

Get a Subsidy or Perish!

Public Funding and Party Survival in Eastern Europe

Fernando Casal Bértoa & Maria Spirova Department of Political Science Leiden University

f.casal.Bértoa@fsw.leidenuniv.nl mspirova@fsw.leidenuniv.nl

The Legal Regulation of Political Parties Working Paper 29 February 2013



erc European Research Council





UNIVERSITY^{OF} BIRMINGHAM © The author(s), 2013

This working paper series is supported by the Economic and Social Research Council (ESRC research grant RES-061-25-0080) and the European Research Council (ERC starting grant 205660).

To cite this paper: Fernando Casal Bértoa and Maria Spirova (2013). 'Get a Subsidy or Perish! Public Funding and Party Survival in Eastern Europe', Working Paper Series on the Legal Regulation of Political Parties, No. 29.

To link to this paper: http://www.partylaw.leidenuniv.nl/uploads/wp2913.pdf

This paper may be used for research, teaching and private study purposes. Any substantial or systematic reproduction, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

ISSN: 2211-1034

Introduction¹

Much has been written about the state financing of political parties, its characteristics and its consequences for party behavior. Research has centered heavily on the effects party financing has had on issues of corruption, accountability, and transparency, and for the most part has focused on the regulation of private financing (Roper 2002, 2003; Protsyk 2002; Nassmacher 2004; Pinto-Duschinsky 2002, Smilov and Toplak, 2007). Similarly, studies have investigated the effects high dependence on public financing has had on the development of organizational structures and the internal shifts of power within individual parties (van Biezen 2003, 177-200). More recent research has also looked at the consequences state funding of political parties has on the individual development of political parties and, more generally, on the party system overall (Knapp 2004; Birnir, 2005; Casas-Zamora, 2006; Scarrow 2006; Tavits, 2007; Spirova 2007). In these works, party financing by the state is seen as both a bane and a blessing for the encouragement of strong party competition. Without any state funding, small and private-resource poor parties have little chance of making it in the electoral competition. At the same time, extending the cartelization theory (Katz and Mair, 1995) state funding that is only available to the established parties might, in fact, freeze the existing patterns of competition even more.

Research has posited both views on party financing and party system development while the evidence found has been mixed and often ambivalent. We argue that there might be at least two major reasons why existing work might fail to find the expected results. To begin with, the conceptualization of state funding as a constraint of party behavior is often too simplistic. Clearly, a binary distinction between the presence and lack of state funding will only allow for the examination of a very small part of the potential effect of state resources on party development. There are clearly various aspects of the system of party funding –such as what kind of parties get money and how important the money for each party is -- that will qualify any potential link between the funding and party system development.

Further, and probably more importantly, as this article will show, the resource availability impacts different parties differently and its beneficial results might be evident only in some individual parties. The most consequential effect, in fact, will be

¹ *Authors' note*: We would like to gratefully acknowledge the support of the European Research Council (ERC starting grant 205660) in the preparation of this paper.

on the parties that fall just under the electoral threshold for parliamentary representation but above the thresholds of party financing. These are parties that do not have other avenues for success as they are not able to gain access to the mainstream political process, but which, through the system of financing, receive money from the state. The availability of financial support, in their cases, will encourage them to look at politics from a more long term perspective and will encourage them to persist in the electoral competition in an unchanged format. These are also exactly the parties that often get excluded as irrelevant by political science research, but it might be exactly where research should try to look for a relationship between party financing and party system development.

Taking an endogenous institutions approach to the question of how and why parties persist or change in contemporary democracies, and focusing empirically on 12 post-communist democracies, the article argues that the nature of party financing regimes is an important institutional constraint for the decision of each individual party to persist or not, and thus, also for the characteristics of the party systems as a whole. The results suggest that the availability of financing is of major consequence for the formation, persistence and change of small political parties, but might have much smaller impact on the bigger parties, making it difficult, as suggested to observe a clear aggregate trend.

Party Financing and Party Development: Theoretical Arguments

Scholars are divided in their views on how party funding regulations have influenced party system formation and development. Some have maintained that the presence of a liberal regime of party funding is expected to negatively influence the stability of the party system by exponentially increasing the number of parties. The logic is that by encouraging parties to form and/or run alone, as well as small parties to seek office in the long run, public funding positively contributes to increase the overall number of parties in the system, therefore, decreasing the degree of predictability-cum-stability in the structure of inter-party competition (Knapp 2004; Spirova 2007; Sundberg 2002; Nassmacher 2009).

Other scholars, on the contrary, explicitly or implicitly adopting the "cartelization" thesis posed by Katz and Mair more than fifteen years ago according to

which existing political parties will collusively attempt to reduce "the impact of those seeking to challenge the political status quo" either by introducing a system of public funding to those parties with a certain level of electoral support or, when already in place, by increasing the legal requirements for having access to those subsidies (Scarrow, 2006:629; Biezen and Rashkova, forthcoming). The idea is that by allowing the monopoly of state resources by the main/relevant political parties and/or discouraging the entry of new parties to the system, public funding can contribute to the cartelization and, therefore, freezing of the party system (Katz and Mair, 1995:15, Biezen, 2004).

In empirical terms, while the proponents of the latter current expect public funding not only to stabilize the "vote shares of parties between elections" (Birnir, 2005:932), but also to reduce the number of parties in the system (Booth and Robbins, 2010:641-642) while at the same time being detrimental for entirely new and/or small parties (Scarrow, 2006:629); the first school of thought maintains totally the opposite (Casas-Zamora, 2006: 44-45, 218-219; Koole, 1996:517; Roper, 2002:181 or Tavits, 2007:127). Interestingly enough, if there is one thing in which all the above-cited scholars seem to coincide is in the fact that the less restrictive the system of public funding is (i.e. low payout threshold), the higher the number of (both total and/or new) parties in the system as well as the better for the small parties, and *vice versa* (Biezen, 2000:337; Birnir, 2005:921; Scarrow, 2006:624; Spirova, 2007:161).

We argue that the empirical study of these propositions has been made almost impossible by a failure to properly conceptualize the impact of financing on party behavior. We do that by borrowing the general understanding of party behavior from Spirova (2007) but taking its treatment of party financing as a constraint on party behavior one step further. Spirova (2007) sees party financing as one of the constraints on parties' decision to form, persist and change. Together with other factors – party's popularity, electoral thresholds, expected volatility, ideological position, organizational complexity – the availability of resources is expected to determine the likelihood that a party sees a possibility for electoral success. We expand this argument to argue that the importance of the resources available – and thus of party funding – for the party's decision will vary based on how the party performs/scores on the other factors. In particular, a party that is confident in its electoral performance might not be so dependent on the provision of financial resources in deciding whether to persist in the system or not. The impact of party financing on party thus will only be evident at the party level and even more – in a particular type of party – rendering the aggregate analysis at the system level meaningless.

The Model in Brief²

The proposed understanding of how parties form, choose their electoral strategies, and evolve over time is based on the belief that politicians will define the realization of their goals in electoral terms and form a party only when doing so promises to achieve a target that they have set for themselves. Once parties are formed, they will similarly define the realization of their members' ambitions in electoral terms and choose electoral strategies that promise to achieve that electoral target best. After an election, and as a result of their electoral performance, politicians will reevaluate and adjust their ambitions, set new electoral targets that reflect these reevaluated goals, and so on. The process will thus repeat itself at every election and during every inter-election period.

Party formation, persistence and change are thus seen as the result of the actions of rational, goal-oriented individuals, constrained by structural and institutional factors. This approach to the study of party development has been taken by Aldrich (1995), Perkins (1996), Hug (2001), and Hauss and Rayside (1978). A most common assumption in that party literature is that parties are interested predominantly in winning office and influencing policy forcing their empirical focus on parties in parliament. However, we, as other scholars (Browne and Patterson 1999; Schuessler 2000; Golder 2003) argue that parties can also be motivated by expressive ends or by a combination of both, leading us to consider all parties with more than 0.5% of the vote to be of relevance to the question at hand and are thus part of the empirical analysis later on.

Forming a party and maintaining its independent existence in the party system only serves the goals of politicians when it can achieve enough electoral support to allow the realization of their goals. However, what exactly their goals are will differ substantially from one case to the next. The most commonly discussed goals range

² Adapted from Spirova 2007, pp 14-43.

from getting representation in the national legislature, being in a position to participate in the government, or dominating the formation and functions of the national government.³ However, if a party is interested in simply expressing its ideas, persistence might become an end on its own. In addition, some parties might seek to win office in long run (Gunther 1989, 854). For the latter group, surviving as an independent entity in the short run is part of the strategy to win office in the long run. Thus, although all parties try to surpass the electoral threshold, in some cases not doing so is not necessarily seen as a failure. Which one of these targets a party sets for itself will depend on the ambitions of its leaders *and* the capability of the party, defined as the level of electoral support that the party can gather at each election.

Having defined its goals and starting at any point after formation, but before an election is held, a new party will evaluate how much electoral support⁴ it needs in order to achieve its target. Next, it will evaluate the likelihood that this electoral target can be achieved. Based on this evaluation, the party then may be expected to choose from among three possible strategies: run candidates in the elections on the party's own label; seek to join or form an electoral alliance with another party or parties; or not contest a current election. In this third case, the party may decide to dissolve itself, to merge with another party or parties, or to "hibernate" electorally. The process is represented in figure 2.

[Figure 1 about here]

Once a party has fought an election under its own label, regardless of whether it has won office or not, it will again confront three options when deciding on an electoral strategy for the next election: running alone, trying to ally, or not contesting elections (because of an attempt for a merger, a dissolution, or hibernation). In order to choose an electoral strategy, the party undergoes a process that is similar to the one followed by a new party. The decision to compete in elections in a given format is thus translated into party formation, and later, persistence or change, and at the system level, into varying degrees of party system continuity. The decision how to contest elections is thus of great consequence not only to the party itself but for the political system overall.

³ Getting into local and regional government offices is also a legitimate realization of political ambition. However, here we are concerned exclusively with politicians who want to realize their political ambition at the national level.

⁴ Defined as the percentage of the popular vote that a party receives or expects to receive at election.

To take that decision, a political party that has estimated how much support it can count on will need to assess whether this support will allow it to achieve its electoral target. As argued in Spirova (2007), in that assessment, the party will take into consideration various factors such as the relevant electoral threshold, the ideological crowdedness of the party system, and the party's own organizational strength and the resource availability. The overall process is represented graphically in figure 2. The arguments for the impact of the other constraints ton the party's decision have been discussed elsewhere (Spirova 2007, Spirova 2008), here we focus on only one of them: the availability of resources as it is connected to the presence of state funding of political parties.

[Figure 2 about here]

Resource Availability and Party Development

As state funding provides monetary resources to the political parties, its availability will impact the decision of parties to form, persist and change by its very presence and through its specific type. This argument is similar to Casal Bértoa and Walecki (2012), who argue that:

[their] intuition is that while parties relying only on private funding will have it difficult to survive, publicly subsidized political forces will be able to survive as partisan organizations even in the event of important losses of electoral support

In the present framework, the type of funding available influences the likelihood that parties will be able to seek office in the long term and be willing to persist in the system even if their goals are not achieved immediately after formation. If a party is able to get financial resources even if outside Parliament, and if it has long-term office ambitions, it will be more likely to risk staying out of parliament by running alone. So, the relevant electoral target of a party might become the threshold of the party financing regime rather than the electoral threshold itself.⁵

⁵ Still, we assume, that parties are not interested in the money per se, but it what the money allows them to do as a political entity. Unlike other works (e.g. Grzymala-Busse 2006), party funding is thus assumed to be the means to achieve the party goals, and not an end in itself.

