How to study the impact of political finance regulations

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[1] Any opinions expressed in this paper are those of the author, and do not necessarily represent those of IFES. More information about IFES can be found on www.ifes.org

Abstract

This paper discusses methodological shortcomings of existing approaches to studying the impact of political finance regulations, then explores what should be done in such efforts. It argues in particular that studying correlations between the level of regulation and the level of another variable (commonly perceived corruption of public trust) in different countries, without taking into account changes over time, will tell us little about the impact that regulations on political party and campaign finance may or may not have.

The paper suggests thoughts about what is needed to study the impact on political finance regulations, focusing on studying changes over time in particular countries, and using interviews to understand the dynamics and changes in the often complex interplay between regulation and actual behaviour.

Introduction

It is important to study all areas where the government intervenes in the political process, and this includes how political parties and election campaigns raise and spend money. There have been various studies recently about the impact of political finance regulations, in particular on corruption and trust in political parties.[2] The conclusions have often been that more regulation tends to be related to a higher, rather than a lower, level of corruption, and that the impact on public trust is negligible. These conclusions may be accurate. There are however reasons to be cautious with how such findings are interpreted, and to be careful regarding the information that is required and the methodological considerations that are needed in testing the impact of various political finance regulations on other factors.[3]

This paper is *not* intended to defend or argue in favour of the regulation of political finance, or of stricter controls on political finance. The paper is not based on a belief that the regulation of political party or campaign finance will in itself have a positive impact on corruption, public trust or any other factor in society. The issue of political finance and its regulations should be seen in the overall context of the political and electoral process in any country.

This paper is not arguing that any previous articles claiming that political finance regulations have been ineffective are wrong, only that they have largely failed to prove their argument. Nor is this paper a methodological study in a strict sense, though it will consider methodological and data issues. Rather, it is a collection of thoughts by a practitioner about what is needed to study the impact of political

[2] By „political finance regulations“ I here mean any regulations of the income or spending of political parties or election campaigns (including by candidates). The paper does not refer to the tricky area of third party financing, though there is no reason to assume that the rare regulations that exist in this area would need to be addressed differently from other regulations.
[3] One of the articles that inspired me to write this paper is Bértoa, Fernando Casal & Molenaar, Fransje & Piccio, Daniela R & Rashkova, Ekaterina R (2014) "The world upside down: Delegitimising political finance regulation" in International Political Science Review, Vol 35, No 3. June 2014. *However, it must be stressed that this paper is not meant to criticise or refute any particular text or the work of any particular author.* Their article also discusses some of the issues addressed in the paper.

finance regulations on corruption, trust or other factors that we consider valuable in a democratic society.

Assuming the intention of regulations

Legislation about any issue, and not least regarding political finance, is often the result of multiple initiatives and various intentions commonly lie behind the wording of different provisions. In countries where political finance regulations have undergone various revisions over time, the original intentions may also have become blurred or diluted. This is often even more the case where court rulings have changed the regulatory framework in a manner not intended or anticipated by the legislator.[4] Studies if various regulations have had an impact on a particular variable (such as corruption or trust in political parties or other institutions) should not ignore if such an impact was actually the intention of the lawmakers. Many different intentions, such as increasing political pluralism or "levelling the playing field" often compete with more traditional ones of reducing corruption or increasing popular trust in political actors.[5]

In many cases, the intentions behind regulations are often far from clear-cut. A recent example of this is the law on political party finance oversight that was passed in Sweden in early 2014. This was the first law on this issue ever in Sweden (with the exception of a 1972 law on public funding), replacing a voluntary agreement between parliamentary parties to share information with each other and to publish summary information about party income only.[6]

Exactly what caused the Swedish parliament to pass this law is not entirely clear. The issue had been officially analysed several times in the past on the instructions of subsequent governments, most notably through a 2004 review, the recommendations from which being duly ignored by centre-right and centre-left governments for a decade.[7]

There had been criticism of the Swedish regulations of political party finance in the country report by the Council of Europe Group of Countries against Corruption (GRECO), but that report led to much less debate in Sweden than it did in most other Council of Europe countries.[8]

There had also been various calls over the years in Swedish media and indeed in the Swedish parliament about the need for increased transparency in political party affairs. These calls were not caused by any particular scandals in Swedish political finance, but arguably by a gradual decrease in

[4] Federal regulations of campaign finance in the US is an excellent example of a framework which by now lacks any clear or coherent intentions.

