HOW DO NATIONS CONTROL POLITICAL FINANCE AND WHY DO REFORMS OCCUR? A NESTED MIXED-METHOD ANALYSIS OF POLITICAL FINANCE REFORM IN CANADA, NEW ZEALAND, AND COMMONWEALTH CARIBBEAN SMALL STATES

by

WILLIAM CHARLES ROWLAND HORNCASTLE

A thesis submitted to the University of Birmingham for the degree of
DOCTOR OF PHILOSOPHY

Department of Political Science and International Studies
School of Government
College of Social Sciences
University of Birmingham
January 2023

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Declaration

Please note that Chapter 2 is an adapted version of the recently published: Horncastle, W.C.R. (2022) 'Model Based Clustering of Political Finance Regimes: Developing the Regulation of Political Finance Indicator', *Electoral Studies*, Vol. 79, 1–12. doi: 0.1016/j.electstud.2022.102524.

Data and interactive visualizations are published at www.ropfi.com.

Abstract

This thesis aims to provide a greater understanding of *how* nations regulate political finance and *why* reforms occur. To compare models of regulation, the first stage of the thesis develops the 'Regulation of Political Finance Indicator' (RoPFI). Starting with the 2020 iteration of International IDEA's 'Political Finance Database', Multiple Correspondence Analysis is used to construct a variable on which to measure levels of regulation across 180 nations. Subsequently, Model Based Clustering identifies the 'Unregulated', 'Partially Regulated' and 'Strongly Regulated' types of political finance system, and provides a statistical measure of the certainty of each nation's classification. Using the RoPFI to assess global trends, findings indicate that small states of the Caribbean and Pacific have the fewest regulations on political finance, while nations of Central and Eastern Europe, the Middle East and North African (MENA) region, and the Americas employ the strictest controls in this area.

The remainder of this thesis examines political finance reform in a group of Westminster democracies, namely Canada, New Zealand, and a sample of seven small states from the Commonwealth Caribbean (The Bahamas, Belize, Dominica, Grenada, St. Kitts & Nevis, St. Lucia, and St. Vincent & The Grenadines). Studies use Zim Nwokora's 'General Theory of Campaign Finance Reform' as a foundation upon which to examine why reforms occur. Distinguishing between *loosening* and *tightening* reforms, the model suggests that the reform process is guided by shifts in party competition, party organization strength, and ideological factors. Scandals and changes in incumbency are also suggested as junctures that may prompt reform. To test the projections of this model, *Hansard* is used to document Parlia-

mentary interactions on political finance, and operationalized indicators of party competition, organization, and ideology are used to trace the context within which discussions took place. Findings indicate that variations in levels of party competition and party organization strength are influential in shaping political finance reform, while ideological factors are much less so. Scandals are found to be influential in the passage of tightening reforms, while changes in incumbency are identified as a poor predictor in this area. Building on these observations, the final case study – focused on small states of the Commonwealth Caribbean – finds that the endurance of clientelism in the region continue to act as a barrier to political finance reform. This relationship is exemplified in a detailed case study of failed reform attempts in Saint Lucia and, subsequently, a link between practice in small and large states is identified. The differentiation between governance approaches – where small states are more likely to trend toward clientelism, relative to larger states – is identified as the causal mechanism that underpins this observation. Taking this into consideration, the thesis concludes with an updated theoretical model of political finance reform. To summarize, scandals are presented as critical junctures in the passage of tighter regulations. Beyond this, variations in governance model type, levels of competition, and the strength of party organizations are the main factors that influence the direction of the reform process.

This thesis makes contributions in methodological, empirical, and theoretical terms. Methodologically, the development of the RoPFI provides a key resource for scholars of political finance. In empirical terms, the RoPFI represents one of the first global measures of political finance to consider *all areas* of regulation – both from the party and candidate perspectives – and also incorporates some of the least studied regions in this area, namely the Caribbean and the Pacific. Theoretical contributions span numerous areas of research. Primarily, the theoretical model developed in this thesis broadens understanding of the origins of political finance regulation, by addressing inconsistencies in prior literature. The identification of clientelism as a barrier to reform, particularly within the small state context, contributes to knowledge on the implications of clientelist governance models, as well as institutional development in small states.

Acknowledgements

A PhD thesis is often viewed as a solo venture, as there is a single name on the cover. Despite this, the completion of this project would have been an impossibility without the assistance of many people along the way. In this rather long passage, I give thanks to all those who helped me achieve this milestone. What follows, however, is by no means an exhaustive list.

My first thanks go to Stephen Holden Bates and Natascha Neudorfer, who have provided me with a solid foundation on which to pursue this project. With the risk of sounding cliché, I truly could not have completed this thesis without you. Stephen, I remember the first time meeting you on campus with a mixture of excitement, fear and, mostly, confusion. We discussed many aspects of the PhD and, admittedly, I didn't really know what I was getting myself into! In the first few years, you helped me to get up to speed with things and, particularly, to squash my imposter syndrome. Over the past few years, you have helped me to transition toward a position of confidence, where I have much more faith in myself. Reflecting on our relationship, I can say that I am incredibly happy with the way things have gone, and feel incredibly lucky to have had you alongside in this journey. To Natascha, I am delighted that you agreed to join my supervision team. Your additional critical voice and knowledge have helped me to elevate my research even further. I value your kindness, honesty, and life advice, which have helped me immeasurably, and I am sure will continue to do so in the future. The only downside is that you were not involved from the start!

In addition to my supervision team, this project would not have been possible without the financial assistance of numerous organizations. My thanks go to the Sir Richard Stapley

Educational Trust, Sidney Perry Foundation, Kentish's Educational Foundation, Barton-Le-Clay Educational Trust, Gilchrist Educational Trust, and S C Witting Trust for helping to fund my research. I also extend my gratitude to Philip Davies for personally awarding me the Rosamund Davies Memorial Fellowship. I was delighted to receive this award and thank you for considering me as a suitable recipient.

Throughout this journey, I have been lucky to receive advice from many people. Support has ranged from throw away comments over drinks, to more detailed feedback on my work. It would be impossible to write an full list of all of those who have helped in this way, but discussions with Tim Bale, Matthew Bennett, Matthew Bishop, Fernando Casal Bértoa, Julian Hoerner, Jonathan Hopkin, Colleen Lewis, Heather Marquette, and Stuart Wilks-Heeg have particularly resonated with me. Some of you may not even remember how you helped me, but I send my thanks nonetheless! I have also received some fantastic comments from the University of Melbourne's Electoral Regulation Research Network, the Political Studies Association's Early Career's Network, and the Research Centre for the Study of Parties and Democracy (REPRESENT), jointly of the Universities of Birmingham and Nottingham. I thank these groups and their members for our fruitful discussions.

In the early stages of my PhD, I had the opportunity to conduct a six week research trip to the University of Melbourne. This was a life changing experience which helped me to grow significantly as an academic and as a person. The trip was made possible by the Univesitas 21 Scheme, as well as Joo-Cheong Tham and Dave McDonald, to whom I owe a debt of gratitude. For their role in welcoming and accommodating me, I acknowledge the University of Melbourne Graduate Union and, for making the social elements of the trip so enjoyable, I would like to thank my fellow visiting academic Niklas Andersen. Beyond this, there are many people who I credit for assisting my research activities in Australia. Thank you to Sally Young, who provided excellent scholarly advice on my day of arrival, and to Anika Gauja, who took time out of her holidays to meet and discuss my project. For his expertise on political finance and advice on where to source data, I thank Damon Muller of the Australian Parliamentary

Library. Finally, I thank Michael Maley for assistance in contacting the Australian Electoral Commission, and Sam Hannan-Morrow for allowing me work in the commission offices.

Though the trip to Australia was a success, subsequent plans were halted by the pandemic. A trip to Canada was cancelled, and data collection subsequently became a mission of email chains and international phone calls. This potentially frustrating endeavour was ultimately manageable due to some some incredibly kind and helpful people around the world. Firstly, the Canadian Parliamentary Library played a central role in developing my chapter on Canadian political finance, by conducting a widespread digitization of historical resources. Secondly, the Parliamentary Service of New Zealand went out of their way to digitize specific resources at my request, for which I am incredibly grateful. A final special thank you is reserved for Nita Louis of the Parliament of Saint Lucia, who answered my calls from over 4,000 miles away! Due to travel restrictions, this study would not have been possible without these conversations.

My next acknowledgements go to those people and organizations that I have worked with alongside this project. First, I thank my long-term colleagues in the Campaigns and Financial Processing Team at World Vision UK. Your support and enthusiasm were hugely influential in my pursuit of this goal. Particular thanks go to Alinifa Mpasu and John Strange for allowing me to work flexibly around the demands of this project. To the whole organization, keep doing the fantastic work that you do. Further recognition goes to my current colleagues at the University of Bedfordshire's School of Applied Social Sciences. Thank you to Alison Tresidder for understanding how important this project is to me, and to Seamus Murphy and Ian Bridgeman for your long-term friendships. When we first met in 2012, I did not think I would be writing up a PhD thesis a decade later!

A tremendous amount of gratitude must go to my wonderful family. It is hard to put into words the love and pride that I have for you all. Darryl, Kate, and Chris, thank you for being the best siblings and friends that I could wish for. Thank you for giving me my beautiful nieces and nephews, who I love dearly. Family gatherings have brightened up some challenging times

over the past few years, and you have helped me more than you know. A special additional thank you to Darryl, Anna, and Miles, for allowing me to stay with you when I have been working in Birmingham. I miss our chats, Netflix evenings, home brewing, and winter BBQs! Finally, a massive thank you to Tracy and Tony for allowing me to live with you during the pandemic lockdowns (plus a few extra years, for good measure), and to Paul for your kind nature and bad jokes. You are really funny, honest.

At this point, it would be remiss for me not to thank my amazing parents, Sandra and Alan. While dad is no longer with us, I had the privilege that many do not have; to have two incredibly supportive and loving parents as a child. You have always been there to support me in the bad times, and to celebrate the good times. You were always the most committed fans when I played football, and instilled the discipline in me to learn and practice my trumpet every day! Without that love and discipline, I would never be the person I am today. I've always wanted to make you both proud, and I hope that this goes some way toward that.

Finally, I dedicate this thesis to Mel, the most beautiful person I know. You have been there since the start and have been my rock throughout this journey. I owe so much for the sacrifices you have made for me to pursue my goals. We have shared struggles and successes, and there is no one I would rather spend these moments with. I appreciate that you pretend to be interested when I talk about politics, and look forward to boring you more in the years to come! I love you and am so proud of everything that you do. Thank you for being who you are.

5th January 2023

Addendum

Following the successful completion of my viva, some additional names should be added to this list. First, I would like to thank Ingrid van Biezen for her commitment to participating in my viva and, particularly, for travelling from the Netherlands to Birmingham (and back!) on the day. On top of this, I thank David Cutts for agreeing to be my internal examiner, and Tim Haughton for chairing the viva. The committee made this experience as relaxed as possible and gave me plenty of time to respond to comments. I very much appreciated the critical comments on my work, and the respectful manner in which our discussions were held. This process has had a positive impact on my personal development and I am delighted to have had such a great committee. Thank you all for your support through the process.

9th November 2023

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List of Acronyms

ACT NZ Association of Consumers and Taxpayers

BIC Bayesian Information Criterion

BQ Bloc Québécois

CA Canadian Alliance

CBI Caribbean Basin Initiative

CCP Chinese Communist Party

CEO Chief Electoral Officer

CMP Comparative Manifesto Project

CoE Council of Europe

CPC Conservative Party of Canada

CRC Constitutional Reform Commission

DPI Database of Political Institutions

EM Expectation Maximization

ENEP Effective Number of Parties at the Electoral Level

ENPP Effective Number of Parties at the Legislative Level

EU European Union

FPTP First Past the Post

GPC Green Party of Canada

GPNZ Green Party of New Zealand

ICI Ideological Convergence Index

International IDEA International Institute for Democracy and Electoral Assistance

IPPC Intra-Party Power Concentration Index

LCA Latent Class Analysis

LPC Liberal Party of Canada

MAR Missing at Random

MBC Model Based Clustering

MCA Multiple Correspondence Analysis

MCAR Missing Completely at Random

MENA Middle East and North Africa

MI Multiple Imputation

MMP Mixed Member Proportional

NAU National Alliance for Unity

NCC National Citizens' Coalition

NDP New Democratic Party

NZLP New Zealand Labour Party

OAS Organization of American States

OLS Ordinary Least Squares

PC Progressive Conservative Party of Canada

PCI Political Clientelism Index

PFD Political Finance Database

PMO Prime Minister's Office

PR Proportional Representation

RGA Representative Government Association

RiMCA Regularized Iterative Multiple Correspondence Analysis

RoPFI Regulation of Political Finance Indicator

SCC Social Credit Party of Canada

SCNZ Social Credit Party of New Zealand

SFO Serious Fraud Office

SLP Saint Lucia Labour Party

UN United Nations

UWP Saint Lucia United Workers Party

V-Dem Varieties of Democracy Dataset

V-Party Varieties of Party Identity and Organization Dataset

WIF West Indies Federation

WTO World Trade Organization

Chapter 1

Introduction: Defining the 'How' of Regulation and the 'Why' of Reform

1.1 A Story of Money, Politics, and Political Finance Regulation

To illustrate the rationale behind this thesis, the opening chapter begins with a story of two campaigns at the 2020 Democratic Presidential primaries. On 12th September 2019, ten candidates took to the stage at Texas Southern University's Health and Physical Education Arena. "The answer is to wash money out, with people-powered money," entrepreneur Andrew Yang asserted, "my proposal is that we give every American one hundred 'democracy dollars' that you can only give to causes and candidates that you like. This would wash out the lobbyists' cash at a factor of eight-to-one" (Yang, 2019a). Seeking to "rebuild trust" in elections, the pledge formed a central pillar of Yang's campaign to address the "vast infusions of money" that dominate US politics (Yang, 2019b). This seemingly radical idea was not a new one. In 2011, Harvard Law Professor Lawrence Lessig made the suggestion in his monograph *Republic, Lost: How Money Corrupts Congress—and a Plan to Stop It* (Lessig, 2011) and, in 2015, citizens of Seattle voted to implement the scheme via 'Initiative 122'.

Funded by a property tax levy, the ten year program provided four $25 vouchers to each voter per election cycle, to contribute to campaigns for the city council (Henderson and Han, 2022).

Two months after the Texas debate, former New York City Mayor and media tycoon Michael Bloomberg officially announced his candidacy for the Democratic nomination and, taking a different stance on political finance, opted to self-fund his late entry to the campaign. Explaining this decision, Bloomberg's chief advisor stated "he has never taken a political contribution in his life. He is not about to start. He cannot be bought" (Jensen, 2019: para. 2). Bloomberg's decision to enter the race was met with criticism from rival candidates. Painting him as little other than a "billionaire who thinks they can just buy an election", Elizabeth Warren later presented Bloomberg's overspending as a means to "make his voice heard and drown out every other voice in this democratic primary" (Warren, 2020). Ultimately, neither Yang nor Bloomberg were successful in their efforts, and both dropped out of the race in the early months of 2020. At first glance, these stories may be viewed as unremarkable, as early concessions are a common feature of primary elections. However, reports later revealed Bloomberg's candidacy to be anything but ordinary. Total costs of roughly $1 billion made this the most expensive individual campaign in history (Open Secrets, 2020). It lasted little more than three months. By contrast, the eventual winner, Joe Biden, spent $165 million on his campaign; a figure that equated to just one sixth of Bloomberg's expenditures (Horncastle, 2020).

Divergent strategies taken by Yang and Bloomberg are representative of two approaches to funding politics. On the one hand, Yang's 'democracy dollars' proposal placed the responsibility for funding on the public purse while, on the other, Bloomberg's self-funded campaign relied on his own private resources. Bloomberg's example also speaks to the complexities of political finance. Although money by itself cannot determine the success of a candidate, an individual is unlikely to make progress without a certain level of financial backing. These are not just issues of the US; as Falguera et al note, the intersection of money and politics "poses many challenges" to democracies around the world (2014: p.2). These

challenges raise questions as to how campaign funds should be sourced, distributed, and regulated. Such debates have major implications for the nature of democracy, as the shape of political finance regulation may serve to fuse or separate economic and political power and, consequently, determine who holds the greatest influence within a polity (see, *inter alia*, Dahl, 2006; Domhoff, 2014; Rawls, 2005; Schattschneider, 1960).

Grounded in these observations, the overall aims of this thesis are to gain a greater understanding of how nations regulate political finance, and to examine the factors that influence processes of reform. These dual objectives are described throughout this thesis as the '*how* of political finance *regulation*', and the '*why* of political finance *reform*'.

1.1.1 The 'How' of Political Finance Regulation

The first research question (RQ_1) asks: *how do nations differ in their approach to political finance regulation?* By posing this question, this thesis seeks to produce a cross-sectional framework to identify variations in system types *between* nations. This question is not unique to this thesis, and efforts have previously been made in this area. Developed by the International Institute for Democracy and Electoral Assistance (International IDEA), the 'Political Finance Database' contains data on regulations in 180 countries (International IDEA, 2020). These are divided into four groups: *Bans and Limits on Private Income; Public Funding; Regulations on Spending;* and *Reporting, Oversight and Sanctions*. This resource provides a useful tool to make cross-national comparisons; we can compare those nations that have spending limits with those that do not, for example. With the focus placed on 58 *individual* regulations, however, the database does not make comparisons of *overall* systems of political finance.

Building on this data, a number of additional comparative measures have been developed. Some have produced a single index to compare and measure levels of regulation (Hummel et al., 2019; Lopez et al., 2017; van Es, 2016), while others have developed multi-dimensional frameworks for classifying system types (Casas-Zamora, 2005; van Biezen, 2010; Wiltse

et al., 2019). Despite these developments, limitations exist in this area. First, many studies are built on previous iterations of the International IDEA data. This provides a dated picture of political finance, as well as a reduced sample size. Moreover, analysis has often been reductive, with the simple addition of the *number of regulations* – regardless of their scope – generally the norm, over the use of formal dimension reduction techniques (however, see van Es, 2016). Recognising the limits of prior research, this thesis takes the opportunity to develop an up-to-date model to compare political finance systems.

1.1.2 The 'Why' of Political Finance Reform

Differing from the cross-sectional nature of RQ_1, the second research question (RQ_2) places an emphasis on political finance *change* as the dependent variable. Focussing on the inner workings of the reform process *within* nations, RQ_2 asks: *what factors drive change in political finance regulation and how and why do they do so?* While numerous explanations have been proposed, empirical research in this area often presents inconsistent findings. Some studies find that scandals may lead to political finance reforms (Ewing, 1992; Grant, 2005; Piccio, 2014b; van Biezen, 2003a), while others observe that such events are not a sufficient explanation when taken in isolation (Jiménez, 2004; La Raja, 2008; Pujas and Rhodes, 2007). Similarly, efforts to apply Katz and Mair's 'Cartel Party Thesis', which suggests that Western European trends toward publicly funded elections were a symptom of the long term decline in party membership (Katz and Mair, 1995), have led to conflicting findings across cases (see, *inter alia*, Castañeda, 2018; Hopkin, 2004; Krašovec and Haughton, 2011; Pierre et al., 2000).

Noting these observations, Zim Nwokora affirms that "the overall picture that emerges from these general and specific theories is both complex and incomplete" (2014: p.919). Bringing together a fragmented area of research, Nwokora's 'General Theory of Campaign Finance Reform' combines observations from prior studies, and uses a game theoretic strategy to outline the 'distinctive politics' that underpin political finance reform. The model views party positions on campaign finance regulation as the intersection of the *competitive*,

cooperative, and *ideological* motivations of parties. Accordingly, the relative importance of these dimensions rises and falls based on shifting forms of *party organization*, levels of *party competition*, and *ideological factors*, as well as critical junctures such as *changes in incumbency* and political finance *scandals*. With the framework designed to address prior inconsistencies in the literature, Nwokora uses the case of Australia to briefly describe and illustrate the mechanics of the model. To the author's knowledge, this framework has not been examined in any additional context. As a consequence, this thesis builds on Nwokora's general theory to examine processes of political finance reform in a wider sample of Westminster-influenced democracies.

1.1.3 Studying the 'How' of Regulation and the 'Why' of Reform

This thesis studies differences in political finance regulation and processes of reform from a comparative perspective. Although these objectives overlap to some degree, each research question has distinctive features that must be considered in the design of the study. Whereas RQ_1 is cross-sectional and focuses on differences in regulation at the national level, for instance, RQ_2 has a longitudinal aspect and examines change within a system as a dependent variable. Accounting for these nuances, this thesis uses Evan Lieberman's 'nested analysis' strategy. This design is chosen for its joint focus on *general exploration* (i.e. RQ_1) and *specific explanation* (i.e. RQ_2) of the topic under study (Lieberman, 2005). Reflecting these aims, the design is divided into two sections; a large-N quantitative analysis for pattern recognition, and a small-N qualitative analysis for the study of causal mechanisms. The first part of the thesis undertakes a large-N statistical analysis of 180 nations to develop the 'Regulation of Political Finance Indicator' (RoPFI). Using the International IDEA database on political finance regulation, inductive analysis is undertaken through the application of Multiple Correspondence Analysis, which quantifies levels of political finance regulation, and Model Based Clustering, which identifies the 'Strongly Regulated', 'Partially Regulated' and 'Unregulated' system types. As an addition to the model, 'soft clustering' is used to produce a statistical measure which determines the certainty of each nation's position (Ahlquist and

Breunig, 2012).

