

## **What happens after?**

### **An analysis of post-parliamentary private sector career positions in Germany and the Netherlands**

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**Clint Claessen**

*clint.claessen@gess.ethz.ch*

**ETH Zürich**

**Stefanie Bailer**

*stefanie.bailer@unibas.ch*

**University of Basel**

#### **Abstract**

When parliamentarians continue their career after their legislative mandate with lucrative positions in the private sector, they are often criticized by journalists and the public for not serving public interest anymore and abusing their networks and knowledge for other reasons than serving their voters. We analyse which factors account for the move to attractive positions in the business sector after MPs have finished their legislative service. Based on a self-collected dataset of German and Dutch parliamentarians, we show that on average 18 % (Germany) and 24% (Netherlands) of MPs who join the private setor can use parliament as a stepping stone to attractive positions business positions beyond parliament. Particularly leadership positions providing access to the government, to party, and commission networks predict why some MPs are more successful than others. Quite distinctly, women are less successful at obtaining attractive positions. Also, MPs' chances to pursue a successful business career are reduced when they lose their mandate due to failed re-election, failed re-nomination, or a scandal.

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*“No question about it. Personal advancement – the desire to advance myself, to advance my social standing – has played a crucial role in my life.” (Gerhard Schröder, interview with DLF-Radio)*

Quite frequently when parliamentarians leave their elected mandate and take up an attractive position in the business sector, journalists and other observers criticize such a move since they wonder whether parliamentarians have really been accountable to citizens or already influenced by future employers during their time as voters’ representatives. Examples for such moves are the Dutch ex-transport Minister Camiel Eurlings who became a board member and CEO of KLM after serving in the Dutch cabinet. Similarly, former German Chancellor Gerhard Schröder accepted the position as head of the shareholders’ committee of Nord Stream AG, a company managing the construction and operation of a gas pipeline between Germany and Russia. In both instances, journalists discussed extensively the integrity of this job switch<sup>1</sup>. These two examples are prominent, but certainly not the only cases in which politicians have entered the private sector after their mandate and gained personal benefits by doing so.

The examples raise the question whether succeeding into more attractive private sector positions after a legislative mandate is a frequent phenomenon and which factors explain it. Considering that most parliamentarians leave their service as deputies in their mid-50s when they can still pursue a substantial part of their career outside parliament, we know surprisingly little about their whereabouts after elected service (Borchert 2011, Patzelt 1999). Moreover, we do not only not know where they go but we also have hardly any indication of how many parliamentarians are able to use their mandate as a stepping stone for an attractive position in the business sector. In the following study we are investigating the phenomenon of parliamentarians’ moves to the business sector for the German Bundestag and the Dutch Tweede Kamer and the reasons which can explain these moves.

This paper proceeds as follows: the second section introduces the theoretical framework and puts forward our theoretical approaches. In the third section, we derive four distinct hypotheses from these perspectives. The fourth section introduces the data and

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<sup>1</sup> (Harding 2005, Hinke 2011)

operationalizes the concepts from the hypotheses. The fifth section describes and analyzes the data. The sixth and last section provides a short summary and discussion of the results.

### **Post-parliamentary Outside Employment**

In general, outside employment opportunities for parliamentarians are of special interest during their legislative service because one fears that the representatives' priorities shift away from their voters' interests and move towards the interests of principals such as firms. Therefore, there is great variety of legal provisions trying to limit outside employment opportunities or trying to make them more transparent (Eggers and Hainmüller 2009, 2). Also for the time after the legislative mandate, established legislatures, such as the US Congress have regulations for "cooling off periods" to prevent parliamentarians from drawing a direct benefit from legislative service and prevent them from representing the special interests of possible future employers during their public service. Both the German Bundestag as well as the Dutch Tweede Kamer do not have such regulations and thus facilitate our analysis of post-parliamentary positions.

Post-parliamentary career research is justified by its social relevance: citizens' trust in politics and governance can severely be affected if MPs have possible conflicts of interest. This normative outlook corresponds with the OECD Post-Employment guidelines (2005: 22) which underline the possible impact of post-parliamentary positions:

*"In connection with transitions from public to private employment, it is important to maintain the general public's confidence in the public service, and in civil and public servants as well as in the political leadership. Integrity and impartiality are absolute prerequisites in the public sector."*

This underlines the danger that MPs will be tempted to serve the interests of future employers rather than the interests of their voters and the public.

Yet, it is nearly impossible to show that parliamentarians act as agents for potential future employers because one cannot know from which point in time an MP knew that s/he could work for a firm after legislative service. One attempt to capture this idea is found in the literature on the last-period problem which analyses whether parliamentarians tend to shirk or change their behavior in the last years before they leave office (Zupan 1990, Parker, Parker, and Dabros 2012, Willumsen and Goetz 2015, Ohmura and Bailer 2015). In this paper, we move beyond observing behavior in parliament to investigating which factors

increase the probability of former parliamentarians receiving attractive position outside politics. The research question is therefore:

*Which factors increase the probability of receiving an attractive position in the private sector after leaving office?*

Firms are interested in hiring politicians since they expect more direct access to political actors for lobbying and in some cases even direct benefits such as procurement contracts (Goldman, Rocholl, and So 2009) or more favorable loans from government banks (Mian and Khwaja 2004) (for an overview of this literature see also Eggers and Hainmüller 2009). By hiring former MPs businesses expect access to political actors such as the government, ministries, agencies or specific civil servants. Accordingly, former parliamentarians from governments that are still in power are particularly attractive for the lobbying industry since they provide access to the active government (Eggers 2010, Bertrand, Bombardini, and Trebbi 2011).