[5] In other writing I have emphasised the importance of regulations being based on clearly identified goals and aims. Ohman, Magnus (2014a) „Chapter 2: Getting the Political Finance System Right" in Falguera, Elin, Jones, Sam & Ohman, Magnus (eds) (2014) *Funding of Political Parties and Election Campaigns: a Handbook of political finance*. International IDEA, Stockholm.

[6] This voluntary agreement did not include the parliamentary newcomer the Sweden Democrats. The curious combination of strong government interference in most aspects of public life with an almost complete freedom for political parties is deeply rooted in Swedish political and social history, and not something that can be addressed here.

[7] Official Government Investigations („Statens Offentliga Utredningar") (2004) *Public insight into the funding of political parties and electoral candidates („Allmänhetens insyn i partiers och valkandidaters intäkter").* SOU 2004:22. The lead author of this study was Political Science Professor Gullan Gidlund.

[8] The author has worked with issues relating to political finance regulations in Council of Europe member states such as Armenia, Czech Republic, Georgia, (FYR) Macedonia, Moldova, Montenegro, Serbia and Ukraine, and has witnessed first-hand how seriously the GRECO reports are generally taken.

the very high trust that the electorate has had in political parties in Sweden (and in most of the other Scandinavian countries). Often, these articles and debates included little clear details about the goals that a new law would serve.

The main background document for the law, developed by the parliamentary Constitutional Committee, discussed the different provisions of the proposed law from various angles.[9] There was however little explicit discussion about the intentions of the law. There are three indirect references to preventing undue influence and corruption. However, the main intention, as expressed in the name of the law (it roughly translates as "Law on transparency (or *public insight into*) in the financing of political parties", was to create transparency.[10] Given that this was the main stated intention of the law, it is slightly odd that it does not include any provisions for reporting on political party *spending* (rejecting a clear recommendation by GRECO). For the purposes of this paper, it is however more important that since trust in political parties for example is not mentioned in the main background document of the law, studying if the law has had an impact on such trust could be seen as misleading (and the situation would only be marginally better if the study focuses on corruption). At least, it would be odd to draw the conclusion that this law did not "work", if trust in the political parties did not increase as a result of the new provisions.

The dependent corruption variable

As mentioned above, a common dependent variable is the level of (political) corruption. Unfortunately, though hardly surprisingly, measuring corruption is very difficult, and there are no measurements or indices of corruption worldwide.[11]

Given this challenge, most comparative studies of corruption use the Transparency International Corruption Perception Index. Some scholars have criticised the way that this index has been constructed.[12] In general, I however have no problem with the Corruption Perception Index – the issue is that it must be used in the way it was intended. It measures the *perception* of corruption, not corruption itself. There may be variations in the scoring that depends not on the actual level of corruption, but on how aware that different stakeholders are of corrupt behaviour.

In some cases this issue is unlikely to disturb the analysis, but for some studies the reliance on perception is more problematic, and analysing the impact of political finance regulations fall in this category. Regulations that lead to increased transparency in political finance may for example show the dirty dealings that are going on in the political process in a country, and so increase the perception of corruption. However, what has changed in these cases is that people now know about the corruption (and may be able to do something about it), rather than the level of corruption itself. It can be argued that increased awareness about existing corruption may be a pre-condition for effective initiatives against it (even though awareness does not necessarily translate into effective counter measures).

[9] Report of the Constitutional Committee ("Konstitutionsutskottets betänkande") 2013/14:KU35.
[10] See also page 1 in Ibid.
[11] Apart from the fact that collecting data about corruption is very difficult given its often illegal and highly sensitive nature, there is the fact that what is legally defined as corruption varies between countries.
[12] See for example Pinto-Duschinsky, Michael (2012) *Political Finance and Corruption: the State of the Art*. Paper presented at the IPSA World Congress in Madrid, July 2012. Page 5f.

Another issue is that the Corruption Perception Index is constructed from a series of other data sources, many of which have little to do with corruption relating to political parties or electoral candidates (political parties are for example not mentioned in the Transparency International document discussing the sources for the 2013 Corruption Perception Index).[13] This is not a criticism against the index, but a warning that it is not specifically designed to measure corruption among political parties or in electoral processes. As the index deals with many aspects that have little to do with the political process, using it to measure corruption in the ongoing financing of political parties or in campaign finance may not provide accurate results. Finally, those wishing to engage in long-term studies of the impact of political finance regulations (discussed further below) need to be aware that the index was first published in 1995, but that the methodology was significantly changed in 2012.

