Introduction: the party funding paradox and attempts at solutions

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A possible starting point for the consideration of party and campaign funding is Ambrose Bierce's tongue-in-cheek definition of 'elector' as 'one who enjoys the sacred privilege of voting for the man of another man's choice' (Bierce 1970: 20). Regardless of their origins and aims (the passing of policies that would realize their platform, support of specific individuals, or any combination of the two), parties, as Max Weber noted, 'live in the house of power' (Weber 2009: 1). They pool mass support and convert it into influence on the authoritative distribution of resources in society. However, the assumption that parties and their leaders are simply chosen by the constituents requires qualification. Where size and complexity entail the wide dispersal of the votes, most of the constituents do not cast ballots for themselves or for those with whom they are personally acquainted, but must choose among a limited number of alternatives set before them. Parties must therefore engage in candidate recruitment, long- and short-term agenda setting, the organization of public opinion, and the two-way conduct of communication between leaders and led.

These activities are usually not restricted to campaign periods. If the will of the elected is not coordinated with that of their supporters in the aftermath of elections, and if mechanisms for the transmission of demands from the bottom up are insufficiently effective, elections are liable to yield only fleeting results. In consequence, political parties form complex and continuous organizations that are able to operate (though not necessarily at the same level of intensity) in both pre-election and post-election periods. This hinges on the ability to raise and spend funds, and these undertakings themselves could provide a sense of participation and ongoing interactions between supporters, the various levels of the party organization, and the elected representatives. Since party expenditures are (directly or indirectly) funded by the citizens, and parties reflect and affect the distribution of power in society, what voters want and what is available to them is germane to the fortunes of individual parties as well as the party system as a whole. The consequent reciprocal relations between socio-economic and technological shifts and party funding help to explain the change in each.

Developments that stretch over many decades rarely lend themselves to neat temporal divisions, all the more so where diverse political systems that are not subject to uniform type and tempo of change are concerned. Hence, it is prudent to draw a distinction between chronological time and the trajectory of change, and to focus attention on the latter. This allows us to discern two broad and partially overlapping phases in the development of party funding. The first was bequeathed in most cases from the period that preceded the emergence of modern parties (LaPalombara, Weiner 1966). The second phase crystallized, with few exceptions, under the impact of technological and economic transformations that altered the post-World War II social and political landscape, and is still dominant today.

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In the first phase of party funding, political parties were perceived as the instruments by which defined segments of the electorate struggled for government positions and policies. The earliest and probably most negative expression of such a view was offered by Madison in the *Federalist* # 10, where he defined a faction as ‘a number of citizens, whether amounting to a majority or a minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community’. The assessment of parties as an obstacle to national unison was mitigated after the embryonic parties gave rise to enduring modern party systems, but parties continued to be regarded as voluntary associations and were consequently underwritten by private sponsorship. This included direct membership dues and donations by affiliated or ideologically close institutions, such as trade unions, professional and business federations, or Church-related establishments. In addition, one-time contributions could be solicited on the eve of campaigns from the same sources and from affluent donors (Heidenheimer 1970a).

In the Western democracies of the 1960s and 1970s, and later in the newly independent and newly democratized states of Africa, Latin America, and Asia, such a funding system became increasingly untenable. The steady reduction of economic tensions through welfare policies, standardization of norms, and blurring of traditional social, religious, and regional cleavages resulted in declining commitments to the ideological issues of the previous era. Parties faced, therefore, mounting competitive pressures to extend their appeal and reach out to growing numbers of potential supporters. This in turn was facilitated by the exponential growth of mass communication media and the increasing sophistication of advertising and polling techniques. Though not all parties jettisoned their ideological cargo to become ‘catch all parties’, Kirchheimer’s seminal thesis (1966) captured both the need and the ability to extend party ‘hunting grounds’ beyond the class, denominational, or local boundaries set by the earlier mass formations. Other critics coined the term ‘Americanization’ to denote an essentially similar phenomenon. Thus, Epstein (1967: 19) argued that since parties in other parts of the democratic world operated in environments that were becoming increasingly similar to those of the USA, parties would progressively come to approximate the American type of cadre party. Both Kirchheimer and Epstein anticipated the trend to extend and deepen, for competitors who fail to change will drop behind in the struggle for political survival. This meant that parties in democratic systems were confronted with increasing budgetary strains. Not that the amounts they spent necessarily increased (Kulick, Nassmacher 2012; Nassmacher 2009: 155–92), but that a discrepancy evolved between the demand and supply sides of the funding equation. On the one hand, effective competition required growing dependence on the party apparatus and publicity experts. On the other, reduced voter commitment meant a diminished capacity to raise commensurate funds from the traditional sources of financial support.