The development of the RoPFI serves two purposes. Primarily, through providing a cross-sectional assessment of global political finance practices, the identification of system types addresses RQ_1. Building on this, however, the RoPFI provides a foundation upon which to guide case selection in the second phase of the thesis. To avoid selection bias in small-N sampling, the RoPFI is used as an empirical framework to differentiate between nations where reforms *have* occurred (i.e. Strongly and Partially Regulated categories) from those where they *have not* (i.e. Unregulated). Accordingly, use of the RoPFI isolates variation on the outcome of interest and avoids selection on the dependent variable (Geddes, 2003). Applying this strategy, nations selected are Canada, of the Strongly Regulated category and New Zealand of the Partially Regulated category. To represent those nations where no regulations exist, the third case study focusses on political finance in the Unregulated small states of the Commonwealth Caribbean. Failed reforms in Saint Lucia are used as an illustrative example to examine reform processes in this context.

Underpinned by Bayesian logic, nested case studies use process tracing to apply and develop Zim Nwokora's 'General Theory of Campaign Finance Reform'. Findings indicate general support for the model. First, shifts in *party competition* and the nature of *party organization* are found to be strong factors in driving processes of reform. Secondly, while *ideological factors* are shown to play a role, this comes at a reduced level of influence. Finally, evidence suggests that *scandals* often trigger reforms, but *changes in incumbency* do not appear to have much impact. Although case studies are designed to test Nwokora's model, observations related to the sample of seven Commonwealth Caribbean small states provide an opportunity for further theoretical development. This is because the enduring nature of *clientelism* is identified as the primary factor in inhibiting the introduction of regulations in the region. Supporting evidence is found in a wider sample of Westminster democracies and, accordingly, an additional *governance model* dimension is added to the existing framework. Taking these findings into account, the thesis makes five substantial contributions.

The first contribution of this thesis is methodological. This stems from the development of the RoPFI, which applies much more methodologically considered techniques than previous literature in this area. The use of Multiple Correspondence Analysis produces a parsimonious representation of political finance regulation, for instance, while the application of Model Based Clustering identifies system types at a greater level of methodological rigour than the extant literature. The inclusion of a measure upon which to determine the certainty of each nation's classification is novel to this area of study and, thus, demonstrates the benefits of using the RoPFI over previously developed models. Taken together, the RoPFI provides researchers with stronger data upon which to ground future analyses. The RoPFI's continuous measure gives researchers valuable data for large-N statistical models, while the three classification groups provide a resource with which to guide case selection in the small-N context. In all instances, the RoPFI's measures of certainty provide opportunities for researchers to enhance statistical models.

The development of the RoPFI also provides two substantive empirical contributions. First, the RoPFI improves on prior measures that: (i) are often based on data from the early-21st Century, and; (ii) only consider regulations on political finance at the *party* level. As the RoPFI originates from the most recent iteration of the International IDEA data, the model is accurate as of 2020. Moreover, it considers regulations in all areas, including those on parties *and* candidates. Thus, the RoPFI provides a holistic *and* up-to-date account of political finance, that had not previously been available.

Indeed, use of the updated International IDEA data feeds into the second empirical contribution of the thesis; the provision of a truly global perspective on political finance regulation. One of the strengths of the RoPFI is its consideration of nations from regions that are underrepresented in the literature. In particular, the inclusion of island nations and small states from the Caribbean and Pacific provides a way to *directly* compare practice in these areas with those of more comprehensively studied regions. This builds on prior research in these areas which, until this point, have generally been conducted through single-nation case studies

or small-N comparative works (see, *inter alia*, Barrow-Giles, 2011; Lal, 2021; Payne, 2005; Ryan, 2005; Vernon, 2013). According to Veenendaal and Corbett (2015), consideration of small states has substantive implications for theoretical development, as these nations provide a means to: (i) generalize findings to a wider sample, or; (ii) develop and amend existing theories by incorporating the small state perspective. Small states play an influential role in this thesis and contribute to its two substantial theoretical contributions.

The first theoretical contribution concerns the development of theories of political finance reform which, to this point, have presented fragmented and conflicting insights. While Nwokora's General Theory of Campaign Finance Reform sought to consolidate these inconsistencies, no study had previously tested the model empirically. Taking the first steps in this area, this thesis finds Nwokora's theoretical model to be largely applicable in the context of two large Westminster democracies. On top of this, the thesis uses observations from small states in the Commonwealth Caribbean to develop the model. Due to the previous dearth of literature on political finance in small states, this thesis uses new insights to identify a relationship between political finance reform and governance model type. In sum, this thesis unifies a previously fragmented area to provide empirically supported explanations for political finance reform.

The final theoretical contribution emanates from the addition of the programmatic vs clientelist dimension to the updated model of political finance reform. Through considering this factor, the thesis contributes to previous research that identifies a role for clientelism in preventing institutional reform (see, *inter alia*, Graziano, 1973; Hicken, 2011; Lyne, 2007; Stokes, 2005). Moreover, it provides a specific theoretical explanation for why this is the case. As political contributions are often used as a means to sustain patron-client relationships (Gherghina and Volintiru, 2017) – particularly in the small state context (Gerring and Veenendaal, 2020; Vernon, 2013) – parties within a clientelist system have no incentives to introduce regulations on this channel of financing. This is because, in doing so, parties would be closing down a fruitful mechanism through which to garner political support. Taking all of these factors

into account, the thesis makes substantive contributions to knowledge on the political and institutional consequences of clientelist governance models, as well as the implications of such practices on democracy and representation.

The remainder of this chapter is divided into three sections. The first section introduces some of the key debates that tie together studies of political finance regulation. Following this, the second section provides a more detailed outline of the 'nested analysis' design that is used to study the how of regulation (RQ_1) and why of reform (RQ_2). The chapter concludes with an overview of the thesis and structural outline of the chapters that follow.

1.2 Key Debates in Political Finance

Divided into two parts, this section introduces key themes that permeate literature on political finance regulation. Commencing with an overview of contested definitions of 'political finance', the section follows by introducing debates on the philosophical implications of political finance regulation. Although debates are subject to detailed discussion in Chapter 2, this section provides an introduction to 'libertarian' and 'egalitarian' conceptions of political finance, and outlines debates on the connotations of 'open' and 'closed' systems of funding.

1.2.1 Defining 'Political Finance'

The first step in undertaking research on political finance is to define exactly what the term 'political finance' refers to. As a starting point, Michael Pinto-Duschinsky provides the definition of political finance as "money for electioneering" (2002: p.70). Though simple, such a definition fails to account for various complexities. While use of the word 'money' infers the exchange of material goods, for example, citizens of some polities place a major importance upon the provision of contributions 'in kind'. As the monetary value of these contributions is often difficult to prescribe, should the definition of political finance cover such resources? This ties into a second question when defining political finance, which concerns the actors to which the definition should apply. One practice in this area is to place a sole focus on *party* finance

(see, *inter alia*, Ben-Bassat and Dahan, 2015; Wiltse et al., 2019). An immediate concern with this approach is the exclusion of candidates, who also engage in the raising and spending of funds at elections. This is further problematic when examining practices from a comparative perspective, as varied institutional frameworks may contribute to the development of party- or candidate-centred models of political competition (Shin, 2017; Wattenberg, 1991). As a result, scholars have argued that definitions of political finance must include that of parties and candidates (Koole, 2014; Naßmacher, 2001; Norris and van Es, 2016). Taking these issues into consideration, International IDEA define 'political finance' as:

> All financial flows to and from political parties and candidates. It includes formal and informal income and expenditure, as well as financial and in-kind contributions (2020).

This definition addresses some of the aforementioned concerns, in that it clarifies the relative positions of monetary donations and in kind contributions, to both parties and candidates. Despite this, Magnus Ohman documents that electioneering may also include that of "actors that are neither political parties nor candidates" (2014b: p.27). These campaigners, commonly referred to as 'third parties', contribute to *indirect* election spending. Though such groups may play an ancillary role in some contexts, they perform an influential electioneering function in others. In the US, for example, $2.9 billion was spent by third parties in the 2020 election cycle alone (Open Secrets, 2021). For the purposes of this thesis, therefore, an adapted form of International IDEA's definition is presented, which focuses on all financial flows to and from political parties, candidates, *and third-party campaigners*. Accordingly, the term 'political finance regulation' refers to all rules employed to regulate these activities.

Alongside discussions on the definition of political finance, further debates concern the differentiation between 'egalitarian' and 'libertarian' models of political finance, and the implications of donor transparency. These are introduced next.

1.2.2 Underlying Philosophies of Political Finance Regulation

In philosophical terms, the impacts that political finance regulations have on the rights of freedom of expression and equality of opportunity are often presented as irreconcilable (Dawood, 2018; Sunstein, 1995). According to Smilov (2007) variations in political finance regulation can be conceptualized as a trade-off between the opposing ideas of *egalitarianism* and *libertarianism*. The egalitarian model uses regulation to equalize electoral contests, by bringing some parity to the finances of candidates (Dawood, 2018; Smilov, 2007; Sunstein, 1995). In practice, regulations tend to include state funding and controls on private donations. By contrast, the libertarian model starts with the fundamental viewpoint that, as money is used to express ideas, spending on campaigns is *a form of speech in itself*. As regulations on political finance infringe on free speech rights, therefore, the libertarian model is founded on the argument that "if a particular actor has superior financial resources that have been legitimately acquired, he or she can bring these resources to bear in political competition" (Smilov, 2007: p.4).

The second debate that underpins discussions on political finance regulation is linked to transparency. Proponents of an 'open' system argue that requirements to disclose funding help to reduce corrupt practices, by allowing the public to trace the origins of political contributions (Briffault, 2010; Hughes, 2001; Koole, 2014). Following this line of reasoning, the now defunct US-based *Sunlight Foundation* shaped its activities around the mantra that 'sunlight is the best disinfectant' in preventing corruption. Organizations such as *Open Democracy*, based in the UK, and the US-based *Open Secrets* continue to advocate for transparency in political finance, and perform a role in disseminating information to the public (see, for example, Geoghegan, 2020). In opposition, those who favour a 'closed' system argue that disclosure requirements are inconsistent with the secret ballot principle (Naßmacher, 2006) and that, as a result, such regulations disincentivise political participation (Gilbert, 2012; McGeveran, 2003; Sarakinsky, 2007; Wood, 2018).

In summary, philosophical debates, both between 'libertarian' and 'egalitarian', and 'open'

and ‘closed’ conceptions of political finance, contribute to discussions into the practical shape of regulations in this area. Understanding the varied philosophies of political finance, this thesis aims to identify the factors that shape the different approaches that are taken when developing regulations on financing. Building on this overview, philosophical discussions are revisited in greater detail in Chapter 2. With definitions and key debates identified, the following section outlines the overarching design of this research.

1.3 Research Design: Nested Analysis

The structure of this thesis follows a ‘nested analysis’ design. Developed by Evan Lieberman (2005), this approach works by employing large-N statistical analyses to identify relationships, before developing ‘nested’ case studies to examine the causal mechanisms that underpin these observations. The use of this design provides a natural fit to the research questions, as “it assumes an interest in both the *exploration* of general relationships . . . and the specific *explanations* of individual cases and groups of cases” (Lieberman, 2005: p.436, *emphasis added*). To summarize, the design of this thesis is divided into four primary stages. Exploring patterns in data on political finance regulation, the first stage applies dimension reduction and clustering to produce a large-N model for comparing systems of regulation. In the second stage, theories of political finance reform are reviewed, before a series of hypotheses are developed for testing in the case studies that follow. To test these hypotheses, process tracing is applied in the third stage to processes of political finance reform in Canada and New Zealand. Further examination of the theoretical framework is undertaken within the unregulated small states of the Commonwealth Caribbean, where a particular emphasis is placed on failed reform attempts in Saint Lucia. Finally, stage four combines findings to develop the theoretical model. This section provides an overview of each stage of the thesis. Detailed discussions of data and methods for the large-N and small-N phases are presented in Chapters 2 and 3.

1.3.1 Comparing Political Finance Systems

Addressing the first research question, the large-N stage of analysis is oriented toward the development of a robust method to compare and categorize political finance systems, through examination of the widest sample of countries possible. To fulfil these objectives, the large-N phase of analysis is divided into two parts. Starting with the categorical International IDEA data, the first part employs an inductive form of dimension reduction to develop a quantitative measure for comparing political finance systems. As McNicholas (2016) identifies, dimension reduction techniques for categorical data are underdeveloped when compared to those designed for continuous data. One technique designed for this purpose is Multiple Correspondence Analysis (MCA), which is a form of Principal Component Analysis expressly designed for use with nominally coded data (Blasius and Thiessen, 2012). Applying MCA in this context develops a mono-dimensional measure to compare political finance systems.

The second stage of analysis applies a Model Based Clustering (MBC) algorithm to this output. Though some forms of cluster analysis require the researcher to make subjective judgements on the type of model employed and number of clusters to extract, MBC runs numerous models and applies an iterative Expectation Maximization (EM) algorithm to provide an optimal solution through consideration of the Bayesian Information Criterion (BIC) (Bouveyron et al., 2019; Waggoner, 2020). As the method is grounded in probability theory, MBC employs a 'soft' form of clustering, where each case is accompanied by a numerical measure of certainty in its classification (Ahlquist and Breunig, 2012). Combining these techniques presents a novel approach as, to date, neither MCA nor MBC have been applied to the study of political finance regulation. The background and rationale for this approach is explained in detail in Chapter 2.

Application of these methods produces the Regulation of Political Finance Indicator (RoPFI), which is comprised of three parts. The first part is a continuous variable which ranks nations based upon overall levels of political finance regulation. Incorporating 180 nations, the RoPFI scale ranges from the least regulated nation in the sample, Belize, to the most regulated,

in the shape of Mexico. The second component of RoPFI is the clustering output, in which nations are classified into the 'Strongly Regulated', 'Partially Regulated', and 'Unregulated' groups. Finally, resulting from the MBC's 'soft partitioning', the third part of RoPFI is the measure upon which cluster certainty is determined.

To finalise discussions on the 'how' of political finance, the RoPFI is used to undertake an analysis of global patterns in regulation. Making comparisons with prior comparative studies in this area (see, *inter alia*, Pinto-Duschinsky, 2002; van Biezen, 2010; van Es, 2016; Wiltse et al., 2019), the RoPFI provides a picture of political finance regulation as of 2020. This builds on extant literature, which relies on data sources ranging between 10 and 20 years old. Findings in this area show the most regulated regions in the world to be Central and Eastern Europe, the Middle East and North Africa (MENA), and the Americas. By contrast, the least regulated nations in the world are almost exclusively categorized as small states from the Caribbean and Pacific.[1] While some previous studies point to Africa as the least regulated continent in the world (see Ohman, 2014a; van Biezen, 2010), Chapter 2 observes that the 'Partially Regulated' system type contains a large portion of nations from the African continent; roughly 50 percent of this category is reserved for African nations. The remainder of the category is comprised of groups of nations from South/Southeast Asia, Northern/Western Europe, and a handful of the larger states in the Caribbean and Pacific regions.

By using the most recent iteration of the International IDEA data, the sample includes 180 nations, which is a substantial increase on most previous works in this area. To highlight the benefits of this, conclusions point to small states of the Caribbean and Pacific, which are commonly excluded from prior comparative literature. As summarized by Wouter Veenendaal and Jack Corbett:

> If small states have similar political arrangements to large states, then we are wasting valuable data by not including them in our analysis. If they are different . . . then we are missing out on the insights that these diverse, extreme, deviant, or

[1] The only exception to this is Switzerland, whose categorization is briefly covered in Chapter 2.

> most different cases offer. When comparing 'like with like,' it might make sense to focus exclusively on large states, but when seeking generalizability, we argue that there are few, if any, persuasive reasons that would justify the omission of small states in the systematic way that has become accepted practice (2015: p.528).

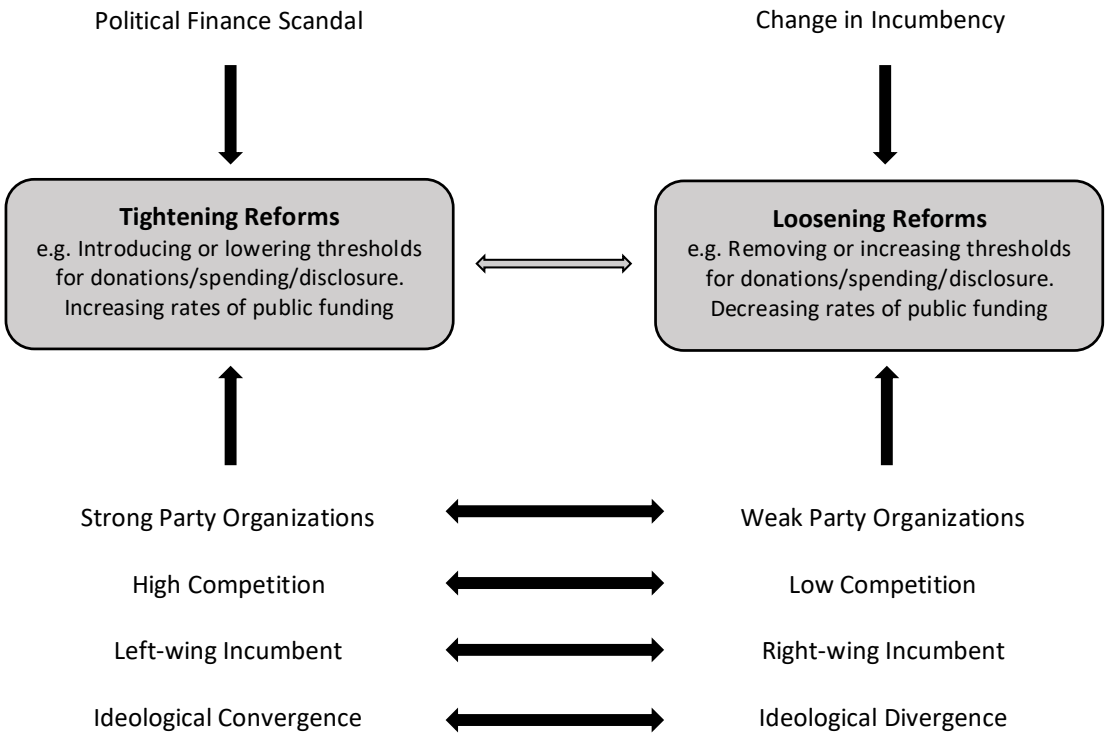
This observation feeds into the second area of the thesis, which focuses on RQ_2; the why of political finance reform. As the three RoPFI classifications provide a foundation upon which to identify cases for further analysis, this thesis provides additional contributions to the development of theory on political finance, by seeking to explain how processes of reform in both small *and* large state contexts.

1.3.2 Introducing the Theoretical Framework

Following the construction of the RoPFI, the next stage of the thesis proceeds in the form of three nested case studies. The primary goal of these studies is to examine the factors that drive processes of political finance reform. Employing a deductive form of analysis, the studies seek to apply and develop Zim Nwokora's 'General Theory of Campaign Finance Reform'. As discussed earlier in this chapter, this model is chosen because: (i) it has the potential to explain inconsistencies in previous studies in this area, and; (ii) it has yet to be empirically examined beyond a brief illustrative case study of Australia. Figure 1.1 provides an introduction to the model.

Developed via application of game theory, the central pillar of the model concerns the differentiation between two types of reform; *loosening* and *tightening*. Reforms that tighten the political finance system are those which increase the role of the state in regulating party finances. In practice, these include controls on donations, spending or financial disclosures, or the introduction of public subsidies for parties or candidates. Where these provisions already exist, amendments that lower thresholds (e.g. reducing the donation limit, the amount that parties may spend, or the threshold at which donor details must be made public) or

Figure 1.1: General Theory of Campaign Finance Reform



Source: Author's adaptation of Nwokora (2014).

increase rates of public funding, serve a similar purpose.[2] The second group of reforms are those which *loosen* rules on financing politics. These reforms impact the political finance system in ways that *reduce* the state's role in regulating party finances. Examples include the repeal of controls on donations, spending or financial disclosures, as well as the removal of public subventions for parties or candidates. Amendments that loosen associated thresholds (e.g. increasing the donation limit, the amount that parties may spend, or the threshold at which donor details must be made public) also fall within this category, as they place a greater emphasis on the position of private finances in elections.

Following the logic of the 'Cartel Party Thesis' (see Katz and Mair, 1995), Nwokora (2014: p.926) suggests that tightening reforms are designed to "facilitate power alternation between the dominant parties [while also being] biased against smaller parties". As such, they often

[2]An extended list of tightening regulations are displayed in Table 2.3 (see Chapter 2).

recieve cross-partisan support. Conversely, loosening reforms tend to be passed by an incumbent to "tighten its hold on power and restrict the competitive opportunities available to its rival" (2014: p.920). To support this relationship, Nwokora points to various studies that observe a positive association between political finance regulations and electoral competition (see, *inter alia*, Ansolabehere, 2007; Gerber, 1998; Mayer et al., 2004; Moon, 2006; Stratmann and Aparicio-Castillio, 2006; Wilcox, 2005). As a consequence, it is argued that the continued tightening of regulations constitutes a *virtuous cycle* of reform, while consecutive loosening of regulations is conceptualised as a *vicious cycle*.