Closely connected to access is legislative experience. Experience can be considered an asset for future private and public employers (Theakston 2012) so that parliamentarians with extensive political experience have been found to stand good chances at taking advantage of attractive employment opportunities after their mandate (Diermeier, Keane, and Merlo 2005). Not only legislative experience but also networks can be considered an advantage in the private sector with networks sometimes more highly valued than issue expertise as found by Bertrand et al. (2011).

Also, the ideological orientation of MPs has been found to impact post-parliamentary employment: right-wing or liberal politicians are considered more attractive to the private sector than their more left-wing colleagues (Anderson 2010). Theakston (2007) found that Conservative former MPs used their networks to a larger extent to find employment than their Labour colleagues; and Eggers and Hainmüller (2009) showed that British Conservatives could translate their parliamentary network experience and connections into lucrative post-parliamentary directorships and consulting positions while their colleagues from Labour could not. The reasoning for the ideological match between MPs and businesses might simply be one of decreased costs. Businesses want to make sure that MPs who have not been socialized into the business environment act in the interests of the firms. Moreover due to their ideological proximity to markets and economic actors, MPs might also provide better contacts to respective actors in the political sector.

Apart from the factors that take into account the expectation of the firms, other factors that impact careers, such as gender, might also play a role in explaining post-parliamentary career moves. To explain whether women succeed in post-parliamentary careers, we borrow from the literature explaining why there are so few women in political careers and in parliament. There are two theoretical approaches which might explain the impact of gender: women's attitudes such as risk aversion or the system which discriminates against women in the workplace. Previous literature on gender in political recruitment has mostly used Norris' and Lovenduski's (1995) supply and demand model and investigated whether it is the supply side of women candidates (who do not enter the political arena as frequently as men) or the demand side of the political system (which discriminates against women) (for a more encompassing overview of factors at the macro-, meso- and micro-level see Wägnerud 2009).

When it comes to the supply side, women have been found to be less likely to consider themselves as eligible because they have a greater aversion to campaigning (Fox and Lawless 2004). Women are not discriminated by the voters, but they are less likely to run for office (Lawless and Fox 2010). Male candidates are said to be more motivated by the "raw desire to hold office" while women were found to be more election-averse (Kanthak and Woon 2014) and more interested in policy issues than positions (Costantini 1990). Therefore, female parliamentarians are less likely to remain in office once their possibilities to influence the agenda decrease (Lawless and Theriault 2005). For our research question this could mean that women are not as interested in moving towards the business sector after legislative service since these positions do not allow them to influence policy to the same degree. As for our research question, it is doubtful that election adversity or a lack of self-confidence explains career success within the pool of female politicians we are investigating, as they have all faced several elections and career battles until they reach the stage where they have decided what to do after legislative service. Particularly these women might be quite used to elections, battles and challenges. However, another reason for fewer women in attractive post-parliamentary business positions could be the lack of role models: thus, it has been shown for candidatures at the local level that female role models have an impact on female representation, particularly in the early stages when not many women are represented in a certain body (Gilardi 2015).

Other reasons for a lacking supply of women pursuing post-parliamentary careers in the business sector might be a greater risk aversion of women. Several studies from business studies or biology demonstrate that women do not like to take risks to the same degree as men (e.g. Sapienza, Zingales, and Maestripieri 2009). Any move from one working environment to the other, in this case from parliament to the business area, might mean a certain risk of not appearing successful or not performing to the same degree as in a previous position.

In contrast, the reasons for insufficient representation of women might also be found in systems which structurally discriminate against women. Thus, it has been shown that women are less likely to be encouraged to stand for an office than men, that the success of women depends on the election system with proportional election systems being more favourable to women than majoritarian systems (Matland and Studlar 1996) or with female success being dependent on party structures and nomination systems (Caul 1999). Gender discrimination in the economic sector has also been widely documented (e.g. Darity and Mason 1998) so that we could expect similar mechanisms to hold when it comes to investigating post-parliamentary careers of women.

## **Hypotheses**

While we only have anecdotal evidence about the move of parliamentarians into attractive post-parliamentary private positions, we will now identify variables explaining the likelihood for such a move. The factors explaining the moves into attractive private sector positions are both determined by the MPs and the expectations of the businesses providing them with employment and attractive possibilities. We investigate whether MPs have a higher probability to obtain an attractive post-parliamentary position when they can provide business actors with access to government or to parliamentary actors. Drawing on the interest group literature on lobbying (Beyers 2004, Bouwen 2004) we think that business actors are interested in finding access to political actors in order to argue for their special interests, in short, in order to lobby. Firms are interested in this access to lobby to achieve easier access to contracts and subsidies or similar policy advantages (Bertrand, Bombardini, and Trebbi 2011, Goldman, Rocholl, and So 2009).