Theoretically there were several nonexclusive methods of addressing the need without shifting the funding system: what Gidlund (1983; see also Nassmacher 2009: 239–46) called ‘plutocratic funding’, the use of public services as funding sources, and outright corruption. All three shared advantages. They could diminish dependence on grassroots generosity and reduce the need to maintain costly mechanisms required for the ongoing contact with the numerous less affluent voters. And yet, all three solutions involved what

may be called the ‘party funding paradox’ – the flouting of democracy itself to ensure the democratically vital party competition.

Solicitation of large funds from economic corporations and rich donors required parties to cater to the interests of the few who had the ability to inject large sums into their coffers. Even where donors claim to be motivated by visions of the public good (and where post ‘mass parties’ are concerned it is easier to assume profit-related interests), money is offered in return for favorable policies, or the expectations of such. Consequently, donations are liable to be seen as efforts ‘to surmount the democratic constraints of “one man one vote” to acquire disproportionate influence on the decision making process’ (Paltiel 1981: 138). In a moment of rare frankness, a large-scale donor to one of the parties in the USA recently stated that she had decided to stop taking offense ‘at the suggestion that we are buying influence. Now I simply concede the point. . . [We] expect a return on our investment’ (Betsy DeVos, quoted in Mayer 2016).

The use of public services as funding sources could be accomplished in two potentially complementary ways. Where broadcasting media, mail services, public halls, transportation systems, and similar services are wholly or partially controlled by government, their unpaid use could serve as in-kind subventions. But public services could also serve as the source of monetary funds. The ‘renting’ of public property or services to private users, enforced contributions from candidates for lucrative or prestigious public offices, kickbacks in return for government-issued contracts and permits, or regular ‘tithes’ from holders of government jobs, illustrate the methods that could be devised. Yet even where the law does not explicitly define such practices as corrupt, they are liable to raise objections against the use of public property or positions as private assets at the expense of the general public. In consequence, a disparity between what the elites and what those they govern consider as corruption is likely to develop. Arnold Heidenheimer (1989) suggested a color scheme to define three states of affairs: Black and white signify the situations where political elites and the broad citizenry agree on the definition of behavior as either corrupt (black) or fault-free (white), irrespective of what the law stipulates. Gray designates conflicting assessments, where forms of behavior that are officially legal and even adopted by the elite are considered by most members of society as corrupt.¹ Such situations are corrosive to all forms of legitimacy, and particularly to democratic legitimacy.

At first blush, reliance on criminal corruption as a source of public funding could help parties escape such effects, because both rulers and ruled agree on the definition of corruption (the ‘black’ situation in Heidenheimer’s scheme). But secrecy is never ensured, and large-scale and persistent corruption could well lead to legitimacy complications where citizens cease to associate it only with individuals and reach sweeping conclusions concerning the political system as a whole. To employ David Easton’s (1975: 437) well-known distinction, negative assessments may not only lead citizens to oppose specific officeholders, but outspread to include the diffused support of the offices themselves.

Additional price tags were attached to all three theoretical solutions. They tended to favor incumbents, but were liable to present out-of-office parties with inflammatory ammunition, particularly in hard times, when difficult decisions had to be made. At the same time, they were infectious, for competitors who refused to adopt them risked condemning themselves to electoral failure. Further, the competitive nature of party relations could tempt parties to employ more than a single method, thus multiplying the risks.