In addition, the availability of resources will influence the likelihood that a party believes that it will be able to turn its prospective support into actual votes and achieve its electoral target on its own. This is so because the party needs to carry out electoral campaigns and maintain an active presence in society which requires financial resources. As a result, a party in such situation is more likely to choose one of the more independent electoral strategies (Figure 2).

Direct public funding varies in terms of the basis on which it is disbursed and the amount of money given to parties. A large variation in both the basis and amount of funding is observed around the world (Duschinksy 2002, 80; Ikstens et al. 2002, 33–34, Nassmacher 2009, 310-324.). The more "restrictive" type of public financing limits state subsidies to parties that have parliamentary groups or those that have some parliamentary presence.⁶ This type of financing does not encourage parties to remain political active outside Parliament, and decreases the likelihood that electoral support of proto parties and parties that are outside parliament will remain stable until election time, as it will not provide them with resources to organize campaigns and compete in elections. As a result, for them the electoral threshold remains of primary significance as an electoral target and they will be less likely to choose a riskier electoral strategy.⁷

Less restrictive are public financing regulations that are based on the party's performance at the previous election but are not limited to the parties currently holding seats in the legislature.⁸ Thus, in a system with a 4 percent threshold, a parliamentary party with 3.8 percent of the vote may expect to get only marginally less funding than another such party that won seats with 4.2 percent of the vote.

While this less-restrictive system of public funding still makes it more difficult for new parties to maintain their electoral support until election time, it is more supportive of parties that are established but have not yet made it into parliament. For them the relevant electoral target becomes the threshold for party financing, and since

⁶ Based on data from the *IDEA Political Finance Regulations Around the World 2011*, 58 of the 141 (about 41 percent) countries where public financing is available limit funding to parties represented in parliament (IDEA 2012, 25).

⁷ Some scholars have concluded that the legislation specifying this kind of financing results from a conscious effort of existing parliamentary parties to discourage the formation of new parties and challenges from parties outside (Katz and Mair 1995). Although a discussion of the endogeneity of party financing legislation is important, it is beyond the scope of this work. Just as with other institutions, that is the electoral system, party financing legislation is assumed to be exogenous in this case.

⁸ About 40 percent of all systems where there is public funding of parties use performance at the previous elections as the guiding principle of monetary allocation (IDEA 2012, 25).

they have resources to carry out campaigns they should be more likely to be able to maintain or increase their support and persist in the system.

Finally, the least restrictive form of public funding uses the number of candidates put forward in the current election as a basis of funding the electoral campaigns of parties.⁹ This type of funding legislation is most inclusive in that access to public funds benefits all electoral contenders rather than being limited only to established parties. In this case, the availability of funding relates directly to the likelihood of any party maintaining its electoral support. If financing specifically for campaigns are available, parties will see their chances of winning as higher.

While in the above we follow most of the arguments proposed in Spirova (2007), here we argue that there is another aspect of the relationship that leads to an even more nuanced impact of party financing on political parties. While resources availability will be of consequence for all political contestants, it will be of most importance for political parties that need it the most. Parties with comfortable margins of support over the ones necessary for entry into parliament will benefit form the state funding provisions, but they will also gain other benefits from being in Parliament, participating gin the executive, etc. However, for the parties which gain votes that do not allow them to surpass the electoral threshold, whether or not there is another threshold – the state financing one – that will allow them to maintain their political existence will be of greater significance. It is then, not only at the party level (as opposed to the party system level) but also in that *specific* group of parties that we need to look for the tangible impact of state funding of political parties on their persistence or death.

Empirical Analysis

The propositions developed above suggest that in empirical terms we will not necessarily observe clear, one-directional consequences of different types of party financing at the party system level. Even at the party level, these might be difficult to track such impact if we consider all parties as a group. Where the impact should be clear, however, is in the group of parties with electoral share lower than the electoral

⁹ About 6% percent of all party financing arrangements in the world use this as the basis for funding. Only 2 out of 141 countries provide funding based on party membership rather than electoral performance (IDEA 2012, 25).

threshold but higher than the pay-off threshold. The rest of the article examines the validity of these propositions by focusing on 14 post-communist democracies.¹⁰ The nature and regulation of party and campaign financing is a particularly important constraint on party behavior in the post-communist world, because parties in these systems rely more heavily on public funding than parties in the Western European systems. This is partly because other sources of financing are more limited, and also because public financing has always been available in most of the post-communist world. Unlike other party systems, the establishment and initial development of the post-communist party systems happened at a time when public funding of parties had become the norm worldwide (Roper 2002; van Biezen 2003, 178–179).

The nature of public funding in this region allows for some interesting comparisons, both inter- and intra-national. Thus, while most countries (i.e. Croatia, Czech Republic, Hungary, Montenegro, Serbia and Slovakia) guaranteed public subsidies to political parties immediately after their transition to democracy, others (i.e. Latvia and Ukraine) continue to restrict the funding of political parties to the private sphere (e.g. donations and membership fees).¹¹ In others regular direct public financing was only introduced in a later stage: namely, Bulgaria in 2001, Estonia in 1996, Lithuania in 1999, Poland in 1993, and Slovenia in 1994. Moreover, while in the last two decades some countries (i.e. Estonia, Poland, Slovenia, or the Czech Republic in 2001) have switched from a restrictive system of public funding to a more liberal one, others (i.e. Romania, or the Czech Republic in 1996) decided to increase the payout threshold with the intention of maintaining the *status quo ante*. This great diversity of party funding regulations observed in the region will enable us to examine the long term effects of very similar funding systems, while allowing at the same time within-country comparisons over time between quite divergent funding frameworks.

Public Financing of Parties in Post-communist Europe

As mentioned above, the only two countries in the region which have denied public party funding continuously since 1990 are Latvia and Ukraine. Of the other 12 post-communist nations seven have guaranteed political parties access to public

¹⁰ We consider a country to be democratic from the very moment it scores 2 or lower in the Freedom House political and civil liberties index (2012).

¹¹ It is important to note here the introduction, recently (effective from January 2012), of public subsidies in Latvia (Piccio, 2012:42).

funding from the very beginning of democratic development. Croatia, Montenegro and Serbia have maintained a rather restricted system of public funding - limited only to parliamentary parties (Smilov and Toplak, 2007). Romania, the Czech Republic, Slovakia and Hungary chose to adopt a more liberal regime guaranteeing public subsidies to some extra-parliamentary parties as well. In Romania state funding is allocated to all political forces with at least 4 percent of the votes, while in the Czech and Slovak Republics the payout threshold is currently 3% and 1.5%, respectively. Still, the most liberal funding system can be found in Hungary, where all parties obtaining at least 1% of the votes are entitled to an allocation from the state budget (Enyedi, 2007). Interestingly enough, while in both Hungary and Slovakia the funding regimes have not changed in more than 20 years as the main political actors (i.e. the parties themselves) have felt "relatively satisfied" (Ilonszki, 2008; Casal Bértoa et al., 2012), the Czech Republic has modified the payout threshold twice: once in 1994, when it was increased from 2 to 3%, and again in 2002 when, after a resolution of the Constitutional Court, the threshold was lowered to 1.5% (Ondrej and Petr, 2007:76; Linek and Outlý, 2008:86). Romania modified its party funding regulation in 2003 when, among other important changes, the minimum threshold guaranteeing public subsidies to extra-parliamentary parties was raised from 2% to 4% (Gherghina et al., 2011).

In the other five Eastern European democracies, state funding was introduced only at a later stage. The first one to do so was Poland: in 1993 the country adopted a system guaranteeing public subsidies to parliamentary parties only. Four years later, a new Party Law made the requirement less restrictive and the payout threshold was then fixed at 3% (Casal Bértoa and Walecki, 2012). Both Slovenia and Estonia introduced public funding of political parties in 1994, although Estonian parties had to wait two more years to benefit from the change. In both cases state funding was originally provided to parliamentary parties only, to be extended later on to all parties with at least 1% of the votes (in 2000 and 2004, respectively) (Sikk and Kangur, 2008:69).¹² The last two post-communist democracies to allow political parties to benefit from state subsidies were Lithuania in 1999 and Bulgaria two years later. In clear contrast to all the previous cases, both Lithuania and Bulgaria decided to adopt

¹² As in the Czech Republic, the Slovenian Constitutional Court played an essential role in the extension of public funding rights to smaller parties (Toplak, 2007).

from the very beginning a rather permissive system of public funding. In Lithuania all parties with at least 3% of the vote are entitled to monetary allocations from the state budget (Unikaite, 2008), and in Bulgaria the payout threshold is among the lowest possible - all parties with 1 percent of the vote receive public subsidies (Spirova, 2007; Rashkova and Spirova, 2012).

Public Financing and Party Behavior in Post-communist Europe: System Level Analysis

We begin by a brief analysis of the relationship between public funding of political parties and their behavior at the system level. Following Birnir (2005) and Scarrow (2006), table 2 below displays five different systemic indicators for all post-communist democracies: namely, the level of electoral volatility (TEV) calculated according to Pedersen's Index (1979), the number of new parties (NNP) entering the system, the number of parties winning at least 0.5 per cent of the vote (TNP), the "raw" number of parties winning legislative seats (NWP) and, finally, the share of parties winning less than 5 per cent of the vote (SPVS).

[Table 1 About Here]

All five indicators of party system stability suggest a greater stabilization in the publicly funded party systems. At a first glance, their average scores would to give clear support to the "cartelization" school of thought linking the presence of state subsidies of political parties to the freezing of the existent party system. However, examining the cases in more detail reduces the support for that proposition. If we compare both Latvia and Ukraine - the two countries consistently denying public funding to political parties since the time of democratization - with their publicly funded counterparts, we see that they are neither the most volatile nor the most fragmented and most inimical to small parties. Latvia displays a rather high level of electoral volatility, but not as high as in Bulgaria or Lithuania after the introduction of state funding.¹³ In fact, the share vote for small parties in Latvia is one of the smallest in

¹³ In terms of the TWP, Latvia is definitively less fragmented than Lithuania and Slovenia as well as long-publicly funded Croatia.

Eastern Europe, and definitively smaller than other continuously publicly party funded democracies like Croatia, Czech Republic, Montenegro, Serbia and Slovakia. Even in terms of the number of new parties entering the system it features better than other publicly funded party systems as the Bulgarian, Polish or Slovenian. Ukraine is even a clearer example that a consistent and long term absence of public funding is not enough by itself to produce a higher number of political parties or electoral volatility. Thus while both Lithuania and Slovenia feature much "worse" in basically all 5 indicators, Ukraine has the fifth more electorally concentrated party system, the third with the lower NNP, and undoubtedly less volatile than Lithuania, Bulgaria (2001-), Poland (1993-), Slovenia (1996-) or even Hungary - the longest publicly-party funded democracy in the region. These observation give confidence to our intuition to expect a permissive impact of public funding on party formation and persistence and pushes us to look further for is empirical implications.