Causality

The next issue concerns casualty. Most studies of the impact of political finance regulations rely on correlation analysis rather than on time series data for individual countries, and as such they cannot prove if more regulation causes more corruption or if it is the other way around, or if any correlation is random or caused by underlying factors.

It is not necessarily wrong to study correlations between political finance regulations and the perceived level of political corruption. I did that myself in a paper presented at the IPSA World Congress in Madrid in 2012.[14] The focus then was not to study the impact of regulations on perceived corruption, but rather to study if the level of perceived corruption could explain the level of regulation. The criticism presented above against using correlations to study causality admittedly works against my own approach, and it was lucky that this was only one of three independent variables that the paper tested.[15]

Since political finance reforms are often introduced as a response to corruption scandals, it is reasonable to assume that we may find more regulation in countries where the perception of

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[13] Transparency International (2013) *Corruption Perceptions Index 2013: Full Source Description*. Available at www.transparency.org/files/content/pressrelease/2013:CPIsourcedescription_en.pdf.

[14] Ohman, Magnus (2012a) *A Global View of Political Finance Regulations as a Dependent Variable*. Paper presented at the 22nd IPSA World Congress, Madrid 8-12 July 2012.

[15] Using perceived corruption as an independent variable impacting political finance regulations is discussed in Ibid page 5. Apart from level of perceived corruption, I also tested the correlation between the use of different types of political finance regulations and political and social freedom (using Freedom House data). With some rare exceptions, there were no statistically significant correlations between either of these variables and the existence of different political finance regulations.

The last variable was the electoral system. Here the study was arguably on solid ground in terms of causal direction – any correlation found could of course be random (though the risk of that was reduced by the large number of cases). However, if it was not random, it could hardly be argued that the existence of certain regulations of political finance would impact what electoral system that a country used (electoral systems are also changed very rarely). Any non-random correlation would therefore depend on the electoral system having an impact on the regulation of political finance, which is reasonable. The hypothesis was that countries with proportional electoral systems would be more likely to regulate political party finance, whereas countries with majoritarian electoral systems would focus on regulating the income and spending by electoral candidates. Somewhat surprisingly, the data showed that while countries using PR electoral systems are indeed more likely to regulate political party finance, they also regulate candidate finance to a larger extent than countries using majoritarian electoral systems. This is a contra-intuitive finding that requires further study.

corruption is high. This does not prove that the regulations increase corruption, nor does it say anything about how effective such regulations are in stopping corruption.

These concerns extend to the use of inter-country comparisons without a time variable. There are a number of countries in Europe, especially in Northern Europe, that have low levels of perceived (and arguably also of actual) corruption, both in general and in the political sphere in particular. Most of these countries have (until recently) had a low level of political finance regulations.

However, this observation tells us very little about the potential impact of political finance regulations. At most it will tell us that it is *possible* to have a low level of political corruption without strict regulations. That conclusion surely does not surprise anyone. The observation does not give any information as to whether regulations against political finance is an effective tool in the fight against political corruption, in countries where this level of corruption is at a troubling level.

In contrast, the countries of Eastern Europe can be seen as world leading in using strict and detailed regulations of how political parties and election campaigns are financed.[16] Most of the countries in this region have significant problems with political corruption. Again however, this does not prove that regulations do not work. At most it tells us that strict regulations do not *automatically* lead to a low level of corruption. That conclusion surely does not surprise anyone. The reasons for East European countries introducing strict political finance regulations need to be studied in detail. High levels of political corruption is likely to be one factor. However, the communist-era legacy with a combined suspicion of political parties and an acceptance of strong government involvement in public affairs is likely to have played an important role.

The argument sometimes made can be illustrated through a figure like the one below.[17]

	Strict regulations	*Few regulations*
High corruption	Russia	DR Congo
Low corruption	Japan	Sweden

A figure of this kind shows that different combinations of corruption and political finance regulation exist in the world, but it does not provide any information about the impact of such regulations. To measure the impact of political finance regulations on corruption we need (apart from a measurement of corruption rather than the perception of corruption) to measure the regulations at one time and the level of corruption a number of years (or electoral cycles) later. This is discussed in more detail later in this paper.

