My topic is the 2006 Italian elections. The questions we try to answer are two:

1. Why did Berlusconi decide to change the electoral system four months before the elections (beautiful example of electoral manipulation)?
2. Why did Prodi win?

I will answer the second question using aggregate data in stead of individual level data. The data from the Italian national election study is not available yet, but I think we can get some interesting insides even just with aggregate data on why Prodi won.

Because of the presence of my non Italian friends, in order to answer the question “why new electoral system?” I have to give you an introduction to the old electoral system. The basic features of the old electoral system were the following:

a) 75% of the seats were allocated by plurality in single member districts (with reference to the Chamber) and this means 475 seats out of 630;
b) 25% of the seats were allocated by a P.R. formula;
c) voters had two ballots: one ballot to choose the candidate in the single member district and a separate ballot for voting for the party list in the same district.

This electoral system changed the Italian party system in two directions:

1. from post-electoral coalitions, which were the dominant feature of the Italian politics during the so-called “First Republic” (coalitions were formed after the elections) to pre-electoral coalitions. Today, as in 1993, coalitions are formed before the elections;
2. the second major change is from multiparty multipolar competition to multiparty bipolar competition.

Let’s focus on the data on concentration of votes and seats on the two coalitions.
We can see that already in 1994 elections (the first elections with the new system) almost 92% of the seats went to the two major coalitions. In terms of votes, the concentration was 80%. This bipolar pattern has strengthened from 1994 to 2006, when the two coalitions are collecting almost 100% of the votes and almost 100% of the seats. In 2006, Italy looks like the USA.

We have to consider another side of the problem: party fragmentation.

**PARTY FRAGMENTATION**

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<tbody>
<tr>
<td>Parties with more than 4% of votes (Chamber)</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Parties with seats (Chamber)</td>
<td>14</td>
<td>16</td>
<td>20</td>
<td>24</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>Parliamentary groups: Chamber</td>
<td>12</td>
<td>13</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Senate</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>
We have a bipolar pattern, but also a lot of parties. Parties with seats in the Chamber were 14 in 1987, 24 in 1996, 20 in 2001 and they are 13 in 2006. The number of parliamentary groups – that have impact on legislation and distribution of resources – resembles the number of parties with seats rather than those with larger number of votes.

Italy is a very clear case of fragmented bipolarism. The interesting question (which we now are not able to answer fully today, but it’s an interesting research topic) is: why so many parties have survived in a single member districts plurality environment? If you introduce a fundamentally plurality system, you expect a reduction in the number of parties. In Italy instead we went the other way: we have introduced a plurality system with single member districts and, in stead of seeing a reduction in the number of parties, we have seen an increase in the number of parties: it’s the italian miracle!

I think that the answer can be found in pre-electoral partitioning of single member districts: all the parties in the system have agreed, before the elections, to split the districts in the way of choosing common candidates for the districts and avoiding to compete among themselves. They created cartels: the coalitions in Italy are fundamentally cartels. Through these pre-electoral cartels, the plurality component of the old electoral system (75%) has been proportionalized. The result has been the creation of catch-all coalitions or cartels, because the larger the coalition, the better the chance to win. Small parties have used their blackmail potential, by threatening not to enter a coalition. They have gained access to the coalition and they have received a quota of the single member districts (possibly safe single member districts) which has allowed them to have seats in Parliament. That’s why you see the previous data on party fragmentation: it’s the partitioning of the seats which leads to the increase or not decrease of party fragmentation.

The interesting feature of the Italian system is that the Italian system, more than any other party system that I know, is really a dual system. We have two actors in stead of one. We use to think to party systems in terms of parties, members of the system. In Italy we have parties and coalitions, because these coalitions (or cartels, if you like) have acquired an identity of their own, so they actually have some systemic properties. In other words, it’s a dual actors system that has developed in Italy. But this is a topic that will require more elaboration than we can do now.