When choosing which pathway to take, Nwokora posits that parties consider a number of competing incentives. The multilayered structure incorporates *competitive*, *cooperative* and *ideological* motivations, which rise and fall in importance as shifts in wider political contexts occur. Displayed in Figure 1.1, these contexts include the strength of *party organizations* and levels of *party competition*, as well as *incumbent ideology*, and *ideological distance* between government and opposition. Further contextual factors include the theorized junctures of *incumbency changes* and political finance *scandals*.

Supplementing this overview, the background of the theoretical model and its associated hypotheses are extensively discussed in Chapter 3. In doing so, two potential limits of the model are identified. Firstly, the notion that tightening regulations enhance competition – and vice versa – is not clear cut (see, *inter alia*, Benoit and Marsh, 2010; Jacobson, 1978; Jacobson, 1990; Meirowitz, 2008; Pastine and Pastine, 2012; Scarrow, 2006). This observation feeds into the second concern, that the provision of labels such as *virtuous* or *vicious* cycle, ascribes normative positions that may not accord with reality. Reflecting these observations, this thesis relaxes some assumptions of the original framework and, instead, uses the core aspects of the model as a broad frame through which to develop a series of hypotheses on political finance reform.[3] As shown in Table 1.1, hypotheses retain the differentiation between *loosening* and *tightening* reforms, as well as underlying theoretical

[3]For example, the terms *vicious* and *virtuous* cycles are replaced with *loosening pathway* and *tightening pathway*.

Table 1.1: Hypothesized Contexts of Political Finance Reform

Context	Hypothesis
Party Organization	H_{1a}: When the incumbent party is *weakly organized*, reforms that *loosen* the political finance system are likely H_{1b}: When the incumbent party is *strongly organized*, reforms that *tighten* the political finance system are likely
Party Competition	H_{2a}: When the party system is *uncompetitive*, reforms that *loosen* the political finance system are likely H_{2b}: When the party system is *competitive*, reforms that *tighten* the political finance system are likely
Incumbent Ideology	H_{3a}: When the incumbent party is ideologically *right-wing*, reforms that *loosen* the political finance system are likely H_{3b}: When the incumbent party is ideologically *left-leaning*, reforms that *tighten* the political finance system are likely
Ideological Distance	H_{4a}: When the party system is *ideologically polarized*, reforms that *loosen* the political finance system are likely H_{4b}: When the party system is *ideologically convergent*, reforms that *tighten* the political finance system are likely
Incumbency Change	H_5: Following a *change in incumbency*, reforms that *loosen* the political finance system are likely
Political Finance Scandal	H_6: Following a political finance *scandal*, reforms that *tighten* the political finance system are likely

propositions linked to *party organization, party competition, ideological factors, incumbency,* and *scandals*. To address RQ_2, these hypotheses are tested in the second part of the thesis, which analyses processes of political finance reform in Canada (Chapter 4), New Zealand (Chapter 5), and small states of the Commonwealth Caribbean (Chapter 6).

1.3.3 Why Canada, New Zealand, the Commonwealth Caribbean (and Saint Lucia)?

In *Paradigms and Sandcastles*, Barbara Geddes (2003) outlines key principles of case selection for students of comparative politics. A major recommendation forwarded by Geddes is to avoid the pitfalls of selection on the dependent variable. This is of great importance, as "apparent causes that all the selected cases have in common may turn out to occur just

as frequently among cases in which the effect they are supposed to have caused" *has not occurred* (Geddes, 2003: p.129, *emphasis added*). To illustrate this in practice, take the first proposition of the theoretical model; that variations in the strength of party organizations – whether low (H_{1a}) or high (H_{1b}) – influence the process of reform. One strategy to test these hypotheses would be to identify a nation where political finance reforms have occurred, before examining whether party organization played a role in this process. In this situation, the researcher may observe reforms that tighten the political finance system under a strongly organized party and, accordingly, confirm H_{1b}. Despite this, inferences drawn from this hypothetical study may be invalid, as it fails to consider what patterns are observable when reforms *are not passed*. By considering an additional case where no reforms have occurred, the researcher may observe patterns of party organization that invalidate the hypothesis – i.e. no reforms in a system comprised of strong parties – and, as a consequence, draw substantively different conclusions.

Seeking to avoid issues linked to selection bias, this thesis applies the theoretical model under conditions of reform and *non*-reform. To do so, case selection follows a two-step procedure. The first step explicitly defines the "universe of cases to which the hypotheses should apply", while the second identifies "a set of countries that reflect a reasonable range of variation on the country-level outcome" (Geddes, 2003: p.95). Detailed in Chapter 3, the "universe" of cases comprises: (i) democratic nations, that; (ii) through previous ties to the British Empire; (iii) have post-colonial institutions grounded in the Westminster system of government. The reason for this decision relates to the illustrative example provided by Nwokora, where he tacitly demonstrates the applicability of the model through a brief discussion of Australian political finance (2014: p.926).

To build on Nwokora's initial works in this area, this thesis examines the validity of the framework in countries that share historical, political, and institutional similarities with Australia. In order to leverage variation on the dependent variable – namely, successful reforms of political finance regulation – the second stage of the thesis revisits findings derived from the

first, which identifies cross-sectional approaches to political finance regulation. Using the RoPFI as a comparative framework, it is possible to divide those nations that have enacted reforms from those that have not and, accordingly, avoid selection bias on the dependent variable. Logically, it is determined that those nations positioned within the Strongly and Partially Regulated categories have, to varied extents, successfully implemented political finance reform. By contrast, the remaining category contains a small sample of nations which, by virtue of their Unregulated status, are unlikely to have done so. Accordingly, selection of cases from across the categories reflects variation in the dependent variable. Through applying these criteria, Canada, New Zealand, and small states of the Commonwealth Caribbean are identified as the most suitable contexts upon which to base small-N analysis. This discussion is expanded upon in Chapter 3.

1.3.4 Process Tracing and Informal Bayesian Updating

In the second phase of the thesis, process tracing is used to test the propositions of the theoretical model. Since the turn of the century, methodologists have began to align process tracing techniques with Bayesian probability theory (see, *inter alia*, Befani and Stedman-Bryce, 2017; Bennett, 2008; Bennett, 2015; Bennett and Checkel, 2015). According to Tasha Fairfield and Andrew Charman, these movements make sense, as:

> Compared to frequentism, Bayesianism offers several advantages that are especially important for qualitative case research. Bayesian probability can handle data that are not generated from a stochastic process, it can be applied to explain unique events without reference to a population, and it mandates an iterative dialogue with the data (2017, p.363).

One of the primary aspects of Bayesian inferential logic relates to the relationship between observations and hypotheses, where analysts apply "a common-sense view of what constitutes evidence" (Fairfield and Charman, 2017: p.368). Philosophically, this viewpoint contrasts frequentism, as Bayesian logic does not place great value in large-N data. Instead, circumstantial evidence may be used to identify actor preferences (Kuehn, 2013) and "data nuggets"

may be used to draw inferences (Brady, 2010: p.237). Indeed, a single observation may be of such importance as to significantly strengthen confidence in a hypothesis *on its own*; picture a 'smoking gun' at a murder scene, for instance (Beach and Pedersen, 2013; Collier, 2011; Gerring, 2017; Mahoney, 2012; van Evera, 1997). This thesis exploits this attribute of Bayesian logic and casts a wide net when collecting data. Documentary sources – most notably *Hansard* – are analysed to infer party preferences for and against political finance reforms. As a "substantially verbatim report of what is said in Parliament" (UK Parliament, 2022: para. 1), *Hansard* provides a valuable resource with which to analyse the inner workings of the reform process. Quantitative data are employed to operationalize independent variables of H_1 through H_4 (see Table 1.1); namely, party organization, party competition, incumbent ideology, and ideological distance between government and opposition. Data include the 'Intra-Party Power Concentration Index' of the Varieties of Party Identity and Organization Dataset (Düpont et al., 2022), as well as information from the 'Comparative Manifesto Project' (Volkens et al., 2021). An additional measure of party competition is provided by the 'Effective Number of Parties' data of Gallagher (2021). Where hypotheses do not have a continuous level independent variable – as is the case with H_5, on changes in incumbency, and H_6, on political finance scandals – secondary literature is used to ascertain which events are pertinent and, consequently, whether such events have an impact on the dependent variable of political finance reform.

An additional tenet of Bayesian logic concerns approaches that are taken to hypothesis testing. In this area, hypotheses are not viewed as binary statements that can be passed or failed, but as statements to which the researcher declares their "degrees of belief" (Bennett and Checkel, 2015; Crasnow, 2017). Confidence in a hypothesis is the product of (i) confidence in the hypothesis *ex ante*, and; (ii) confidence in the hypothesis *based on new evidence* (Bennett, 2008). This process, known as 'Bayesian updating' (Beach and Pedersen, 2013; Befani and Stedman-Bryce, 2017; Bennett, 2008; Bennett, 2015), informs the approach to hypothesis testing employed in this thesis. The methodology that underpins case study chapters is extensively detailed in Chapter 3, which outlines the Bayesian logic of process

tracing, as well as strategies used for hypothesis testing, data collection, and confidence evaluation. Findings from case study analyses inform the final stage of the thesis design, which is outlined below.

1.3.5 Developing the Theoretical Model

The last steps of the research design, presented in Chapter 7, combine observations of case studies to assess the validity of the theoretical model. Findings suggest an important role for party competition and organization in shaping political finance reforms, with ideological factors playing a lesser role. Though political finance scandals are identified as critical junctures in the passage of regulations, changes in incumbency are found to play a nominal role. These findings are broadly supportive of the model. Despite this, Chapter 6 argues that the endurance of clientelist *governance models* played an additional role in the maintenance of Unregulated political finance systems in the Commonwealth Caribbean small states. Contrasting a programmatic governance model, where cohesive parties develop and implement distinguishable policies, parties within a clientelist system "rally voters by reserving *targeted benefits* for *individual voters* or small groups of voters" (Kitschelt and Wang, 2014: p.45, *emphasis added*). As a summary of prior research in the area (see, *inter alia*, Berenschot and Aspinall, 2020; Hicken, 2011; Hilgers, 2011; Lauth, 2000), primary features of a clientelist governance model include: (i) dyadic relationships between the client (voter) and patron (government), which are; (ii) hierarchical in nature, where; (iii) benefits are exchanged; (iv) on an iterative basis. In short, government assistance under a clientelist system "is only available on condition that the client complies by providing political support" (Stokes, 2009: p.605). With numerous studies highlighting the prevalence of clientelism in the Commonwealth Caribbean (see, *inter alia*, Barrow-Giles, 2011; Duncan and Woods, 2007; Ryan, 1994) and, more specifically, Saint Lucia (see, *inter alia*, Joseph, 2011; Midgett, 1998; Saati, 2022; Saati, 2023), the practicalities of this model and its influence on political finance regulation are detailed in Chapters 6 and 7. A précis of these discussions is outlined here.

To summarize, studies into the impact of clientelism find the model to be economically inefficient (Luna et al., 2014; Veenendaal, 2020b) and a barrier to institutional reforms (Graziano, 1973; Hicken, 2011; Lyne, 2007; Stokes, 2005). It is suggested that maintenance of the status quo under clientelism is influenced by the politicization of the bureaucratic functions of government (Golden, 2003), which occur within an increasingly polarized political environment (Farrugia, 1993). Clientelism tends to flourish in small states (see, *inter alia*, Corbett, 2015; Veenendaal, 2019; Veenendaal and Corbett, 2020), where campaign spending is often used to fund targeted benefits to party supporters (Gerring and Veenendaal, 2020; Gherghina and Volintiru, 2017). Under such conditions, this thesis argues that political finance regulations are much less likely, as controls on funding would threaten an incumbent's ability to maintain client-patron relationships and, as an extension, would weaken their position in government.

To integrate these findings within the nested design, the thesis closes by considering the influence of governance model types within a wider sample of Westminster democracies. Findings indicate that small states are much less likely to regulate political finance than larger states, with differences in governance practice suggested as the underpinning causal mechanism in this relationship. Despite this, a lack of comparative data on governance approaches, particularly with regards to clientelism in the small state context, suggests that these links may require further exploration in the future.[4]

1.4 Roadmap of the Thesis

The remainder of the thesis is divided into seven chapters. In developing RoPFI, Chapter 2 focuses on the large-N section of the research design. Opening with a review of existing typologies of political finance, the chapter identifies limitations in terms of methodology, data, and sampling. In some instances, models are found to be built on data from the original International IDEA dataset, which captured information on political finance regulation in 2001.

[4]For an exception, see the 'Political Clientelism Indicator' (PCI), drawn from the V-Party dataset (see Lo Bue et al., 2021). Discussions on this resource, as well as its sampling bias toward large states, can be found in Chapter 7.

These limitations point to an area of concern in political finance; that what we know about practice in this area may be dated and, consequently, subject to inaccuracies. By identifying limitations, the chapter argues that an updated comparative model of political finance is required, to ensure that studies on the implications of varied regulatory models remain valid. Chapter 2 addresses this. Using the most up to date International IDEA data at the time of writing, the chapter continues by outlining the pre-processing, Multiple Correspondence Analysis, and Model Based Clustering stages of analysis, before presentation of the three RoPFI classifications. A breakdown of these groups closes the chapter, which addresses RQ_1.

Discussions in this area are centred on the composition of the three classificatory groups. Assessment of the Strongly Regulated group shows that the most highly regulated nations tend to be found in Central and Eastern Europe, the Middle East and North African (MENA) region, and the Americas. Beyond this, the Partially Regulated group is mainly comprised of African nations – which account for roughly 50 percent of all statistically significant cases within the category – and smaller groups from South and Southeast Asia. A handful of cases from Northern and Western Europe are also categorized in this way, alongside some of the larger nations from Oceania and the Caribbean. Finally, with the exception of Switzerland, the Unregulated RoPFI category is reserved for small states of the Caribbean and Pacific. In presenting these descriptive insights, Chapter 2 discusses findings within the context of extant literature. This thesis aligns with previously identified patterns in some areas; the clustering of European nations within the Strongly Regulated category is consistent with studies that identify the continent as the most stringently regulated, for instance (van Biezen, 2010; van Es, 2016). Despite this, the RoPFI presents new insights that build on existing knowledge. Trends outlined here are inconsistent with prior suggestions that African nations are some of the least regulated in the world (Ohman, 2014a; van Biezen, 2010) while, by including a wider range of small states within the RoPFI sample, this thesis makes observations related to previously understudied areas of the world. By covering a comprehensive and global sample of 180 nations, Chapter 2 captures an up to date picture of political finance trends

that broadens and deepens knowledge in this area.

Building on the large-N stage of the research design, Chapter 3 presents a detailed discussion of the methodological approach that frames the 'nested' case studies that follow. The chapter undertakes a second literature review, this time focussing upon theories of political finance development. Though numerous theoretical explanations have been presented, few receive widespread empirical support. Zim Nwokora's 'General Theory of Campaign Finance Reform' uses a game theoretic approach to delineate different pathways of political finance reform and, in doing so, explains inconsistencies that exist in extant literature. As the model has yet to be subjected to detailed qualitative analysis, Nwokora's theoretical framework is used as a platform on which to develop and test hypotheses in the case studies that follow. Thus, hypotheses present the anticipated impacts of party organization, party competition, and ideological factors upon the direction of political finance reform. Further hypotheses focus on the potential role of critical junctures such as scandals and changes in incumbency in triggering reforms. The remainder of the chapter discusses the methods and data used in the nested case studies. Following the identification of Canada, New Zealand, and a sample of Commonwealth Caribbean small states, the process tracing strategy and its underlying Bayesian logic are outlined. Data identification procedures are subsequently discussed; data in use is both qualitative, in the form of documents such as *Hansard*, and quantitative, as indicative measures of the strength of party organizations, levels of party competition, and party ideology. The chapter closes by providing an overview of the structure that underpins case study chapters.

In the three chapters that follow, process tracing is applied to analyse the development of political finance reforms in Canada, New Zealand, and the Commonwealth Caribbean small states. With Canada and New Zealand adopting substantive controls on political finance at different times, the periods of study adopted in each nation differ. In Canada, process tracing commences in the late-1960s, while the period of study in the New Zealand context starts in the mid-1980s. Following the identification of these periods, Chapters 4 and 5 continue

by providing the background to the shape of party organizations, competition, and ideology within each nation, alongside a timeline of political finance reforms within the respective study periods. Following this, hypotheses developed in Chapter 3 are tested via the application of process tracing. Documentary sources are used to infer party preferences for and against reforms, while quantitative indicators are employed to identify the political contexts within which reforms are proposed, debated, and passed. Finally, each chapter concludes with the presentation of a causal pathway of political finance reform.

As the group of Caribbean small states have no regulation on political finance, the theoretical model is applied to explain the continued absence of regulations within these contexts. Containing these discussions, Chapter 6 opens by exploring the shape of democratic institutions and political finance across the sample. Adopting a cross-sectional design, the chapter continues by outlining the nature of party organization, competition, and ideology in the Commonwealth Caribbean small states, applying theoretical propositions to explain the ongoing absence of political finance regulation. With these discussions identifying the minimal impact that ideology has on policymaking in the region, the chapter continues by outlining how the highly clientelist nature of governance contributes to the unregulated state of political finance. Discussions centre on the theoretical mechanisms that underpin this relationship and, to illustrate how these work in practice, the chapter closes with a detailed case study of unsuccessful political finance reform in Saint Lucia during the early to mid-2010s.

Combining the findings of Chapters 4, 5, and 6, discussions in Chapter 7 are focused on the development of an updated model of political finance reform. The chapter begins by restating the theoretical model, before thematically discussing the findings of hypothesis testing. Building on observations of Chapter 6, variations in governance model type are incorporated as an additional feature of the theoretical model. Taken together, the updated model of political finance reform proposes that differences between clientelist and programmatic governance models contribute to shaping regulations, alongside the strength of party organizations and levels of party competition. Though influential in some ways, ideological factors play a lesser

role. While scandals are found to be influential in triggering reform, changes in incumbency are not identified as such and, subsequently, are dropped from the model.[5]

Finally, Chapter 8 concludes by presenting an overview of the findings and contributions of the thesis. Methodologically, the creation and publication of the RoPFI dataset provides academics with a valuable resource for future research on political finance. The provision of the mono-dimensional RoPFI scale and the 'Unregulated', 'Partially Regulated', and 'Strongly Regulated' system types provides data sources for use in models designed for both continuous and categorical data. Moreover, the use of soft partitioning – unique to studies of political finance – provides a tool for researchers to assess the certainty of each nation's position within one of the three system types.[6]

Empirically, this thesis presents an up-to-date picture of regional practices in political finance. While prior research has been undertaken in this area, these studies rely on data which is, in some instances, two decades old. This thesis uses the most recent iteration of the International IDEA data to address this. Furthermore, through constructing the RoPFI, the thesis develops the research area of comparative political finance, by providing information on numerous nations which have previously been under-represented in the literature. These include the small nation states of the Pacific and Caribbean, for example. Though this cross-sectional resource provides an assessment of regulations in 2020, the development of a replicable methodology provides a foundation on which to build panel data on political finance regulation in future. Such a dataset will allow scholars to further identify causal relationships in this area, by providing a means to trace global trends and developments in political finance regulation.

Finally, theoretical contributions of this thesis draw primarily on the nested case studies. Using Nwokora's model as a foundation, this study builds on prior works to expand understanding on the ways in which political finance systems develop, as well as the scenarios under which

[5] A visual representation of the model is displayed in Figure 7.1.

[6] These statistics have previously been used to cut the RoPFI sample at various levels of certainty. This provides an additional measure on which to test the robustness of regression models. See Horncastle (2022) for an illustrative example of the benefits of this strategy.

different types of reform are likely. By observing the influence of governance model types in shaping political finance regulation, this research additionally contributes to literature on clientelism and institutional reform. Through the inclusion of a sample of small states – often excluded from comparative studies on political finance and clientelism – this thesis contributes to theoretical literature on democratic and institutional development in the small state context.

Chapter 2

Model Based Clustering of Political Finance Regimes: Developing the Regulation of Political Finance Indicator[7]

2.1 Introduction

This chapter examines the how of political finance regulation. In doing so, it addresses RQ_1: *how do nations differ in their approach to political finance regulation?* Previously, research in this area has been undertaken via single nation case studies (Casal Bértoa, Rodríguez-Teruel, et al., 2014; Calland, 2016; Dettman and Gomez, 2020; Woodall, 2015; Young and Tham, 2006) and small-N comparative works (Boatright, 2011; Clift and Fisher, 2004; Grant, 2005; Scarrow, 2016). While some attempts have been made to develop large-N models for comparing political finance regulation, this chapter finds them to be limited, for at least three reasons. Firstly, to produce the most generalizable insights, large-N comparative research should seek to incorporate as many cases as possible. Though some examples utilize a

[7]Please note that a large portion of this chapter is published as the following: Horncastle, W.C.R. (2022) 'Model Based Clustering of Political Finance Regimes: Developing the Regulation of Political Finance Indicator', *Electoral Studies*, Vol. 79, 1–12. doi: 0.1016/j.electstud.2022.102524.

global sample (Lopez et al., 2017; van Es, 2016), others rely on smaller or region specific samples (Ben-Bassat and Dahan, 2015; Casas-Zamora, 2005; van Biezen, 2010). These issues are reflective of limitations in previous data on political finance regulation. While the current iteration of the International IDEA 'Political Finance Database' contains information on 180 nations, the original data contained 82 nations (see International IDEA, 2020). Moreover, as prior classification tools are grounded on previous versions of the International IDEA data, observations are, in some instances, up to two decades old. An updated model is required to account for changes that have occurred in the period since.