[16] There is a remarkable difference between the approach to political finance regulation in Eastern and Western Europe (which incidentally speaks against the notion of new democracies directly copying their regulations from older democracies). See for example Smilov, Daniel & Sjöberg, Fredrik (2014) „Chapter 6: Eastern, Central and South-eastern Europe and Central Asia“ in Falguera, Elin, Jones, Sam & Ohman, Magnus (eds) (2014) Op Cit.
[17] A similar figure exists in Bértoa, Molenaar, Piccio & Rashkova Op Cit page 359. It is worth repeating however that this paper is not aimed at discussing or refuting any particular text.

Going beyond regulation or no regulation

We must also consider the possibility that where regulations have failed to produce the intended result, or where they have had a negative impact, the reason may not be that regulating political finance is in itself ineffective, but rather that the legislators have used the *wrong* regulations; in particular regulations that are not suited to the context of the country in question.

To take one example, spending limits are unlikely to have any impact on the level of spending if the limit is set so high that no party can reach it (as in Kyrgyzstan). If on the other hand spending limits are set so low that no party or candidate can abide by them and also run a competitive electoral campaign (as in the Philippines), such limits are likely to have unintended negative effects (such as reducing the transparency of financial reports as parties have lie to avoid sanctions).

To take another example, over 70% of countries in Africa provide direct public funding to political parties, but the amounts actually distributed are too small to make any impact at all on the dynamics of party financing in more than a handful of countries.[18]

To perhaps unnecessarily repeat a point made above, the argument here is not that regulations are necessarily good, or that strict regulations are necessarily better than less strict ones. Nor is it to deny that regulations can be ineffective or have negative effects. The argument is that initiatives aimed at really addressing the effectiveness of particular political finance regulations need to go beyond whether a country use this regulation or not, to also study the details of such provisions in individual cases. The devil is in the political finance regulation details.

Enforcement of regulations

Finally, it is highly problematic to compare the very existence of regulations with the perception of corruption or any other variable, and draw any conclusions whether regulations are necessary and desirable. This concern is based on the general experience that one of the main problems with political finance control is that formal regulations are not enforced.[19] While for example a majority of African countries ban anonymous donations to political parties, I have not been able to find any case where a sanction has been imposed for a party receiving such a donation anywhere on the continent, ever.[20]

There is no reason to believe that a regulation that is ignored by all stakeholders would have any impact on the behaviour of political parties or candidates. Consequently, any changes to the dependent variable should be assumed to be unrelated to the independent variable unless the regulation in question is in some way enforced (the public funding is actually provided, the financial reports submitted or compliance with the spending limit overseen). Whether regulations are enforced needs to be studied through approaches other than statistical.[21]

[18] Ohman, Magnus (2012b) *Political Finance Regulations around the World*. International IDEA, Stockholm. Page 32.

[19] See for example the various country studies from the Group of States Against Corruption (GRECO) and Zainulbhai, Hani (2009) „Practical Solutions for Political Finance Enforcement and Oversight“ in Ohman, Magnus & Zainulbhai, Hani (eds) Political Finance Regulation: the Global Experience. IFES, Washington.

[20] See Ohman, Magnus (2014b) „Chapter 3: Africa“ in Falguera, Elin, Jones, Sam & Ohman, Magnus (eds) (2014) Op Cit.

[21] For Council of Europe member states, the GRECO often include valuable information. See http://www.coe.int/t/dghl/monitoring/greco/evaluations/round3/ReportsRound3_en.asp

If it can be shown that regulations are ignored, that is of course an argument that they are not effective. However, ignored rules are largely the same as no rules, and attempts to study whether various regulations of political party and campaign finance impacts certain dependent variables should arguably focus on rules that are enforced.

Suggestion for studying the impact of political finance regulations

Too much academic writing criticizes the approach adopted by others without offering any constructive suggestions for how things could be done differently. To avoid falling in that trap, this paper will now present my thinking about the best ways to study the impact of political finance regulations.

Study the impact of regulation in one country over time

In my mind, the best way of studying the impact of political finance regulations is to look at the dependent variable at a time when the regulation is introduced, and to study the same variable in the same country at a later point in time, when the regulation may reasonably have had an effect.[22] It would be beneficial if the dependent variable is studied also at a point in time *before* the introduction of the regulation. This can help to identify if there were underlying trends which may have continued also if the regulation was not introduced. Arguments about a studied political finance regulation having an impact (desired or undesired) would be strengthened if it can be showed that an existing trend was broken at some point after the regulation was introduced.