Another way to examine the effect of party funding on the development of party systems is to look for a change in the indicators within the countries where state subsidies were introduced at a later stage. This would allow us to control, for other factors such as the institutional setting (e.g. electoral system, type of regime, etc.), economic conditions, historical legacies or cleavage structure. Unfortunately, and similarly to what happened in previous analyses our findings seem to go in both directions. Thus, while electoral volatility increased after the introduction of state funding in Bulgaria, Lithuania and (to a lesser extent) Estonia, new party entry, system fragmentation and electoral support for small parties clearly decreased in the latter two countries (as well as in Poland and Slovenia). In Bulgaria, however, the findings are clearly mixed: while the NNP and the number of TWP increased, both the TNP and SVPS plainly decreased. Moreover, in Lithuania, Slovenia and Poland new parties (four on average) have appeared before every election challenging the structure of partisan competition. Electoral concentration has remained rather low in all three, while both parliamentary fragmentation and SPVS in Lithuania and Slovenia I have not suffered significant changes since the introduction of public funding.

Still, a third type of analysis can take into consideration that the payout threshold has been changed at least once in five of the thirteen Eastern European democracies examined here. We can use these quasi-experimental cases in order to look further for an observable consequence of a change in the state funding regimes. If a decrease in the pay-out threshold stimulates the activity of small parties and an increase makes it more difficult for new and/or small parties to challenge the position of already existing ones, all indicators displayed in table 2 should experience a notable increase or a significant decrease following a decrease or increase in the payout threshold, respectively.

[Table 2 About Here]

A quick look at the table above is enough to see that it is difficult to established a oneway relationship. Thus, while in both Romania and the Czech Republic the introduction of a more restrictive system of public funding helped to stabilize the party system (Haughton, 2012: Gherghina et al., 2011),¹⁴ in both Poland and Estonia electoral volatility and parliamentary fragmentation have suffered an important decrease despite the liberalization of the public funding regime (Casal Bértoa and Walecki, 2012; Sikk, 2003). Slovenia, where in accordance with the expectations electoral volatility and parliamentary fragmentation increased, but new party entry, electoral fragmentation and SPVS clearly decreased despite the introduction of a significantly less restricted funding regime, constitutes perhaps the best example that any attempt to link public party funding and party system development always produces mixed results.

We can summarize these mixed results in the following way. In general, longstanding publicly funded party systems tend to be more stable both in terms of volatility and fragmentation than non-publicly funded ones. However, public funding has not prevented: (1) electoral volatility or the formation of new parties in Bulgaria, Lithuania, Poland or Slovenia – some of them (e.g. Citizens for European Development of Bulgaria, Labour Party or Positive Slovenia) clearly challenging the *status quo ante* few months after their foundation; (2) electoral and parliamentary fragmentation in Lithuania, Slovakia or Slovenia; and, last but not least, (3) the growing importance of small parties in both Croatia or Lithuania. On the contrary, electoral volatility remained below the average in non-publicly funded Estonia (1992-1995), Ukraine (2006-) or Bulgaria (1991-2000); the latter displayed one of the least

¹⁴ According to the expectations, the reduction in 1.5 points in the payout threshold in the Czech Republic hindered the process of party system stabilization as electoral volatility, new party entry as well as electoral fragmentation and SPVS suffered an important increase.

fragmented party systems in the region; while, as mentioned above, Ukraine and Latvia presented, respectively, the most inimical conditions for the appearance of new parties and the predominance of big parties.

The aggregate indicators of party system stability in Eastern Europe are a clear illustration that the relationship between state funding and party development is difficult to discern at the aggregate level. As we argued in the theory section, public funding has probably the most impact for the survival of small parties which are often excluded by party research or, through the use of indicators such as Pedersen's index or the "effective number of (either electoral or legislative) parties" (Laakso and Taagepera, 1979), are of smaller significance for the measurement of the number of parties. The impact of the nature of public funding on party behavior thus gets diluted at the aggregate level to produce inconsistent results that are greatly influence by coding decisions and measurement techniques.

Public Financing and Party Behavior in Post-communist Europe: Party Level

The rest of the paper is devoted to a detailed analysis of party development at the individual party level which, we argue, demonstrates the impact of public funding on the behavior of political parties. In order to do so, we have tracked the political life of all parties with more than 0.5% of the vote since the (re-)introduction of democracy in all 12 "publicly funded" post-communist party systems. Because we consider that public funding particularly benefits extra-parliamentary parties the Appendix not only makes a distinction between parliamentary and extra-parliamentary parties in each system, but also distinguishes between parties below the electoral threshold but above the payout one, and those below both thresholds.

Serbia, Montenegro and Croatia had introduced a system of public funding by the time they had their first "democratic" elections a decade ago. In all three the electoral and the payout threshold coincide. However, while in Croatia and Serbia the threshold is set at 5% of the vote, in Montenegro the threshold is 3%, allowing a a less restrictive electoral and public funding regime.¹⁵ Party funding has significantly contributed to the institutionalization of Croatian political parties: only four of the 17

¹⁵ All parties guaranteed seats for ethnic minorities. Because (legislative) "minority parties" have their continuity almost guaranteed by law, we have excluded them from our analysis.

parliamentary parties in the post -2010 period have not survived to compete in the legislative elections of 2011: namely, KHDU, SNS, HDSS (all three did not survive more than one electoral period) as well as Libra and LS, two originally splinters of HSLS which merged into HNS (2005) and HSLS (2006), respectively. ¹⁶ In clear contrast, with the exception of two regionally-based parties (ZDS and PGS), all extra-parliamentary parties did not manage to survive more than one electoral cycle, including SBHS – a legislative party in 2000 which disappeared immediately after losing its parliamentary status in 2003.

A similar situation can be observed in Serbia where parliamentary/publicly funded parties have continuously survived,¹⁷ even if re-aligned in different electoral coalitions, while extra-parliamentary/non-funded parties have found it difficult to continue in the electoral arena, except in electoral alliances with other previously legislative parties. Especially significant in this respect is the period between 2003 and 2007, when up to 6 of the 9 extra-parliamentary parties did not manage to participate in the next electoral contest: LS, R-SDPV and SD immediately disappeared, while DA, SSJ and O opted for merging into other more relevant actors (SDP, SRS and DS, respectively). The story in Montenegro is also similar, although here most extra-parliamentary parties have managed to survive.¹⁸ However, they have done so only in electoral cooperation with other parties (e.g. LPCG) or after suffering an important decline in their popular support: examples are SPICG and SKCG which, despite joining forces under the same electoral banner (i.e. *Together*), have not managed to obtain more than 0.4% of the votes.

In contrast, political parties in Slovenia competed in the "first and free" elections in the country without the expectation of being able to count on the financial support of the state and the consequences of this came quickly. Out of the 22 parties in the 1992 elections, only 13 managed to make it to the next electoral contest. The introduction of a state funding in 1994 helped parliamentary parties (the only beneficiaries until the 1999/2000 reform) in their quest for political continuity. In fact, from 1996 until 2012, all such parties have been able to contest the next elections with just 3 exceptions: AS (merged into Zares in 2007), SJN¹⁹ and Lipa. Extra-

¹⁶ See the Appendix for a list of the parties and their acronyms.

¹⁷ GSS, which merged into LDP, constitutes the only exception.

¹⁸ The only exception was BMZJ.

¹⁹ SJN, small party of the Slovenian Littoral, still exists though (even if only at regional/local level).

parliamentary parties have not experienced the same. Only 2 (DSS, ZS) of the 10 parties below the electoral threshold in 1996 managed to secure more than 0.5% of the votes in 2000. KPS competed in that election, but with 0.1% of the votes disappeared immediately afterwards. The 2000 parliamentary elections were the first one in which the electoral threshold (4 percent) differed from the payout threshold (1 percent).Since then, the survival rate of publicly-funded parties has exceeded that of the rest by roughly 50 percentage points. Of the parties below the payout threshold, only one (ZS) has managed to survive until now. In fact, two parties (SMS and NSi) managed to make a come back after spending 4 years outside parliament, but financially benefiting from the State.

Of the Visegrad countries, the Czech and Slovak Republics and in Hungary guaranteed public subsidies to political parties from the very beginning. Hungary did so as early as 1989, since then it has provided public subsidies to all parties with at least 1 percent of the votes in the first round.²⁰ Hungarian parties without financial support by the state have had plenty of difficulties to survive. Out of 7 parties falling below the payout threshold in the period between 1990 and 2009, only two (MSZDP and VP) managed to present candidatures in the next elections, and after the second election, both parties would finally disappear into oblivion.²¹ This is in clear contrast with what has happened to publicly-funded Hungarian parties, most of which have managed to survive despite being kept outside parliamentary office from the very beginning.²² Particularly interesting is the case of the Hungarian Communist Workers' Party (MKM), a hard-line Marxist party established in late 1989, which has continuously managed to contest elections under its own label. As discussed elsewhere (Spirova, 2007), one of the reasons for MKM's impressively consistent presence in the party system without any major change in its organizational and electoral form has been the availability of state funding. Moreover, while "historically" important forces as FKgP disappeared from the political scene as soon as they failed to reach the payout threshold, parties like MDF (after 1999) or MIÉP

²⁰ There was a minor amendment in 1990 though, but it did not have any effects on the payout threshold (Okolicsanyi, 1991:13).

²¹ VP merged into C in 2001. MSZDP would still concur to the 2002 legislative elections, obtaining just 912 (0.02%) votes.

²² The only exceptions are, on the one hand, HVK and KP and, on the other, MNDP as well as ASZ, which merged into C and MSZP, respectively.

(repeatedly since 1998) managed to overcome their "journey in the dessert", at least momentarily, due to the financial generosity of the State.

Both the Czech and the Slovak Republics had introduced state funding for parties at the beginning of their independent statehood in January 1993. The although the Czechs initially adopted a more liberal funding regime by setting the payout threshold at 2%, in contrast to 3% in Slovakia. In the period between 1992 and 1996, 8 out of the 12 parties enjoying state financial support manage to survive, while none of the parties deprived of public funding (i.e. NzI, HSS, D92 or SPP, which merged into SD) made it into the next elections. The only exceptions were LSU and HSD, which would later merge together into CMUS, SPCZR, whose leader was anyway a candidate in the SD-CSNS 1996 electoral coalition, and KAN, which would later reappear in the 2002 elections in coalition with PB.²³ Not happy with the aftermath, Czech legislators would change the payout threshold twice more: by increasing it by one point in 1994 and, forced by a resolution of the Czech Constitutional Court, by decreasing it to 1.5% in 2002. The positive effect of public funding did not change much: with one exception all parties with access to public subsidies survived, while most of the other parties immediately disappeared (e.g. SD, LB, ND, SV, DZJ, N and ODA) or merged into other "more relevant" political forces (e.g. DEU). From this point of view, the most interesting cases are those of SNK and SZ. The former managed to get the first parliamentarians elections in 2010 through an electoral coalition with VV, despite being left out of parliament twice before (in 2002 and 2006). The latter made it both into parliament and government in 2006, after receiving extensive public allocations in 2002. On the other, "historical" parties like RMS, US or the above-cited ODA felt into oblivion as soon as they lost the financial support of the State.

In clear contrast to its Czech counterpart, and despite the approval of a new Party Law in 2005, the payout threshold for Slovak parties has not been changed (Casal Bértoa *et al.*, 2012). Although some Slovak parties have managed to survive in spite of relying almost exclusively on private funds (e.g. KSS, LSNS and ROI), while others fell into oblivion despite having received an important amount of public funds

²³ Taking into consideration a less restrictive approach, the survival rate for those publicly-funded parties would increase from 66.7 (see table 3) to 91.7%.