Now I’m getting to the point of explaining why Berlusconi wanted to change this system. This system didn’t work well for Berlusconi for this reason: in the Chamber we had two ballots, one to choose single member districts candidates and one to choose party lists (in the same district). So this created an ideal situation to compare voting behaviour at the same time, in the same district with two different electoral systems: plurality system and proportional system. We could compare the number of votes received by the coalition candidates with the number of votes received by the parties who supported the coalitions candidates. This difference we have called “coalitional per-
formance”: if the common candidates (the coalition candidates) in the single member districts receive at least the number of votes gained by the parties in the proportional component of the system, we will think that the coalition has worked; if the single member districts candidates receive fewer votes, the coalition doesn’t work; if they receive more votes, the coalition works very well.

Coalitional performance 2001, 
PR – PL votes (%) by N of candidates

The data of 2001 elections tell us that all the candidates of the left-wing coalition have gained on average more votes than the P. R. votes of the parties that were supporting them. They have done well: on average, they gained 3.5%. Whereas, the candidates of the Berlusconi’s coalition have lost on average 3.5%. But the other interesting thing is that there was a linear relation – which is very difficult to find in our research – between the number of candidates in the districts (there were few districts in Italy with two candidates: the average number of candidates in the districts in 2001 was 4.4 in the Chamber and 8.2 in the Senate) and the losses of right-wing candidates. As the number of candidates in the districts increased, the losses of the Berlusconi’s candidates increased. This is the reason why Berlusconi wanted to change the old electoral system. To be more precise, he wanted to change it because he was losing proportional votes: he had more proportional votes than plurality votes. His candidates – for a reason that I can not get into, but it’s quite interesting to see¹ – were not able to collect all the proportional votes of the parties of the center-right coalition.

¹ In the P.R. arena you have all party symbols, so voters have an ample choice. The issue is represented by a voter of the Northern League, who finds in his district a candidate of National Alliance (which is the former neofascist party), or a National Alliance voter – centralist, statalist, southist – who finds in his district, as the candidate of the coalition that he belongs to, Mr. Bossi, the leader of the Northern League (separatist, regionalist, devolutionist). The National Alliance voter will cast a P.R. vote for National Alliance, because it’s his real preference. In the same moment, he has to decide
And the same thing occurred in 1996 elections: the same linear relation.

Only in the 1994 elections, Berlusconi was able to avoid this poor coalitional performance, because he created coalitions of variable geography, of variable geometry: he had a northern coalition and a southern coalition, which avoided some of the problems.

In 1996 he could not do the north/south split, neither he did it in 2001. Just to give you an example of the importance of this factor to explain the outcome of the Italian elections: if in 1996 Berlusconi had been able to carry all his proportional votes onto the single member districts candidates, he would have won the elections and Prodi would have lost. Italian history would have changed. Prodi won the 1996 elections because Berlusconi was losing proportional votes. Berlusconi did the same thing in 2001, but he won because he had enough proportional votes to support the losses that his candidates were suffering in the single member districts.

What did Berlusconi want to change with the electoral reform? He wanted to maximize the P.R. advantage of the center-right coalition, he wanted to have an electoral system where the P.R. votes would be used (and not plurality votes), he wanted to eliminate for center-right voters the defect that we have seen before and, at the same time, he wanted to maintain a bipolar format. So he could...
not go back to a straightforward P.R. system like in the time of the First Republic. He invented this new electoral system. It’s a mixed electoral system: it’s a P.R. system with a majority prize or bonus. These are the basic features: it’s more complicated than this, but I will skip the intricacies of the system. Voters use their ballot to choose the party and their vote is automatically transferred to the coalition the party belongs to. This is very important: the coalition that wins the plurality of the votes nationwide in the Chamber receives 340 seats, which is about 54% of the seats of the lower chamber. Another interesting feature of this system is that 12 seats are allocated to Italian residents abroad.

The electoral system for the Senate is more interesting, because it has created a lottery. You know that Italy is a country of lotteries (the lotto was invented here, I believe): now we have introduced a political lottery. The political lottery is based on the regional prizes. The basic feature of the system is the same: we have a P.R. system with a majority prize, but the majority bonus, instead of being awarded nationwide, is awarded on a regional basis. In Italy there are 20 regions, but 3 regions have been excluded from the lottery and so we have 17 prizes to be awarded in the Senate lottery. 6 seats are allocated to Italian residents abroad.