Access to government actors also includes access to expertise on political processes such as upcoming decisions and substantial policy knowledge and institutional insights

(Luechinger and Moser 2014). It is quite challenging to find out whether it is the access to political actors such as government members or civil servants or whether it is the expertise gained from working in a certain policy field that causes politicians to be hired by certain companies. Because of the nature of the political world, we hypothesize that it is mostly political access to political power which firms are interested in. Expertise can also be gained by other means, e.g. directly employing experts in a certain business field. Access to political power, however, is provided by a select group of parliamentarians who previously held higher positions in government, the parliament, and committees. Thus, we are going to investigate these hypotheses on access:

*H1: Parliamentarians who can provide access to political power due to higher positions in parliament, parties and the government, have an increased probability of obtaining an attractive post-parliamentary position in the private sector.*

Moreover, parliamentarians from parties which are still in government might have better chances to get hired since they are still in touch with ongoing relevant political actors such as the current government. Former parliamentarians from current governments in power are particularly attractive for the lobbying industry since they provide access to the party in power (Eggers 2010, Bertrand, Bombardini, and Trebbi 2011).

*H2: Parliamentarians from a party which is represented in government at the time of hiring have an increased probability of obtaining an attractive post-parliamentary position in the private sector.*

Based on the discussed considerations on the careers of women in politics, we investigate the following hypothesis:

*H3: Female MPs have a lower probability of obtaining an attractive post-parliamentary position in the private sector.*

In addition, we expect that MPs who leave their office after a failed re-nomination or failed re-election have lower chances to obtain an attractive position since their manner of

departure signals that they might be less capable than their colleagues. Moreover, this variable also means that these parliamentarians were not necessarily expecting to leave parliament. Therefore, they had less time than other colleagues to prepare their post-parliamentary career move in advance and to network their business contacts for potential future employment opportunities.

*H4: Parliamentarians that have failed re-nomination or that have failed re-election, have a lower probability of obtaining an attractive post-parliamentary position in the private sector.*

For similar reasons of time constraints but also because firms value their reputation we expect that MPs who had to step down due to a scandal, stand lower chances to achieve attractive positions. This factor as well as political ideology will be used as control variables. For political ideology the dimension of market-orientation from the party manifesto data is used, where we expect market-friendly MPs to be more sought after or compatible with private sector businesses.

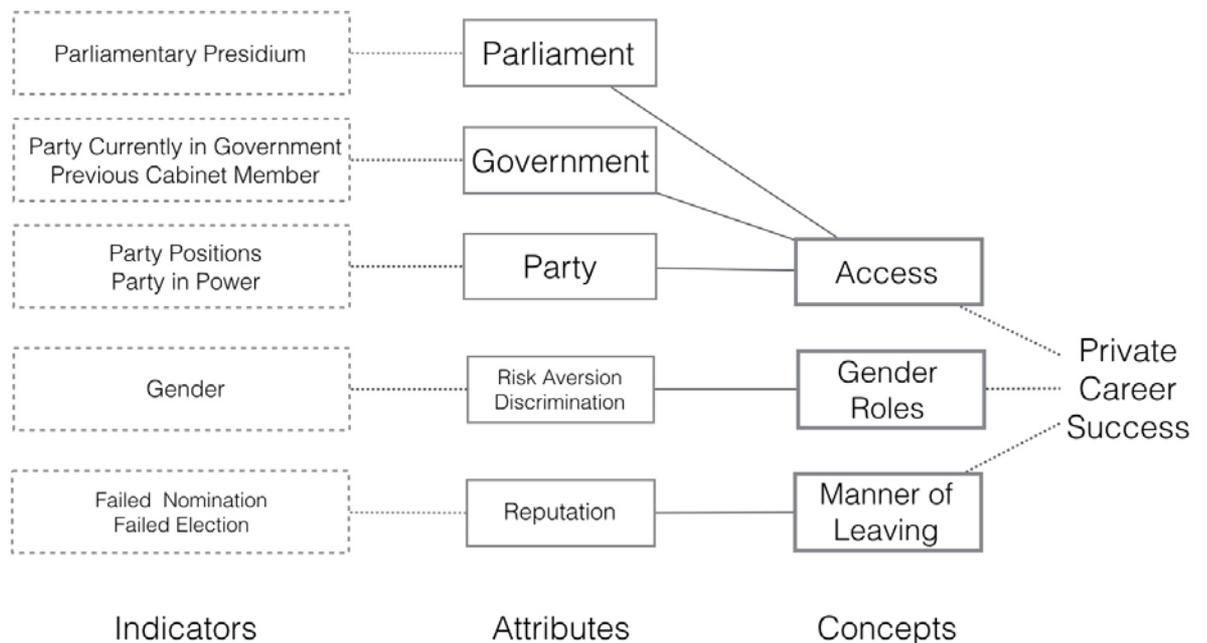


Figure 1. Theoretical Framework and Hypotheses (Goertz, 2006)

## **Data and Operationalization**

The motivation to choose the German Bundestag and the Dutch Tweede Kamer is the following: The choice for two established parliamentary democracies provide an opportunity to gather novel cross-country evidence that could uncover the potential of generalizable findings across other relatively similar West-European democracies. Also, both countries have well-documented biographies of their parliamentarians and therefore high-quality data. Especially for the Netherlands, the career history of parliamentarians is extensive and reaches as far back as 1815. The data on the ex-MPs was hand coded from several online resources such as Wikipedia, online media, as well as the documentation center for Dutch parliamentarians. The dataset contains 1321 MPs who left parliament; 651 MPs from Germany who left in the period between 1998-2009 and 670 Dutch parliamentarians who left in the period 1983-2015. Of these 1321 MPs, 37 % (n=495) were found to move towards the public sector, 59% (n=776) found a position in the private sector.