(e.g. ODÚ and PSNS);²⁴ these constitute a clear exception. Indeed, a closer examination of the rate of party survival in the Appendix reveals that most of parties deprived of public subsidies were forced to dissolve (up to 19), ally (4) or merge (1) immediately or after the next elections while most publicly funded parties have continued to play a prominent role within the party system (e.g. Smer, SKDÚ, KDH, SNS). Interestingly enough, while governing parties such as SDL', ZRS or ANO electorally declined, organizationally restructured or simply disappeared, parties like HZDS or, the SNS and SMK have managed to survive, at least partially, thanks to Slovakia's State financial kindness.

Public subsidies were introduced in Poland only in 1993. As a result, only 61.9 per cent of the 1991 "office-seeking" parties survived until 1993. The effects of state funding on party survival were immediately visible. All legislative parties in 1993 – the only eligible for public funding until 1997- contested the next elections. In contrast, most of the parties deprived of public help had no other option but to merge (KLD into UW), re-organize organizationally (RdR was succeded by ROP) or electorally co-operate with other political forces (ZChN, S, PC and PL within AWS). Being able to rely only on membership fees and private donations, the X party dissolved and SO declined to the point of almost disappearing. The 1997 elections brought an important change in terms of party funding: namely, while the electoral threshold was kept at 5% (8% for coalitions), state funding was guaranteed to all political forces obtaining at least 3% (6% for coalitions) of the votes. As a result, the difference between the survival rate of publicly funded parties and those without state funding increased exponentially. All Polish parties with more than 3% of the votes survived, with only two exceptions (i.e. ROP which merged into LPR in 2001, and SdPL).²⁵ In contrast, most parties below the pay-out threshold after 1997 would disappear (KePIRR, KePIR, BdP, AWSP, LPR, RPRP), or electorally decline to the point of being totally irrelevant (e.g. SO or UPR). The only exceptions to this rule were PD, which collaborated with SLD and other two-leftist parties during the 2007 elections, and PPP. As in the other cases described here, the Polish system of public

²⁴ Important to note here that while PSNS simply re-merged into SNS, from which it had split in 2001, the reasons for the survival of the three above-cited non-publicly funded parties are to be found in the so-called "cleavage literature": while ROI is an ethnic (i.e. Romanian) party, KSS and LSNS are both mass parties with a hard-marxist the former, hard-nationalist the latter ideology.

²⁵ Although Marek Borowski, SdPL's leader, managed to obtain a seat in Poland's higher chamber (i.e. the Senate), he did it only as "independent".

funding has had an important impact in terms of party survival. This is clearly visible also in the fact that

while "historically" important forces as AWSP (after 2001), SO or LPR (both after 2005) "politically" disappeared from the political scene as soon as they failed to reach the payout threshold, parties like UP (after 1997), PD (after 2001) or SdPL (after 2005) managed to overcome their "journey in the dessert", at least momentarily, thanks to the financial generosity of the State (Casal Bértoa and Walecki, 2012).

None of the Baltic States guaranteed public subsidies from the very beginning of democratic party competition. As a result, barely three quarters of the parties participating in the 1992 Estonian elections as well as in the first two (1992 and 1996) Lithuanian elections made it into the next electoral contest. Estonia permitted state funding in 1994, although it only became effective in 1996. Although it is very difficult to assess to what extent parties contested, and run campaigns, in the 1995 elections relying on the expectation of receiving financial support from the state in case of making it into the parliament (Sikk, 2012), the fact is that while only one of the parties provided with public funding after 1996 did not survive longer than 3 years (i.e. EPL), 4 out of 7 parties deprived of such state help immediately disappeared after the elections (i.e. PEEK, NJ, ERKL and Metsa). The other three either merged (ETRE with VKRP to form E), electorally collaborated with other parties (EVP within K) or simply decided not to run in the 1999 elections, even if politically active (EIP). In the period between 1999 and 2003, all (8) parliamentary parties survived, with the exception of Ek. Of the non-parliamentary parties, 2 immediately disappeared (i.e. ESE and PK), 3 (VEE, EIP and K) electorally declined and only 1 (EEKD) managed to retain the same popular support. The liberalization of the system in 2007, when the payout threshold was decreased from 5 (i.e. electoral threshold) to 1 percent, did not bring any changes in terms of party continuity as all publicly-funded parties, now included the minor EEKD, survived, while the only non-funded party (i.e. K) merged with EVP, participating within EER at the last legislative elections.

Public subsidies for Lithuanian political parties were adopted only in 1999 and the effects in terms of party continuity immediately followed: the survival rate of parties dramatically increased. Thus, while 9 out of 10 parties with access to state funding survived (even if electorally collaborating with each other: e.g. LDDP and LSDP, KDS and LKDP), only 3 parties (e.g. LLRA, KKSS and JL) below the electoral threshold continued to exist independently. The other 5 either merged into other major forces (LLS-UTL into TT while LCS with LLS into LiCS), suffered from an almost immediate dissolution (LPSD "2000") o electorally declined until falling into oblivion (i.e. LLaS and LTS). This contrast was even clear in between 2004 and 2008: the survival rate of publicly-funded parties was 100% while none of the rest of political forces managed to do so. The difference was less dramatic during the last legislative period, when a process of systemic concentration led some parties to merge into other major ones (e.g. TPP into LiCS, NS into DP or FP with LSP founding SPF). Of the 5 parties deprived of any type of state allocations, 2 (i.e. PDP and LRS) immediately disappeared, 2 (i.e. LCP and LSLS) merged into one (ULL) and only JL survived without any organizational or electoral change.

Moving to South-East Europe, in Romania public funding was available for political parties from the very beginning of the democratic period.²⁶ Originally, it was provided for the all parties obtaining more than 2% of the vote (1996-2003), and later (2003-2012) for all those parties obtaining 1 percent less than the electoral threshold, Ititslef increased from 4 to 5% in 2000. Once again, and as in the previously studied cases, public funding has had an substantial influence in terms of the continuity of Romanian political parties. Thus, and as shown in the table below, the survival rate of those parties above the payout threshold has been of 93 percent in contrast to 31 percent of those below it: that is, a significant 62 points difference. This is not to say that party continuity cannot take place just on the basis of private funding: PUNR, PNG or PER are clear examples of it. However, it is important to note that the only party that has managed to survive all 4 legislative elections without being financially helped by the state has been Pro, an ethnic (i.e. Roma) minority party. Moreover, and in clear contrast, parties like PSM or PNTCD managed to survive only until the moment they lost their financial public support.

In contrast to Romania, Bulgarian parties received no annual subsidies from the state until 2001. During that period, parties were "urged" by the electoral threshold to try to form alliances in order to surpass the 4% barrier necessary for legislative representation. In that period, we observe a very high number of electoral contestants and a great variety of electoral alliances. Of the parties which stay out of

²⁶ As extensively explained in Gherghina *et al.* (2011), a mixed system of funding was adopted as early as 1992, although none of the competitors in those elections received any financial state support as the necessary complementary law was never adopted.

Parliament, only a couple manage to survive through the period (BKP and DPSpr), while four out of the six parties represented in Parliament do so. In 2001, biannual direct subsidies for all parties with more than 1% of the vote were introduced, and that system was strengthened in 2005 when annual subsidies for all such parties are provided fro. Since then the promise of state money has played a stronger incentive for the particular electoral choices of political parties (Kostadinova 2005, 10; Rashkova and Spirova 2012). It appears that achieving legislative representation was no longer as important for smaller parties so long as they could finance their operations and continue their work at the local level (Petrov 2004). Where the impact of the funding provisions is clearly visible is the appearance of numerous new parties at both the 2005 and 2009 elections. While many of them - Ataka, GERB, RZS -have made it into Parliament, some have not and still maintained their political presence in the system NV is the prima example, which failed to enter Parliament in 2005 but secure enough funding to persist and managed to get numerous representatives at the local level. Parties are now, in general and in comparison to the 1990s, more likely to be able to sustain themselves even if left out of Parliament.

[Table 3 About Here]

The table above takes on board, and summarizes, the qualitative analysis undertaken in the previous paragraphs. As a result, table 3 displays the survival rate of political parties in a particular party system, making a clear distinction between nonand publicly funded parties. In clear support of our expectations, there is not even one case in which the survival rate of those parties below the payout threshold exceeds the survival rate of those parties with access to public allocations. The rates coincide, it is important to note, in just three cases (Estonia 2007, Hungary 2010 and Serbia 2012). In these instances, all parties managed to contest the next elections notwithstanding if they received or not financial support from the state.²⁷ Interestingly enough, the survival rate of publicly funded parties was always superior to that of the whole amount of parties at the time private funding was only available. Lithuania in 2012 constitutes the only exception (when compared to 1996). Moreover, even if we take into consideration all 52 pairs of elections, and setting aside the case of Bulgaria in

²⁷ Important to note here that, while the publicly founded parties varied between 4 (Hungary) and 12 (Serbia), the number of parties excluded from access to public subsidies did not exceed 1.

2009,²⁸ there are only 6 exceptions in which the survival rate of parties deprived of public funded is superior to that of those entitled to state allocations: namely, Estonia in 1995, Lithuania in 1996 and 2000, Montenegro in 2012, Poland in 1997 and Slovakia in 2012.

Obviously, one could say that because parliamentary parties (which, in some instances, are able to obtain extra financial public support) are included among those publicly funded parties, the survival rate of the latter is almost always superior to the one of the rest of the parties in the party system. In order to avoid such critic, Table 3 also shows (in brackets) the survival rate of those parties between the two thresholds: that is, the electoral and the payout. Although, as expected, the differences here are not so pronounced, the latter parties have always managed to survive in a higher rate than those deprived of party funding, but in three cases: Romania (2004), Bulgaria (2009) and Lithuania (2012) (in 26 out of 29 cases). In some cases, like in the Czech Republic in 1998, Poland in 1997 or Lithuania in 2004, the survival rate of those parties between the thresholds was even higher than the survival rate of those relationship between public funding and party continuity is clearly visible.

Conclusions

This article has presented a theoretical argument about why state funding of political parties will be particularly important to a specific group of political parties – those which find themselves between the electoral and pay-out thresholds -- and provided empirical evidence to support this claim. While many factors will influence the decision of a party to form, persist or change in the political system, state funding provides important resources that make running in elections and achieving the party's electoral target more likely. In addition, the availability of state resources will make parties consider staying outside Parliament as a realistic strategy as it will allow them to seek office in the longer run.

 $^{^{28}}$ In 2009, Bulgaria had EP elections just a month before the national ones. The results of the EP competition served as an electoral test for the parties: those who did poorly in the first ones, did not compete in the national ones. As a result, the "survival" rate does not quite represent the true situation, since New Time, for example, continued its active participation in local government while it does not count as "survived" in our estimation.

We have also presented arguments and data to support previous claims that the relationship between state funding provision and party development is only ambiguous at the system level because of the multiplicity of factors that influence party development. Several indicators of party system stability from the 14 post-communist countries that we study provide only mixed evidence for a relationship of any sort. However, when we focus on the developments at the individual party level and particularly on the parties between the electoral and pay-out threshold, we observe a much clearer pattern.