An important question is how long after the introduction of a political finance regulation that we should expect to see an impact. If no impact is found during the years after a regulation has been introduced (and enforced), that would generally not be surprising. We should expect that any regulation will only have an impact one or two electoral cycles after it has started to be implemented. The reasonable time would also depend on the type of regulation that is being studied. Campaign finance regulations normally have little impact on anything other than election campaigns, and changes to spending limits for presidential candidates may take around 20 years to have an impact if we assume that three electoral cycles are needed. Regulations to the ongoing financing of political parties, such as a significant increase or decrease of annual public funding, should have an impact more quickly (If any). Again however, we should normally expect little impact for several years.

In addition, we need to take into account that in many countries, political parties are mainly active during electoral periods. This means that also changes to ongoing political finance regulations may have limited impact outside of election periods, meaning that any potential impact may be delayed. This is even more so if the dependent variable is related to the perception that the public has of political parties, as is the case with trust surveys and largely also the TI Corruption Perception Index. Since voters in many countries hardly notice parties outside of electoral periods, changes (if any, and for better or worse) in how voters perceive political parties will most likely happen in relation to election periods, again delaying the period before we can expect any impact of political finance regulations on commonly used dependent variables to be visible. Unfortunately, though not surprisingly, the longer time that passes from the introduction of a certain regulation, the higher the risk that other factors impact the dependent variable (see further below).

[22] This approach is also recommended in Bértoa, Molenaar, Piccio & Rashkova Op Cit page 368.

Hopefully, we will know more about how long it may take for a regulation to have an impact (if any), if enough studies are conducted where the impact of various regulations is studied at various points in time (perhaps two, five and ten years after their introduction).

Repeat the analysis over several countries to highlight country-specific factors

To show whether the impact (or lack thereof) of a certain regulation is specific for a particular country, it can be very valuable to repeat the study in other countries. This approach would be very different from, and arguably far superior to, comparing the situation across countries without including an analysis of changes over time in each country.

Some care should be taken in comparing countries in very different political, social and economic situations, as this may increase the risk that unforeseen factors interfere with the results. The countries in Eastern Europe could serve as a starting point for a statistical analysis of this kind. While they vary significantly in many regards, they share a reasonably common recent history and view of key factors such as political parties. What is more, most countries in this region have introduced a lot of regulations on political finance, so there is a lot to test. Some regulations such as public funding was introduced over 20 years ago in most countries in the region, which is another advantage.

Complement statistical studies with in-depth analyses (interviews)

Politics is messy, and studying politics is difficult. Bivariate correlation analyses risk missing the plethora of factors that may have an impact on the financial behaviour by political parties, candidates and other stakeholders. Multivariate statistical analysis can assist in ensuring that the impact of other factors are taken into account.

However, there are limitations to using any form of statistical analysis in cases where so many factors may play a role. To ensure that the classifications, categorisations, delimitations and interpretations done in statistical analyses do not lead to the wrong conclusions, such initiatives should be combined with in-depth analysis. These will often need to rely on interviews with stakeholders, and focus on smaller areas, perhaps a single electoral area or the campaign of a single candidate.[23]

The thinking and actions of political party actors and candidates would be crucial in such initiatives. Ideally, these interviews should be held some time after the regulations have passed, to more accurately show how the thinking and actions were impacted by well understood and implemented regulations. As discussed above, the intention of the legislators in passing certain provisions could also be clarified through interviews with members of parliament as well as parliamentary staff and party activists.

A practical example; how to study if tying public funding to gender balance among candidates increases gender equality

An excellent example of the challenges of studying the impact of political finance regulations relates to the increasing use of public funding tied to gender balance among candidates. Provisions of this kind was first introduced by France in 1998, followed by Croatia in 2001, and similar approaches (of various types) have been adopted by 17 countries during the last 8 years.[24]

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[23] In this, I concur with the conclusions by Pinto-Duschinsky Op Cit page 8.

