess whether changes in supply were competitive adjustments to changes in demand it was necessary to assess how supply had changed viz-a-viz demand. Pelizzo argued that the position of the average voter provided a political analog for demand, that the center of the party system represented the political analog of supply and that it was necessary to assess changes in the position of the party system viz-a-viz the position of the average voter to assess whether changes in supply had been competitive or not. By analyzing mass survey data for several West European societies, Pelizzo found that over the past few years the gap between the electorate’s position (demand) and the party system position (supply) had increased. Specifically it was found that while the the position of the electorates in several Western European countries had move left-ward, the party system had instead shifted right-ward. According to Pelizzo these findings reveal that change in political supply were not perceived to be consistent with voters demands. Voters demands were not satisfied and since the electorate’s demand was not satisfied, the electoral markets could legitimately be viewed as competitive markets. Hence, on the basis of survey data analysis Pelizzo concluded that, as previous studies had argued, it was legitimate to consider Western European Party systems as oligopolistic market or oligopolistic party system.

In spite of the fact that all these studies provided some evidence to the fact that party systems can be viewed as oligopolistic markets, they provided less convincing evidence as to whether party systems could be viewed as the political analog of cartels. These above mentioned studies demonstrated the oligopolistic nature of

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western party systems, but they did not provide evidence as to whether western parties were also colluding or not. In other words, all the previous studies made clear that party systems are oligopolistic party system, but they were not able to show that Western party systems are cartel party systems.

The purpose of this chapter was to investigate whether the Italian parliamentary party system resembles oligopolistic markets and whether Italian parties collude to distort the supply of political goods and can be described as a cartel.

Data analysis that political supply, namely the production of legislation, does not vary to adjust to changes in demand, but is instead fixed through inter-party agreements. The chapter showed that in spite of what parties say to the voters and in spite of their self-proclaimed ontological differences, Italian parties collude to decide what kind of legislation can be enacted. The data have revealed that only those bills that receive a sort all-party support are passed, while those bills on which there are partisan disagreements are not pushed through the legislative process. Hence it is the existence of inter-party agreements and not the existence of social demands that determine whether a piece of legislation is enacted or not. The fact that parties, the political analog of firms, collude to decide what legislation could and should be passed and what should instead be dropped allows one to describe the Italian party system not only as oligopolistic but also as cartelized.

This finding is significant for at least two basic reasons. First, it is important from a theoretical point of view because it shows not only that Western European party systems, or at least some of them, function like oligopolistic markets (as previous studies had already established), but it also shows that party systems
function like cartels. Hence, the first conclusion suggested by the analysis of the Italian case is that the Italian parliamentary party system is not just an oligopolistic party system, but it is a cartel party system. The second reason why this finding is important is that it may help Italian politics experts to gain some new, and possibly better insight into the nature of the Italian political system which should be analyzed less on the basis of what political actors say and more on the basis of what political actors do because political actions may not correspond to political statements and declarations. As an old Italian saying put it: *tra il dire e il fare c’è di mezzo il mare.*