Secondly, according to Arend Lijphart (1971), researchers dealing with large amounts of data should consider the use of formal dimension reduction techniques when building constructs for comparative research. Despite this, most prior studies in this area compare levels of regulation by adding the number of controls present in each country. Though this appears intuitive, it relies on the untested assumption that every individual regulation has an *identical* impact within the overall system. Finally, some strategies focus solely on *party* finance regulations, and consequently exclude those aimed at candidates and third-party groups (Ben-Bassat and Dahan, 2015; van Biezen, 2010; Wiltse et al., 2019). Thus, these studies do not account for regulations in countries with candidate-oriented electoral frameworks. To address these limitations, this chapter produces the 'Regulation of Political Finance Indicator' (RoPFI).

Outlining the development and application of the RoPFI, this chapter is divided into three parts. Section one opens by discussing some of the underlying debates in literature on political finance regulation, before critically reviewing existing approaches to political finance classification. Aforementioned limitations on sampling, data availability, dimensionality, and linearity are identified. Section two follows by introducing the central data source, namely the 2020 edition of International IDEA's Political Finance Database. It continues by discussing the methods used to develop the RoPFI. Through utilizing a novel combination of Multiple Correspondence Analysis and Model Based Clustering, the model identifies a single dimension

of political finance regulation, alongside three classes of system, labelled as 'Unregulated', 'Partially Regulated', and 'Strongly Regulated'. These classifications inform the latter chapters of this thesis, by providing the foundations for case selection in Chapter 3.

To address the second goal of this chapter, the final section provides an assessment of the shape of political finance around the world. Discussions in this area are oriented around the three classificatory groups developed by the RoPFI. Composition of the Strongly Regulated classification is discussed first, with the group primarily containing nations from Central and Eastern Europe, the Middle East and North Africa (MENA) region, and the Americas. Findings in this area deviate from extant literature in some ways; Mexico stands out as the most regulated nation globally, for example, diverging from previous rankings that could not account for recent reforms in the nation. Beyond this, discussions around the Partially Regulated category are centred on the clustering of African nations, which account for roughly half of all cases in the group. This further builds on some previous comparative literature, which underestimates the state of regulations in the continent. Additional patterns in this area relate to a subgrouping of nations from South and Southeast Asia, as well as the larger states of the Pacific region (most notably Australia and New Zealand), which tend to be categorised in this way. The final group – where political finance remains Unregulated – are mainly small states that are situated in the Caribbean and Pacific region. The notable exception to this pattern is Switzerland, which is the only European nation to have no regulations on political finance. In observing these trends, the chapter concludes by highlighting the benefits that come with using a global sample for comparisons in this area.

2.2 Literature Review: Regulating Political Finance

To provide a background on extant literature on political finance regulation, this review is divided into three parts. The first section examines the underlying philosophies of controls on political finance. Some studies in this area focus on the divergence between libertarian and egalitarian models of political finance (Dawood, 2018; Smilov, 2007; Sunstein, 1995),

while others explain the potential trade-off of democratic rights that occur when introducing requirements for financial disclosure (Koole, 2014; Naßmacher, 2006). Following this, the second section outlines those studies which make cross-national comparisons of political finance regulation, or develop models for classifying system types. For the purposes of clarity, these are divided into 'mono-dimensional' (Lopez et al., 2017; van Es, 2016; Whiteley, 2011) and 'multi-dimensional' approaches (Casas-Zamora, 2005; van Biezen, 2010; Wiltse et al., 2019). Finally, the section closes with a critical examination of prior classificatory models in political finance.

2.2.1 Underlying Debates in Regulating Political Finance

One of the major debates in political finance literature concerns what the role of money within politics should be. Discussions around this issue are influenced by differing interpretations of democracy and varied conceptions as to the nature of power relations within society. Philosopher John Rawls, for example, argues that politics should be:

> set free from the curse of money. Otherwise politics is dominated by corporate and other organised interests who through large contributions to campaigns distort if not preclude public discussion and deliberation (2005: p.449).

On the contrary, Bradley A. Smith disagrees with the idea of excluding money from the political process, arguing that:

> Once we accept the fact that different individuals control different sources of political power, it becomes apparent that attempts to exclude a particular form of power – money – from politics only strengthens the position of those whose power comes from other, non-monetary, sources, such as time or media access (1995: p.1049).

The preceding quotes demonstrate the two main schools of thought with regards to the control of money in politics. Those who conflate money with speech and political expression often favour a libertarian approach, which prioritises the protection of free speech principles.

Conversely, the egalitarian approach focuses on upholding the rights of equality, even if freedom of expression is impinged upon (Dawood, 2018; Smilov, 2007; Sunstein, 1995).

Underlying philosophies therefore contribute to the ongoing debate around how regulations should be framed. A pure egalitarian model of political finance includes strict regulations on political donations, through controls on large contributions and bans or limitations on those from corporations. To provide a level playing field and ensure equal opportunities for electoral participation, egalitarian systems incorporate these controls alongside public subsidization of parties. On the contrary, a pure libertarian model has no regulations on donations or spending and no public subventions for political parties. This is because, as they provide limits on permissible levels of campaigning, such regulations are seen to violate free speech rights.

A second thread within the literature queries the relative benefits of privacy and transparency in political finance. Usually justified to reduce corrupt practices – both actual and perceived – the most common method for increasing transparency is to require parties and candidates to disclose their incoming and outgoing finances. Adding to these requirements, some nations also oblige third parties to disclose their finances (Lawlor and Crandall, 2018; Orr and Gauja, 2014; Pal, 2018; Rowbottom, 2020). Indeed, further provisions in this area require donors providing contributions above a pre-defined threshold to disclose their identity, to allow the public to 'follow the money'. Through removing what is often termed as 'dark money', the generally recognised logic behind disclosure requirements is to reduce opportunities and incentives for government representatives to engage in corrupt practices (Briffault, 2010). Indeed, Hughes (2001) argues that, to target corruption, the only necessary regulations are *full disclosure* of contributions and expenditures all year round.

While corruption concerns are often forwarded in support of disclosure, Ruud Koole notes:

> The call for more transparency is not uncontested. The main argument against a high degree of openness is the donors' right to privacy. Does one have the right to do good by stealth? When exactly does the public interest in the disclosure of

financial sources outweigh the individual's right to privacy (2014: p.56).

Thus, proponents for privacy of political donations argue that justifications for disclosure are "riddled with contradictions" as "the very idea of the secret ballot suggests that a donor's privacy should be protected" (Naßmacher, 2006: p.450). Indeed, where requirements for disclosure are introduced, they may produce a disincentivising impact on potential donors, who are reticent to reveal their political affiliations to the public (Gilbert, 2012; McGeveran, 2003; Sarakinsky, 2007; Wood, 2018). When tested empirically, La Raja (2014) finds evidence in support of this argument, while Wood and Spencer (2018) observe a negligible impact.

To summarize, these philosophical debates present some of the issues that pervade literature on political finance. Building on this, the following passage outlines those studies which make cross national comparisons on political finance regulation.

2.2.2 Approaches to Political Finance Classification

Studies which seek to compare and classify political finance systems may be divided into two groups. Viewing the 'libertarian' and 'egalitarian' positions as extremities, the first selection of studies construct mono-dimensional measures to compare levels of regulation (Lopez et al., 2017; van Es, 2016; Whiteley, 2011). Although these approaches can be viewed within the diametric positions discussed in the prior section, further research observes that countries may "simultaneously display both libertarian and egalitarian characteristics" (Dawood, 2013: p.300). The concurrent incidence of competing positions suggests that countries may adopt different strategies for different types of regulation. Research has considered this when developing models to compare *areas of regulation* within a multi-dimensional system (Casas-Zamora, 2005; van Biezen, 2010; Wiltse et al., 2019). Table 2.1 summarizes the most cited and recently published typologies that are used to measure political finance regulation.

Ranging between one and four dimensions, models vary from simple additive indices (Casas-Zamora, 2005; Lopez et al., 2017; Wiltse et al., 2019) to more methodologically complex factor analytic (van Es, 2016) and item response theory models (Coppedge et al., 2021).

Table 2.1: Existing Methods for Classifying Political Finance Systems

Name	Cases	Dimensions	What do Dimensions measure?
Campaign Finance Regulatory Stringency Index (Kulesza et al., 2016; Witko, 2005)	50 US States	1	Regulatory stringency; sub-indices measure *Disclosure*, *Spending Limits/Public Financing*, & *Contribution Limits.*
Party Regulation Index (Whiteley, 2011)	36 Countries	1	General levels of regulation.
Political Finance Regulation Index (Lopez et al., 2017)	180 Countries	1	Levels of regulation; sub-indices measure *Bans & Limits on Private Income, Public Funding, Regulation of Spending,* and *Reporting, Oversight & Sanctions.*
Political Finance Regulation Index (van Es, 2016)	169 Countries	1	Levels of interventionism in political finance.
Varieties of Democracy Dataset (Coppedge et al., 2021)	202 Countries	2	*Disclosure of campaign donations* and *Public campaign finance*.
Typology of Party Finance (Wiltse et al., 2019)	120 Countries	2	Regulations on party *Income* and *Transparency*; presents *Market Based, Public Utility, State Co-opted,* and *Unregulated* classificatory groups.
Typology of Financing Regimes (van Biezen, 2010)	53 Countries	3	Party *Regulation*, *Transparency*, and *Subsidization*.
Political Finance Indices (Ben-Bassat and Dahan, 2015)	82 Countries	3	Party *Contribution Limits*, *Public Funding*, and *Transparency*.
Typology of Comparative Political Finance Systems (Casas-Zamora, 2005)	40 Countries	4	*Regulation of Expenditure, Regulation of Contributions, Transparency Rules,* and *Subsidization.*

The following subsections critically examine these approaches. Key limitations are found, including: (i) the reliance on unverified assumptions linked to dimensionality and grouping of cases; (ii) a frequent tendency to focus on *specific* areas of political finance (e.g. the exclusion of candidate-focused regulations); (iii) the use of regional sampling, and; (iv) the use of out-of-date information on political finance regulation. These are expanded upon next.

Mono-Dimensional Approaches

When developing mono-dimensional tools for the measurement of political finance, most previous studies have constructed indices by calculating the number of regulations employed within each country (Hummel et al., 2019; Lopez et al., 2017; Whiteley, 2011). Although these approaches provide simplicity, their linear structure may be problematic, as combinations of regulations often provide greater impact than their constituent parts. If the goal of public funding is to reduce the reliance on political donors, for example, subsidies are likely to have greater impact if introduced alongside restrictions on donations from private sources (Ohman, 2014b). Consequently, indices constructed in these studies rely on a previously untested assumption that the addition of individual regulations provides an identical impact on the overall restrictiveness of a country's political finance system.

Andrea Abel van Es considers this issue when producing the 'Political Finance Regulation Index'. This model measures "the degree to which states have various laws and official procedures regulating the flow of money into politics" (2016: p.210). Defining the Political Finance Regulation Index as a measure of "state interventionism", the study views this concept as "indirectly observable", with levels of intervention *indirectly* represented by the relative level of regulation in each country (2010: p.210). Using the 2012 version of International IDEA's Political Finance Database (PFD) as a foundation, the mono-dimensional measure is built in two stages.

The first stage converts the nominal PFD data into four ordinal sub-indices, by calculating the number of regulations that each country has in the areas of *Private Income, Public Funding, Spending,* and *Reporting, Oversight and Sanctions*, as a proportion of each category's total. Though divided across four categories of regulation, these indices are constructed via a similar additive approach to those discussed above (Hummel et al., 2019; Lopez et al., 2017; Whiteley, 2011). Thus, levels of regulation are represented on linear scales, where higher values indicate more regulation, and vice versa.

The second stage applies a factor analytic model to the four sub-indices, which produces

the latent measure of interventionism. As a result, the Political Finance Regulation Index methodology provides a means to determine the weighting of sub-indices within the mono-dimensional model. Despite the suggestion that this produces a model which is "more than simply a linear additive measure" of regulation (van Es, 2016: p.211), the intervening step to construct sub-indices follows a similar additive approach to those taken elsewhere. Consequently, the first stage of the model relies on the same untested assumptions deemed to be questionable in alternative mono-dimensional measures of political finance. To address this, formal dimension reduction techniques should be applied *directly* to data on *individual* political finance regulations.

Multi-Dimensional Approaches

Currently, the number of dimensions used in multi-dimensional frameworks ranges between two and four. As part of a wide ranging and ongoing study into several features of democracy, the Varieties of Democracy Dataset (V-Dem) project incorporates two variables linked to political finance. The first focuses on *disclosure* of campaign donations, with the second measuring *public campaign finance* (Coppedge et al., 2021). Following the V-Dem methodology, an average of five expert surveys were undertaken in each country, and levels of regulation in each area were measured on an ordinal scale. Findings were subsequently combined through an item response theory model (see Pemstein et al., 2022) to produce standardized comparative measures for disclosure and public funding. As an ongoing project, the V-Dem provides a significant amount of panel data, which ranges across 202 countries and more than 200 years. Despite this, the variables measure only two *specific* areas of political finance, and consequently fail to account for regulations on donations and expenditure.

Differing from the V-Dem, further multi-dimensional approaches are built on the PFD data. The two-dimensional 'Typology of Party Finance', developed by Wiltse et al. (2019: p.245), divides regulations on *income intervention* from those targeted at *transparency*. Within this model, the first dimension refers to regulations on party income and spending, while the transparency dimension compares the legal obligations of parties to disclose their finances.

Viewing systems as the intersection of three dimensions, Ben-Bassat and Dahan's 'Political Finance Indices' and van Biezen's 'Typology of Financing Regimes', differ from the model of Wiltse et al. (2019) by separating controls on private and public income into individual dimensions, alongside a similar dimension measuring disclosure requirements (Ben-Bassat and Dahan, 2015; van Biezen, 2010). Despite these differences, these models are common in their sole focus on party finance regulation. Though influenced by data availability issues, this is significant. Research shows the continued impact of candidate spending in some countries, as individuals often have to finance their campaigns independently of parties (Ohman, 2014a). Moreover, Super-PACs continue to be influential in post-*Citizens United* elections in the US (Hasen, 2014), and third-party campaigners have become a "sustained phenomenon" in Australia (Orr and Gauja, 2014: p.82). The sole focus on parties, therefore, fails to provide a holistic account of wider systems of political finance regulation. Casas-Zamora (2005) considers this when developing a four-dimensional framework, constructing measures on *political expenditure, contributions, state subsidization,* and *transparency*, inclusive of party and candidate regulations.

Further issues concern the technique for identifying system types. Previous methods have divided countries into categories on each dimension, often using the mean value to split cases. With every country defined as 'low' or 'high' on each dimension, the interaction of these positions provides various classificatory groups. Using this method on two dimensions results in four classifications (Wiltse et al., 2019), and a four-dimensional framework produces sixteen categories (Casas-Zamora, 2005). While this method is easily interpretable, it provides no means to determine whether the resulting categories are an accurate representation, or whether the countries within each group constitute a similar profile of political finance system. As a method which seeks to find "meaningful" and "internally cohesive" groups of cases, cluster analysis is oriented toward "find[ing] groups whose members have something in common that they do not share with members of other groups" (Bouveyron et al., 2019: p.1). Though the use of clustering would provide an empirically grounded technique for grouping cases, these methods remain unexplored within political finance literature.

The frameworks outlined in this section share the characteristic of measuring regulations across multiple scales yet, while unified in this respect, the optimum number of dimensions is contested. Despite Wiltse et al. (2019: p.245) claiming to 'clarify the dimensionality' of political finance through a two-dimensional approach, little supporting evidence is provided. In addition, though Casas-Zamora (2005) identifies sixteen classes of political finance system, six groups contain no cases, suggesting that a more parsimonious approach may be available. These observations are compounded further by sampling limitations. Countries examined in Casas-Zamora's study are gleaned predominantly from the Americas and Western Europe. Moreover, the model of Ben-Bassat and Dahan (2015) covers a sample size of eighty-two countries, while van Biezen's (2010) includes fifty-three cases. Consequently, while these frameworks may provide regional insights, they fail to capture a globally representative picture of political finance. Conclusions modelled on these frameworks should therefore consider whether wider generalizations are likely to be valid.

2.2.3 Limitations of Existing Approaches

This section has critiqued those approaches to measuring political finance regulation that currently appear most influential. Through doing so, it can be observed that: (i) to date, researchers have used between one and four dimensions to measure levels of regulation, often without clear justification; (ii) to varied extents, all measures assume some form of linear structure and, consequently, no study has applied dimension reduction techniques directly to the PFD data; (iii) previous studies have grouped countries via the mean value of each dimension, with no study exploring the use of clustering methods. This has the potential to classify countries that are dissimilar within a common category; (iv) a subsection of previous studies are built on older versions of the PFD, which excluded key areas of regulation, including those targetted at candidates; and (v) some previous studies rely on regional samples, potentially producing findings that are not generalizable to a global sample.

Designed to address these limitations, the following section outlines the data and methods used to develop the Regulation of Political Finance Indicator (RoPFI).

2.3 Data and Methods

The methodology of this chapter is divided into three main stages; data selection, dimension reduction, and grouping of cases. Each stage is designed to address the limitations outlined in the prior section. Firstly, the use of updated data from International IDEA's PFD allows for the inclusion of regulations in *all* areas of political finance, as well as the consideration of a 180-country sample. Though alternative approaches have used similar data to produce additive indices (Casas-Zamora, 2005; Lopez et al., 2017; Wiltse et al., 2019), or to produce additive sub-indices for inclusion in factor analysis (van Es, 2016), the methods used in this chapter were designed specifically for use on nominally coded data. The application of Multiple Correspondence Analysis *directly* to individual regulations allows for an empirically robust method of dimension reduction, and further provides a means to weight variables within the eventual model (Di Franco, 2016; Husson et al., 2011). The final stage, which uses Model Based Clustering to group cases, is grounded in probability theory. Consequently, its use provides a more "principled" method for grouping cases, relative to the techniques used previously (Bouveyron et al., 2019: p.15).

This section outlines data and methods used in this study, and is structured as follows. Subsection one introduces the data sample and discusses the pre-processing stages, while Subsection two outlines the missing data strategy and, subsequently, the use of Multiple Correspondence Analysis to reduce the dimensionality of the data. Subsection three opens by comparing the available options for categorization of system types – namely Cluster Analysis and Latent Class Analysis – before running a Model Based Clustering algorithm. With findings identifying three groups of political finance system, the chapter closes with a descriptive overview of geographical trends in regulation.

2.3.1 Pre-Processing Political Finance Data

Originally published in 2003, International IDEA's PFD was developed by legal scholars and political scientists via a standardized survey. To determine the most suitable sample,

the survey excluded all countries where political parties are legally banned, or where no elections had been held in the past 30 years. Consequently, the PFD contains data on political finance regulation in 180 countries (International IDEA, 2020). Updates in 2012, 2016, 2018 and 2020 expanded the resource to produce a dataset on regulations in four areas: *Bans and Limits on Private Income, Public Funding, Regulations on Spending,* and *Reporting, Oversight and Sanctions*. At the time of writing, the current iteration is accurate as of January 2020. Most variables are measured on a nominal scale. For example, the variable: *is there a limit on the amount a donor can contribute to a candidate* may take the values 'yes' or 'no'. Though these binary variables indicate the presence or absence of particular regulations, supplementary variables clarify any related thresholds. Using Canada as an illustrative example, the nominally coded variable tells us that Canada *does* have limits on donations to candidates, while the supplementary variable explains that donors are limited to CA$1,500 per candidate, per year. The inclusion of nominally coded variables for each type of regulation provides a simple way to compare how countries differ in their approach.

While the addition of supplementary variables presents further information, the lack of standardization makes cross-country comparisons challenging. In a study of State-level regulations in the US, Witko reasoned that comparisons of donation, spending, and disclosure thresholds are problematic, as "many states do not limit these behaviours or do not limit them on a dollar-level basis" (2005: p.298). This issue is exacerbated further when considering the global sample of the PFD, where thresholds are set through various currencies. To ensure cross-national comparability, all data other than nominally coded variables are removed. In order to reduce overall proportions of missing data, variables missing values for more than 20 percent of cases are also dropped. This reduced the proportion of missing values to eight percent of the total. A list of these variables is displayed in Table 2.2.

