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My two cents on the political economics of the first political crisis in Italy… with a shrinking Parliament. What are the incentives for Italian Senators, if they put themselves first and the country's welfare next? Take the 2018 elected Senate, no subsequent party change

Let me assume that next election will be with a pure Proportional system -- no majority premium, no minimum thresholds. Strong simplifying assumption, I know: deciding the new electoral system is another interesting game on its own! I use yesterday SWG electoral polls

5 Stars movement (15.7% expected vote share) down from 111 to 31 seats: 80 current Senators going from MP salaries to….basic income (scary, um?). Democratic Party (19.6%) from 53 seats to 39 + 6 seats (counting Renzi's Italia Viva). Forza Italia (6.3%) from 57 seats to only 13!

Even the most voted party Salvini's League (23.5%) may lose seats: from 58 to 47. The big winner is Meloni's Italian Brothers (16.3%) from 18 to 33 seats. So not surprisingly, Meloni & Salvini want early elections to get back in power. But the others?

5Star MPs will try to hold on to their seats: early elections cost each of them at least € 250k. Their leader may want to bet all their chips on a new Conte government, but do they have enough leverage to control their troopers if other govenments (options to stay on) emerge?

Mr. Conte wants to hold on to power. Power grows up on you, doesn't it? If he won't manage (but ask Renzi), he might create his own party. Polls give him a sound 15% vote share. But would he have the financial resources and the logistics? Few have Berlusconi's deep pockets.

Mr. Zingaretti (Democratic Party's leader, in case you haven't heard of him) is committed to another Conte government. It beats me what makes Conte, first chosen as a "notary" by Salvini (League) and Di Maio (5 Stars), the perfect Prime Minister for the Democrats. But still…

If a third Conte government doesn't fly, Zingaretti can flirt with early elections. It will result in fewer Dem Senators, but chosen by Zingaretti, not by Renzi as the current. Yet, Conte may launch his own party and erode Dem vote shares and seats. A waiting game for Zingaretti

Renzi’s (and Forza Italia) best option is to participate in a grand coalition (or technocratic government) and take credit for, if it does well, while avoiding early elections… the game has just started, let’s hope it won’t last too long