Comparing the trends at party level among the 12 countries with public finance provisions allow us to look the impact of these regimes in a more refined manner. We do see that parties who (anticipate to be or) are being funded by the state have a higher chance of forming and surviving in an independent format in the system. The survival rate for such parties exceeds the survival rate for the non-public funded one in almost all cases. Even more importantly for our argument, when the state provides funding, this allows for two distinct thresholds -- the electoral and the pay-out ones -- to be considered as relevant by the parties. In support of our expectations, we do observe that parties who find themselves "between the thresholds" have a higher survival rates than parties who do not have that option. This leads us to conclude that the relationship between the availability of state financing of parties and their development is far from irrelevant. On the contrary, with a proper conceptualization and multi-faceted empirical approach, we can discern important patterns of interactions between the two, at least in the empirical reality of the postcommunist world.

References:

- Aldrich, John. 1995. Why Parties? The Origin and Transformation of Political Parties in America. Chicago and London: The University of Chicago Press.
- Biezen, Ingrid van. 2000. "On the Internal Balance of Party Power." *Party Politics* 6(4): 395-419
- Biezen, Ingrid van. 2003. Political Parties in New Democracies: Party Organization in Southern and East-Central Europe. Basingstoke: Palgrave.
- Biezen, Ingrid van. 2004. "Political Parties as Public Utilities." Party Politics 10(6): 701-722.
- Biezen, Ingrid van, and Rashkova, E. 2012. "Deterring New Party Entry? The Impact of State Regulation on the Permeability of Party Systems." Party Politics
- Birnir, Johanna. 2001 "Party System Stabilization in New Democracies: the Effect of Ethnic Heterogeneity on Volatility of Electoral Preferences. A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy political Science, UCLA.
- Birnir, Johanna, 2005. "Public Venture Capital and Party Institutionalization", Comparative Political Studies 38:915938.
- Booth, E. and Robbins, Joseph. 2010. "Assessing the Impact of Campaign Finance on Party System Institutionalization." *Party Politics*, vol. 16, no. 5, pp. 629-650
- Bulgarian Social Democracy (BS) . 2003. Political Program of the Bulgarian Social Democracy until 2007. Sofia
- Bulgarian Central Electoral Commission (BCEC).2005. Elections 2005: Official Results. Available at: HYPERLINK "http://2005izbori.org/results/index.html" http://2005izbori.org/results/index.html
- Casal Bertoa, Fernando, Deegan-Krause, Kevin and Ucen, Peter. 2012. "The Limits of Regulation: Party Law and Finance in Slovakia (1990-2012)." *The Legal Regulation of Political Parties Working Paper Series* (n. 23)

- Casal Bertoa, Fernando and Walecki, Marcin. 2012. "Party Regulation and its Effects on the Polish Party System (1991-2011)." The Legal Regulation of Political Parties Working Paper Series (n. 22)
- Casas-Zamora, Kevin. 2006. Paying for Democracy: Political Finance and State Funding for Parties, Colchester: ECPR Press
- Enyedi, Zsolt. 2007. "Party Funding in Hungary." In Daniel Smilov and Jurij Toplak. eds. *Political Finance and Corruption in Eastern Europe*, Aldershot: Ashgate.
- Frendreis, John P, Dennis W. Gleiber, and Eric C. Browne. 1986. "HYPERLINK "http://www.jstor.org/view/03629805/ap020046/02a00100/0?currentResult=0 3629805%2bap020046%2b02a00100%2b0%2c01%2b19861100%2b9995%2 b80138899&searchID=8dd55340.10839658430&frame=noframe&sortOrder= SCORE&userID=81590365@uwm.edu/018dd55340005011a0152&dpi=3&vi ewContent=Article&config=jstor" \t "_top" The Study of Cabinet Dissolutions in Parliamentary Democracies
- Gherghina, Sergiu, Chiru, Michail and Casal Bertoa, Fernando. 2011. Resursele statului și bani de buzunar: Finanțarea partidelor politice românești în perioada postcomunistă [State Resources and Pocket Money: Funding of Romanian Political Parties during Post-communism]." In Sergiu Gherghina (ed.) *Voturi și politici: dinamica partidelor românești în ultimele două decenii* [Votes and Policies; The Dynamic of the Romanian Political Parties in the most Recent Two Decades], Iasi: Editura Institutul European
- Golder, Matt. 2003. "Explaining Variation in the Success of Extreme Right Parties in Western Europe." *Comparative Political Studies* 36(4): 432-466.
- Haughton, Tim. 2012. "A Law Unto Themselves: Money, Regulation and the Development of Party Politics in the Czech Republic." *The Legal Regulation* of Political Parties Working Paper Series (n. 20)
- Hauss, Charles, and David Rayside. 1978 "The Development of New Political Parties." In *Political Parties: Development and Decay*, ed. Louis Miasel and Joseph Cooper. Beverly Hills: Sage.

- Ikstens, Janis, et al. 2002. "Political Finance in Central Eastern Europe: An Interim Report." *Austrian Journal of Political Science* 31(1).
- Ilonszki, Gabriella. 2005. "Systemic and Regulatory Problems in the Background of Party and Campaign Finance in Hungary." Paper presented at the "Workshop on the Effect of Party and Campaign Finance on Post-communist Party Development," Riga, Latvia 20-23 October, 2005.
- Ilonszki, Gabriella. 2008 "Hungary: Rules, Norms and Stability Undermined" in Roper and Ikstens, eds.
- Kalinova, Evgenija, and Iskra Baeva. 2000. Bulgarskite prehodi: 1944-1999 [The Bulgarian Transitions: 1944-1999]. Sofia: Tilia.
- Knapp, Andrew. 2004. "Ephemeral Victories? France's Governing Parties, the Ecologists, and the Far Right." In Peter Mair, Wolfgang Muller and Fritz Plasser. eds. Political parties and Electoral Change. London: Sage
- Koole, Ruud. 1996. "Cadre, Catch-All or Cartel? A Comment on the Notion of the Cartel Party. *Party Politics* 2 (?): 507-23.
- Kostadinova, Tatiana. 2005. "Party campaign Finance in Bulgaria." Paper presented at the "Workshop on the Effect of Party and Campaign Finance on Postcommunist Party Development," Riga, Latvia 20-23 October, 2005.
- Kostadinova, Tatiana. 2008. "Bulgaria: Three finance Regimes and Their implications" in Roper and Ikstens, eds.
- Kreuzer, Marcus, and Vello Pettai. 2002 "The Calculus of Party Affiliation in Postcommunist Democracies: Party Switching, Fusions, Fissions and the Intitutionalization of the Party Systems." Paper presented at the 2002 APSA Annual Meeting, Boston, MA, August 29-- September 2, 2002.
- Kupa, Mihaly. 2003, Interview.

Laakso, Markus and Taagepera, Rein. 1979. "Effective' Number of Parties. A Measure with Application to West Europe." *Comparative Political Studies*, vol. 12,

no. 1, pp. 3-27

Law on Political Parties, 2001. Published in Durzhaven Vestnik. March 28, 2001.

- Law on the Operation and Financial Functioning of Political Parties in Hungary. 1989.
- Lewis, Paul G. 1998. "Party Funding in Post-communist East Central Europe." In Funding Democratization, ed. Peter Burnell and Alan Ware. Manchester and New York: Manchester University Press.
- Linek, Lukas and Outly, Jan. 2008. "Czech Republic: Is it Possible to Buy Political Stability?" In Steven Roper and Janis Ikstens. eds. Public Finance and Post-Communist Party Development. Aldershot: Ashgate.
- Mair, Peter. 1990. "The Electoral Payoffs of Fission and Fusion." *British Journal of Political Science* 20(1):131-142.
- Muller, Wolfgang, and Kaare Strom, ed. 1999. Policy, Office or Votes? How Political Parties in Western Europe Make Hard Decisions. New York: Cambridge University Press.
- Nassmacher, Karl-Heinz. 2009. The Funding of Party Competition, Baden-Baden,: Nomos.
- NCIOM. 2001. Obshtestveno Mnenie Fevruary-Mart I Mart April 2001 [Opinion Polls, February, March, April 2001]. Accessed May 2004. HYPERLINK "http://www.parliament.bg/nciom/" <u>http://www.parliament.bg/nciom/</u>
- Niedermeter, Oscar. 1998. "German Unification and Party System Change." in Pennings, Paul, and Jan-Erik Lane, eds. 1998. *Comparing Party System Change*. London and New York: Routledge.
- Ondrej, Cisar and Petr, Tomas. 2007. "Party Funding in the Czech Republic." In Daniel Smilov and Jurij Toplak. eds. *Political Finance and Corruption in Eastern Europe*, Aldershot: Ashgate.

Perkins, Doug. 1996. "Structure and Choice: The Role of Organizations, Patronage

and the Media in Party Formation." Party Politics 2(3)

- Pettai, Vello and Marcus Kreuzer. 2001. "Institutions and Party Development in the Baltic States." In Paul G. Lewis ed. Party Development and Democratic Change in Post-Communist Europe. London: Frank Cass.
- Piccio, Daniela. 2012. "Party Regulation in Europe: a Comparative Overview." *The Legal Regulation of Political Parties Working Paper Series* (n. 18)
- Pinchev, Georgi. 2003. Interview.
- Pinto-Duschinsky, Michael. 2002. "Financing Politics: a Global View." Journal of Democracy 13(4): 69-86.
- Rashkova, Ekaterina. 2010. Political Learning and the Number of Parties: Why Age Matters, PhD Dissertation University of Pittsburgh.
- Rashkova, E. and Spirova, Maria. 2012. "Party Regulation in Post-communist Bulgaria." *The Legal Regulation of Political Parties Working Paper Series* (n. 21)
- Roper, Steven. 2002. "The Influence of Romanian Campaign Finance Laws on Party System Development and Corruption." *Party Politics*, vol. 8, no. 2, pp. 175-192
- Roper Steven and Janis Ikstens, eds. 2008. Public Finance and Post-Communist Party Development. Aldershot: Ashgate.
- Scarrow, S. 2006. "Party Subsidies and the Freezing of Party Competition: Do Cartel Mechanisms Work?." West European Politics, vol. 29, no. 4, pp. 619-639
- Schlesinger, Joseph A. 1994. *Political Parties and the Winning of Office*. Ann Arbor: University of Michigan Press.
- Schuessler, Alexander. 2000. A Logic of Expressive Choice. Princeton: Princeton University Press.
- Sikk, Allan. 2003. "A Cartel Party System in a Post-Communist Country? The Case of Estonia." Paper presented at the ECPR General Conference (Marburg, 18-