Let’s go back to Berlusconi’s goals. With this system, he achieved all of his aims except one: that of winning. Of course a very interesting question is: would Berlusconi have won the 2006 elections if he had not changed the electoral system? Some of my colleagues – economists, political scientists – have tried to answer this question and their answer is that he would have won the elections if he had not changed the electoral system. I think the answer that has been given so far is faulty, because the data which we have now do not allow to reach such a conclusion yet. I’m waiting for the availability of complete data to calculate it much better. But, except for the fact that he lost, Berlusconi did achieve the goals, because this system is tailored to the needs of the electorate and the parties of the center-right. It’s a proportional system: voters choose the party, not candidates. The vote to the party is transferred automatically to the coalition, so it maximizes the P.R. advantage of the center-right coalition. There is no more issues of coalitional performance (losses between P.R. votes and plurality votes). That was the goal of the reform.

Let’s go on with the Senate lottery. Why do I call it the Senate lottery? There are many reasons for this. One of the reasons is that it’s a technically faulty electoral system, this is an Italian folly. In Piedmont, a region with 22 seats, the differential – the difference in terms of seats between the coalition who wins and the coalition that loses – is 4. In Lazio, a region with 27 seats, the differential is 3: it’s less. So Lazio weights less in this system than Piedmont. Lombardy, which is a region with 47 seats, has a prize differential of 5.
The Senate lottery

<table>
<thead>
<tr>
<th>Region</th>
<th>N. seats</th>
<th>differential</th>
<th>% prize</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIEMONTE</td>
<td>22</td>
<td>4</td>
<td>59,1</td>
</tr>
<tr>
<td>LOMBARDIA</td>
<td>47</td>
<td>5</td>
<td>55,3</td>
</tr>
<tr>
<td>VENETO</td>
<td>24</td>
<td>4</td>
<td>58,3</td>
</tr>
<tr>
<td>FVG</td>
<td>7</td>
<td>1</td>
<td>57,1</td>
</tr>
<tr>
<td>LIGURIA</td>
<td>8</td>
<td>2</td>
<td>62,5</td>
</tr>
<tr>
<td>EMR</td>
<td>21</td>
<td>3</td>
<td>57,1</td>
</tr>
<tr>
<td>TOSCANA</td>
<td>18</td>
<td>2</td>
<td>55,6</td>
</tr>
<tr>
<td>UMBRIA</td>
<td>7</td>
<td>1</td>
<td>57,1</td>
</tr>
<tr>
<td>MARCHE</td>
<td>8</td>
<td>2</td>
<td>62,5</td>
</tr>
<tr>
<td>LAZIO</td>
<td>27</td>
<td>3</td>
<td>55,6</td>
</tr>
<tr>
<td>ABRUZZO</td>
<td>7</td>
<td>1</td>
<td>57,1</td>
</tr>
<tr>
<td>CAMPANIA</td>
<td>30</td>
<td>4</td>
<td>56,7</td>
</tr>
<tr>
<td>PUGLIA</td>
<td>21</td>
<td>3</td>
<td>57,1</td>
</tr>
<tr>
<td>BASILICATA</td>
<td>7</td>
<td>1</td>
<td>57,1</td>
</tr>
<tr>
<td>CALABRIA</td>
<td>10</td>
<td>2</td>
<td>60,0</td>
</tr>
<tr>
<td>SICILIA</td>
<td>26</td>
<td>4</td>
<td>57,7</td>
</tr>
<tr>
<td>SARDEGNA</td>
<td>9</td>
<td>1</td>
<td>55,6</td>
</tr>
</tbody>
</table>

The result of this lottery is that we have created a series of problems, which I called the Italian follies. We have a perfect bicameral system, where the government is responsible to both chambers. We have two different voting bodies: for the Chamber you need to be 18 to vote, for the Senate you need to be 25. Over 4 million electors are missing in the Senate arena. So two different voting bodies, two different electoral systems and the result can be the Italian version of divided government, but for sure weak governments. The Prodi government is a weak government: it has a thin majority in the Senate, because with this lottery the combination of the different prizes – the 17 different prizes – creates for sure no strong majority, unless there is a very strong trend favouring one of the two coalitions which in Italy we haven’t seen yet.

But the other folly (the most important in my opinion, this is open to debate) is represented by the seats allocated to the Italian residents abroad.