## **Dependent variable**

The dependent variable is relative private career success for former members of the Bundestag (Würfel 2014) as well as the Dutch Tweede Kamer (Claessen 2015). The literature makes a distinction between two types of career success: subjective and objective career success (Heslin 2005, Ng et al. 2005). Subjective career success is concerned with job satisfaction or the way in which a person perceives his own career. Objective career success consists mainly of occupational status and salary. With the biographical data that is available, the focus here is on relative objective career success. In essence, the data on politicians' actual career positions is directly observable and verifiable. Post parliamentary positions were coded as follows: all parliamentarians that left in the given periods received a code for the position they obtained within five years of leaving parliament. Of all positions which a parliamentarians held in the respective period, the most prominent post-parliamentary position is evaluated on the basis of two criteria.

Table 1. Datasets

Datasets	Cases	Comment
Private Sector Employment <sup>2</sup>		
Tweede Kamer 1983-2015 Post-Parliamentary Careers (Claessen 2015)	340 parliamentarians	More, equally and less attractive private sector employment(incl. explanatory variables)
Bundestag 1997-2009 (Würfel 2014)	435 parliamentarians	

First, if available, salary levels were compared with the parliamentary salary level. Then, on the basis of the status of the occupation the post- parliamentary position obtained a 2 if more attractive, a 1 if equally attractive or a 0 if less attractive compared to the parliamentary position. The latter two categories (1 and 0) are then collapsed for the analysis to contrast those who are better off with all others. For all positions there is a distinction between public and private positions, as both sectors have crucially different employment dynamics. Here, only the private positions are considered. Future work will also investigate whether different factors affect career success in public post-parliamentary positions.

Importantly, in the Netherlands the post-parliamentary coding included cabinet positions. While Dutch cabinet members are not members of the parliament, here they are treated as such. The rationale is that this selected government office is very close to the parliamentary career. Furthermore, because ministers and state secretaries do take a seat in the Bundestag, here the Dutch cabinet members are treated as parliamentarians with a certain political position.

The coding method was subject to intercoder-reliability tests<sup>3</sup> both in the Netherlands and in Germany. For the Netherlands, three additional coders (one from the

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<sup>2</sup> For the Netherlands, 1983 is the cut-off year, because this includes the parliamentarians that left during the time that Ruud Lubbers was in office, marks the year of constitutional change and increases data-availability.

medical field, one from a governmental statistics bureau and one political science student) were given a random sample of 31 cases. Similarly, three coders with different backgrounds from the business sector and political science were given a random sample of German cases. We calculated the following intercoder-reliability scores:

Table 2. Intercoder Reliability of the Career Success Measure

Country	Coder	Percentage Agreement	Cohen's Kappa
NL	1	93 %	0.84
NL	2	87 %	0.66
NL	3	87 %	0.70
DE	4	85%	-
DE	5	75%	-
DE	6	87%	-

Besides looking at a random sample for the reliability, the different coders reviewed a set of critical cases for both Germany and the Netherlands. This subset included parliamentarians whose post-parliamentary success was not straightforward. In these cases, we took the most common coding.

### Independent Variables

The first two hypotheses concerning access are captured with the political positions a parliamentarian held and whether the parliamentarian's party is still in power. The political positions measured here are: membership in the presidium of the legislative chamber, positions in the party executive or the party presidium or membership of the cabinet. The variable that measures whether a former parliamentarian's party is still in power only considers the legislative period after the parliamentarian left office. For the analysis of the third hypothesis gender is measured as a dummy variable. The fourth and last hypothesis is captured by two binary variables that indicate whether the parliamentarian in question failed re-election or re-nomination.

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<sup>3</sup> Please note that the intercoder-reliability test was performed for dataset on both private and public post-parliamentary careers (roughly double the number of cases).

## **Control Variables**

As a demographic variable the age at the time of leaving office is included in the analysis. In the literature it is not clear whether the decision to end a parliamentary career is influenced by advanced age (for a positive effect of age on retirement see Keane and Merlo 2010, Frantzich 1978, for no effect of age see Schansberg 1994, Groseclose and Krehbiel 1994). For obtaining an attractive private sector position we expect a negative effect since businesses might like to benefit from a politician as much as possible and might consider younger MPs as more promising. Younger MPs may also be more eager to pursue a successful career after parliament, since they still have several years to build a career ahead of them.

To account for the differences between parties access to private sector businesses, we included the (standardized) score on free market orientation of the MP's party. This variable is derived from the party manifesto project (<https://manifestoproject.wzb.eu/>). Another control variable is whether an MP left as a consequence of a scandal. A scandal usually leads to an early retirement (Kiewiet and Zeng 1993, Schansberg 1994, Hall and Van Houweling 1995). In this case he/she is likely to have a lower probability of obtaining an attractive position in the private sector since future employers may worry about tarnishing their reputation.

A last control is the period in which a parliamentarian was in office. This is operationalized by the year of exit or by the last legislative term the parliamentarian was in office.