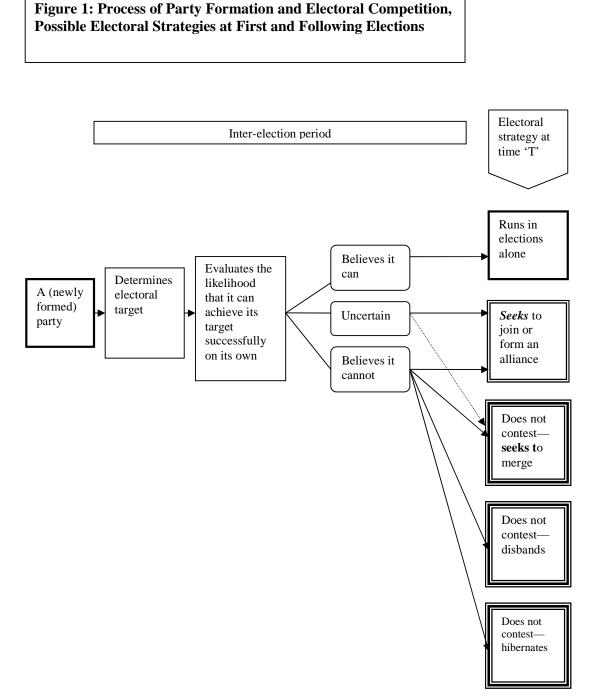
28

21 September)

Sikk, Allan. 2012. Personal Communication

- Sikk, Allan and Kangur, Riho. 2008. "Estonia: the Increasing Costs and Weak Oversight of Party Finance." In Steven Roper and Janis Ikstens. eds. Public Finance and Post-Communist Party Development. Aldershot: Ashgate.
- Smilov, Daniel. 1999. "Structural Corruption of Party Funding Models: Governmental Favoritism in Bulgaria and Russia." Paper presented at the Princeton University /CEU Joint conference on Corruption, Budapest 30 October-6 November 1999.
- Smilov, Daniel. 2001. Party Financing: Preliminary Findings. IPF Research Paper. HYPERLINK "http://www.policy.hu/smilov/osi-international-policyfellows/preliminary-findings/odyframe.htm" <u>http://www.policy.hu/smilov/osi-</u> international-policy-fellows/preliminary-findings/odyframe.htm
- Smilov, Daniel and Jurij Toplak, eds., *Political Finance and Corruption in Eastern Europe*, Aldershot: Ashgate.
- Spirova, Maria. 2007. Political Parties in post communist Societies: Formation, Persistence and Change, Palgrave Macmillan.
- Spirova, Maria. 2008. "Europarties and Party Development in EU Candidate States: the Case of Bulgaria." *Europe-Asia Studies*, vol. 60, no.5, pp 81-109.
- Sundberg, Jan. 2002. "The Scandinavian Party Model at the Crossroads." In Paul Webb, David Farrel and Ian Holliday. eds. Political Parties in Advanced Industrial Democracies. Oxford: Oxford University Press.
- Tavits, Margit. 2007. "Party Systems in the Making: the Emergence and Success of New Parties in New Democracies." *British Journal of Political Science*, vol. 38, no. 1, pp. 113-133.
- Toka, Gabor, and Zsolt Enyedi, ed. 1999. The 1994 Election to the Hungarian National Assembly. Berlin: Sigma.

- Toplak, Jurij. 2007. "Party Funding in Slovenia." In Daniel Smilov and Jurij Toplak. eds. *Political Finance and Corruption in Eastern Europe*, Aldershot: Ashgate.
- Vajda, Janos. 2003. Interview.
- Vanev, Georgi. 2003. Interview.
- Unikaite, Ingrida. 2008. "Lithuania: Political Finance Regulations as a Tool of Political Manipulation." In Steven Roper and Janis Ikstens. eds. Public Finance and Post-Communist Party Development. Aldershot: Ashgate.



Adapted from Spirova (2007), p 24-5.

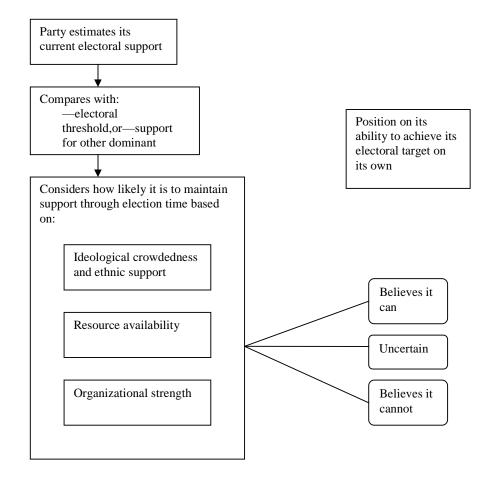


Figure 2: Evaluation of the likelihood of achieving electoral target

From Spirova (2007), p 28.

Country	Electoral	TEV	NNP*	TNP	NWP	SPVS
	period					
		No Pu	blic Party Fu	nding		
Bulgaria	1991-1997	21.3	4	12.3	4.3	19.6
Estonia	1992-1995	22.1	8	14	8	16.2
Latvia	1995-2011	32	4	12.2	6.3	10.6
Lithuania	1992-1996	36.5	9	16.5	11	24.4
Poland	1991	-	-	23	28	20.6
Slovenia	1992	-	-	22	8	24.7
Ukraine	2006-2012	22.5	1.5	11.3	6.3	16
	Average	27.8	4.4	13.9	7.4	24.3
		Publ	ic Party Fund	ling		
Bulgaria	2001-2009	45.2	5.3	10.7	5.7	11.7
Croatia	2000-2011	15.1	3.3	9	7	21.1
Czech R.	1992-2010	22.3	3.6	11.7	5.5	13.2
Estonia	1999-2011	22.3	1.5	9.3	5.8	6.8
Hungary	1990-2010	23.1	2	9	5.5	9.9
Lithuania	2000-2012	35.3	3.8	13.8	9.3	17.5
Montenegro	2009-2012	17.2	1	12.5	4.5	14.2
Poland	1993-2011	24.8	4.2	9.8	5.3	10.9
Serbia	2003-2012	10.7	3.7	12	5.8	14.1
Slovakia	1992-2012	19.5	3.8	13.1	6.1	15.3
Slovenia	1996-2011	27.2	4.2	13.4	7.2	13.4
	Average	24.4	3.4	11.4	6.1	13.6

Table 1. Party funding and party system development in post-communist Europe

* Mergers and electoral coalitions excluded.

Country	Electoral	Payout	TEV	NNP*	TNP	NWP	SPVS
_	period	Threshold					
	1992	2%	-	-	16	8	19.1
Czech R.	1996-	3%	22.8	2.5	10	5.5	11.3
	1998						
	2002-	1.5%	23.5	4.3	11.3	4.7	12.4
	2010						
Estonia	1999-	5%	28.5	2.5	10	6.5	6.7
	2003						
	2007-	1%	16.1	0.5	8.5	5	7
	2011						
Poland	1993	5%	28.9	4	15	6	28.1
	1997-	3%	24	4.2	8.8	5.2	7.4
	2011						
Romania	1996-	2%	32.5	5	17	5.5	23.5
	2000						
	2004-	4%	16.7	1.5	9	4	11.4
	2008						
Slovenia	1996	3.2%	25.1	5	17	7	18.9
	2000-	1%	27.8	4	12.5	7.3	12.1
	2011						

Table 2. Payout threshold changes and party system development in post-communist Europe

* Mergers and electoral coalitions excluded.

Country	Party		-	Electoral	period		
•	Funding	2 nd	3 rd	4 th	5 th	6 th	7 th
Bulgaria	Yes	-	-	-	71.42	60 (0)	
					(33)		
	No	46.6	57.14	55	25	0	
Croatia	Yes	83.3	76.9	100			
	No	0	20	20			
Czech R.	Yes	66.7	85.7(100)	100	100	100	
		(50)					
	No	0	60	50	42.9	50	
Estonia	Yes	-	90.9	85.7	100	100	
	No	73.3	42.9	50	100	0	
Hungary	Yes	90.9	90 (75)	88.9 (75)	100	100	
		(80)					
	No	0	50	0	0	100	
Lithuania	Yes	-	-	90 (100)	100	72.7	
						(50)	
	No	76.9	70	62.5	0	60	
Montenegro	Yes	100					
	No	88.9					
Poland	Yes	-	100	83.3(100)	100	100	83.3(n/a)
	No	61.9	88.9	25	0	50	66.7
Romania	Yes	90 (50)	88.9 (0)	100			
	No	30	33.3	28.6			
Serbia	Yes	100	88.9	100			
	No	33.3	50	100			
Slovakia	Yes	88.9	100	83.3(n/a)	90	100	100
		(75)			(66.7)		
	No	66.7	33.3	66.7	20	33.3	80
Slovenia	Yes	-	100	100 (n/a)	80	90 (50)	
					(33.3)		
	No	59.1	30	66.7	25	33.3	

 Table 3. Survival rate (in %) of political parties in 12 post-communist democracies

Appendix

Country	% votes	Electoral period							
L.	(in parliament)	1 st	2 nd	3 rd	4 th	5 th	6 th	$7^{\rm th}$	
	-	SDS/BSP	BSP/SDS	SDS/BSP	NDSV/SDS	BSP/NDSV	GERB/BSP		
	≥4	DSP	BZNS(NS)-DP	DPS/EvroLev	BSP/DPS	DPS/Ataka	DPS/Ataka		
			DPS/BBB	BBB		SDS/DSB/BNS	SDS-DSB/RZS		
Bulgaria	<4	BZNS(U)/BZNS(NP)	DAR/BKP	BKP/OTs	VMRO-G	NV/KnR/E	Lider/NDSV		
	≥1	SDS(C)/SDS(L)/KTB	NI/PS/TBF		KSII/NOTsSII				
		BBB/BNRP							
	<1	BBP/KZKS	NDKDTsB/SMSTsB	BKhK/DPSpr.	BLE/UB	BKhK/FAGO	Z		
	≥0.5	BKP/PFP	BNRP/ DPSpr		NSTK/NUF-L				
		SDP-HSLS-PGS-	HDZ/SDP-IDS-Libra-	HDZ/SDP	SDP-HNS-IDS-				
		SBHS/HDZ	LS/HNS-PGS/HSS	HSS-HSLS/HNS	HSU				
	(Yes) ²⁹	HSS-IDS-HNS-LS	HSP/HSLS-DC/HSU	IDS/HDSSiB	HDZ-HGS-DC				
		HSP/HKDU/SNS	HDSS	HSU/HSP	HLSR/HDSSiB				
Croatia					NLIG/HSS				
					HSp				
		ASDH/HSP'1861	SBHS/ZDS-MS	PGS-ZDS-ZS	Zs-SP				
	(No)	NH/HPS/SDSS	HDC-DPZS	DSU/SU	HCSP/HSP				
					HSLS/BUZ-				
					PGS-HRS				
		ODS/KSCM/CSSD	ODS/CSSD	CSSD/ODS	CSSD/ODS	ODS/CSSD	CSSD/ODS		
	≥ 5	LSU ³⁰ /KDU/RMS	KSCM/KDU	KSCM	KSCM	KSCM	TOP09		
		ODA/HSD	RMS/ODA	KDU/US	KDU-US	KDU/SZ	KSCM/VV		
	<5	SD/DZJ	DZJ	RMS			KDU		
	≥3	SPCZR		DZJ			SPOZ/Suv.		
Czech R.	<3	KAN	DEU/SD-CSNS		SNK/SZ	SNK	SZ		
	≥1.5								
	<1.5	NzI/SPP	LB/CMUS	DEU/SZ	RMS/SV/DZJN/	ND/	DSSS/CPS		
	≥0.5	HSS/D92			CSNS	SZR	SSO/PB		
					PB/ODA				

²⁹ 5% threshold (at district level) does not apply to ethnic minorities.
 ³⁰ It included SZ, CSNS and ZS.