In total, dropped variables account for eight of the 53 regulation types covered by the PFD. As shown in Table 2.2, these variables are spread across all four regulation categories. Excluded variables in the private income category are related to loans to candidates, as well as the

Table 2.2: Variables Excluded from Analysis

Category	Variable	Missing Data (%)
Bans and Limits on Private Income	Are there restrictions regarding candidates taking loans in relation to election campaigns?	20.0
	Are donors to political parties/candidates subsequently restricted from participating in public tender/public procurement processes?	39.4
Public Funding	Is there a ban on state resources being given to or received by political parties or candidates (excluding regulated public funding)?	21.7
Regulations on Spending	Are there limits on the amount that third parties can spend on election campaign activities?	26.1
	Are there limits on online media advertising spending in relation to election campaigns?	25.0
	Do any other restrictions on online media advertisement (beyond limits) exist?	29.4
Reporting, Oversight and Sanctions	Is it specified that a particular institution(s) is responsible for overseeing compliance with existing rules against abuse of state resources?	25.0
	Do third parties have to submit financial reports on election campaigning?	24.4

links between donations and public procurement processes. The single variable related to public funding focusses on the use of state resources for campaigning, while rules on online advertisements are excluded from the spending regulations category. Taken in isolation, the exclusion of these factors does not have a major impact on the breadth of the remaining data. While this is the case, the remaining variables outlined in Table 2.2 do have an impact on the coverage of the dataset. Despite aiming to include data on all aspects of political finance, data related to third party regulations contains large proportions of missing data. Accordingly, while the forthcoming political finance measure accounts for regulations on political parties and candidates, third parties are not considered.[8] Following this process, a subsample of 45 nominally coded variables remain. Of these, 23 are categorized by International IDEA as limits on private income, seven as public funding, four as regulations on spending, and 11 as controls on reporting and oversight (see Table 2.3).

[8]This is an absence from the study that will be prioritized should stronger data become available in future.

Table 2.3: Variables included in Multiple Correspondence Analysis

Category	Variable
Bans and Limits on Private Income	1. Is there a ban on donations from foreign interests to political parties?
	2. Is there a ban on donations from foreign interests to candidates?
	3. Is there a ban on corporate donations to political parties?
	4. Is there a ban on corporate donations to candidates?
	5. Is there a ban on donations from Trade Unions to political parties?
	6. Is there a ban on donations from Trade Unions to candidates?
	7. Is there a ban on anonymous donations to political parties?
	8. Is there a ban on anonymous donations to candidates?
	9. Is there a ban on donations from corporations with government contracts to political parties?
	10. Is there a ban on donations from corporations with government contracts to candidates?
	11. Is there a ban on donations from corporations with partial government ownership to political parties?
	12. Is there a ban on donations from corporations with partial government ownership to candidates?
	13. Is there a ban on donations from any other source?
	14. Are there bans on state resources being used in favour or against a political party or candidate?
	15. Is there a limit on the amount a donor can contribute to a political party over a time period (not election specific)?
	16. Is there a limit on the amount a donor can contribute to a political party in relation to an election?
	17. Is there a limit on the amount a donor can contribute to a candidate?
	18. Is there a limit on the amount a candidate can contribute to their own election campaign?
	19. Is there a limit on in-kind donations to political parties?
	20. Is there a limit on in-kind donations to candidates?
	21. Are there provisions regarding political parties engaging in commercial enterprises?
	22. Are there restrictions regarding political parties taking loans in relation to election campaigns?
	23. Are there provisions requiring donations to go through the banking system?
Public Funding	24. Are there provisions for direct public funding to political parties?
	25. If there are provisions for direct public funding to political parties, are there provisions for how it should be used (‘ear marking’)?
	26 .Are there provisions for free or subsidized access to media for political parties?
	27. Are there provisions for free or subsidized access to media for candidates?

continued on next page . . .

Category	Variable
	28. Are there provisions for any other form of indirect public funding?
	29. Is the provision of direct public funding to political parties related to gender equality among candidates?
	30. Are there provisions for other financial advantages to encourage gender equality in political parties?
Regulations on Spending	31. Is there a ban on vote buying?
	32. Are there limits on the amount a political party can spend?
	33. Are there limits on the amount a candidate can spend?
	34. Are there limits on traditional media advertising spending in relation to election campaigns?
Reporting, Oversight and Sanctions	35. Do political parties have to report regularly on their finances?
	36. Do political parties have to report on their finances in relation to election campaigns?
	37. Do candidates have to report on their campaign finances?
	38. Is information in reports from political parties and/or candidates to be made public?
	39. Must reports from political parties and/or candidates reveal the identity of donors?
	40. Must reports from political parties and candidates include itemized income?
	41. Must reports from political parties and candidates include information on itemized spending?
	42. Is it specified that a particular institution(s) is responsible for examining financial reports and/or investigating violations?
	43. Is there an institution that receives financial reports from political parties and/or candidates?
	44. Do any other institutions have a formal role in political finance oversight?
	45. Are sanctions provided for political finance infractions?

With the pre-screening process completed, remaining data contains a total of eight percent missing values (from more than 8,000 data points). 82 of 180 countries are identified as complete cases, while 24 have proportions of missing data in excess of 20 percent. Table 2.4 displays these cases, arranged by continent.[9] Descriptive analysis of missing data patterns shows some important regional trends. A large proportion of nations with sizable missing data are situated in Central Africa and the MENA region, while some are characterised as small states in the Caribbean and Pacific. Contrasting this, Europe is the only continental grouping that does not have any nations exceeding 20 percent missing data.

[9] See Appendix A for proportion of missing data in all cases.

Table 2.4: Nations with Extensive Missing Data

Continent	Nation	Missing Data (%)
Africa	Algeria	27
	Burkina Faso	22
	Central African Republic	49
	Chad	51
	Comoros	60
	Djibouti	40
	Equatorial Guinea	73
	Eswatini	87
	Gabon	44
	Libya	31
	Republic of the Congo	31
Americas	Argentina	24
	Guyana	24
	Haiti	27
	Suriname	22
Asia	Afghanistan	20
	Bahrain	44
	Iran, Islamic Republic of	47
	Iraq	27
	Sri Lanka	31
	Syrian Arab Republic	29
Europe	-	-
Oceania	Samoa	69
	São Tomé and Príncipe	51
	Tuvalu	53

These patterns are reflective of wider trends in the literature; while Europe is the most studied continent on matters of political finance (see, *inter alia*, Casal Bértoa, Rodríguez-Teruel, et al., 2014; Hopkin, 2004; Koß, 2010; Piccio, 2014b; Smilov and Sjöberg, 2014; van Biezen and Kopecky, 2007; Tonhäuser and Stavenes, 2020), observations related to Africa tend to be the result of disparate single nation case studies which offer fewer comparative insights (see, *inter alia*, Adetula, 2008; Dendere, 2021; Good, 2010; Teshome, 2009). This has implications for data quality. Although observations related to the majority of the world's regions are built on strong underlying data, information that underpins those of parts of Central Africa and the MENA region is weaker by comparison. As the primary purpose of this chapter is

methodological – in that it seeks to develop a replicable strategy for the development of a political finance indicator – analyses undertaken here should be reproduced upon provision of stronger underpinning data in future.

2.3.2 Quantifying Political Finance Regulation

Advances in machine learning methodology have provided opportunities for the development of Model Based Clustering (MBC) approaches (Ahlquist and Breunig, 2012; Bouveyron et al., 2019; Waggoner, 2020). Despite this, application of these methods to categorical data has received "relatively little attention" and remains underdeveloped (McNicholas, 2016: p.356). As a traditional approach, feature extraction methods such as principal component analysis have been used prior to cluster analysis. These techniques are complementary to one another as they provide "a continuous view (the tendencies identified by the principal components) and a discontinuous view (the clusters obtained by the clustering) of the same set of data" (Husson et al., 2011: p.190). Indeed, Ahlquist and Breunig affirm that MBC is "well suited" to this approach (2012: p.98). Though this is the case, the use of principal component analysis is not applicable to categorical input data (as is the case with all variables displayed in Table 2.3). Multiple Correspondence Analysis (MCA) is an optimal scaling technique designed for this purpose. As such, MCA is generally "regarded as principal component analysis with unordered categorical variables" (Blasius and Thiessen, 2012: p.46). When working with this type of data, therefore, MCA may be used to reduce data dimensionality prior to clustering (Husson et al., 2011; Josse et al., 2012). Following this approach, the next stage of analysis applies MCA to the variables displayed in Table 2.3. First, however, remaining missing data is imputed using Regularized Iterative Multiple Correspondence Analysis (RiMCA).

Data Imputation: Regularized Iterative Multiple Correspondence Analysis (RiMCA)

As previously outlined, the pre-processing stages of this chapter produced a dataset of 45 variables with a total of eight percent missing data. To undertake MCA on incomplete data, Josse et al. (2012) develop a two stage approach. The first stage employs a Regularized

Iterative Multiple Correspondence Analysis (RiMCA) single imputation method to impute missing values, with the second stage applying MCA to the complete dataset. This strategy deviates from the often preferred technique of Multiple Imputation (MI), which replaces missing values with "a set of *M* plausible values, thereby acknowledging the uncertainty about what values to impute for the missing responses" (Fitzmaurice et al., 2015: p.18). The benefits of MI are that, in producing *M* different imputations, it subsequently produces *M* different parameter estimates and standard errors, which are pooled to account for uncertainty in the imputation process (Rubin, 1987). While MI is now accepted as the "best general method to deal with incomplete data" (van Buuren, 2012: p.25), its use comes with some caveats, not least that such techniques need "better coverage of and extensions to categorical data" (2012: p.87). With data of this chapter comprising nominally coded variables (see Table 2.3), RiMCA represents a strong alternative to MI.

To summarize, the RiMCA method uses an iterative EM type algorithm, where missing values are imputed during the expectation stage, while components are extracted during the maximization step. Studying the performance of RiMCA on simulation and real world data, results indicate strong performance across a range of missing data conditions. These included datasets ranging from eight percent to 30 percent missing data, as well as instances of data Missing at Random (MAR) and Missing Completely at Random (MCAR). The RiMCA procedure ensures that missing values are imputed with consideration of the relationships between both cases *and* variables and, as such, "predict[s] the coordinates of the individuals on the first components in spite of the missing values" (Josse et al., 2012: p.114). Consequently, the use of RiMCA prior to MCA provides a method to "perform clustering on incomplete categorical variables" (2012: p.114).[10] Following this process, the complete dataset is taken forward into the dimension reduction stage.

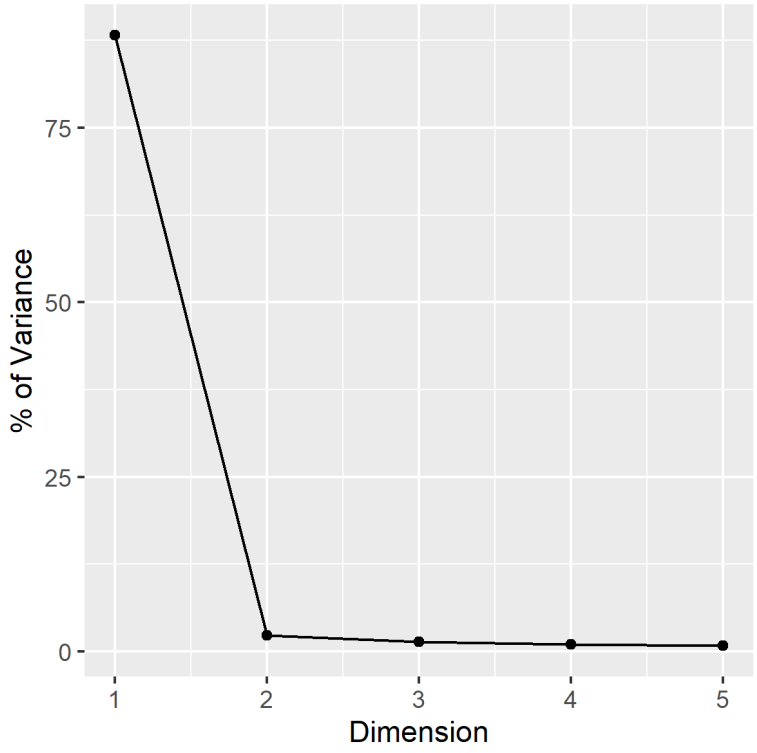
Dimension Reduction: Multiple Correspondence Analysis (MCA)

Following RiMCA imputation, MCA is undertaken on the complete dataset. The first stage

[10] See Appendix B for results of RiMCA imputation.

of MCA converts input data into a disjunctive table, which represents each variable as a series of individual dummy coded response categories, referred to as 'modalities'. A binary variable is converted to two modalities, for example, while a three level categorical variable is recoded into three. The 45 variables under examination in this study are represented by a total of 100 modalities. As with all dimension reduction methods, a key stage of MCA is to determine the number of dimensions to retain. The scree plot, which displays the percentage of variance explained by each extracted dimension, is examined to identify the optimum number of dimensions for retention. With 100 modalities, this value theoretically ranges between one and 100. Figure 2.1 shows values for the first five dimensions, adjusted through the calculation offered by Greenacre (2006).

Figure 2.1: Multiple Correspondence Analysis Scree Plot



The first dimension always retains the largest percentage of variance, with each subsequent dimension providing reduced explanatory value. While no rule of thumb exists for determining the optimum number of dimensions to retain, Di Franco suggests a similar logic to the Kaiser

criterion, by retaining factors whose contributions to the overall variance of the data are "higher than average" (2016: p.1303).[11] Following this recommendation here suggests that all dimensions with an eigenvalue exceeding 0.01 should be retained as, while the first dimension has an eigenvalue of roughly 0.9, the second falls below the threshold for retention. As an alternative recommendation, Husson et al. (2011) suggest that researchers should retain dimensions that account for eighty to ninety percent of variance. Figure 2.1 indicates that Dimension 1 explains roughly eighty-eight percent, with further dimensions appearing to be little more than noise.[12] These observations suggest that a single dimension is sufficient to compare levels of political finance regulation.

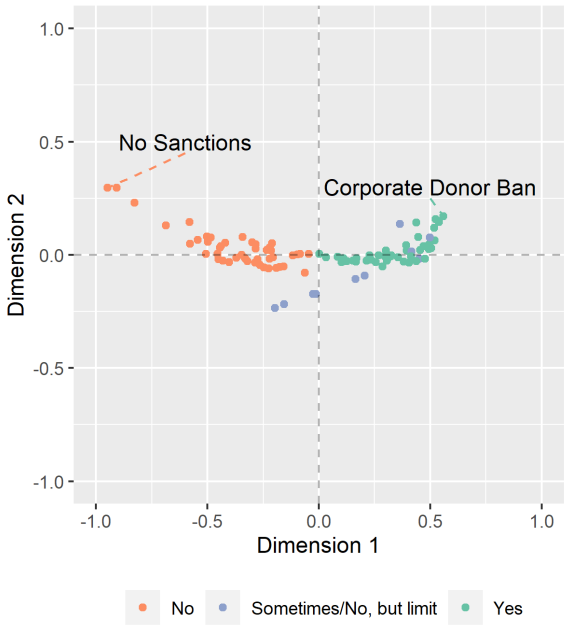
To understand what this dimension measures, MCA geometrically represents modalities and cases in a Euclidean space (Greenacre, 2017).[13] While the second dimension offers little additional power in terms of variance explained, it is retained for visualization purposes. On these plots, points positioned proximate to one another have similar structure. Conversely, large distances between points indicate dissimilarity. Figure 2.2a shows the positioning of modalities on the first two extracted dimensions. The plot shows a clear division between all 'no' and 'yes' categories, which are clustered to the left and right-hand sides of the first dimension. With 'Sometimes' and 'No, But Specific Limit' modalities generally lying between, the spread of categories across Dimension 1 indicates a natural ordering within the variables. As an additional interpretation of this plot, the further a modality is positioned from the origin, "the greater the contribution it makes toward the formation of the axis itself" (Di Franco, 2016: p.1305). Thus, points positioned proximate to the origin provide the smallest contribution to the dimension. In Figure 2.2a, the leftmost point indicates that a country has no sanctions in place for political finance violations. Consequently, the absence of sanctions is more highly weighted than an absence of regulations in any other area. The opposite is true for

[11] This value is calculated by dividing 1 by the total number of modalities. In this case, the resulting figure is 0.01.

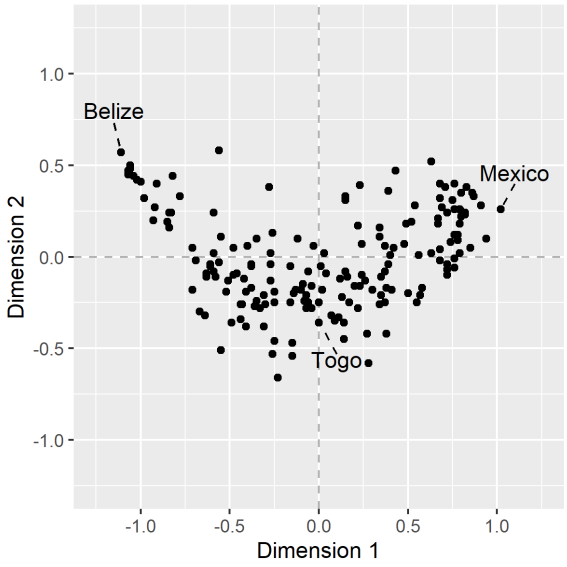
[12] Examination of squared cosine values for each modality supports this claim. Dimension 1 represents categories well, with all 'yes' and 'no' responses having a value above 0.6. Overall, Dimension 2 is a weak construct, with a maximum value of 0.4.

[13] See Appendix C for a complete list of modality coordinates.

Figure 2.2: Dimensions Extracted via Multiple Correspondence Analysis



(a) Plot of Modalities



(b) Plot of Cases

prohibitions on corporate donations to candidates which, as the rightmost point, is the most highly weighted modality in the positive direction. Considering the polarized nature of these points, we find that no country in the sample is coded in both categories. The interpretation of cases, displayed in Figure 2.2b, follows the same logic. Highlighted points show that Mexico and Belize are the most and least regulated countries respectively. Revisiting the input data confirms this to be the case, with Mexico making use of 43 of the 45 regulations under study, and Belize only employing a single regulation.

The use of MCA here provides empirical support for the presence of a single dimension of political finance regulation. As a consequence, countries can be ranked on a scale of 'least' to 'most' regulated in this area, providing tacit support for the mono-dimensional approaches used elsewhere (Kulesza et al., 2016; Lopez et al., 2017; van Es, 2016; Whiteley, 2011). Where MCA improves upon the aforementioned approaches, however, is in its consideration of regulations as individual input variables. While previous approaches treated regulations as equal via the construction of additive linear scales, MCA relaxes assumptions of linearity. This is achieved by breaking down response categories into modalities, which are weighted

as individual points. Consequently, the *absence* of a specific regulation may have a greater weight than its *presence* would in the opposing direction. As an example highlighted above, sanctions for political finance violations are much more conspicuous by their absence than by their presence. Identification of regulations of interest, as well as their individual weighting, is not possible when using simple additive approaches. While van Es (2016) utilizes factor analysis to weight *types* of regulation, the creation of additive indices as a precursory step presents similar limitations.

2.3.3 Grouping Political Finance Systems: Model Based Clustering

Although MCA provides a foundation for the development of a mono-dimensional construct, the method does not provide any approach to classify cases into groups. Previous studies have used the axis origin as a breakpoint for dividing cases (see Casas-Zamora, 2005; van Biezen, 2010; Wiltse et al., 2019), however this method has the potential to force cases into clusters they do not naturally fall within. The positioning of Togo in Figure 2.2b shows the limitations to this strategy. If one were to use the axis to divide cases, points lying directly on the intercept would present methodological difficulties. Furthermore, countries grouped proximate to the origin may be divided across different classifications, despite being qualitatively similar. While methods such as Cluster Analysis and Latent Class Analysis (LCA) exist to counter these issues, they have not yet been explored in the political finance literature. This section opens by discussing the differences between these techniques, before outlining the Model Based Clustering approach that is used to identify groups within the Regulation of Political Finance Indicator.

Cluster analysis is an umbrella term for a selection of machine learning techniques which seek to "[detect] and [map] degrees of similarity between objects in some feature space" (Waggoner, 2020: p.2). It is built on the assumption that "the cases with the *most similar scores across the analysis variables belong in the same cluster*" (Weller et al., 2020: p.289, *emphasis added*). While LCA is a similar technique in some respects, it differs in that it assumes "that

latent classes exist and explain patterns of observed scores across cases" (Weller et al., 2020: p.289, *emphasis added*). A second difference between these techniques concerns their respective approaches to classification; although the purpose of Cluster Analysis is to directly place cases within groups, LCA assigns *probabilities* of class membership to each case and, as a result, class assignments are not clear-cut (Vermunt and Magidson, 2002). Though subtle, consideration of these differences is important to ensure that the chosen methodology is fit for purpose. As the aim of this chapter is to group cases based upon *observable* similarities in the shape of their regulations, cluster analysis is deemed more suitable. This is because cluster analysis does not assume that the structure of regulations in each case is *driven by* class membership (as is the case with LCA).