Let’s have a look at the electoral districts: one electoral district includes most of Asia, Australia and Africa. The other electoral districts are: Europe and Siberia; part of Center America and Southern America; Canada, Mexico and some of the states of Center America. In these four districts, they elect 12 representatives in the Chamber and 6 in the Senate. I need to say no other.
Did the new electoral system change the pattern of competition? In spite of the rhetoric about return to P.R., the basic features of the old pattern remain:

a) still pre-electoral catch-all coalitions;

b) still multiparty;

c) still bipolar.

Because, quite simply, the majority prize is the functional equivalent of the single member district. It is the majority prize that forces the parties into pre-electoral coalitions, whereas before it was the single member district feature that forces the parties to the same thing.

The bipolar trend has strengthened and party fragmentation has paradoxically diminished. We have introduced a system where 100% of seats are allocated proportionally and party fragmentation has decreased.

The ballot used in Lazio explains it very well. There are two lists that represent the coalitions: in each coalition there are the symbols of the parties belonging to the coalition. So voters have to cast their vote on the symbol of the party: this vote would go to the party and to the coalition. In this particular region, which is Lazio, there is also a third pole, but it’s interesting that in most regions, both in Chamber and in the Senate, the voters, in the day of the elections, were looking at just two coalitions, two strings with all these party symbols inside.
The new electoral system: 
the ballot paper

What’s the long term effect of the new system? This is a question for future conferences. The incredible result of these elections is that we have beaten the Florida case.

Elections 2006: the results, N and % votes

<table>
<thead>
<tr>
<th></th>
<th>Chamber</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cdl</td>
<td>18,995,697</td>
<td>17,359,754</td>
</tr>
<tr>
<td>49,7%</td>
<td>49,9%</td>
<td></td>
</tr>
<tr>
<td>Union</td>
<td>19,061,104</td>
<td>17,141,937</td>
</tr>
<tr>
<td>49,8%</td>
<td>49,2%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>173,263</td>
<td>307,344</td>
</tr>
<tr>
<td>0,5%</td>
<td>0,9%</td>
<td></td>
</tr>
</tbody>
</table>

The difference between the coalitions is 24,000 votes out of almost 40 million votes. In the Senate – remember the two different voting bodies – Berlusconi won the plurality of the popular vote. The other thing which is interesting is the vote to the “others”: it has almost disappeared.

Let’s look at the seats: the system worked in the Chamber, because the prize is nationwide and goes to the coalition that wins plurality even of 24,000 votes more.
So Mr. Prodi today has 349 seats in the Chamber and Mr. Berlusconi has 281. There is another folly in the Italian system: the Valle d’Aosta voters do not count for the majority prize. This is something that the Italian legislators have forgotten: this is completely unconstitutional. There are 25 constituencies that count for the prize, while the Valle d’Aosta constituency has been excluded from the prize: why? Even the foreign constituencies – the Italian residents abroad – have been excluded from the prize, but here I understand. But what I completely don’t understand is the Valle d’Aosta thing.

**Senate**

<table>
<thead>
<tr>
<th>Seats</th>
<th>20 regions</th>
<th>Foreign const.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cdl</td>
<td>Union</td>
<td></td>
</tr>
<tr>
<td>Prize constit.</td>
<td>155</td>
<td>154</td>
<td>309</td>
</tr>
<tr>
<td>Valle d’Aosta, the prize-less constit.</td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Foreign constit.</td>
<td>156</td>
<td>159</td>
<td>315</td>
</tr>
<tr>
<td>Total</td>
<td>309</td>
<td>315</td>
<td></td>
</tr>
</tbody>
</table>
What about the Senate? This is more interesting.
The Cdl won in the Senate: 155 seats, Prodi got 154. But Berlusconi forgot the foreign constituencies. What is interesting is that this folly has been pushed to the electoral reform by the center-right and they lost the 2006 elections because of a technical error that they made in these constituencies. Correctly interpreted, the foreign constituencies are fundamentally single member districts. Whereas the Union presented coalition candidates, the parties of the center-right ran in the foreign constituencies each with their own list. The result was that they gained 1 seat, while they should have gained at least 3 seats. And Italian history would have changed. Electoral manipulation goes the wrong way.