		I-ER/Ek	Ek-ERL-PK-EPL/ER/EK	EK/I/ER	EK/ResP	ER/EK	ER/EK	
	≥ 5	EK/SDE	I/SDE/EÜR-VEE/VKRP	SDE-E/Ek	ER/ERL	IRL/SDE	IRL/SDE	
		ERSP/SK/PEEK		ERL/K	I/SDE	EER/ERL		
Estonia	<5	EPL/PK	PEEK/EIP	EEKD	K/EEKD	EEKD	EER/ERL	
	≥1	EER/EEE/EVP	EVP/ETRE	VEE/ESE				
	<1	ÖRRE	NJ/ERKL	PK	EIP	K	VEE	
	≥0.5	EIL	Metsa				EEKD	
		MDF/SZDSZ	MSZP/SZDSZ	MSZP/Fidesz	MSZP/SZDSZ	MSZP/Fidesz	Fidesz	
	≥ 5	FKgP/MSZP	MDF/FKgP	FKgP/SZDSZ	Fidesz-MDF	SZDSZ/MDF	MSZP/LMP	
		Fidesz/KDNP	KDNP/Fidesz	MIÉP			Jobbik.	
Hungary	<5-≥4			МКМ	MIÉP			
	<4	MKM/MSZDP	MKM/KP/ASZ	MDF	С	MIÉP-Jobbik	MDF	
	≥ 1	ASZ/VP/HVK	MIÉP	KDNP/MDNP	MKM			
	<1	MNP	MSZDP/EKgP	USZ	FKgP		СМ	
	≥0.5		VP/NDSZ					
		LDDP/	TS/LKDP	LDDP-LSDP-	DP/LSdP-NS	TS/TPP/TT	LSdP/TS	
	≥ 5	TS/LKDP	LDDP/LCS	LRS-NDP	TS/TT	LSdP/DP/LS	DPTT/LS	
		LSDP	LSDP	NS/LLS/TS	LiCS/LVZS	LiCS	LLRA/DK	
	<5	JL	JL/NDP	KDS/LVZS	LLRA	LLRA/LVZS	LVZS	
	≥3		KDS/LLRA	LKDP		NS/FP		
Lithuania		LCS/LLRA/LTS-NP	LTMA/LTS	LCS/KKSS	KKSS/LKD	JL/PDP/	LiCS/TAIP	
	<3	LLS/LLL/TPJ	LLS/LVZS/LRS	LLRA/LLS-	NCP	LRS/LSDS	SPF/KP	
	≥0.5	NJ/VPJST	LPKTS/LLaS	UTL		LCP	ULL/JL	
			LUP/LLL	LLaS/JL/LTS				
			LSTS/LSP	LPSD"2000"				
	$(\text{Yes})^{31}$	DPS-SDP	DPS-SDP/NSD-PzP					
		SNP/NSD/PzP	SNP/PCG/BS					
Montenegro		NS-DSS/LPCG	NS-SNL-OSS					
	(No)	SPICG/SNL-SSR	SSR-DSS/UDSH					
		BMZJ/OSS/SKCG						
		UD/SLD/ZChN/PC	SLD/PSL/	AWS/SLD	SLD-UP	PiS/PO	PO/PiS/PSL	PO/PiS
	≥ 5	PSL/KPN/KLD/PL/S	UD/UP/	PD/PSL	PO/PiS	SO/SLD	SLD-SdPL-PD	RP/PSL
			KPN/BBWR	ROP	SO/LPR	LPR/PSL		SLD

³¹ 3% threshold does not apply to ethnic minorities

	<5	PPPP	ZChN/S/PC	UP	AWSP ³²	SdPL-UP		
Poland	≥ 3		KLD/UPR		PD			
	<3	ChDSP/UPR/SPSD/P	SO/X	KPEiR/UPR		PD/UPR	SO/LPR	PJN/NP
	≥0.5	CD/PPEZ/ZP/PW/SN	RdR/PL	KPEiRRP/BdP		RPRP/PPP	PPP	PPP
		PPE/X/RDS						
			PDSR-PSDR-PC	PSD-PC	PSD-PC			
	≥ 5	PNTCD-PNL/PDSR	PRM/PDL/PNL	PNL-PDL	PDL/PNL			
		PSDR-PDL/UDMR	UDMR/PNTCD	PRM/UDMR	UDMR			
Romania	<5/≥4	PUNR/PRM	ApR					
	<4/≥2	PS/PSM		PNG	PRM/PNG			
	<2	PSMR/ANL/PPR	PNLC/PUNR/	PNTCD/FDR	Pro			
	≥0.5	UNC/PNT/ANLE	PER/PSM/PPR	PER/Pro				
		Pro/UR/PNDC/PNA	Pro/PMR/PLDR/PNT	PUNR/AP				
		SRS/DSS/DS/G17+-	SRS/DS/DSS-NS/G17+	DS-G17+-SdPS-	SNS-NS-			
		SDP	SPS/LDP-GSS-DHSS	SPO	PSS/DS-SdPS			
	$\geq 5^{33}$	SPO-NS/SPS		SRS/DSS-NS	SPS-PUPS-US-			
				SPS-PUPS-	DHSS			
Serbia				US/LDP-DHSS	DSS/LDP-			
					SPO/G17+			
	<5	DA/SSJ-NSS/O	SPO-NSS/PUPS-SDP-	PSS	SRS/PD/			
	≥0.5	DHSS/"SPP"/LS	"SPP"/PSS		"MWP"/"CP"			
		"RSDPV"/SD						
		HZDS	HZDS/	HZDS/SDK	HZDS/SDKÚ	Smer/SDKÚ	Smer/SDKÚ	Smer/KDH
	≥5	SDL 7/KDH	SDL´-SDSS-SZS/MK	SDL ′/SMK	Smer/SMK	SNS/SMK	SaS/KDH	OLaNO/Most
		SNS/MK	KDH/DÚ/ZRS/SNS	SNS/SOP	KDH/ANO/KSS	HZDS/KDH	Most/SNS	SDKÚ/SaS
Slovakia	<5-≥3	ODÚ/SDSS/DS/KSU	DS		PSNS/SNS/HZD	KSS/SF	SMK/HZDS	SNS/SMK
	<3	MPP/SZS	KSS/KSÚ	KSS/ZRSNS	SDA/SDL´	ANO/HZD/	SdL'/LSNS	99%/LSNS
	≥ 0.5	SZ/SPI	NS/SPK		SZS	Nádej	KSS/USPS	ZZ/SSS/HZDS
		KSS/ROI	HZPCS/ROI		NOSNP/ZRS		VPS	KSS/NaS
				LDS/SDS	SDS/LDS	SD/SDS	PS/SDS/SD	
	≥ 4	LDS/SKD	LDS/SLS	SD/SLS-SKD	SD/NSi	Zares/DeSUS	LGV/DeSUS	
		SD/SNS	SDS/SKD	NSi/DeSUS	SLS/SNS	SNS/SLS-	SLS/NSi	

³² It was an electoral coalition.
 ³³ Ethnic minority parties are excluded.

		SLS/DSS	SD/DeSUS	SNS/SMS	DeSUS	SMS/LDS		
Slovenia	<4-≥3.2	ZS/SDS	SNS			NSi		
	<3.2	SSS/ND/SOPS/LS	DSS/ZS		AS/SJN	Lipa	SNS/LDS	
	≥ 1	LDSS/SN/KS	SOPS/SF		SMS		TRS	
	<1	ZZP/Demos	LS/NSD/ZA	ZS/DSS/NS	JL/ZS	LPR/ZS	SMS-Z/Zares	
	≥0.5	SDKS/SEG	RZS/KPS/KSU		PS/GZS	KDS	DSD	
		GOD/Smer/RZS						

Source: EED (2012)

Bulgaria: BSP= Bulgarian Socialist Party, DPS= movement for Rights and Freedoms, SDS – Union of Democratic Forces, BSP = Union of the BSP, BLP, OPT, PKhZhD, KhRP, NLP "St. Stambolov," SMS, FBSM, SDPD, and "ERA-3"; DPS= Movement for Rights and Freedoms); BZNS(U)=Bulgarian Agrarian National Union–United; BZNS-NP (Bulgarian Agrarian National Union–"Nikola Petkov", SDS= Union of Democratic Forces; SDS(C)=Union of Democratic Forces–Centre; SDS(L) = Union of Democratic Forces–Liberals; KTB=Kingdom of Bulgaria Federation; BBB =Bulgarian Business Block; BNRP=Bulgarian National Radical Party; BBP=Bulgarian Business Party; KTKS= "Freedom" Coalition for the Turnovo Constitution; BKP=Bulgarian Communist Party; PFP= Political Transformation Forum; DP=Democratic Party, DAR= Democratic Alternative for the Republic;

SNI= New Choice Union; PS = Patriotic Union; NDKDTsB=Kingdom of Bulgaria National Movement for Crowned Democracy; SMSTsB= Kingdom of Bulgaria Union of Monarchist Forces;

BNRP=Bulgarian National–Radical Party; EvroLev =Euroleft; OT=Alliance for the King; BKhK= Bulgarian Christian Coalition; DPSpr= Democratic Party of Justice; NDSV= National Movement Simeon the Second; VMRO-G=Gergiovden-VMRO; KSII=Alliance "Simeon II"; NOTsSII =National Union for Tzar Simeon II;

BLE/UB=Bulgarian Euroleft, BESDP—United Social-Democrats, BZNS; NSTK= Alliance "National Union Tzar Kiro"; NUF-L=; DSB= Democrats for a Strong Bulgaria; NV=New Time; KnR=Coalition of the Rose; E=Evroroma; BKhK =Bulgarian Christian Coalition; FAGO=; GERB=Citizens for European Development of Bulgaria; RZS= Law, Justice and Order; BNS= Bulgarian People's Union

Croatia: ADSH = Social Democratic Action of Croatia; BUZ = Bloc Pensioners Together; DPZS = Democratic Prigorje-Zagreb Party; DSU = Democratic Party of Pensioners; HCSP = Croatian Pure Party of Rights; HDC = Croatian Democratic Centre; HDSS = Croatian Democratic Peasant Party; HDSSiB = Croatian Democratic Assembly of Slavonia and Baranja; HDZ = Croatian Democratic Union; HGS = Croatian Citizen Party; HKDU = Croatian Christian Democratic Union; HLSR = Croatian Labourists-Labour Party; HNS = Croatian People's Party; HPS = Croatian People's Party; HSS = Croatian Party of Rights; HSP = Croatian Party of Rights 1861; HSS = Croatian Party; HSLS = Croatian Party of Pensioners; IDS = Istrian Democratic Assembly; Libra = Party of Liberal Democratic; LS = Liberal Party; MS = Medimurje Party; NH = New Croatia; NLIG = Independent list Ivan Grubisic; PGS = Alliance of Primorje-Gorski Kotar; SBHS = Slavonia-Baranja Croatian Party; ZS = Green Party; Party; SNS = Serb People's Party; SP = Pensioners' Party; ZDS = Zagorje Democratic Party; ZS = Zagorje Party; ZS = Green Party.

