World Elite Database (WED) Methodological Report: Construction of the Economic Elite Population for Italy

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Established in 2020, the World Elite Database (WED) project is an international consortium of scholars working together to develop a new standardized data regime to study, and share data about, elites across the world. It aims to solve the problems of comparability and heterogeneity in the study of national power structures, and to foster a cooperative community of scholars interested in studying elite populations systematically.

The logic behind the selection criteria that the WED project uses is explained fully on our website. The aim of this WED Methodological Report is to document national sources, decisions and questions regarding the construction of the study populations for Italy.

Each national report, as well as other information about the WED, are available at: https://worldelitedatabase.org/

The building of each national WED population uses a standardized definition of each of the three selection criteria mobilized to identify the economic elites of a country: (1) the heads of the main publicly listed companies and of other large companies; (2) the wealthiest individuals in the country; and (3) the heads of other relevant public and private entities participating in the regulation and facilitation of the economy.

Because the sources we draw upon and the exact operations implemented to apply these three criteria and to define each national WED population is sometimes subject to researchers' discretion and expertise, national reports like this one are intended to clarify these details.

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General information

The WED Italy data contains information on 336 individuals in 362 positions. The selection of these individuals and positions is explained in the following pages of this report, which outlines the criteria used to select the study population. If not stated otherwise, the reference date of all data is December 31, 2020.

1) First criterion: heads of the main publicly listed companies and of other large companies

The benchmark stock market index for the Italian national stock exchange is the FTSE MIB, consisting of 40 companies. We thus included these 40 publicly listed companies, whose market capitalization is equal to 85.3% of the total stock market capitalization (in absolute values, the market capitalization of the 40 FTSE MIB companies is equal to B$630.4). Among these companies, the maximal market capitalization is B$103.28, the minimal market capitalization B$2.58, and the median B$10.85 (reference date 31/12/2020).

Since Italian companies follow a dual leadership model, we selected for each of them the chairperson and the CEO(s), for a total of 78 individuals.

In addition, to identify other large companies, we relied on the Orbis Database; since the Italian business outlet publishing the list of the major companies in the country (Mediobanca's Leading Italian Companies list) does not take into account corporate groups in the sorting of data on turnover and number of employees.

Applying the WED standard procedure of selection, we collected 2020 data on the annual turnover and number of employees of the 40 FTSE MIB companies, then calculated the bottom quartile limit, which is equal to an annual turnover of B$1.89 and 3,210 employees.

We then selected from the Orbis Database all other companies that met both thresholds, discarding the subsidiaries (except for the subsidiaries of foreign multinationals).

Overall, we selected 100 additional companies through this procedure. Then, for each of them we selected the chairperson and the CEO(s), for a total of 161 individuals.

This list therefore includes the Italian branches of international groups. In 2020, there were no relevant Italian companies listed only abroad.

2) Second criterion: The rich-list

No specific national list of the richest Italians being available, we relied on the Forbes' 2020 Global Billionaires List, which includes 36 individuals or families from Italy. Incidentally, it is worth noticing that the 2020 Forbes GBL assesses the listed fortunes on March 18, 2020: a moment of strong fluctuation of the stock markets due to the beginning of the COVID-19 pandemic.

From this list of 36, it was generally easy to identify the head of the family: because Forbes had already done it and/or because he was the person chairing the company/group constituting the bulk and/or main source of the family fortune.

In four specific cases, however, we decided to include two individuals for each family, because they both occupy similar leadership positions in the company:

- Miuccia Prada and her husband Patrizio Bertelli are both CEOs and executive director of the Prada Group;

- Domenico Dolce and Stefano Gabbana, who were life partners for decades (but not anymore), are both creative directors of Dolce & Gabbana and control the same amount of company shares;

- brothers Paolo and Nicola Bulgari are respectively chairman and vice-chairman of Bulgari and seem equally involved in the company, but Nicola is (according to Forbes) slightly wealthier;

- brothers Gianfelice and Paolo Rocca are respectively the chairman and CEO of the Techint Group, and Paolo is also included because of criterion 1 as the chairman and CEO of Tenaris.

34 individuals were thus selected because of this criterion.