Table 3. Variable Overview

No.	Type	Description	N	Measure	Mean	Comment
1.	Dependent Variable	Attractiveness Private Position	775	0-1	0.21	Description of coding see above
2.	Independent Variables Access	Parliamentary presidium	775	0-1	0.03	Presidium of the parliament in the last period
3.		Party Position	775	0-1	0.07	Party presidium, party Executive in the last period
4.		Cabinet Member	775	0-1	0.07	Minister or state secretary in the last period.
5.		Party in Power	775	0-1	0.58	For exit year or period after leaving
6.	Independent Variable Gender	Gender	775	0-1	0.68	Male=1
7.	Independent Variables Career Planning	Failed Nomination	775	0-1	0.08	If placed on a non- electable position as based on reports in the media
8.		Failed Re- election	775	0-1	0.20	If expected election failed as based on reports in the media
9.	Control Variables	Age at Exit	775	continuous	54.4	Control for age
10.		Exit	775	continuous	2003	Control for period leaving the mandate
11.		Legislative Terms	775	nominal	-	By cabinet in office; alternative period control
12.		Scandal	775	0-1	0.04	
13.		Business Friendly Party	756	Index	1.88 (min:0, max:7.74)	Free market orientation (Per401) from the Party Manifesto Project

## Analysis

In both the Netherlands and Germany, a small but substantial part of the parliamentarians that leave office for the private sector attract more attractive positions.

### Private Career Positions after Parliamentary Office

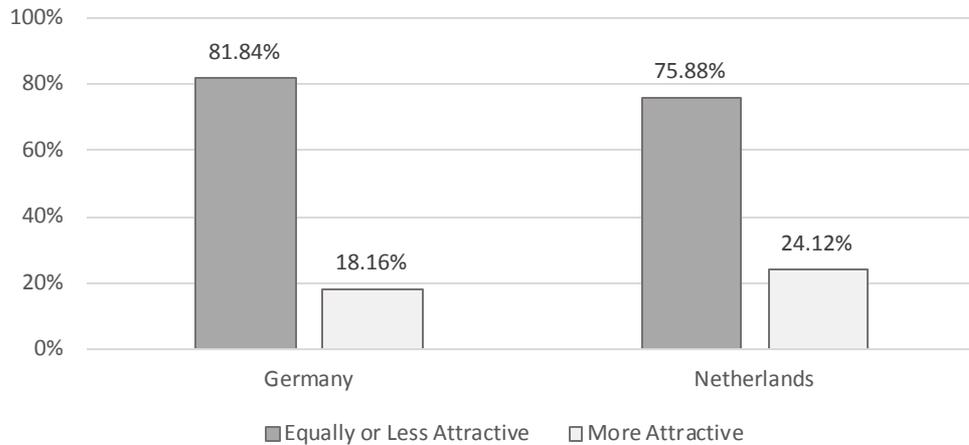


Figure 1. Percentage of parliamentarians obtaining attractive positions after leaving parliament by country

In the Netherlands, roughly 25% of parliamentarians that have left office for the private sector since 1983 have obtained a more attractive position. The other 75% have either obtained positions in the private sector which were similarly attractive as their mandate or less attractive. The figure is higher than in Germany, where around 18% of parliamentarians of the MPs who went in the business sector obtained a more attractive private position between 1997 and 2009. Across parties in both countries, the highest observable share of parliamentarians to obtain a more attractive position in a party is around 30 to 35 percent (see figure 2). This is not taking into account the Green Left in the Netherlands, where the percentage is higher, but less informative due to the small absolute number of parliamentarians leaving for the private sector. Furthermore, there are some period effects in the German case, as the number of CDU politicians leaving office would be higher relatively to the number of SPD politicians leaving if a longer period would be accounted for. In our analysis presented below we investigate the MPs with more attractive private sector positions in contrast to the other MPs with private sector positions at similar or less attractive level. The MPs with similar or less attractive private sector positions serve as baseline. Overall, our dataset includes overall 1321 MPs who left office in Germany and the

Netherlands since 1998 (Germany) and 1983 (Netherlands). While we focus here on MPs moving towards the private sector, the other whereabouts of MPs include public sector positions and retirement and will be investigated at a later stage.