When considering which type of cluster analysis to use, Model Based Clustering stands out as the strongest option. As defined by Bouveyron et al. (2019: p.15), MBC is a "principled approach to cluster analysis, based on a probability model and using standard methods of statistical inference". While traditional methods require the analyst to make decisions regarding model choice and number of clusters, MBC proceeds by running several models that differ in their treatment of cluster distribution, volume, shape, and orientation. In practical terms, the 'mclust' R package implements MBC by running a total of 119 separate algorithms (Scrucca et al., 2016).[14] Each model is initialized through hierarchical agglomerative clustering, with an iterative EM algorithm used to optimize its fit. Finally the optimal model is chosen by examining the Bayesian Information Criterion (BIC). By selecting a solution from a wide range of possible models, MBC nullifies some of the limitations of standard hierarchical clustering – most notably the inability to reverse decisions once mergers are complete. Accordingly, MBC is considered a more robust method than commonly used alternatives, including hierarchical or *k*-means algorithms (Ahlquist and Breunig, 2012; Bouveyron et al., 2019).

One of the prominent features of MBC concerns the use of the BIC to aid model selec-

[14] mclust produces outputs for solutions ranging between one and nine clusters. While only two variations are available for a one cluster solution, the package produces 14 different options for solutions ranging between two and nine clusters. An overview of these model types, which apply various parameters to cluster distribution, volume, shape, and orientation, is provided by Scrucca et al. (2016: p.291).

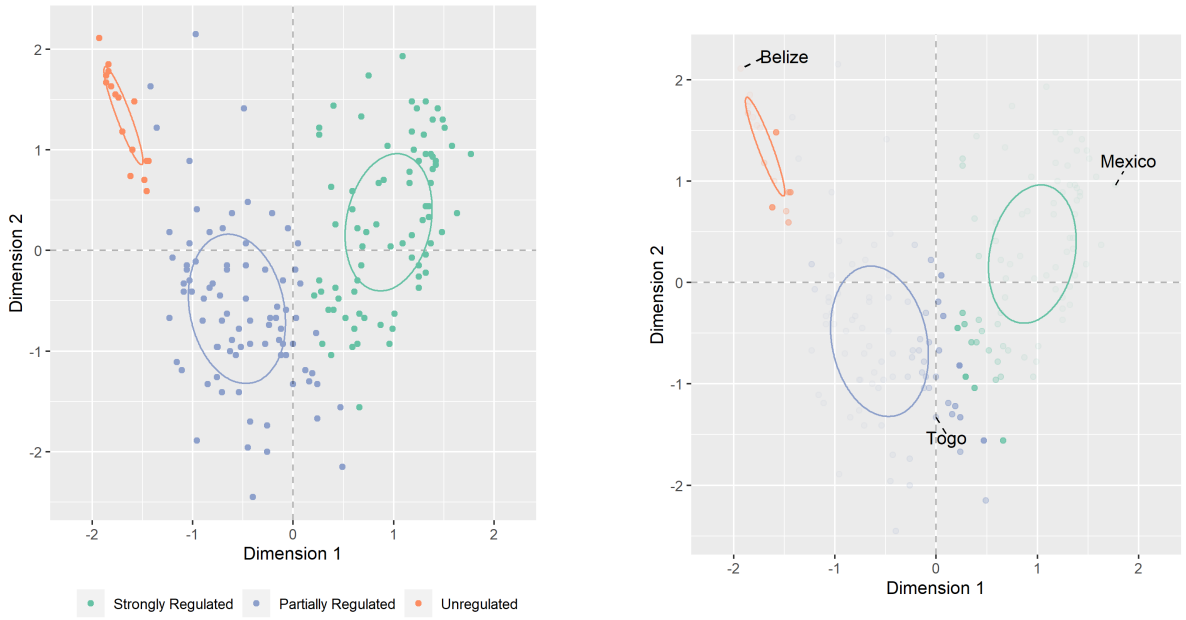
tion. When drawing comparisons between varied specifications, the magnitude of difference between two BIC values indicates the dissimilarity of two models. Interpretation follows guidelines presented by Kass and Raftery , where differences exceeding 10 indicate “very strong” evidence of a more suitable model fit, and differences below 2 are “not worth more than a bare mention” (1995: p.777). Running MBC on the findings displayed in Figure 2.2b, the three models with largest BIC values are compared in Table 2.5. A Hopkins statistic of 0.63 suggests the presence of natural clusters within the data (Waggoner, 2020). Following Kass and Raftery’s guidelines, examination of BIC values suggests that Models 1 and 2 are preferable to Model 3. The difference of just 0.36 between values for the first two models indicates a negligible difference between three and four cluster classifications. When cluster shapes are held equal, MBC suggests a four cluster solution while, when shapes are permitted to be variable, a three cluster solution is deemed appropriate.

Table 2.5: Specification and BIC Values for Optimal Model Selection

Model	Distribution	Volume	Shape	Orientation	Code	Clusters	BIC	Difference
1	Ellipsoidal	Variable	Equal	Variable	VEV	4	-922.41	-
2	Ellipsoidal	Variable	Variable	Variable	VVV	3	-922.77	0.36
3	Ellipsoidal	Variable	Equal	Variable	VEV	3	-926.02	3.61

Although the BIC provides a useful metric for model comparison, its use alone “does not necessarily give the best classification among the candidate models” (McNicholas, 2016: p.338). As Models 1 and 2 are essentially identical via consideration of the BIC, further internal validation techniques are applied to aid model selection. Connectivity, Dunn Index, and Average Silhouette Width tests were undertaken to ascertain the number of clusters that optimize “connectivity *between observations* in a cluster, density *within clusters*, and separation *between clusters*” (Waggoner, 2020: p.22). All three tests indicate support for a three cluster model. Combining these test results from those of the BIC, Model 2 is selected as optimal. Figure 2.3 presents the results of MBC.

Figure 2.3: Model Based Clustering Plots



(a) Cluster Plot

(b) Uncertainty Plot

Model specification follows an Ellipsoidal Distribution, with Variable Volume, Shape and Orientation (VVV). Three cluster internal validation measures: Connectivity (28.974), Dunn Index (0.027), Average Silhouette Width (0.415).

Figure 2.3a shows the shape of the clusters, revealing two large groups to the right and centre-left of the plot, and one smaller group to the far-left. With the majority of variance explained by the horizontal dimension, those clustered to the left of the plot are the least regulated, with overall levels of regulation increasing as clusters move rightward. These results indicate three main groups of political finance system, outlined and defined below:

- **Unregulated:** No substantive regulation of political finance. Where controls exist, they rarely extend beyond a ban on vote buying or a rudimentary form of indirect public funding.
- **Partially Regulated:** Countries utilize some controls on political finance, through various combinations of restrictions on private income and spending, requirements for disclosure, and public funding.
- **Strongly Regulated:** Countries utilize extensive controls in most, and sometimes all, areas of political finance, including controls on private income and spending, requirements

for disclosure, and public funding.

Though previous studies have used a pre-defined partition to force cases into 'low' and 'high' categories (Casas-Zamora, 2005; van Biezen, 2010; Wiltse et al., 2019), MBC provides a 'soft' approach to partitioning. This method permits a calculation of uncertainty around each country's classification (Ahlquist and Breunig, 2012). To illustrate how soft partitioning is beneficial when compared to a simple mean partition, Figure 2.3b highlights uncertain classifications as darker points. Returning to the three cases discussed previously, the points of Belize in the Unregulated cluster, and Mexico in the Strongly Regulated classification, are barely visible, indicating that their cluster assignment comes with a high degree of certainty. Lying within the Partially Regulated group, the position of Togo is much more visible. As the associated *p*-value of 0.14 does not fall below conventional thresholds of statistical significance, we can choose whether to approach this finding with some caution. In the context of political finance, this model is distinctive in its ability to identify cases that do not appear to naturally cluster into a group. Taken together, these classifications form the foundation of the Regulation of Political Finance Indicator (RoPFI).[15]

2.4 Political Finance System Types

In seeking to understand the *how* of political finance regulation, the previous sections outlined the data and methods used to develop the RoPFI. This addressed the first goal of the chapter; to develop a robust model for the classification of political finance systems. Remaining sections work toward the second goal, by using the RoPFI to examine the global state of political finance regulation.

As noted from the outset, research has previously been undertaken in this area. To summarize, studies into European political finance observe that the continent is "much more restrictive" than elsewhere (van Biezen, 2010: p.74). According to Smilov (2007), former communist

[15]Full RoPFI country classifications are available in Appendix D and at www.ropfi.com. As a robustness test, all preceding analyses were undertaken via complete cases analysis. Results supported a mono-dimensional approach and three cluster solution. Details of this test are outlined in Appendix E.

nations within Eastern Europe tend to employ stringent regulatory systems in tandem with generous state subsidization. Strong patterns of public funding are also found in Southern and Western Europe (Katz and Mair, 1995; Pinto-Duschinsky, 2002). Northern European nations generally take a different approach, as regulations are found to be comparatively less stringent (van Biezen and Kopecky, 2007). In North America, van Biezen (2010) has previously highlighted the particular focus on transparency and disclosure requirements. Cynthia Barrow-Giles (2011) and Michael Pinto-Duschinsky (2002) further note that Caribbean islands tend to lack regulation and subsidization, while Londoño and Zovatto (2014) add that Latin America tends to combine a lack of controls on private income with sizeable public subsidization. Adding to these observations, Andreas Ufen (2014: p.84) concludes that it is "difficult to describe any clear patterns" in Asia, due to the variety of cultural traditions that exist in the region, van Biezen (2010) categorizes Africa as the least regulated continent in the world, and Ohman (2012: p.11) finds controls in Oceania to be "almost non-existent".

Though these studies provide insights into global trends in political finance regulation, many observations are dated. Michael Pinto-Duschinsky's (2002) overview of trends in political finance was published in the early years of the 21st century, for instance, while comparative studies by van Biezen (2010) and Ben-Bassat and Dahan (2015) were undertaken during the early development phases of the International IDEA data. The data upon which these studies were built therefore relate to the year 2001, with observations available for just 82 nations. Indeed, while van Es' (2016) Political Finance Regulation Index and Wiltse et al's (2019) Typology of Party Finance are based on subsequent versions of the PFD, these data are still around a decade old at the time of writing. The development of the RoPFI, therefore, presents an opportunity to address this issue and assess the current state of political finance regulations around the world.

To achieve this aim, the remainder of this chapter utilizes the large-N RoPFI sample to outline patterns in political finance regulation.

2.4.1 Strongly Regulated: Post-Communist Europe, MENA, and the Americas

The first RoPFI cluster contains those nations whose political finance systems are classified as Strongly Regulated. This group represents countries that *utilize extensive controls in most, and sometimes all, areas of political finance, including controls on private income and spending, requirements for disclosure, and public funding*. Of 78 nations categorized in this way, 65 reach the 90 percent confidence threshold for cluster membership (see Table 2.6). To summarize, the Strongly Regulated category is primarily comprised of nations from Central and Eastern Europe, the MENA region, and the Americas.

Table 2.6: Strongly Regulated Nations in the RoPFI Sample

Continent	$p < 0.90$		$p > 0.90$
Africa	Egypt		Algeria
	Kenya		Cabo Verde
	Liberia		Libya
	São Tomé & Príncipe		Morocco
	Tunisia		South Africa
Americas	Argentina	Haiti	-
	Bolivia	Honduras	
	Brazil	Jamaica	
	Canada	Mexico	
	Chile	Panama	
	Colombia	Paraguay	
	Costa Rica	Peru	
	Dominican Republic	United States	
	Ecuador	Uruguay	
	Guatemala		
Asia	Afghanistan	Jordan	India
	Bahrain	Korea, Republic of	Indonesia
	Bhutan	Mongolia	Kyrgyzstan
	Iraq	Taiwan	Tajikistan
	Israel	Timor-Leste	
	Japan	Uzbekistan	
Europe	Albania	Lithuania	Cyprus
	Armenia	Luxembourg	Czech Republic
	Azerbaijan	Moldova	Finland

continued on next page . . .

Continent	$p < 0.90$		$p > 0.90$
Europe	Andorra	Montenegro	Slovakia
	Belgium	North Macedonia	
	Bosnia & Herzegovina	Poland	
	Croatia	Portugal	
	Estonia	Romania	
	France	Russian Federation	
	Georgia	Serbia	
	Greece	Slovenia	
	Hungary	Turkey	
	Iceland	Ukraine	
	Latvia		
Oceania	Fiji		Papua New Guinea

The first notable trend in Table 2.6 relates to the prevalence of European nations, which account for more than one third of the Strongly Regulated classification. This finding is consistent with previous literature in the area, which has identified a propensity for nations of the continent to employ tight regulations in conjunction with public subventions for parties (van Biezen, 2010; van Es, 2016). At the subcontinental level, observations drawn from Table 2.6 are consistent with prior literature on Central and Eastern Europe where, according to Smilov and Sjöberg, regulations "feature elaborate systems of rules, restrictions on contributions and expenditure, and disclosure mechanisms", owing to the communist legacy of the region (2014: p.173). While these cases represent the majority of European nations in this category, two smaller regional groupings are visible. The first constitutes a handful of Western European nations, including Andorra, Belgium, France, and Luxembourg; these trends come as little suprise, as a considerable body of literature has observed the prominence of highly interventionist forms of political finance in the region (see, *inter alia*, Hopkin, 2004; Katz and Mair, 1995; Pierre et al., 2000; Pinto-Duschinsky, 2002; Pujas and Rhodes, 1999; Scarrow, 2006; van Biezen and Rashkova, 2014). Beyond this, the second cluster of European nations comprise a small group from the north of the continent, namely Estonia, Iceland, and Latvia.

Alongside this, nations from the Americas represent a further sizable portion of the Strongly Regulated category. In North America, Canada and the US are categorised as such, while

Latin American states are a further contributor to this category. Such observations align with prior literature as, stemming from the long tradition of public funding in Latin America – where subsidies were first introduced in Uruguay in 1928 (Casas-Zamora, 2005; Casas-Zamora, 2013) – the majority of Latin American nations now utilize "an extensive repertoire of bans on contributions" (Londoño and Zovatto, 2014: p.132). While these findings are consistent with prior knowledge in this area, the updated data that underpin the RoPFI provide some additional insights. Particularly notable within this region is the position of Mexico, which the RoPFI identifies as the most regulated nation in the world. This diverges from van Es' (2016) Political Finance Regulation Index, which ranks Mexico as the 52nd most regulated nation, as the RoPFI captures widespread political finance reforms of 2014. These included the creation of the 'National Electoral Institute' for electoral oversight, alongside strict controls on spending, advertising, and disclosure. The reform also introduced numerous sanctions for rule violations, including the possibility of annulment in elections where spending limits are found to have been violated (Casas-Zamora, 2016). Comparable changes are evident in data related to Jamaica, which became "the first country in the Caribbean to have implemented campaign finance legislation", through an amendment to the Representation of the People Act in 2016 (Electoral Commission of Jamaica, 2017: p.1). This framework included a multitude of prohibitions and limits on private donations, election spending, and disclosure, as well as a system of regular public funding. A similar combination of provisions were included in the 2018 Law on Political Parties Groups and Movements, passed in the Dominican Republic.

The final substantive group of nations categorised as Strongly Regulated derive from Asia and Africa, which represent roughly a quarter of this cluster. Consideration of these two groupings as one concerns the fact that the majority of Strongly Regulated nations from these continents come from the MENA region.[16] Trends in this area reflect the shifting political climate of the region, as post-authoritarian transitions toward democracy accelerated following the Arab Spring rebellions of the early-2010s (Choudhry and Bass, 2014). Taken alongside

[16]Although Section 2.3 discussed concerns related to data quality in the MENA region, these issues do not relate to those nations positioned in the left hand column of Table 2.6.

observations related to Mexico, Jamaica, and the Dominican Republic, patterns identified here underscore the importance of updated models of political finance, which account for shifts in the regulatory landscape.

Beyond this, the final point of note relates to the position of Fiji, where strict regulations have been in place since 2013. Implemented via the Political Parties (Registration, Conduct, Funding and Disclosures) Act, controls include prohibitions on donations from foreign and corporate sources, as well as a stringent form of disclosure and range of sanctions for violations. Direct donations to candidates are prohibited, as donations must pass through the accounts of political parties (Lal, 2021). With this representing a substantial outlier from trends in the region (see Ohman, 2012), the position of Fiji may be explored further in future.

2.4.2 Partially Regulated: Africa, South and Southeast Asia

The second RoPFI cluster, defined as Partially Regulated, contains nations that *utilize some controls on political finance, through various combinations of restrictions on private income and spending, requirements for disclosure, and public funding*. Outlined in Table 2.7, this group contains 83 nations, of which 63 are considered statistically significant. Membership of this cluster is primarily derived from Africa, with nations from this continent accounting for around half of the total. The remainder of the category is comprised of a group of cases from South and Southeast Asia, as well as a handful of nations from Northern and Western Europe. Finally, the larger states of the Caribbean and Pacific tend to fall within this grouping.

The first observation of note, with respect to Table 2.7, is that a substantial portion of nations classified as Partially Regulated are from Africa. Research on political finance in this continent has generally been conducted through single nation case studies, which offer little by way of comparison to wider regions (see, *inter alia*, Adetula, 2008; Dendere, 2021; Good, 2010; Teshome, 2009). A small body of comparative literature complements this range of case studies. In a study of party finance regulation in 13 African nations, for instance, Casal Bértoa and Sanches (2019: p.7) identify parties to be “weak political institutions, lacking

Table 2.7: Partially Regulated Nations in the RoPFI Sample

Continent	p <0.90		p >0.90
Africa	Benin	Lesotho	Angola
	Botswana	Madagascar	Equatorial Guinea
	Burkina Faso	Malawi	Ethiopia
	Burundi	Mali	Mauritania
	Cameroon	Mauritius	Nigeria
	Chad	Mozambique	Sierra Leone
	Comoros	Namibia	Sudan
	Congo, Democratic Republic	Niger	Tanzania
	Cote d'Ivoire	Congo, Republic of	Togo
	Djibouti	Rwanda	
	Eswatini	Senegal	
	Gabon	Seychelles	
	Gambia	Uganda	
	Ghana	Zambia	
	Guinea	Zimbabwe	
	Guinea-Bissau		
Americas	Antigua & Barbuda	Nicaragua	-
	Barbados	Trinidad & Tobago	
	El Salvador	Venezuela	
	Guyana		
Asia	Bangladesh	Philippines	Lebanon
	Cambodia	Singapore	Maldives
	Iran	Sri Lanka	Nepal
	Kazakhstan	Syria	Thailand
	Malaysia	Turkmenistan	
	Myanmar	Yemen	
	Pakistan		
Europe	Austria	Netherlands	Belarus
	Denmark	Norway	Bulgaria
	Germany	San Marino	Ireland
	Monaco	Sweden	Italy
			Malta
			Spain
			United Kingdom
Oceania	Austalia	Palau	-
	New Zealand	Solomon Islands	

mass membership, organizational capacity, funding base and human resources". As poverty is a widespread issue through much of the continent, Magnus Ohman (2014a) notes that membership fees are not a realistic form of party income and, as a result, almost 70 percent

of African nations provide some form of public subvention to parties. Ohman observes further commonalities across the continent; spending limits are “fairly unusual” in Africa, for instance, while “there is no lack of sanctions against political finance violations” (2014a: p.61). Finally, in a global study of the world’s democracies, van Biezen observes that Africa is “the only region where state funding for parties is available in only a minority of democratic states”, is “often accompanied by a relative lack of control on party income and expenditures”, and “tends to be coupled with limited or no transparency of party financing” (2010: p.81).

Development of the RoPFI provides numerous insights into the nature of political finance in Africa. Firstly, Ohman indicates that “discussions about African political finance often focus almost exclusively on political parties, while the evidence suggests that a significant portion of campaign finance is focused on individual candidates” (2014a: p.63). With the original International IDEA data failing to capture regulations on candidates, van Biezen’s comparative measure does not provide a holistic account of regulations on political finance. Use of this data also creates sampling limitations, with the original PFD incorporating a sample of just nine nations situated in West and Southern Africa. By contrast, the data that underpin the RoPFI incorporate regulations in *all* areas of political finance, with a subsample of 51 African nations. Trends outlined in Table 2.7 reflect these shifts in data availability and, thus, provide a substantive contribution to existing knowledge on political finance in Africa.

While the Partially Regulated group is dominated by African nations, a sizable number from South and Southeast Asia are also categorized in this way. The selective uptake on regulations in these nations – Bangladesh, Sri Lanka, and Pakistan in South Asia, and Cambodia, Singapore, the Philippines, Malaysia, and Myanmar in Southeast Asia – is observed in a recent International IDEA report into Asian political finance, which notes some examples of this trend:

> In Pakistan, anonymous donations cannot be made to parties, but they are permitted for candidates rendering this rule ineffective. Malaysia offers an even starker example, as several areas of political finance are unregulated and foreign

donations are permitted (Mobrand et al., 2019: p.10).

The remainder of the Partially Regulated category is comprised of small clusters of nations from Western and Northern Europe, as well as a collection of some of the larger states from the Caribbean and Pacific regions. Australia and New Zealand represent two clear examples of Partially Regulated systems, due to their selective adoption of varied types of regulation. In Australia, for instance, direct party subventions and disclosure requirements were implemented in 1983, while rates of subsidization were increased in 1991 and 1995. Though remaining in place, disclosure thresholds were significantly loosened in 2006, rendering the transparency regime largely ineffectual (Young and Tham, 2006; Tham, 2010). Despite the enactment of a prohibition on foreign donations in 2018, the Australian political finance system does not include limits on donations and spending. Discussed in Chapter 5, the framework of regulations employed in New Zealand exhibits common themes with that of Australia.