3) Third criterion: heads of relevant public and private entities participating in the regulation and facilitation of the Italian economy

We selected 84 additional individuals (5 more were already listed because of criterion 1) who are the most relevant economic regulators and facilitators.

A) Top positions in the parliament, ministries, or administrations: Economic Adviser of the Prime Minister; Minister of Economy (MEF); Cabinet Director of the MEF; Director of the Treasury (MEF); Director of the Department of Finance (MEF); Director of the State Accounting Department (MEF); Minister of Economic Development (MISE); Economic Adviser of the MISE; Minister of Infrastructures; Cabinet Director of the Minister of Infrastructures; Minister of Labor; Cabinet Director of the Minister of Labor; Minister of Innovation; Cabinet Director of the Minister of Innovation; Chairman of UPB; Chairman of INPS; Chairman and director of Invitalia; General Director of Labor and Industrial Relations; the four chairs of the legislative committees connected to the aforementioned ministries (i.e. the committees on: Labor; Economy and treasury; Industry, trade and tourism; Infrastructures). In 2020 the legislative commission on Innovation did not yet exist.

B) Top positions in the organizations that decide and implement the monetary policy: the Governor of the Bank of Italy and its Director.

C) Top positions in organizations that supervise banks and regulate financial markets: the presidents of AGEM, CONSOB, ANAC, the Court of Auditors, and ANIA (already listed through criterion 1).

D) Top positions in the governmental agencies and judicial courts that enforce competition: the president of the Transport Regulatory Authority; the president of the Energy Networks and Environment Regulatory Authority; the president of the Pension Fund Supervisory Commission; the president of AGCOM; the president of the Institute for Insurance Supervision (already listed as Director of the Bank of Italy).

E) Heads of the main unions: CGIL, CISL, UIL, UGL.

F) Heads of business or employers' associations: presidents and directors of Confindustria, Assolombarda, ABI, Confcommercio, Confesercenti, Confartigianato, Coldiretti and Confagricoltura; the president of CONFAPI; the director of Unioncamere; the president of Unioncamere (already listed as director of Confcommercio).

G) Heads of well-established think tanks: Associazione Civita, Ambrosetti European House, Aspen Institute Italia, Fondazione Leonardo, IAI.

H) The president of Bocconi University

I) Top positions in consulting-auditing firms (one per organization): the heads (in Italy) of Promoteia, Nomisma, McKinsey Italia-Mediterraneo, Boston Consulting Group Italia, KPMG, PwC Italia, Oliver Wyman, EY Italia, Deloitte Italia. (The chaitman of Accenture Italy was already listed through criterion 1)

L) Top positions in financial advising, legal advising and asset management (one per organization): the heads (in Italy) of Illimity Bank, Goldman Sachs Italia, Vitale & Co, Rothschild & Co, Lazard (Mediobanca and IMI-Intesa were already on the list), Bonelli Erede, Pedersoli, Cappelli & Partners (Gop), ADVANT Nctm, Chiomenti, Vanguard, BlackRock and StateStreet.

M) Institutional investor: the president and the director of CDP (already included through criterion 1)

N) Other: Mario Draghi. In 2020, he did not hold any office, but he was President of the EIB from 2012 to 2019 and on February 3, 2021 he became Italy's Prime Minister. He appears on various rankings of the world's most powerful men of the last decade (e.g. *Forbes* and *Times*)

Specific sources

Aldo Giannuli (2017), *Classe dirigente. Mappa del potere in Italia fra la Seconda e la Terza Repubblica*, Ponte alle Grazie.

Anonimo (2020), *Io sono il potere. Confessioni di un capo di gabinetto*, Feltrinelli.

About the heads of the most influential think tanks:
https://www.openpolis.it/esercizi/think-tank-e-fondazioni-una-politica-che-cambia.

For the top positions in consulting-auditing firms: the 2019-2020 annual reports issued by the Assoconsult-Observatory of Management Consulting.

For the most relevant business/investment banks not included through criterion 1, and for the law firms, we have compiled our list by cross-referencing the information contained in the 2019-2020 rankings of MERGERMARKET M&A and Legalcommunity (the leading Italian magazine for business lawyers, tax professionals and accountants).

The list – and in particular the individuals selected through criterion 3 – was also reviewed with a top advisor at Bank of Italy (from the Statistical Analysis Directorate).