Czech Republic: CMUS = Czech Moravian Union of the Centre; CPS = Czech Pirate Party; CSNS = Czech National Socialist Party; CSSD = Czech Social Democratic Party; D92 = Democrats 92 for Unified Country; DEU = Democratic Union; DSSS = Worker's Party of Social Justice; DZJ = Movement of Pensioners for Social Guarantees; HSD = Movement for Self-Governing Democracy-Society for Moravia and Silesia; HSS = Movement for Social Justice; KAN = Club of Active Non-partisans; KDU/CSL = Christian and Democratic Union/Czechoslovak People's Party; KSCM = Communist Party of Bohemia and Moravia; LB = Left Bloc; LSU = Liberal Social Union; N = Hope; ND = Independent Democrats; NzI = Independent Initiative; ODA = Civic Democratic Alliance; ODS = Civic Democratic Party; PB = Bloc of the Right; RMS (SPR-RSC) = Republicans of Miroslav Sladek; SCPZR = Party of Czechoslovak Entrepreneurs, Small Business, and Farmers; SD (OH) = Free Democrats; SNK = Union of Independents-European Democrats; SPP = Friends of Beer Party; SSO = Party of Free Citizens; Suv. = Sovereignty; SV = Rural Party; SZ = Green Party; SZR = Common Sense Party; TOP 09 = Tradition Responsibility Prosperity 09; US = Freedom Union; VV = Public Affairs.

Estonia: E = People's Party (VKRP+ETRE); EEE = Estonian Entrepreneurs' Party; EEKD = Party of Estonian Christian Democrats; EIP (TEE) = Estonian Independence Party; EIL = Estonian DisabledSocieties' Union; Ek = Estonian Coalition Party; EK = Estonian Centre Party; EPL = Estonian Pensioners' and Families League; EER = Estonian Greens; ER = Estonian Reform party; ERKL =Estonian Nationalist Central League; ERL (EME) = People's Union of Estonia; ERSP = Estonian National Independence Party; ESE = Estonian Blue Party; ETRE = Estonian Farmers' Party; EÜR =Estonian United People's Party; EVP = Estonian Left Party; I = Pro Patria Union; IresPL = Union of Pro Patria and Res Publica; K = Constitutional Party; KMÜ = Coalition Party and Rural Union;Metsa = Forest Party; NJ = Fourth Force; ÖRRE = National Party of the Illegally Repressed; PEEK = Better Estonia and Estonian Citizen; PK = Farmers' Assembly; ResP = Union for the Republic: ResPublica; SDE (M) = Social Democratic Party; SK = Independent Royalist Party of Estonia; VEE = Russian Party in Estonia; VKRP = Right-Wingers' Party *Hungary:* ASZ = Agrarian Alliance; C = Centre Party; CM = Civic Movement; EKgP = United Smallholders' Party; Fidesz = Federation of Young Democrats; FKgP = Independent Party of Smallholders; HVK = Partiotic Election Coalition; Job. = Movement for a Better Hungary; KDNP = Christian Democratic People's Party; KP = Party of the Republic; LPM = Politics Can Be Different; MDF = Hungarian Democratic Forum; MDNP = Hungarian Democratic People's Party; MNP = Hungarian People's Party; MKM = Hungarian Communist Workers' Party; MSZP = Hungarian Socialist Party; MSZDP = Social Democratic Party of Hungary; NDSZ = National Democratic Alliance; SZDSZ = Alliance of Free Democrats; VP = Party of Entrepreneurs; USZ = New Alliance for Hungary *Lithuania:* DP = Labour Party; FP = "Frontas" Party; JL = "Young Lithuanians"; KDS = Christian Democratic Union; KKSS (NKS) = Christian Conservative Social Union; LiCS = Liberal and Centre Union; LCS (LCJ) = Lithuanian Centre Union; LKD = Lithuanian Christian Democrats; LKDP = Lithuanian Christian Democratic Party; Las = Lithuanian Liberty Union; LLL = Lithuanian Freedom League; LLRA = Electoral Action for Lithuania's Poles; LLS = Lithuanian Liberal Union; LLS-UTL = Lithuanian People's Union for a Fair Lithuania; LPKTS = Union of Political Prisoners and Deportees; LRS = Lithuanian Russian Union; LS = Liberal Movement; LSDP = Lithuanian Social Democratic Party; LVZS (VNDPS, LVP) = Lithuanian Social Justice Union; LTMA = Alliance of Lithuania's Ethnic Minorities; LTS = Lithuanian National Union; LUP = Lithuanian Economic Party; LVZS (VNDPS, LVP) = Lithuanian Peasant and Green Union; NDP (LMP)= Party of New Democracy; NJ = Moderates' Movement; NS = New Union-Social Liberals; PDP = Party of Civic Democracy; TPJ = National Progress Movement; TPP = Nation's Resurrection Party; TS-LKD (LPS+LKP) = Homeland Union-Lithuanian Christian Democrats; TT = For Order and Justice; VPJST = Social-Political Movement for Social Justice.

Montenegro: BMZJ = Bosniacs and Muslims Together, as One; BS = Bosniak Party; DPS = Democratic Party of Socialists of Montenegro; DSS = Democratic Serb Party; LPCG = Liberals' Party; NS = People's Party; NSD = New Serbian Democracy; OSS = Fatherland Serbian Party; PCG = Positive Montenegro; PzP = Movement for Changes; SDP = Social Democratic Party of Montenegro; SKCG = League of Communist of Montenegro; SNL = Serbian National List; SNP = Socialist People's Party of Montenegro; SPICG = Party of Pensioners and Disable People of Montenegro; SSR = Party of Serb Radicals; UDSH = Democratic Union of Albanians.

Poland: AWS = Solidarity Electoral Action; BBWR = Non-Partisan Bloc in Support of Reforms; BdP =Bloc for Poland; ChDSP = Christian Democratic Labour Party; KLD = Liberal Democratic Congress; KPEiR = National Party of the Retired and Pensioners; KPEiRRP = National Alliance of the Retired and Pensioners of the Polish Republic; KPN = Confederation for an Independent Poland; LPR = League of Polish Families; NP = New Right; PC = Centre Alliance; PCD = Christian Democratic Party; PD (UW) = Democratic Party; PiS = Law and Justice; PJN = Poland Comes First; PL = Peasant Alliance; PO = Civic Platform; PPP = Polish Labour Party; PPPP = Polish Beer-Lovers´ Party; PSL = Polish Peasant Party; PW = Freedom Party; PPE = Polish Ecology and Polish Green Party; PPEZ = Polish Ecology Party-Greens; RdR = Movement for the Republic; RDS = Democratic Social Movement; ROP = Movement for the Reconstruction of Poland; RPRP = Patriotic Movement of the Polish Republic; "S" = Solidarity; SD = Democratic Party; SdPL = Social Democracy of Poland; SLD = Democratic Left Alliance; SN = Nationalist Party; SO = Self-Defence of the Republic of Poland; SP = Labour Solidarity; UD = Democratic Union; UP = Union of Labour; UPR = Realpolitik Union; "X" = Party X; ZChN= Christian National Union; ZP = Healthy Poland.

Romania: ANL = National Liberal Alliance; ANLE = National Liberal Ecologist Alliance; AP = Popular Action Party; ApR = Alliance for Romania; FDR = Party of Democratic Force of Romania; PC (PUR) = Conservative Party; PDL = Democratic Liberal Party; PDSR = Social Democratic Party of Romania; PER = Romanian Ecologist Party; PLDR = Romanian Liberal Democratic Party; PMR = Romanian Working Party; PNA = National Party of Motorists; PNDC = National Democratic Christian Party; PNG = Party of the New Generation-Christian Democrat; PNL = National Liberal Party; PNLC = National Liberal Party; PNTCD = Christian Democratic National Peasants' Party; PPR = Pensioners' Party in Romania; PRo = Roma Party; PRM = Greater Romania Party; PS = Socialist Party; PSD = Social Democratic Party; PSM = Socialist Labour Party; PSMR = Romanian Socialist Workers' Party; PSDR = Romanian Socialist Democratic Party; PUNR = Romanian National Unity Party; UDMR = Democratic Union of Hungarians in Romania; UNC = National Union of the Centre; UR = Roma Union.

Serbia: "CP" = Communist Party; DA = Democratic Alternative; DHSS = Christian Democratic Party of Serbia; DOS = ; DS = Democratic Party; DSS = Democratic Party of Serbia; "D&J"= ; G17 + = G17 Plus; LDP = Liberal Democratic Party; LS = Liberals of Serbia; "MWP" = Movement of Workers and Peasants; NS = New Serbia; NSS = People's Peasant Party; O = Resistance; PD = Dveri Movement; PSS = Serbian Strength Movement; PUPS = Party of United Pensioners of Serbia; RSDPV = Reformist – of the Social Democratic Party of Vojvodina-of Serbia; SD = Social Democracy; SPO = Serbian Renewal Movement; "SPP" = Socialist People's Party; SPS = Socialist Party of Serbia; SRS = Serbian Radical Party; SSJ = Party of Serbian Unity.

Slovakia: ANO = Alliance of the New Citizen; DS = Democratic Party; DÚ = Democratic Union of Slovakia; KDH = Christian Democratic Movement; HZD = Movement for Democracy; HZDS = People's Party-Movement for a Democratic Slovakia; HZPCS = Movement for a Prosperous Czechia and Slovakia; KSS = Communist Party of Slovakia; KSU (SKDH) = Christian Social Union; LSNS = People's Party-Our Slovakia; MKDH-ESWS = Hungarian Christian Democratic Movement-Coexistence; Most = Bridge; MPP-MOS = Hungarian Civic Party; Nádej = Hope; NaS = Nation and Justice-Our Party; NOSNP = Independent Civic Party of the Unemployed and Injured; NS = New Slovakia; ODÚ = Civic Democratic Union; OLaNO = Ordinary People and Independent Personalities; PSNS = Real Slovak National Party; ROI = Roma Civic Initiative; SaS = Freedom and Solidarity; SDA = Social Democratic Alternative; SDK = Slovak Democratic Coalition; SDKÚ = Slovak Democratic Party in Slovakia; SF = Free Forum; Smer = Direction-Social Democracy; SMK = Hungarian Coalition; SNS = Slovak National Party; SOP = Party of Civic Understanding; SPK = Party Against Corruption, for Order, Work and Money for

The Legal Regulation of Political Parties, working paper 29/13

All Decent Citizens; SSS = Free Word Party of Nora Mojsejová; SZ = Green Party; SZS = Green Party in Slovakia; USPS = Union-Party for Slovakia; VPS = Cheerful Political Party; ZRS = Association of Workers of Slovakia; <math>ZZ = Change from the Bottom; 99% = 99 Percent-Civic Voice.

Slovenia: AS = Active Slovenia; Demos = Demos; DeSUS = Democratic Party of Pensioners; DSS= Democratic Party; GOD = Movement for Democracy; GZS = Women's Voice of Slovenia; JL = The June List; KDS = Christian Democratic Party; KPS = Slovenian Communist Party; KS = Christian Socialists; KSU = Christian Social Union; LDS = Liberal Democracy; LDSS = Liberal Democracic Party; Lipa = Lime Tree; LPR = List for Justice and Development; LS = Liberal Party; ND = National Democrats; NS = New Party; NSD = National Labour Party; NSi = New Slovenia-Christian People; PS = For Enterprising Slovenia; RZS = Republican Party of Slovenia; SD = Social Democrats; SDKS = Stajerska Christian Democratic Party; SDS = Slovenian Democratic Party; SEG = Party of Ecological Movement of Slovenia; SJN = Slovenian Forum; SJN = Slovenia is Ours; SKD = Slovenian Christian Democrats; SLS = Slovenian People's Party; SMS = Party of Slovenia; SNS = Slovenian National Party; SOPS = Party of Small Entrepreneurs; SSN = Party of Slovenian People; SSS = Socialist Party; Zares = For Real; Z = European Greens; ZA = Green Alternative of Slovenia; ZS = Greens; ZZP = Association for Primorska.