An alternative solution that did not entail the ‘party funding paradox’ was a shift to the

consideration of parties as providers of public services. This was not totally new. Leon Epstein pointed out that the official ballot recognition of parties in the USA (1888–90) presaged significant government regulation of their activities. This involved a conception of the party as ‘public utility’, an ‘agency performing a service in which the public has a special interest sufficient to justify governmental regulatory control, along with the extension of legal privileges, but not governmental ownership or management of all the agency’s activities’ (Epstein 1986: 157).² However, public interest in the provision of services such as leadership selection and succession, exchange of communications between officeholders and constituents, the choice of policy alternatives, and conduct of campaigns that would generate citizen allegiance could equally mean that the state (as representative of the public) would ensure that parties have the means necessary to carry these missions out.

This too has antecedents. In 1954, Costa Rica pioneered public party funding. This was one of the outcomes of the bloody strife that followed the accusation by pro-government legislators that the opposition’s victory in the presidential election was a result of fraud, which led to the cancellation of the results (1948). The bloodbath led to the conclusion that the formation of a more even playing field among parties was required if similar tragedies were to be avoided, and hence that this constituted a vital state interest. The tragedy of Nazism was a prod of a different kind. In 1949, the German legal system was mandated to establish rules that would ensure that political parties would reflect the political will of the citizenry. Their ‘internal organization must conform to democratic principles [and] they must publicly account for their assets and use of their funds’ (Basic Law for the Federal Republic, article 21). In 1957 and 1958, the constitutional court modified the tax deduction system related to party funding, and the 1967 Act on Political Parties that launched the country’s public party funding system was initiated by ‘the Federal Constitutional Court and not [by] the main parties themselves’ (Saalfeld 2000: 92).

Underlying these cases, and the public finance regimes that have become prevalent since the late 1960s, was a tacit assumption. The state, according to it, is an impartial being, outside and above the fray of day-to-day society. It equally represents all legal contenders for power and should intercede in their struggles so as to structure and channel them for the benefit of society as a whole. Thus, rules that would concretize the conception of parties as public utilities would evenhandedly ensure the ability of parties to perform their tasks and conduct equitable competition, but (as long as basic laws are not violated) without interfering with their ideologies, policies they advocate, or two-way communications with the constituents.

Leaving for the moment the question whether such assumptions had proven true, one can divide the regulations themselves into what could be called ‘negative’ and ‘positive’ forms. The former include restrictions on spending, bans on specific sources of income, and limitations on the size and timing of contributions. In addition to such limitations, forms of expenditure could be restricted and ceilings on outlays could be set per period or activity. Taken together, such measures relieve parties by limiting the budgetary race among them, while assuring each that others would not take advantage of their restraint. At the same time, such laws constitute a tacit commitment by the collective of parties to the citizenry to avoid practices that would render democracy meaningful only for the few. Thus, with notable exceptions (among them such countries as Austria, El Salvador, and

South Africa), donations from foreign sources are prohibited, and many countries ban donations from corporations, unions, and other large-scale economic enterprises.

As with all agreements between competitors, the tacit collective promise made by each party to all others cannot be based on trust alone if it is to structure reality. Regulations that ensure compliance are therefore required. These usually include both methods of ensuring transparency and penalties on violators, levied by an objective arbitrator such as the court. Most funding regulation systems require parties and candidates to disclose their accounts, and some require the making of such reports public. These in themselves may have a deterrence effect. As Nassmacher argues, ‘a variety of efforts to ban, limit or control the influence of money produced similar results in different political systems: they have all failed. The only option, which offers some remedy from the plutocratic hazard of democracy, is transparency’ (Nassmacher 2009: 244). Regardless of how we define success, however, trust among parties also hinges on the honesty and efficiency of the mechanisms enforcing disclosure and penalties on violations. No rules or institutional forms can guarantee complete success, but fragile oversight and general unwillingness to impose sanctions risk not only a full-scale monetary race among parties but also the legitimacy of the ‘compact’ between them and the public. Since democratic governments, legislators, and in various countries such as the USA even the judiciary, consist of party representatives or their nominees, the enormity of the stakes is clear (see, among others, Mendilow, Brogan 2016).