## Attractive Private Sector Positions after leaving Parliament

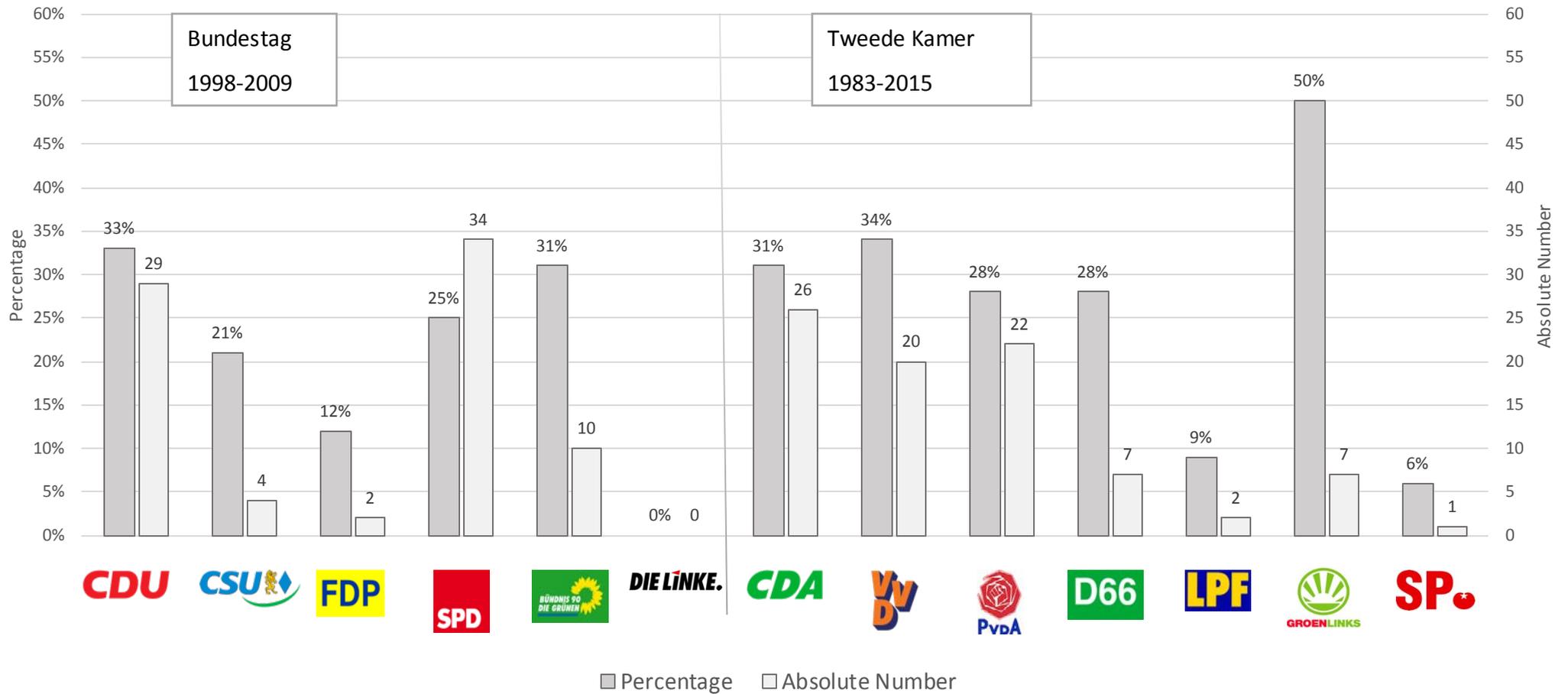


Figure 2. Percentage of parliamentarians obtaining attractive positions after leaving parliament per party

In order to test the four hypotheses, several logistic regression models were run (table 4).

**Table 4. Logistic Models of Post-Parliamentary Private Employment**

Independent Variables	Model 1	Model 2	AME (2)
<b>Parliamentary Presidium</b>	0.65 (0.47)	0.95* (0.45)	0.18+ (0.11)
<b>Party Position</b>	0.69* (0.30)	1.02* (0.32)	0.19* (0.08)
<b>Cabinet</b>	1.86*** (0.31)	1.66*** (0.31)	0.34*** (0.08)
<b>Party in Power</b>	0.05 (0.20)	0.14 (0.22)	0.02 (0.03)
<b>Gender (Male=1)</b>	0.58** (0.21)	0.89*** (0.22)	0.12*** (0.03)
<b>Failed Election</b>	-0.41 (0.27)	-0.69* (0.28)	-0.09** (0.03)
<b>Failed Nomination</b>	-1.00* (0.49)	-1.13* (0.50)	-0.12*** (0.04)
Free Market Orientation	-	0.08 (0.05)	0.012 (0.007)
Age at exit	-	-0.06*** (0.01)	-0.008*** (0.001)
Scandal	-	-0.86 (0.58)	-0.097* (0.05)
Exit year	-	0.00 (0.02)	0.000 (0.002)
Intercept	-1.93 (31.7)	-1.87 (31.7)	-0.26 (4.67)
AIC	738.55	700.85	-
N	775	757	-

Logistic regression models. Dependent variable: Private Post-Parliamentary Positions. Robust standard errors in brackets. AME= Average Marginal Effects (discrete change for binary variables). + =  $p < .10$ ; \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$

The first hypothesis concerns the positions parliamentarians obtain individually within the parliament, party and the government: As model 2 (table 4) displays, all three positions have a significant impact on the probability to obtain a more attractive position in the private sector after parliament. On average, being a member of the parliamentary presidium increases the probability of private career success by 18 percent (baseline probability = 20.7%;  $p < .10$ ), having a position in the party executive and/or the party presidium increases the same probability with 19% ( $p < .05$ ) and being a member of the cabinet increases it with 34% ( $p < .001$ ). The impact of cabinet membership is very strong; the odds of a cabinet member obtaining an attractive private position after leaving parliament are 5.25 times higher than the odds of other parliamentarians obtaining the same position, holding all else constant (Confidence Interval (CI): 2.81-9.97;  $p < .001$ ). Therefore, the results provide strong evidence for hypothesis 1.

Hypothesis 2 is concerned with parliamentarians that can potentially provide access to the government that is in power. Model 2 (table 4) does not show any significant effect. There seems to be no correlation between coming from a party that is in office and career chances in the period after leaving office. Therefore, this hypothesis is rejected.