2.4.3 Unregulated: Caribbean and Pacific Trends

Outlined in Table 2.8, the final group of cases fall within the Unregulated cluster. To reiterate, nations categorised in this way have *no substantive regulation of political finance* and *where controls exist, they rarely extend beyond a ban on vote buying or a rudimentary form of indirect public funding*. This group represents the smallest of the three RoPFI classifications, and is primarily comprised of small states from the Caribbean and Pacific. No Asian nations are defined as Unregulated and, while the Central African Republic is categorized as such, its classification does not reach conventional levels of significance.

Examination of the Unregulated cluster presents substantive insights into a previously understudied area of political finance. Trends related to the Caribbean and Pacific are pertinent, as most comparative political finance research does not go so far as to cover these regions (see, for example, Ben-Bassat and Dahan, 2015; Casas-Zamora, 2005; van Biezen, 2010).[17]

[17]A notable exception to this is Michael Pinto-Duschinsky's study of global political finance trends, which is now two decades old (see Pinto-Duschinsky, 2002).

Table 2.8: Unregulated Nations in the RoPFI Sample

Continent	$p < 0.90$		$p > 0.90$
Africa	-		Central African Republic
Americas	Bahamas	St. Kitts & Nevis	Suriname
	Belize	St.Lucia	
	Dominica	St. Vincent & The Grenadines	
	Grenada		
Europe	Switzerland		Liechtenstein
Oceania	Kiribati	Samoa	Marshall Islands
	Micronesia	Vanuatu	Tonga
	Nauru		Tuvalu

Accordingly, the little that is known of political finance in these regions relies on case study research, which often substantiate claims that these regions are lacking in regulation (Barrow-Giles, 2011; Payne, 2005; Ryan, 2005; Vernon, 2013). Though observations presented here align with the findings of prior literature, the inclusion of these nations within the RoPFI sample presents unique insights into political finance, as the resource provides a means for *direct* comparison between practice in these nations and more widely studied cases.

An additional observation derived from Table 2.8 relates to the position of Switzerland, which is the only nation in Europe whose membership of the Unregulated group comes at a high level of certainty. While little research has been undertaken into Swiss political finance, this seemingly deviant categorization appears symptomatic of the nation's adoption of 'a most particular political system' (Sager and Zollinger, 2011: p.27), influenced by 'the constrained policy capacity of the central state . . . strong tradition of self-regulation by economic associations and . . . dominance of right-wing parties and business associations' (Mach and Trampusch, 2011: p.15). Ultimately, these factors do little to encourage state interventionism and, when combined with a long history of financial secrecy, provide a potential explanation for Switzerland's *laissez faire* approach to political finance. Accordingly, in one of the few studies to discuss this case, Piccio suggests, "Switzerland is restrictive about introducing public funding due to its liberal tradition of non-interference by the state in

the private sphere of political party activities" (2014b: p.222). Considering these observations, further research may seek to examine Switzerland's position as a deviant case within the context of Europe.

2.5 Conclusion: A Global Perspective on Political Finance Regulation

To conclude, the analyses undertaken in this chapter have addressed RQ_1, namely the *how* of political finance regulation. As outlined in the introduction, this topic was underpinned by two primary goals. The first was to develop a robust model for the classification of political finance systems. Recognising prior efforts in this area, the opening passages assessed the state of extant literature and identified limitations that cut across numerous studies. Firstly, while prior research has measured political finance regulation via mono- or multi-dimensional frameworks, justifications for the number of dimensions used have been omitted in most cases. Second, while many researchers have used International IDEA data on political finance, each have been built on prior iterations of the dataset. As a result: (i) some previous studies place a sole focus on *party* regulations; (ii) many have a non-representative or regional sample, and; (iii) all are, to some extent, dated. Using the 2020 version of International IDEA's PFD as a platform, the first half of the chapter used a combination of MCA and MBC to produce the RoPFI. Through conducting these analyses, a single measurable dimension of regulation was identified, as well as three categories of political finance system.

The second goal of this chapter was to provide an overview of the global state of political finance regulation. Assessment of the RoPFI classifications identified numerous trends. First, the most highly regulated regions of the world – by virtue of their position within the Strongly Regulated cluster – tend to be found in post-communist nations of Central and Eastern Europe, the MENA region, and the Americas. Findings in this area support assertions of previous literature on European political finance, which generally highlights the prevalence of

strict regulations in parts of the continent (Pinto-Duschinsky, 2002; van Biezen, 2010; van Es, 2016). The second RoPFI category, which reflects Partially Regulated systems, is made up of nations from Africa and parts of Southeast Asia. A small selection of nations from Northern and Western Europe are found in this group, alongside some of the larger nations from Oceania and the Caribbean. Finally, the Unregulated category is primarily reserved for the small states of the Caribbean and Pacific.

While observations of this chapter display consistencies with findings of prior European-focused literature, the model presents new insights in other areas. Extant literature identifies Africa as the least regulated continent of all (Ohman, 2014a; van Biezen, 2010), for instance, which is not representative of the findings shown here. Explanations for this divergence lie in the use of the RoPFI. As the updated PFD considers 51 African nations, compared to the nine nations of the original International IDEA data of 2001, the RoPFI moves beyond prior models to incorporate cases that span the *entire* continent. Moreover, as political funding in African nations tends to be candidate centred, prior measures that focus *solely* on party finance do not capture variation in wider areas of regulation (see Ben-Bassat and Dahan, 2015; van Biezen, 2010; Wiltse et al., 2019). Using Mexico as an illustrative example, similar data concerns are observed in the Latin American context. According to van Es (2016), Mexico lies in the top quartile of most interventionist nations in political finance. Though she identifies a fairly high level of regulation, they fail to account for the widespread reforms of 2014 which, according to the RoPFI, place Mexico as the most regulated nation in the world as of 2020. To summarize, updated observations on political finance in Africa and Latin America are a feature of improved access to data.

Remaining findings of note relate to the shape of political finance regulations in the small states of the Caribbean and Pacific islands, which are often excluded from previous comparative studies in this area (for exceptions, see Pinto-Duschinsky, 2002; van Es, 2016; Wiltse et al., 2019). Consequently, it is difficult to directly compare the state of regulations in the Caribbean and Pacific to practice in other regions. As discussed in Chapter 1, this

has implications for generalizability, as the realities of political finance in these regions may be so divergent as to damage or falsify theories developed solely within the large-N context (Veenendaal and Corbett, 2015). With few exceptions, the Caribbean and Pacific regions represent clusters of Unregulated political finance systems. The nature of political finance in these nations is so unique that the two regions comprise the vast majority of the Unregulated RoPFI category. In sum, the RoPFI captures a truly global picture of regulation and, in doing so, provides a means to develop more generalizable findings in future studies of political finance.

Taken in isolation, this chapter provides a number of contributions to comparative literature on political finance, institutions, and governance. First, the continuous indicator of the RoPFI provides a means to compare levels of regulation across a wide sample of nations. Secondly, the three clusters allow researchers to easily group nations based on similarities within their overall structures of regulation. Finally, the RoPFI provides a statistical measure of the certainty of each nation's cluster assignment. To the author's knowledge, this is the first instance in which MBC's 'soft partitioning' has been applied to political finance regulation.

Despite providing these contributions, potential limitations need to be considered. As an inductive study, the development of the RoPFI relies on the accuracy of its underlying data. While International IDEA ensure cross-validation by providing links to primary legislative sources, the scale of the project (in excess of 11,000 data-points) means that some inaccuracies may exist. Moreover, the data selection procedure in developing the RoPFI required the exclusion of a series of variables for which cross-national comparison was not possible. Though the measures account for a nation's use of donation or spending limits, for example, they do not consider the thresholds associated with these restrictions. Researchers should consider these limitations when drawing inferences based on the RoPFI.

Two further limitations are identified that present commonalities with all prior studies in this area. First, despite providing insights into the *de jure* state of regulations in each nation, further research is required to examine the *de facto* realities of global political finance practices.

Secondly, while the RoPFI presents the most up to date study in this area – observations are accurate as of 2020 – the cross-sectional nature of the RoPFI means that, without further development, the data will become dated once more. Thus, this chapter presents a foundation for further study toward the establishment of a panel dataset on political finance regulation. This would provide a platform on which to observe trends in regulation on a global scale and, thus, allow for the development of further theoretical and empirical research in the long-term.

To conclude, the development of the RoPFI and subsequent regional analyses have addressed RQ_1. Though the chapter has provided a cross-sectional overview of political finance practice around the world, it does little to explain the longitudinal processes of change that are queried by RQ_2. Accordingly, the remainder of this thesis studies the *why* of political finance reform. The following chapter outlines the rationale, design, and structure of the case studies that follow.

Chapter 3

Nested Analysis: Theory, Data, and Methods

3.1 Introduction

As noted from the outset, this thesis focuses on studying the *how* of political finance regulation (RQ_1) and the *why* of political finance reform (RQ_2). Though the development of the RoPFI in Chapter 2 provided insights into how nations differ in their approaches to regulation, RQ_2 remains unaddressed. In simple terms, the remainder of the thesis is focused around the question: *what factors drive change in political finance regulation and how and why do they do so?* Current theories of political finance reform place an emphasis on corruption and scandals (Booth and Robbins, 2010; Casal Bértoa, Molenaar, et al., 2014); institutional design (Clift and Fisher, 2004; Pinto-Duschinsky, 2002; Scarrow, 2011); party organization (Hopkin, 2004; Katz and Mair, 1995), and electoral strategies (Koß, 2010; Scarrow, 2004). While nascent relationships are established in some areas, existing theories fail to explain political finance regulation across contexts. Additionally, empirical works in this area have presented inconsistent findings. For example, scandals are observed as key drivers of reform in some instances, but are relatively unimportant in others. Furthermore, incumbents may

force through reforms to gain a relative resource advantage, but may also make amendments that seemingly even the playing field.

Zim Nwokora considers these inconsistencies and, through application of game theory, produces the 'General Theory of Campaign Finance Reform'. In so doing, he identifies contextual factors that are likely to prompt *tightening* or *loosening* reforms. In summary, theorized explanations are linked to shifting forms of party organization, levels of party competition, and ideological factors, as well as critical junctures such as changes in incumbency and political finance scandals. Through a brief examination of the Australian context, Nwokora concludes that political finance reforms in the nation are "consistent with several of the theory's conjectures" (2014: p.926). While this theoretical framework draws together numerous strands in the literature, it has yet to be subjected to rigorous empirical testing beyond the illustrative example provided by Nwokora. This thesis presents the first known efforts to do so.

While no explicit 'scope conditions' are provided in relation to the theoretical model (see Gerring, 2017: pp.228–35), this thesis considers Nwokora's use of an illustrative example as a basis to define the expected limits of the framework. Observing the applicability of the framework within the Australian context, two primary assumptions are made. The first is that the model is likely to be applicable only to nations that use a form of Westminster 'responsible government'. This is because alternative government models share and constrain power in different ways that may lie contrary to some theoretical propositions of the model (Lijphart, 2012; Rothstein, 1998; Tsebelis, 2000). The second assumption is that, as the framework is underpinned by the notion that reforms emerge as a feature of inter-party competition, it is unlikely to be applicable in non-democratic regimes where such competition does not regularly occur. Taken together, this chapter outlines the scope conditions of the model as: (i) democratic nations, that; (ii) through previous ties to the British Empire; (iii) have post-colonial institutions grounded in the Westminster system of government.

These parameters are applied to the 180-nation sample of the RoPFI, before the clusters are used to leverage differentiation on the dependent variable. Using the Strongly Regulated and

Partially Regulated categories to identify those nations that *have* passed reforms, and the Unregulated category to identify those that *have not*, the case selection strategy is designed to avoid the pitfalls of selection bias on the outcome variable (Geddes, 2003). With the cases of Canada, New Zealand, and the Commonwealth Caribbean – with detailed focus on Saint Lucia – selected, process tracing is chosen as a means to test the model in a temporal context. In the course of this thesis, process tracing is underpinned by Bayesian logic. Bayesian inference contrasts traditional frequentist models of theory testing by incorporating past knowledge and evidence into the hypothesis testing phase (Bennett, 2006; Fairfield and Charman, 2017; Jackman, 2009). Using observations to update prior knowledge into 'posterior' understanding, this thesis uses an informal style of 'Bayesian Updating' (see, *inter alia*, Beach and Pedersen, 2013; Befani and Stedman-Bryce, 2017; Bennett, 2008; Bennett, 2015) to assess the strength of Nwokora's theoretical framework in explaining political finance reform in the contexts under study. Following the guidance of methodological literature in this area (see, *inter alia*, Bennett, 2010; Collier, 2011; George and Bennett, 2005; Kuehn, 2013; Vennesson, 2008), a wide range of quantitative and qualitative data sources are used to perform this analysis. Amongst others, these include the 'Varieties of Party Identity and Organization Dataset' (Lindberg et al., 2022), 'Comparative Manifesto Project' (Volkens et al., 2021), and 'Effective Number of Parties' data of Michael Gallagher (2021).

Expanding on these discussions, this chapter outlines the theoretical framework, data, and methods used in the case study chapters that form the remainder of the thesis. Divided into five sections, the chapter opens with a literature review of the current theories of political finance development, and identifies gaps that this thesis seeks to address. Subsequently, section two presents a detailed discussion of Nwokora's theoretical framework and presents the hypotheses that inform the remainder of the thesis. Section three defines the scope conditions of the theoretical framework and outlines the approach to case selection. Building on this, section four provides an overview of the process tracing strategy and data sources used in the remainder of the thesis. This includes a discussion of the methodological foundations of Bayesian logic – with illustrative examples – and the steps taken to operationalize

hypotheses and empirical tests. The chapter concludes by providing an overview of the three case studies that follow.

3.2 Literature Review: Theories of Political Finance Development

In the mid-2000s, Susan Scarrow identified that political finance was "under-theorized" in an *Annual Review of Political Science* article (2007: p.195). Responding to this observation, scholars have since placed a greater emphasis on comparative study (see, *inter alia*, Falguera et al., 2014; Mendilow and Phélippeau, 2018; Naßmacher, 2009). Most contributions in this area "analyse the *consequences* of different funding regimes" (Koß, 2010: pp.20–21, *emphasis added*) and, as such, less is known about the origins of political finance reform. While generally limited, research which applies political finance regulation as the *dependent* variable can be divided across four categories. The first, and perhaps most commonly utilized, explanation for political finance regulation is that reforms are driven by corruption and financing scandals (Ewing, 1992; Grant, 2005; Piccio, 2014b; van Biezen, 2003a). Evidence is inconsistent in this area, with scholars concluding that additional factors influence whether scandals will or will not influence reforms (Jiménez, 2004; La Raja, 2008; Nwokora, 2014; Pujas and Rhodes, 2007).

Citing differences in colonial history, modes of government, and electoral systems, the second group of scholarly works theorize that differences in institutional design provide the platform upon which the direction of political finance regulation is determined (Clift and Fisher, 2004; Koß, 2010; Scarrow, 2011; van Biezen, 2010; Wiltse et al., 2019). A strong association is established between electoral system type and political finance regulation, while conclusions in other areas of institutional design are incoherent. Beyond this, the third category of research examines regulations within the historical context of parties' organizational development (Castañeda, 2018; Hopkin, 2004; Katz and Mair, 1995; Krašovec and Haughton, 2011; Pierre

et al., 2000), again providing inconsistent findings, while the final group of studies view political finance as part of an electoral strategy (Piccio, 2014a; Scarrow, 2004; Power, 2017). Ultimately, shifting contexts of party competition are identified as a strong contributor in the passage of reform.

This section provides a critical appraisal of research in this area, and is structured to account for explanations linked to *corruption and political finance scandals; institutional design; democratization and party organization* and *electoral strategies*. A concluding section draws findings together to present commonalities and limitations within the literature.

3.2.1 Corruption and Political Finance Scandals

Numerous studies have assessed the relationship between corruption and political finance; the majority of which have implemented measures of corruption as the dependent variable (Hummel et al., 2019; Evertsson, 2013; van Es, 2016). Findings of these studies are inconsistent, with some concluding that, while political finance controls may be justified by concerns linked to corruption, the introduction of regulations may *encourage* such acts (Casas-Zamora, 2005; Pinto-Duschinsky, 2002). An alternative explanation for this so called "chicken and egg paradox" (Casal Bértoa, Molenaar, et al., 2014: pp.360–61) posits that regulations are implemented *in response to* corruption and political scandals. In instances such as these, political finance systems are predicted to shift from a privately financed model, toward one that is heavily subsidised by public funding (Booth and Robbins, 2010; Ewing, 2007; Power, 2017; Pujas and Rhodes, 1999).

Support for this proposition is provided by Ingrid van Biezen and Daniela Piccio, who observed political finance scandals to be a primary driver of reforms in Council of Europe (CoE) member states (van Biezen, 2003a) and nations of Northern, Western and Southern Europe (Piccio, 2014b). Similar patterns have been documented in the nations of the Anglosphere. In Canada, for example, Ewing (1992) noted that regulations to incentivize small donations were introduced in response to corruption allegations of the 1970s, while Young (2015) cited the

'Sponsorship Scandal' as the driver of a major overhaul of regulations in 2003.[18] An additional comparative study of the US and UK observed significant changes in both countries following major scandals. In the US, the Federal Election Campaign Act was amended in the wake of the Watergate scandal, with the Political Parties, Elections and Referendums Act passed in the UK following the late-1990s New Labour/Bernie Ecclestone Affair (Grant, 2005).[19]

While these observations support the idea that political finance regulations may be driven by corruption and scandals, this pattern is not observed universally. In a comparative study of political finance in France, Italy and Spain, Pujas and Rhodes (2007) demonstrated that, while the exposure of scandals sharpened the focus of political finance discussions, France were the only nation to implement lasting reforms in response.[20] Research from outside of the European context reveals similar inconsistencies. Studying political finance in Australia, for instance, McMenamin (2014) found no evidence of scandal driven reforms. Moreover, despite the regular occurrence of corruption and political financing scandals in Latin America, sanctions are rarely brought against perpetrators (Londoño and Zovatto, 2014), and candidates are often able to offset the impact of corruption allegations by increasing their election spending (Jucá et al., 2016). Thus, while overt corruption and political finance scandals prompted directly observable legislative action in some instances, no responses were identified in others. A potential confounding factor in this relationship concerns the nature of media reporting on political finance scandals. According to Falguera et al. (2014), state co-option of the media often leads to the suppression of reporting on corruption allegations. As a result, the freedom of the media plays a large role in determining whether political finance scandals will be reported on and, if so, how intense the reporting becomes. In nations where political finance scandals are subjected to in-depth and sustained reporting, political

[18] See Chapter 4 for further information.

[19] In the US, the Federal Election Campaign Act was first implemented in 1972, the same year that the Watergate scandal had initially become publicised. It was later amended in 1974, which led to the seminal *Buckley v. Valeo* Supreme Court case. With regards to the UK, the former chief executive of Formula One, Bernie Ecclestone, provided a £1 million donation to the Labour party in 1997. This was allegedly linked to the banning of tobacco advertising, from which Formula One were later offered an exemption. The donation was returned following exposure of these allegations, and the Political Parties, Elections and Referendums Act was passed in 2000.

[20] While reforms were introduced in Italy, they were subsequently repealed.

actors may be given further incentive to engage in substantive reforms (Koß, 2008; Koß, 2010). An additional explanation concerns the extent to which government is penetrable to public opinion. Differentiating between Arend Lijphart's models of majoritarian and consensus democracy (see Lijphart, 2012), for instance, McMenamin found majoritarian democracies to hold a greater susceptibility to "exogenous shocks" than consensus models and, as such, concluded that scandal-driven reforms were more likely within this context (2014: p.126).

To conclude, the relationship between corruption, scandals, and political finance remains open to debate. Inconsistencies in this area have led many to conclude that scandals *alone* cannot explain processes of political finance reform (Jiménez, 2004; La Raja, 2008; Nwokora, 2014; Pujas and Rhodes, 2007). While scandals are not ruled out as a potential driver of reform, their varied impacts are likely to be influenced by additional factors.

3.2.2 Institutional Design

The body of research citing a role for institutional factors has grown over the past two decades. Studies of this nature have focused on the influence of legal system origins (Clift and Fisher, 2004; van Es, 2016; Wiltse et al., 2019), modes of government (Ewing and Issacharoff, 2006; Scarrow, 2011), and electoral system type (Pinto-Duschinsky, 2002; van Biezen, 2010) in developing legislation. One of the central pillars in determining the design of institutions within a polity is the origin of its legal framework. Resulting from historical imperialism and territorial expansion, legal frameworks are generally traceable to European colonial powers. Providing categories of system type, La Porta et al. (1999) compared quality of governance and levels of government interventionism across nations of English, Soviet, French, German and Scandinavian origin. Conclusions documented that governments in nations originating from a Soviet-style system tended to intervene in all areas of policy, while French origin nations were "sharply more interventionist", than those rooted in English traditions (La Porta et al., 1999: p.261). Prior studies have applied these findings within the context of political finance, albeit with mixed results. In a comparative study of political finance in Britain and France, for example, Clift and Fisher (2004) observed a much more interventionist form of

regulation in France, thus supporting the findings of La Porta et al. Indeed, Wiltse et al. (2019) further corroborated these findings within the large-N context. Despite this, a further large-N study observed an inverse relationship in this area. While nations adopting a Soviet-style legal system were identified as the most interventionist in political finance, van Es further demonstrated that nations of the French and German legal tradition were likely to "have *lower* levels of state interventionism than countries with English legal origin" (2016: p.218, *emphasis added*). As eluded to in Chapter 2, varied conclusions in this area may have been influenced by the strategies used to operationalize political finance regulation as a dependent variable, with the mono-dimensional approach of van Es (2016) differing from the multi-dimensional model used by Wiltse et al. (2019).