[24] It is not the purpose here to analyse these regulations directly (only how their impact can be studied). In short, I have argued elsewhere that tying public funding to gender equality is unlikely to work unless a) main parties

From a methodological perspective, this is a very good test case regarding the impact of political finance regulations. First, the intention of the legislator is comparatively clear. Regulations such as donation limits or disclosure rules may be introduced to reduce corruption or increase public trust or strengthen the integrity of the political system (or a combination of all of these). Tying public funding to gender equality among candidates will however have only one direct aim (although there may be other goals down the line such as enhanced participation or more gender-sensitive politics), namely to increase gender equality in electoral competitions and in elected institutions (most regulations of this kind focus exclusively on parliamentary elections).

The dependent variable is also comparatively straightforward – we do not need to use proxy variables such as the perception of corruption or potentially problematic measurements such as survey results. All that is needed is to study the gender balance among candidates and elected deputies.

Like some of the studies discussed above that analyse the impact of political finance regulation on corruption, it is possible to make a correlation between countries that use and do not use a regulations of this kind and gender equality in elections. However, just like the tests discussed above, this will not tell us anything about the impact of these regulations, since we need to take into account the time factor.

A correlation analysis can however be of interest if we want to know if countries with higher or lower representation of women and men are more likely than others to introduce regulations of this type. I looked at this issue a few years ago, and found a very small difference in gender equality among MPs in countries with provisions of this kind and those that do not.[25]

To study the impact of tying public funding to gender equality among candidates we need to study the share of women among candidates and elected MPs at the time the regulation is introduced and at a certain time in the future. Given that the set-up of elected bodies normally change little in-between general elections, the impact of regulations of this kind may take a significant time.

Even with this approach, there are reasons to be cautious in drawing conclusions. One potential problem is underlying trends, as discussed above. In another study, I showed how several countries that introduced regulations tying public funding to gender equality had seen a significant increase in the share of women MPs during the years *before* this rules was introduced.[26] The reason for this must be investigated further; it is possible that this increase of women MPs was necessary to build a momentum for pushing through regulations for further equality. In these cases it is difficult to say if any increases in gender equality that follow the introduction of regulations are a result of those changes or of an underlying trend.

depend to a large extent on public funding and b) the connection made in the regulation (normally the public money forfeited by parties failing to reach the set gender balance threshold) is high enough. See further Ohman, Magnus (2011) *Global Trends in the Regulation of Political Finance*. Paper presented at the IPSA-ECPR Joint Conference Whatever Happened to North-South? February 2011, Sao Paulo, page 10 and Cigane, Lolita & Ohman, Magnus (2014 forthcoming) *Gender and Political Finance* [working title]. IFES, Washington. Various publications give different years for when the regulation in question was introduced in Croatia. In fact, it was introduced through Article 6 of the April 2001 *Act Amending the Political Parties Act* (Act 01-081-01-1134/2).

[25] Ohman, Magnus (2012b) *Op Cit.*

[26] Ohman, Magnus (2011) *Op Cit* Page 9.

The table below shows the share of women in parliament in countries where regulations have been introduced that tie the provision of public funding to gender equality among candidates.[27] Each box shows the percentage of women in the various parliaments (lower house for multi-house parliaments). Figures in italics denote that a general parliamentary election took place during the preceding year (changes in-between general elections do happen, but are normally marginal). Marked boxes with figures in bold denote the year when regulations tying public funding to gender equality among candidates was first introduced.

[27] The year of introduction of such regulations are taken from Ballington, Julie & Kahane, Muriel (2014) "Women in politics: Financing for gender equality" in Falguera, Elin, Jones, Sam & Ohman, Magnus (2014) Op Cit. Data on the share of women in parliaments are from the IPU database on women in national parliaments, available at www.ipu.org/wmn-e/world.htm, Data as of January each year (February for 2002 and 2008)."NA" stands for data "not available".

Table 1, Share of women in national parliaments (%)