Hypothesis 3 suggested a gender effect on the chances of employment. The main idea behind this hypothesis is that women are more risk averse to change into a different sector or might be less interested in a business position since they can no longer influence legislation. Model 2 displays a significant gender effect. On average, being a male increases the probability of private career success after leaving parliament by 12% ( $p < .001$ ). As figure 2 displays, this gender gap is quite pronounced.

While one could plausibly argue that it is the business sector which discriminates against women as documented before, we can provide evidence that women are also less successful with more attractive positions in the public sector (results not listed here). When we run the same model as above for more attractive positions for women in the public sector, the effect for women is also significant and negative. On average, being a male increases the probability of obtaining a more attractive post-parliamentary position in the public sector with 14% (baseline probability= 48%;  $p < .05$ ) (see figure 3). This might provide some more evidence that it is rather women and not the environment which influences the post-parliamentary career success. However, both sectors – the private and the public – could discriminate women to a similar extent.

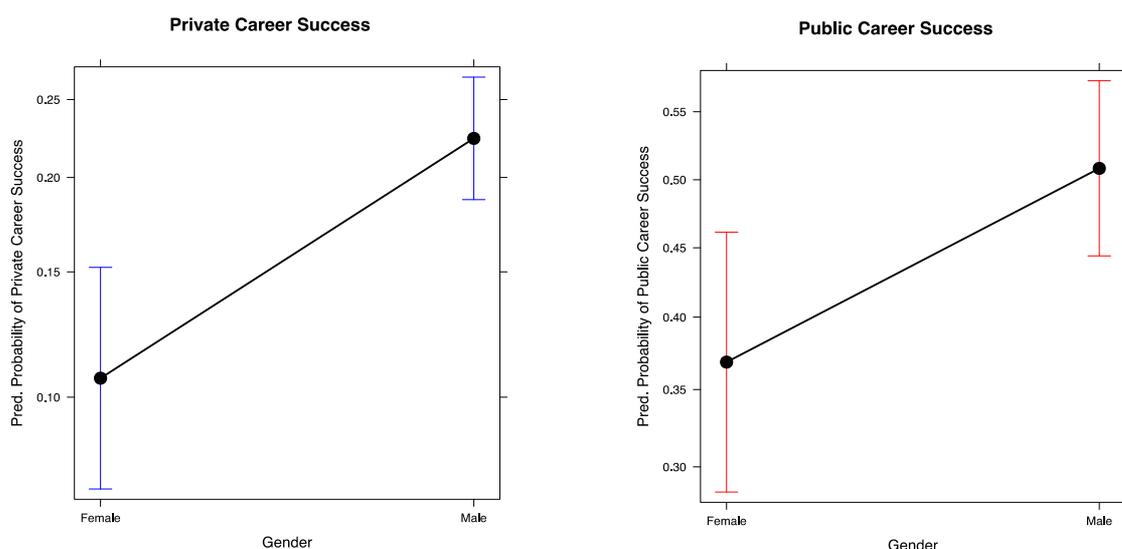


Figure 2 and 3 Gender Gap in Private and Public Career Success

The fourth and last hypothesis considers the manner in which a parliamentarian leaves office. The main proposition is that those who suddenly lose their mandate are less prepared to find attractive employment. For both failed nomination and failed re-election, the coefficients in model 2 (table 4) are significant and negative. Both results are significant at the 5% level. On average, failing re-nomination decreases the probability of attractive private sector employment with 12% ( $p < .001$ ), whereas failing re-election decreases the same probability with 9% ( $p < .01$ ). These outcomes provide evidence for the confirmation of hypothesis 4.

Moreover, all the results presented above are robust. When changing the control of exit year to legislative period in which one exited, results remain stable and significant. Similarly, introduction of a country dummy, party dummies or measures of education have no significant impact on the results described above. The most interesting result of these additional controls is that when including party dummies, the significance levels and strengths of the effects become more pronounced (see table A1 in the appendix). For instance, whereas in model 2 (table 4) holding a political position in the party increases the odds 2.77 times (CI: 1.46-5.61;  $p < .01$ ), after controlling for party, holding a position in the party increases the odds 3.82 times (CI: 1.83-7.88;  $p < .001$ ). In contrast, measures of education or a country dummy do not increase or decrease the results.

For the control variables, one result is puzzling: in model 2, leaving office after a scandal does not seem to have a significant impact on the probability of post-parliamentary career success in the private sector. In terms of average effects however, being involved in a scandal significantly decreases the probability of private career success by 9.7%. This effect is significant at the 5% level.

Contrary to what might be expected, free market orientation is not significant. While close to marginal significance, the effect is simply too small to explain significant differences in private career success. Interestingly, when one controls for the legislative term in which a parliamentarian left office in an alternative model, the measure does reach marginal significance; in this case the odds that a parliamentarian obtains an attractive private sector position after parliament are 1.21 times higher for a standard deviation increase on the scale of free market orientation of the parliamentarian's party (Min:0; Max: 7.74; CI (10%): 0.99-1.45;  $p < .10$ ). The same holds for having a scandal. The odds of politicians that did not experience a scandal to obtain more attractive positions in the private sector are 2.58 higher than politicians that did (CI: 1.096-7.25;  $p < .10$ ).