What did decide the 2006 outcome? Two factors:

a) coalitional shifts;

b) voting shifts.

<table>
<thead>
<tr>
<th></th>
<th>Center-left</th>
<th>Center-right</th>
<th>Diff. Cl-Cr</th>
<th>others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>42,0</td>
<td>47,6</td>
<td>-5,6</td>
<td>10,5</td>
</tr>
<tr>
<td>2001 retrospective</td>
<td>48,0</td>
<td>51,0</td>
<td>-3,0</td>
<td>1,0</td>
</tr>
<tr>
<td>2006</td>
<td>49,8</td>
<td>49,7</td>
<td>+0,1</td>
<td>0,5</td>
</tr>
<tr>
<td>coalitional shifts</td>
<td>+6,0</td>
<td>+3,4</td>
<td>+2,6</td>
<td></td>
</tr>
<tr>
<td>voting shifts</td>
<td>+1,8</td>
<td>-1,3</td>
<td>+3,1</td>
<td></td>
</tr>
</tbody>
</table>

In 2001 elections, there was a difference between the center-right and the center-left of 5.6%. We calculated the 2001 votes on the basis of the 2006 coalitions (retrospective vote) and the difference narrows down to 3%. In 2006, in the Chamber the difference is favourable to the Union by 0.1%.

Where did the voting shifts occur? All politics is southern. In studying the Italian elections under the new electoral rules, starting in 1993, I came to the conclusion that the area of the country that decides the outcome of all Italian elections of the last 15 years is the South. Basically Italy is split into 4 political areas:
PR valid votes for CL and CR coalitions, 2001 and 2006 elections

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>41.9</td>
<td>48.8</td>
<td>9.3</td>
<td>48.9</td>
<td>50.5</td>
<td>0.6</td>
<td>49.0</td>
<td>49.0</td>
<td>0.0</td>
</tr>
<tr>
<td>North East</td>
<td>34.3</td>
<td>53.6</td>
<td>12.1</td>
<td>43.7</td>
<td>55.5</td>
<td>0.8</td>
<td>43.5</td>
<td>55.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Center</td>
<td>53.2</td>
<td>40.1</td>
<td>6.7</td>
<td>58.5</td>
<td>41.3</td>
<td>0.2</td>
<td>59.7</td>
<td>40.3</td>
<td>0.0</td>
</tr>
<tr>
<td>South</td>
<td>37.5</td>
<td>51.2</td>
<td>11.3</td>
<td>43.3</td>
<td>55.9</td>
<td>0.8</td>
<td>49.5</td>
<td>50.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Italy</td>
<td>40.0</td>
<td>49.6</td>
<td>10.4</td>
<td>46.9</td>
<td>52.5</td>
<td>0.6</td>
<td>49.8</td>
<td>49.7</td>
<td>0.5</td>
</tr>
</tbody>
</table>

1) the North-East, which is dominated by the center-right;
2) the center regions, which are dominated by the center-left;
3) the North-West, where there has been more balance;
4) the South, with its extreme volatility.

Given this, the coalition that wins the South wins the elections.

We can compare 2006 to 2001 using retrospective data: we can see that there has been a little shift in the North-West (Piedmont and Liguria) in favour of the center-left (from 48.9% to 51%). The
interesting thing is about the North-East (Lombardia, Veneto, Friuli): nothing has changed, the Berlusconi’s coalition received 55.5% in 2001 retrospective and it received exactly the same percentage of votes in 2006.

In the center regions (Emilia, Tuscany, Umbria e Marche), the domination of the center-left hasn’t changed. What has changed is in the South: in 2001 the center-left had 43.3% of votes (retrospective) and it went up to 49.5 whereas Berlusconi lost 5% in 2006. All politics is southern.
In this perspective, Sicily represents for us an enigma: it looks like a northern region. Whereas other parts of the South look more like Tuscany and Emilia: Basilicata, Northern Calabria.

Finally, we can see that in 2006 Italy is really split.

The center-right has actually increased its dominance in the areas where it’s strong, whereas the center-left has prevailed in the South and again we go back to the southern factor for the explanation of why Mr. Prodi won the 2006 elections and Mr. Berlusconi lost his gamble with electoral manipulation.