‘Positive’ measures, the provision of public resources to parties, could also take a variety of forms. Allocations could be made on a regular basis, for the day-to-day operations of parties, or for the conduct of specific campaigns (or both); they could be ‘complete’, covering party activity in its entirety, or partial, allowing parties to bolster their income by appealing to nonpublic sources. Subventions could be direct or indirect. The former means monetary subsidization of the parties or in-kind support, such as the provision of free advertising time on TV and radio for campaigning purposes. The latter includes matching funds or tax deductions geared to encourage small donors to contribute to the parties of their choice. Underlying all these is the same tacit agreement that lies behind negative party finance measures, but with a shift of emphasis. Because parties are given the means to conduct democratic competitions, they are expected to refrain from behaviors that would give ‘unfair’ advantage to those who successfully cater to monetary interests, while undermining democracy. The weakness of this implicit tradeoff is a key reason for coupling positive and negative measures, including the requirements for transparency, penalties meted out to violators, and enforcement mechanisms. Such provisions serve an additional purpose. Hammered out by legislators who serve at one and the same time as representatives of the citizenry and as party agents, they assure the former that the latter would not subvert democracy, and thereby confer legitimacy on the expenditure of public resources (Nassmacher 2009: 291). In short, the two forms should not be seen as exclusive.

Nevertheless, it is incorrect to imagine a single continuum with parties located between two extreme polls: full public funding and the banning of all nonpublic sources of income on the one hand, and no public subsidies with ‘free for all’ funding on the other. The same political party funding system operates on more than one dimension, and the position on one continuum need not be consistent with the position on the other. Most party funding regimes combine state subsidies, restrictions on raising and spending money, and rules to

ensure compliance. This became the dominant pattern among the veteran democracies and spread to emerging and newly established democracies. In consequence, it became dominant in all the regions of the world (van Biezen 2004, 2008; Casas-Zamora 2005), with the exceptions of the Caribbean (where it was only taken up by Barbados) and Africa (where public subsidies are available to parties only in 46 percent of the states). But such convergence does not mean identity of setups. While most systems discard the extreme polls in both continuums, some perch themselves on a single continuum (usually adopting negative measures but no public funding) while the choice of various positions along the two continuums allows for a large number of conceivable mixes of positive and negative measures.³

Since the advent of the second phase of party funding, political finance in general and the consideration of the various party funding regimes in particular have attracted significant scholarly attention. Karl-Heinz Nassmacher (2010: 417–99) lists over 1400 publications in the field that saw light between 1970 and 1999 alone. In this Handbook, which I have co-edited with Eric Phélippeau, we seek to update our understanding of several party funding regimes and thereby paint a picture of a dynamic field of study. In the same vein, we wish to contribute in the light of accumulated experience to the re-examination of several perennial issues raised in the literature, and to offer some hints about the questions we may expect to emerge from the ongoing experimentation in ‘the laboratory of the world’.

Before we offer a brief roadmap, an important disclaimer is in order. As mentioned above, political finance is a relatively new field of study. A comparison between the bibliography compiled by Arnold Heidenheimer in 1970 (1970b: 191–5) and the post-1970 bibliography mentioned above is revealing. The pre-World War II list is restricted to the work of James Pollock (1926, 1932). Even if we add Vilfredo Pareto and his influence on the work of what Fossati (2012, 2013) referred to as ‘the Italian tradition in political finance research’, we come up with a very short list of pioneers. The period separating World War II and the early 1960s saw only a few scholars who could be added. The number grew in the early 1960s, and collaborative efforts were launched to further the comparative understanding of political finance. This resulted in the foundation of the International Study Group on Political Finance (the ‘granddaddy’ of the present IPSA RC20⁴), and the publication in 1963 of an issue of the *Journal of Politics* based on their symposium on Comparative Political Finance. Both the number of studies and the efforts to deepen and widen the field have grown significantly since then, and the 1970s and early 1980s could be considered a takeoff period in which the field gradually acquired many of its current forms. Each of these generations contributed to the process. The pre-World War II founders (Pareto, and especially Pollock) pointed out the contours of what should be studied and offered important insights into its meaning and importance. Their followers laid the foundation for a scientific approach, based on the matching of testable hypotheses with empirical data. Nevertheless, the field still suffers from ‘childhood diseases’. First and foremost is the lack of agreement on what exactly political finance is and how to measure it. Should we focus only on parties and the competition they conduct, or also on entities such as lobbies or politically affiliated research institutions? And what does a party actually mean? Is it only the ‘central’ (national) body, or also branches and local volunteer setups and (in countries such as Austria and Israel) such entities as sports clubs? Other questions relate to methods: How precisely do we calculate party income,