Lastly, if one controls for left-right orientation of the party instead of the party's free market orientation, the found effects also remain. This time, however, this party-level variable is significant. On a scale where a higher score entails a more right-wing orientation, the odds that a parliamentarian obtains an attractive private sector position after parliament are 1.33 times higher for a standard deviation increase on the left-right scale of the parliamentarian's party (Min: -32.24; Max: 38.69; CI (5%): 1.07-1.67;  $p < .05$ ).

## **Discussion and Conclusion**

The current literature lacks information on post-parliament careers. This paper has aimed to address a research gap with two contributions: new systematic data from two countries, the Netherlands and Germany. Furthermore, it is the first cross-country systematic analysis of post-parliamentary careers.

Seeking to answer the question which factors influence post-parliamentary career success in the private sector, our theoretical framework provided three angles to shed light on the various factors that might influence career success in the private sector. First, private sector businesses want access to politics and obtain it by hiring politicians that are well-connected to the parliament, the political party and the government. Politicians, who can

provide this kind of access, obtain more attractive private sector jobs. Second, gender differences exist and are profound. Males obtain more attractive positions than females. This might provide evidence that females are more risk averse and/or are being discriminated in both the public and private sector. Third, some politicians might have more time to prepare their exit or be simply more capable at achieving re-election or re-nomination. We find some evidence for all three of these propositions. The hypotheses are confirmed or rejected as follows:

Table 5. Hypotheses: Results

No.	Hypotheses	Expected Effect	Result
1.	Access: Political Positions	Positive	Confirmed
2.	Access: Party in Power	Positive	Rejected
3.	Gender	Negative for women	Confirmed
4.	Manner of Leaving	Negative for failed re-elections and re-nominations	Confirmed

The results for these hypotheses show that some parliamentarians are able to use the parliament as a stepping stone for career advancement into higher, more lucrative and more attractive private sector positions.

The results presented here provide an insight into the factors that might play a role in the broad political careers of parliamentarians. Cross-country evidence offers prospects for generalizable findings across relatively similar West-European democracies. Aside from these pleasing prospects, they also raise a number of questions. These are addressed here:

Firstly, there are roughly two camps that potentially explain career success: human capital and organizational sponsorship (Judge, Cable, Boudreau, & Bretz, 1995b). The question is whether successful politicians obtain their career advantage through their personal skills and built networks or whether they are selected by the party elite and provided with career sponsoring. The concrete question here is: do established parties with government experience provide important resources for career advancement or do they simply attract more skilled politicians?

This question leads to a caveat in the current model: omitted variable bias. There are some variables that might explain both career success and achieving higher political positions: individual ambition, personality and talent. The fact that former MPs that have reached a cabinet position are more likely to be successful speaks to the fact that it may actually be skill involved. While data on these individual traits is certainly hard to come by, this caveat will be addressed in future research under certain assumptions. By assuming that these factors remain constant, panel data will provide robustness checks to verify whether time independent individual factors have a large effect on the results found here. Another question is the incorporation of pre-parliamentary political and professional careers in the theoretical and empirical models. Successful politicians might already have obtained important experience in previous jobs. Indeed, many politicians come from law firms, consultancies or unions.

Lastly, the gender hypothesis provides one unsolved puzzle. While the results above provide substantial evidence of a gender gap, i.e. even for the already select group of parliamentarians, women are still at a disadvantage once they leave parliament. The exact reasons why women with similar qualifications as men are successful after a political career is unclear. Either women are risk averse and the problems lay on the supply side and/or women are discriminated against on the market. There is also evidence for a gender gap in the probability to obtain attractive public offices after a parliamentary career. Probably a more extensive research design including interviews can help to solve this puzzle.

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**Annex Table 1. Model with party dummies**

Independent Variables	Model 1	Model 3
Parliamentary Presidium	0.65 (0.47)	1.38** (0.50)
Party Position	0.69* (0.30)	1.33*** (0.36)
Cabinet	1.86*** (0.31)	1.73 *** (0.33)
Party in Power	0.05 (0.20)	-
Gender (Male=1)	0.58** (0.21)	0.92*** (0.23)
Failed Election	-0.41 (0.27)	-0.56+ (0.31)
Failed Nomination	-1.00* (0.49)	-1.12* (0.51)
Free Market Orientation	-	-
Age at exit	-	-0.07*** (0.01)
Scandal	-	-0.75 (0.60)
Exit year	-	0.03 (0.02)
Party		
CDU	-	-2.65* (1.21)
SPD	-	2.05+ (1.21)
CSU	-	2.25+ (1.33)
B90/GR	-	2.35+ (1.27)
FDP	-	1.39 (1.40)
Linke/PDS	-	-13.88*** (1.21)
CDA	-	2.21+ (1.21)
PvdA	-	2.42* (1.21)
VVD	-	2.45* (1.22)
D66	-	2.03 (1.28)
LPF	-	0.34 (1.34)
PVV	-	-14.46*** (1.25)
SP	-	-0.32 (1.65)
Intercept	-1.93 (31.7)	-55.68 (36.06)
AIC	738.55	671.87
N	775	747

Logistic regression models. Dependent variable: Private Post-Parliamentary Positions. Robust standard errors in brackets. GroenLinks as a baseline category. AME= Average Marginal Effects (discrete change for binary variables). + =  $p < .10$ ; \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$ .