Country	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Albania	*12*	NA	NA	5	5	*6*	6	6	6	*7*	7	7	7	*16*	16	**16**	16	*20*
BiH[28]	NA	NA	*NA*	29	*NA*	7	*14*	17	17	**17**	*14*	12	12	19	*17*	21	21	21
Burkina Faso	*7*	8	8	8	8	8	*12*	12	12	12	12	*15*	**15**	15	15	15	*16*	19
Cape Verde	11	11	11	11	*11*	11	11	11	11	*15*	15	18	18	**18**	18	*21*	21	21
Colombia	12	12	*NA*	12	12	12	*12*	12	12	12	*8*	8	8	**8**	*13*	12	12	12
Croatia	8	8	8	NA	***21***	21	21	*18*	22	22	22	*21*	21	24	*24*	24	24	24
Ethiopia	2	2	2	2	*8*	8	8	8	8	*21*	22	22	**22**	22	*28*	28	28	28
France	6	***11***	11	11	11	11	*12*	12	12	12	12	*18*	18	19	19	19	*27*	26
Georgia	7	7	7	*7*	7	7	7	7	*9*	9	9	9	*6*	5	7	**7**	*12*	12
Haiti	4	4	4	4	*NA*	4	4	4	4	4	*4*	**4**	4	4	*NA*	4	4	4
Ireland	14	*12*	12	12	12	12	*13*	13	13	13	13	*13*	13	14	14	***15***	15	16
Italy	11	*11*	11	11	11	*10*	12	12	12	12	*17*	17	*21*	21	21	**22**	21	*31*
Kenya	3	*1*	4	4	4	4	*7*	7	7	7	7	*7*	10	10	**10**	10	10	*19*
Mali	2	*12*	12	12	12	12	*10*	10	**10**	10	10	*10*	10	10	10	10	10	*10*
Niger	NA	1	1	*1*	1	1	1	1	*12*	12	12	12	12	***10***	NA	*13*	13	13
PNG[29]	0	*2*	2	2	2	2	***NA***	1	1	1	1	*1*	1	1	1	1	*3*	*15*
Portugal	13	13	13	*19*	17	19	*19*	19	19	***21***	21	28	28	*27*	27	*29*	29	31
Romania	*7*	7	7	7	*11*	11	11	11	*11*	**11**	11	9	*11*	11	11	11	*13*	14
Solomon Islands[30]	2	*NA*	2	2	2	*0*	0	0	0	0	0	0	0	0	*0*	0	2	**2**
South Korea	*3*	3	4	4	*6*	6	6	6	*13*	13	13	14	*14*	**15**	15	15	*16*	16

[28] Bosnia and Herzegovina.

[29] Papua New Guinea.

[30] The regulation in Solomon Islands was introduced after the writing of Ballington & Kahane Op Cit. Information was gratefully received from Manuel Wally. The provision included in Article 49(1) of the 2014 Political Parties Integrity Act means that a „temporary special measures grant" (amount not defined) should be given to political parties that are successful in securing the election of women candidates.

The data in the table above shows several countries where the share of women increased significantly in the elections preceding the introduction of gender-related public funding (see for example Albania, Bosnia and Herzegovina, Cape Verde and Niger). This did not happen in all countries (see for example Haiti and the Solomon Islands), and it is possible that the regulation was introduced in Colombia as a result of a fall in gender equality in parliament. Trends of these kinds could have an impact on the trajectory of gender balance among elected politicians that is unrelated to any impact of political finance regulations.

Even without complications such as underlying trends, it is very difficult to determine the cause of changes in women and men running (successfully) for public office. Many factors play a role in why political parties select their candidates in elections, and of course also the choices that voters make between political parties and candidates.[31] There are changes that are difficult to explain without in-depth analysis – why did for example the share of women in the parliament of Bosnia and Herzegovina drop shortly after the introduction of gender-related public funding, only to increase in the following years (mainly outside of general elections)?

Two things are needed to investigate the impact of these types of provisions on gender equality among candidates. The first is time – as we cannot expect parties to immediately change their candidate nomination approach after a regulation has been introduced, especially not when often entrenched conservative views on political participation is involved. As the table above shows, in most countries the regulations were introduced during the last five years, and there have been no more than one general parliamentary election since (the peak for introducing such regulations seems to have been between 2009 and 2012, though more countries may follow). Unfortunately, it is therefore unlikely that we will be able to reliably test the impact of these regulations in most countries for at least another five years.[32]

In some countries, these regulations have however been used for a longer time. France and Croatia were the first adopters, and it is worth studying the impact there.[33] Starting with France, there was a modest increase of women in parliament in the elections following the introduction of the regulation (from 11% to 12%), but then a more radical increase in the following elections (from 12% to 18%), and an even larger increase in the last elections in 2012 (from 19% to 27%). In Croatia, the elections held in January 2000 saw a massive increase in the representation on women in parliament (from 8% to 21%). It is possible that this was part of the reason for a regulation tying public finance to gender equality among candidates in April 2001. The level of women in parliament dropped somewhat in the next elections, but recovered during the following year. Since then the level of women in the Croatian parliament has increased steadily but slowly, and often in-between general elections (in early 2014 it was at 24%).