and what should be included in campaign expenditures as against day-to-day activities? How should we treat official accounts filed by parties or state officials? Differences over these and other data-related issues are the source of debates among scholars of political finance. An illustration within this Handbook is the disagreement between Ingrid van Biezen and Michael Pinto-Duschinsky over the campaign expenditures of the British parties that could be noticed in their respective chapters.

This Handbook does not seek to offer a new approach, or even a judgment as to what are the proper methods by which to study political finance. We do not pretend to provide any ‘once and for all’ solutions to the questions of content and method. As editors we hold ourselves responsible for the choice of subjects, the soundness of the research, and the quality of writing. But we left the choice of methods to the authors. In a manner of speech, we sought to produce a billboard, where students of the field present their research in their own voice. One of the consequences is the treatment of the empirical data. We scrutinized the sources used by the authors and the accuracy of their employment, but did not extend our examination to the sources used by the sources, or the methods used by these sources of sources. Such a ‘ripple expansion’ of our effort would have required intimate knowledge of realities that stretch beyond our expertise and would have delayed the publication of this Handbook for years or preclude it altogether. We also believe that it would have been counterproductive to the aims mentioned above, especially the presentation of a field of study still in the process of becoming.

An additional proviso concerns the plan of the book, to which we are now turning. Instead of a detailed synopsis of the various chapters, we aim only to explain briefly what stood behind the selection of the subjects presented by the chapters. A useful point of departure is the distinction between two forms of study. One is the broadly deductive effort to draw together the literature and available data that may enhance our understanding of general questions or identify new ones, and to inquire how they may inform our treatment of specific political finance regimes; the other is the broadly inductive effort to describe and analyze specific party funding arrangements, explain their development and how they work in the specific ‘here and now’, and ask what light they throw on the general understanding of political finance. Neither form is exclusive. The attempt to provide an overview of broad questions and identify new ones does not exclude the examination of specific cases, and the proportion between the general and specific is determined by the subject matter itself. On the other hand, the treatment of specific cases may lead to a seedbed of hypotheses that could be tested in other contexts and thereby lead to broader generalizations.

Part I of the Handbook is devoted to the first approach. However, before we mention the issues examined, a brief note is warranted about a general question that is not dealt with despite the fact that it underlies explicitly or tacitly all the party funding regimes: are the benefits of political finance regulation ‘worth’ their ‘costs’? This, of course, is an ideological judgment that hinges on the vision of society that directs the regulation-makers. Among the cases considered in this Handbook, this was raised in Canada, and most prominently the USA (discussed in chapters 15 and 12 respectively). In *Citizens United vs. Federal Elections Committee*, the US Supreme Court pronounced that corporations and unions should be considered as individuals, and hence that restrictions on their ability to donate to the parties of their choice trample on their civil liberties. In consequence, such

restrictions could be permissible only where they prevent corruption, or the appearance of corruption, defined as *quid pro quo*. All other considerations should be secondary to the demand of the First Amendment that no law shall curtail the freedom of speech. The deregulation by legislation from the bench was extended in a subsequent case to ‘clean elections’ (discussed in Chapter 9): arrangements introduced at the subnational level with the intention of offsetting by public funding the monetary advantages of private and commercial interests. In both verdicts the ideologically conservative majority in the Supreme Court held that attempts to curb plutocracy were worse than the problem they aimed to overcome, thereby lending an official stamp of approval to a distinct version of democracy that I referred to elsewhere as ‘civil rights based elected plutocracy’ (Mendilow, Brogan 2016; Mendilow 2016b).

The chapters included in Part I of the Handbook examine, however, perennial questions that do not involve doubts as to the very need to ensure elections in which citizens are treated equally regardless of their financial abilities and governments are responsive to the will of their majorities. Rather, criticisms pointed to unforeseen consequences of party funding arrangements, raised doubts concerning their compatibility with their declared aims, and pointed to weaknesses that may enfeeble political finance regulations. Essentially, the question raised by the chapters included in this part is whether party funding is neutral, and whether experience shows that the expectation that funding regulations will not impact the competition, ideologies, or the parties themselves had come true. Chapter 1 inquires how party funding arrangements impact the media broadcasts that had become the staple of modern campaigns. Chapter 2 inquires whether they reduce corruption and plutocratic advantages, or simply cause them to shift form. What are the links between corporations and parties, and how do various regulatory systems impact them? Another line of inquiry addresses the connection between party spending and volunteer efforts that connect parties to the civic society they seek to represent, and the national with the local.

A distinct, though related question is whether guaranteed sources of income release parties and candidates from commitments to any specific publics, enabling them to cast all-encompassing nets at the cost of the atrophy of what Panebianco (1985) called party ‘solidarity networks’. Such parties thereby become unresponsive to all but limited elites, and the substitution of labor intensive issue-oriented campaigns by capital intensive, mainly negative competitions, foments indifference to the parties and to their rivalry. The cartel party thesis claimed to have identified a ‘new species’ of parties, marked by the migration of internal power from membership and party activists to professional managers and the top leadership, coupled with loosening of ties to society and the turning of parties into semi state agencies. The twenty-odd years of debate about the subject is analyzed in Chapter 4. As against the argument that public subsidies distort the competition, Chapter 5 inquires whether the goals directing public party funding could be better achieved by greater state involvement, and offers a case study of the move in Australia towards full public funding of electoral campaigns. Chapter 6 examines how political finance rules can be employed to reduce economically based political inequalities, to protect citizens’ political privileges vis-à-vis moneyed interests. The chapter also explores ways to measure how such rules affect financial participation in politics. The empirical connection between party funding and trust in government is taken up in the following chapter, where alternative party funding regimes are examined to identify their success

in their effort to improve flailing public trust in political institutions. The final chapter in Part I offers an exploratory examination of social media based strategies in recent electoral campaigns held in diverse systems, notably the USA, and inquires whether their financial implications suggest that we are at the threshold of a new, third phase of party funding.

Parts II and III of the Handbook consist of explorations into particular contexts, focusing on the twin questions of ‘what is going on’ and ‘why is it going on’. The aim is describe the development of party funding arrangements, identify the casual links between the setting and the specific party funding regimes, point to problems associated with them, and consider the ability of mitigating them. Part II presents three studies that share the common theme of candidate and party funding in frameworks other than the state. The first looks at the subnational level, in this case the state of New Jersey within the USA, and probes to what extent did the limited size and specific conditions facilitate innovative party funding schemes. The second chapter (Chapter 10) examines the funding of parties in the supranational context of the European Union, where members transcend national boundaries and share in the decision making. And the third chapter reverses the viewpoint to examine the funding of inter-party competitions. A relatively neglected field of study, this raises questions concerning both the type and the quality of such elections and their connection with the political party systems of which they are part.

Part III is devoted to the analyses of party funding in specific countries, or, where a comparison sheds light on each, a small number of states. In a world populated by close to two hundred such entities, the obvious question concerns the basis of selection. Several criteria could apply. One is geography, which could be coupled with importance: the choice should then include countries of special significance in the various regions of the world (thus, for instance, India in Asia, or Brazil in South America). This is fraught with difficulties. Even if we were to assume that geographic proximity is relevant to our subject, and were able divide the world into regions that are comparable by size and number of states, and even should we assume that the criteria for what we refer to as ‘significance’ or ‘importance’ is objective and clear, such a selection would hinge on regime type. The exclusion of China, with its single party system, points to the necessity to add the criteria of regime type. The Democracy Index of 2017 lists 19 fully democratic states, 57 flawed democracies, and 40 hybrid regimes (The Economist Intelligence Unit 2017: 3). The selection of representatives from each group could be assisted by the Freedom Index, where countries are evaluated as Free, Partially Free, and Not Free, and a grade is assigned to each on a scale of freedom (Freedom House 2017). This too raises problems, for beyond the fact that various benchmarks can be differently evaluated, the appraisal will necessarily be subject to the vicissitudes of time and circumstances.