[31] In some European countries, such as Sweden, parties on the political left tend to nominate more women on their candidate list than men do. This means that voting swings between left and right impacts the share of women in parliament, without any direct connection to gender issues.

[32] This would be an excellent topic to be discussed at the 2020 IPSA World Congress.

[33] Papua New Guinea is another illustration of the time factor. For the first ten years and two general elections after gender-tied public funding was introduced, the representation of women stayed at nearly zero, until a dramatic change took place in the 2013 elections. This is not to say that the change was necessarily related to the public funding provisions – that would need to be analysed through in-depth studies. In Mali, the first African country to adopt a rule if this kind, nothing at all seems to have happened (so far).

While there was a very significant increase in France, the changes in Croatia have been significantly more modest. This does however not tell us all that much about the impact of the regulations connected to public funding. In France there was already an upward trend by the time that the regulation was introduced, and other factors such as amendments to the Constitution in 1999 and the so-called "parity law" of 2000 may have played a role. In Croatia, the modest increase since the regulation was introduced follow the more than doubling of women in parliament that happened just before.

Because of the various other factors that may have played a role, reliable studies of the impact of these regulations in France and Croatia need to include more in-depth case studies. We know from France that political parties have fought against the regulation, both in court (unsuccessfully) and by simply accepting reductions in public support rather than nominating women (between 2003 and 2007, a total of €7 million was not distributed to political parties as they failed to nominate the stipulated share of women candidates).[34]

In-depth analyses, which should include interviews with people engaged in the candidate nomination process within political parties as well as candidates and outside observers including those involved in the women's movement, can provide much needed information about the considerations and actions of stakeholders throughout the period before, during and after the regulations were introduced.[35]

Conducting interviews can also help in addressing the always tricky issue of counterfactuals; what would have happened if the regulation had not been introduced? May we for example have seen a backlash after the significant changes in Croatia in 2000?

Interviews with stakeholders can help to address issues such as the considerations by those responsible for the candidate nomination process, especially in marginal seats or on winnable positions on candidate lists. Campaign leaders should be asked what difference that additional funding (or the fear of losing funding) meant for their campaign strategies, including decisions to highlight women during campaigns. Interviews with women candidates can also help to show if the funding played a role in their decision to put themselves forward for election.

Conclusion

It *is* possible to measure the impact of political finance regulations on factors such as corruption and trust in political parties. However, doing this in a reliable manner is often a little more complicated than some studies have tended to imply, and there is a need for a frank discussion about what is needed for analyses of this kind.

This paper has in particular warned against comparing the level of political finance regulation and other variables in different countries without taking into account the time factor. Showing that one country

[34] The case by a group of French senators was rejected by the Conseil Constitutionnel in 2000. See further in Ohman (2011) Op Cit, page 7. Regarding the amount not distributed to political parties, see GRECO (2009) *Evaluation Report on France, Transparency of Party Funding (Theme II).* Council of Europe, page 6.

[35] The research that Theresa Sacchet, Bruno Speck and their colleagues have carried out in Brazil are excellent examples of this approach. See for example Sacchet, Theresa & Speck, Bruno (2012) "Financiamento eleitoral, representação política a gênero: uma análise das eleições de 2006" in *Opinião Pública*, Vol 18, No 1 and Meneguello, Rachel, Speck Bruno, Sacchet, Teresa et al (2012) *Mulheres e Negros na Política: estudo exploratório sobre o desempenho eleitoral em quatro estados brasileiros*. Centro de Estudos de Opinião Pública, Universidade Estadual de Campinas, Campinas.

has a high level of regulations and a high level of perceived corruption (for example), while another country has a low level or regulation and perceived corruption, really tells us nothing about the impact of such regulations.

The paper has argued that studies need to be conducted in individual countries over time, ideally replicated over several countries. Statistical analysis also needs to be combined with other approaches such as in-depth interviews to better understand the complicated dynamics between political finance regulations, the role that money actually plays in the political process, and the impact that this has on aspects such as political corruption and public trust in political stakeholders.

Researchers interested in understanding more about political processes, the role of money in politics and the impact of political finance regulations should come together and discuss the best approaches to addressing these issues in a comprehensive and reliable manner.