The criteria we have chosen in this Handbook is the degree of establishment of the systems under consideration: fully established democracies, newly established democracies, and emerging democracies. At the same time, we have paid attention to the regional (geographical), prominence (or ‘importance’), and positions in the Democracy and Freedom indexes. Thus we included three Latin and Central American states (Mexico, Chile, and Brazil), three African states (South Africa, Lesotho, and Mozambique), three West European states (Britain, France, and Germany) and several East-central states (prominently the Czech Republic). Also included (though in the first part of the volume) is the consideration of Australia. The overweighed region is North America. The Handbook includes chapters on both the USA and Canada. Our choice reflects the fact

that Canada is the only country that officially abolished public funding arrangements, and hence holds special interest. We attempted to maintain the Democracy Index's proportion of 2 to 1 (57 to 19) between full democracies and flawed democracies. Thus, among the countries we considered are ten flawed and five full democracies. Both for sake of comparison and because such regimes do conduct multi-party competitions, we added the category of competitive authoritarian regimes by including Russia and Singapore to the cases studied.

Other bases of selection are possible: for instance, by the types of party funding regulations they maintain (in the terms used above, the proportion and nature of 'positive' and 'negative' elements in their funding arrangements). Thus, IDEA based its dataset on a categorization of bans and limits on party income, public subventions, spending ceilings, and reporting, oversight, and sanction regulations (IDEA 2003). Glossing over differences among particular systems and describing in broad strokes the common denominators shared by funding regime types leads to a useful and parsimonious categorization. However, we found this unhelpful for a study that seeks to offer in-depth analyses of the settings and rationalities governing funding arrangements as well as their problems and trajectories of change. All systems differ and all share basic similarities, while degrees of uniqueness cannot be empirically gauged. Overall lessons can be drawn from the experimentation with various forms of party funding in specific settings, but to have heuristic value the context should be taken into consideration as much as possible. All countries that subscribe to the basic tenets of democracy must relate to the broad questions of citizen participation, representation, and accountability. These necessitate an ongoing process of adjustment so that they successfully overcome the challenges and take advantage of the opportunities presented across the globe by the rapid technological and scientific developments of our time. This is a task that requires constant effort to understand the myriad options and look at the experience that has accumulated in a variety of settings.

NOTES

1. Amitai Ezioni (1995: 32) employed the term 'legalized corruption' for situations where 'what is ethical is not always legal and vice versa'. For an analysis of such situations in democratic settings, see Mendilow (2016a: 3–10).
2. I would like to thank Karl-Heinz Nassmacher for pointing this reference to my attention.
3. The choice is obviously impacted by circumstances, history, and economic circumstances. Among the treatments of the determinants of the adoption of public party funding, that of Koss (2011) stands out. Because what is involved is a shift in the basic rules of the game, the general agreement among the 'relevant' parties is a prerequisite (37–40 and 55). Analysis of several West European countries points to two main factors encouraging the emergence of such a consensus. One is the number of institutional veto points which opposition parties have at their disposal. This will influence the strategic goals parties pursue. As against vote maximization, the proliferation of veto points tends to lead parties to office seeking as the primary goal (Storm, Muller 1999, esp. 5–11; Walinetz, 2002) and greater readiness to adopt public funding. In consequence, proportional representation electoral systems feature a greater tendency to adopt public party funding than first past the post ones. The second main factor encouraging the adoption of government subsidies is discourse on political corruption (Koss 2011, 5, 49–55). In this sense, scandals are likely to act as incentives to political party funding reform, both because it offers the parties an alternative and because of the requirements for transparency.
4. IPSA RC20 refers to the International Political Science Association's Research Council on Political Finance and Political Corruption.

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