In a connected area of study, researchers have explored the link between modes of government and political finance regulation. Studying institutions from the perspective of veto points, Koß concluded that, opposition parties are more likely to cooperate on public funding reforms in nations where numerous veto opportunities are available, as there exists a "pressure for actors to take consensual decisions" (2010: p.43). Though comparisons between practice in presidential and parliamentary systems have been theorized (Ewing and Issacharoff, 2006), empirical studies have failed to identify a link in this area (Scarrow, 2011; Wiltse et al., 2019; van Es, 2016). While this is so, strong relationships have been observed when assessing the role of electoral system type in political finance. In an Eastern European study, for example, Smilov (2007) demonstrated that nations with majoritarian electoral systems employed 'candidate-centred' regulations, while those utilizing Proportional Representation (PR) tended to focus regulation at the party level. Moreover, numerous studies have established a dichotomy between majoritarian electoral systems such as First Past the Post (FPTP), which often coexist with loose controls on political finance, and nations employing a form of PR, where political finance tends to be tightly regulated (Pinto-Duschinsky, 2002; van Biezen, 2010; van Es, 2016; Wiltse et al., 2019). Explanations for this phenomena cite the works of Maurice Duverger, whose seminal research on electoral systems associates PR with multiparty elections, and plurality systems with two-party politics (Duverger, 1954; Duverger,

2003). Consequently, under PR, van Biezen (2010) theorized that public funding reforms may be introduced to promote competition among a greater number of parties, while Wiltse et al. (2019) proposed that the implementation of disclosure requirements may be expected as an increased number of parties seeks to hold opponents to account.

In summary, institutional design performs a potentially influential role in the development of political finance regulation. Though the influences of legal traditions and modes of government remain unclear, the type of electoral system employed within a polity provides a powerful indicator as to the accompanying shape of political finance regulation. As PR systems are associated with more stringent political finance controls, the proposed causal mechanism in this relationship concerns the trends toward multiparty competition often connected to the PR electoral system.

3.2.3 Democratization and Party Organization

An additional strand of research has studied political finance development within the process of democratization (Bolleyer, 2018; Rashkova and Su, 2020; van Biezen, 2003b; van Biezen and Borz, 2012). Generally, these studies have compared the experience of newly democratized states versus longer established democracies, often using Samuel Huntington's *Waves of Democracy* to operationalize stages of democratization (Huntington, 1991).[21] Primarily focussing on Europe, literature has found that political parties in established democracies of the first and second waves tend not to rely on public funding (Koß, 2010), with this form of financing being much more prevalent in newly emerging democracies (van Biezen, 2003b). Variations in approach are often understood to be a feature of party system development. Whereas parties in established Western European democracies developed independently through the mass party funding model of voluntary membership (Hopkin, 2004), third wave European democracies are more likely to codify parties as "procedurally necessary and

[21] As suggested by Huntington (1991), the first wave of democratization occurred across the 19th Century, through the establishment of a handful of democratic nations primarily in Europe and North America. A short second wave of democracy followed the conclusion of World War II. Finally, the third wave commenced in 1974 following the Portuguese 'Carnation Revolution', as democratic regimes were established across Europe, Latin America, Asia, and the Pacific.

democratically desirable institutions" and, in doing so, are more likely to trend toward state intervention in party regulation (van Biezen and Borz, 2012: p.328). While one would expect third wave democracies to implement stricter political finance controls as a consequence, further comparative research by van Biezen identified "minimal" evidence in support of this argument (2010: p.89).

One area where European states are observed to intervene in political finance is in subsidization of parties. In a breakdown of funding sources, Piccio and van Biezen (2018) documented that, on average, public subsidies account for roughly 60 percent of the total revenue of European parties. Seeking to explain this trend, Hopkin (2004) pointed to fundamental flaws in the mass party model of funding, which have prompted movements toward elite and cartel party organisational models. The diminishing suitability of the mass party model is explained by Mancur Olson's theory of collective action, with a focus on the 'free rider problem'. Within the context of an electorate comprised of rational individuals, the conflict between the individual and collective benefits of providing a political donation will result in most members abstaining from doing so. As a small-sized donation is not likely to produce a reciprocal *individual* benefit to the donor, supporters of a political party tend to 'free ride', expecting that others will provide the donations that will lead to the *collective* benefits aligned with electoral success. According to Olson (1965), the free rider problem is exacerbated as the number of group members becomes larger. Thus, Hopkin (2004) theorized that the free rider problem results in a depletion of resources for parties, who develop political finance regulations to counteract this issue. Some nations, such as the US, UK, and Belgium, legislated toward an 'elite party' organizational model, which crafts regulations to attract large donations for electioneering. Despite this, there exists a 'British Exceptionalism' in the context of European political finance (Fisher, 2009; Power, 2017), as most of Western Europe moved toward an organizational model of 'cartel parties'.

Developed by Richard Katz and Peter Mair, the 'cartel party thesis' was produced to explain responses to the decline in European party membership in the late 20th Century. Within

this context, Katz and Mair (1995) suggested that, as the associated decrease in voluntary resources worsened, major parties colluded to introduce public funding. Consequently, the guarantee of state resources to established parties was designed to hinder grass roots developments and freeze the party system (Booth and Robbins, 2010; Mendilow and Rusciano, 2001). Under a cartelized system, parties transitioned from "voluntary private associations" to "public utilities" (van Biezen, 2004: p.702) and, thus, became less connected to civil society.

Although falling party membership has been directly observed in the European context (Kölln, 2016; Mair and van Biezen, 2001; van Biezen, Mair, et al., 2012; Whiteley, 2011), alongside ample evidence of the prevalence of public funding across the continent (Koß, 2010; Mair, 1994; Piccio and van Biezen, 2018; Smilov, 2007), application of the model has garnered mixed results. While Krašovec and Haughton (2011) observed a form of 'partial cartelization' in Slovenia, findings remain inconsistent within the Western European context (Pierre et al., 2000; Scarrow, 2006; van Biezen and Rashkova, 2014). Casting a wider net, Castañeda (2018) observed a process of party cartelization in Colombia, while evidence in the Canadian context has proven elusive (MacIvor, 1996; Katz, 2011). Despite the theory's assumption that public funding creates *barriers* to new party entry, European (Piccio and van Biezen, 2018) and Latin American (Casas-Zamora, 2005) studies have identified evidence to suggest that public subsidies encourage the *emergence* of new parties. In a major critique of the cartel party thesis, Herbert Kitschelt outlined the precarity of one of its central pillars, observing that:

> state funding does not protect established parties from new party challenges and does not enable them to ignore relations of responsiveness and accountability with the electorate (2000: p.174).

In summary, the combined findings of this section lead to two primary conclusions. First, the theorized relationship between political finance practice and Huntington's waves of democracy appears unfounded, with empirical evidence lacking in this area. Secondly, although the potential role of party organization and cartelization in shaping public funding is not discounted,

the cartel party thesis appears of weak explanatory value when applied in isolation.

3.2.4 Reform as an Electoral Strategy

The final strand of literature suggests that political finance reforms may be driven, in part or in whole, by the strategic goals of parties (Casal Bértoa, Molenaar, et al., 2014; Koß, 2010). Theories of this nature posit that the shape of political finance regulation is intrinsically linked to the environment of party competition and that, as a consequence, reforms in political finance are prompted by changes in dynamics of competition. Nwokora (2014) explores this relationship and argues that, as party systems become more competitive, major parties should be expected to pass tighter regulations and public funding as a response. Though this ostensibly supports one of the central pillars of the cartel party thesis (see Katz and Mair, 1995), an inverse relationship is proposed, wherein incumbents in contexts of low competition pass legislation to solidify their advantageous position.

While this competitive dynamic is proposed as a driver of reform, Scarrow (2004) suggested that links between political finance and competition are influenced by an additional strategic dimension. This dynamic divides parties into two groups, based on their respective priorities in political finance. The first party type, 'revenue-maximisers', are unconcerned with public attitudes toward political finance, and simply focus on developing legislation that will increase their financial resources. If public opinion is hostile toward public subsidies, for example, revenue maximisers will nonetheless support their introduction, as they provide an additional form of party income. Daniela Piccio presents evidence of this approach in the Italian context, concluding that major party attitudes toward political finance:

> proved unaffected by the political and societal changes that took place in the early 1990s. Corruption scandals, the hostility of public opinion, and a popular referendum repealing part of the state provisions to political parties were shown to be insufficient to bring about changes in the country's regulatory framework on political parties (2014a: p.148).

Conversely, the second party type, who adopt an 'electoral economic' approach, are concerned with several factors that influence electoral success, with political finance being just one part of a larger electoral strategy. Such parties will pursue legislation that increases their resources, but only if the wider electoral environment is *conducive to reform*. Thus, parties who focus on electoral economy may support changes that *decrease* their financial resources, should the perceived benefits in other areas outweigh the financial advantage. This approach has been observed in the UK, where the lack of public subsidization results from "a voluntarist status quo, for fear of electoral unpopularity" (Power, 2017: p.136).

3.2.5 A Summary of the Field

This section reviewed extant literature on political finance reform, summarizing factors theorized as influential in shaping regulations. In summary, studies examining the role of scandals failed to produce consistent results and, when taken in isolation, did not provide an adequate explanation for political finance reform. Further inconsistencies were identified when studying political finance from an institutional perspective. Competing conclusions have been drawn when studying the impact of legal system origin, for instance, while no obvious distinction has been made between practice in presidential and parliamentary regimes. Despite this, comparisons between electoral system type presented uniform conclusions, as nations using PR systems were found to be much more likely to implement a stringent form of political finance regulation, relative to those utilizing FPTP. A further group of research focused on the age of democracy and party organizations in shaping the regulatory system. Though new democracies have been theorized to employ tighter regulation on political finance, minimal empirical evidence was presented in support of this assertion. Moreover, while the cartel party thesis explained that major political parties introduced public funding to respond to falling party membership, the application of this model in varied contexts presented a plethora of contrasting results. Finally, research studying political finance reform as an electoral strategy suggested a particularly influential role for party competition in moulding regulations.

Despite a handful of exceptions (Casas-Zamora, 2005; Castañeda, 2018; Ewing, 1992; Young, 2015; McMenamin, 2014), research into the development of political finance regulation presents a distinct Euro-centric bias. While steps have been taken toward the development of theory, therefore, few compelling explanations have been presented which provide *generalizable* insights into the reform process. Thus, Susan Scarrow's observation of more than a decade prior persists, as there remains "scope for more systematic efforts to understand the origins and impact of various political finance regimes" (2007: p.207). Recognising the disjointed nature of research in this area, Zim Nwokora developed a model which melds observations from prior studies, and uses a game theoretic strategy to outline the 'distinctive politics' of the Australian reform process (Nwokora, 2014). Key aspects of the model include; (i) the distinction between *tightening* and *loosening* political finance reforms; (ii) the multilayered *competitive*, *cooperative* and *ideological* incentives of political parties; and (iii) the long-term development of reform pathways. The framework seeks to explain the *temporal* development of systems of regulation, by situating the process within the context of party competition and outlining the scenarios under which different types of reform are enacted. These conditions, discussed in the following section, incorporate aspects of scandals, party organization, and electoral strategy outlined here, and provide a platform for "deeper, theory-driven analyses of the intervening effects of institutional veto players, political culture and democratic norms on the incentives underlying financing politics" (Nwokora, 2014: p.927). This framework has yet to be subjected to a detailed empirical study, providing an opportunity for further development in this area.

3.3 Theoretical Framework

This section critically evaluates Zim Nwokora's 'General Theory of Campaign Finance Reform', by outlining and critiquing its assumptions within the context of wider political finance literature.[22] The strengths and limits of the theory are outlined and, through doing so, some assumptions are relaxed. Divided into three parts, the section opens by outlining the distinc-

[22] See Figure 1.1 in Chapter 1 for a visual representation of the General Theory of Campaign Finance Reform.

tion between *tightening* and *loosening* reforms. In view of wider literature, the assumption that tightening or loosening reforms lead to a relative increase or decrease in competition is queried. Part two presents the multilayered incentive structure of political parties, by differentiating between parties' *competitive*, *cooperative*, and *ideological* motivations. Building upon this underpinning structure, the third part outlines the theorized contexts within which *tightening* and *loosening* reforms are most likely, focussing on the strength of party organizations, political finance scandals, levels of party competition, and ideological factors. In doing so, a series of hypotheses are developed, to be tested in the case studies that follow.

3.3.1 Tightening versus Loosening Reforms

The central pillar of the General Theory of Campaign Finance Reform is that political finance reforms are divisible into two groups. *Tightening* reforms are those that *increase* state involvement in political finance, while *loosening* reforms *decrease* the state's reach into political funding (Nwokora, 2014). In practical terms, tightening reforms may include the introduction of controls on donations, spending and financial disclosures, or the provision of public funding for parties and candidates. Where controls on private donations already exist, the lowering of associated thresholds (e.g. reduction of the contribution limit, spending limit, or disclosure threshold from $10,000 to $1,000) exemplifies a tightening approach to reform, whereas amendments to pre-existing public funding mechanisms are characterised as tightening when changes increase the amount of funding available (e.g. raising the subsidy value from $1 per vote to $2 per vote). In sum, tightening reforms entail a movement toward a system that regulates private funding and promotes subsidization as a method of financing party competition.

Practical examples of *loosening* reforms include the removal of regulations on donations, spending, and disclosure, as well as the withdrawal of public subventions for parties and candidates. Reforms of this type include those where regulations are not removed in their entirety, but thresholds associated with private donation controls are raised (e.g. increase of the contribution limit, spending limit, or disclosure threshold from $1,000 to $10,000).

Accordingly, amendments to public funding systems that reduce the value of subventions (e.g. dropping the subsidy value from $2 per vote to $1 per vote) fall within this category. Thus, loosening reforms place a greater emphasis on private funding as a method of financing elections, by allowing parties and candidates to raise and spend within an unregulated environment.

Building on this, Nwokora (2014) theorizes a relationship between reform types and political competition. On the one hand, *tightening* reforms increase competition between the major parties while, on the other, *loosening* reforms strengthen the incumbent advantage and, thus, reduce competition. This suggestion is grounded in a review of theoretical, anecdotal, and empirical findings of literature. Studying the impacts of disclosure requirements, for example, reveals a general positive association with electoral competition (Ansolabehere, 2007; Wilcox, 2005). On contribution limits, public funding, and spending caps, Nwokora points to evidence from comparative research at the US state level, which generally observes greater levels of competition in highly regulated States (Gerber, 1998; Mayer et al., 2004; Moon, 2006; Stratmann and Aparicio-Castillio, 2006). Supporting this finding, further research suggests that, absent of effective political finance controls, elections tend to favour incumbents. This pattern, which assumes that the incumbent may exploit the lack of regulation to "generate hyper-incumbency advantages" (Greene, 2010, p.51, cited in Nwokora, 2014: p.920), has been observed in nations such as Germany (Pinto-Duschinsky, 2002), Japan (Reed and Thies, 2003), the UK (Mulé, 1998), and the US (Ware, 1998). Combining these findings, Nwokora concludes that "stringent campaign finance laws increase the competitiveness of elections" (2014: p.920).

Examination of wider literature provides mixed support for Nwokora's assumptions. Though public funding is assumed to increase competitiveness, for example, the criteria through which funds are distributed may have the potential to reduce party competition, particularly in instances where disproportionate funds "end up with the government party, which arguably need [them] the least" (Ohman, 2014b: p.24). While some have suggested that funding

discrepancies may lead to a 'petrification' of the party system, by reducing the resources of challengers and outsiders (Booth and Robbins, 2010; Katz and Mair, 1995; Mendilow and Rusciano, 2001), further scholarship has found little evidence in support of this argument (Pierre et al., 2000; van Biezen and Rashkova, 2014). Indeed, as Susan Scarrow concludes:

> even if the established parties did enact these subsidies in the hope that they would act as barriers to competition, there is no evidence that the subsidies have made it any more difficult for new and outsider parties to accomplish the (already difficult) task of getting a sympathetic audience for their views (2006: p.636).

The combination of these findings, therefore, suggests that the impact of public subsidies may "vary along with the specific rules about which parties and/or individuals are eligible to receive them" (Scarrow, 2006: p.624). Similar conclusions are drawn in scholarship that studies the impacts that spending limits have on political competition. Research has observed that loosened expenditure limits benefit incumbents in Brazil (Avis et al., 2017), Canada (Milligan and Rekkas, 2008), and the UK (Fouirnaies, 2020). While this supports Nwokora's assertion that tightened regulations may enhance competition, additional research suggests a more complex relationship. Limits on spending have been found to "either increase or decrease competitiveness" (Meirowitz, 2008: p.692), for instance, as the impacts are "likely to depend on the political institutional framework" (Pastine and Pastine, 2012: p.28).

In the opposing direction, additional scholarship has observed that strict regulations may *reduce* competition. Research comparing incumbent and challenger spending has documented that tightened regulations may disproportionately favour the incumbent. Within the multiparty context of Ireland, for example, Benoit and Marsh (2010) demonstrated that incumbents have a greater chance of electoral success than challengers, when spending is equal. Findings of numerous US-based studies by Gary Jacobson support this finding (Jacobson, 1978; Jacobson, 1990). As incumbents have disproportionate control over the resources of the state, it has been concluded that:

> any reform measure which decreases spending by the candidates will favour

> incumbents. This includes limits on campaign contributions from individuals and groups as well as ceilings on total spending by the candidates (Jacobson, 1978: p.489).

Though this is the case, follow up studies by Green and Krasno (1988) and Gerber (1998) argue that these findings failed to account for various instrumental variables which, when incorporated, cast doubt on these conclusions. Such factors include the political quality and personal wealth of candidates, as well as the population of the electorate within a given district. When these issues were considered, the effects of incumbent and challenger spending were found to be 'statistically equivalent'. Thus, it was concluded that spending controls would likely 'improve the chances of challengers' (Gerber, 1998: p.401).

An additional area of research focuses on the regulation of third-party campaigners, which "include persons or groups, other than a political candidate [or] registered political party . . . who participate in elections" (Crandall and Lawlor, 2014: p.477). Generally, debates in this area are centred on the trade-off between "freedom of political expression and equalizing opportunities for influencing political processes and election outcomes" (Boston and Mladenovic, 2010: p.630–31). Though restrictions on third-party actors may be justified to avoid the circumvention of regulation targetted at electoral candidates (Ewing, 2007; Orr, 2010b), or to exclusively "focus elections on parties and candidates" (Gauja and Orr, 2015: p.253), further research has suggested that excessive regulation may quash the development of independent grass roots movements (Couture Gagnon and Palda, 2011; Geddis, 2017; Rowbottom, 2020; Smith, 2011). Consequently, regulations targetting 'outside voices' in electoral contests may *reduce* competition.

In sum, the scenarios under which tightening and loosening reforms may enhance or reduce political competition appear to shift across contexts. In nations where political finance controls are non-existent, the tightening of regulations may increase competition by equalizing disproportionate levels of election spending (Avis et al., 2017; Fouirnaies, 2020; Gerber, 1998; Mayer et al., 2004; Milligan and Rekkas, 2008; Moon, 2006; Stratmann and Aparicio-Castillio,

2006), and ensuring that loopholes are closed (Ewing, 2007; Orr, 2010b). Where regulations are already stringent, the addition or further tightening of controls may reduce competition by removing opportunities for debate between incumbents and challengers (Benoit and Marsh, 2010), and external third-party groups (Couture Gagnon and Palda, 2011; Geddis, 2017; Rowbottom, 2020; Smith, 2011). Consideration of these findings brings into question Nwokora's assumptions related to political finance regulation and competition. Accordingly, this thesis simplifies the model to focus on the factors that influence the passage of loosening or tightening reforms; these are discussed in Subsection 3.3.3.

3.3.2 Multilayered Incentives of Political Finance Reform

In developing the General Theory of Campaign Finance Reform, Nwokora seeks to synthesize and integrate a number of contradictory observations within the literature. The first inconsistency is that, while incumbents may enact reforms that improve their electoral prospects, parties often pass regulations that enrich their main rival for office. Secondly, while the reform process may be highly adversarial in some instances, rival parties may opt to collude on regulation that works to their collective benefit in others (Katz and Mair, 1995). Finally, although scandals have been influential in some North American (Ewing, 1992; Grant, 2005; Young, 2015) and European (Piccio, 2014a; van Biezen, 2003a) contexts, such events are "neither necessary nor sufficient as an explanation" for political finance reforms (Nwokora, 2014: p.918). To explain these differing observations, Nwokora develops a three-layered model that incorporates the *competitive*, *cooperative*, and *ideological* dimensions of party competition.

The strongest layer of the model, Nwokora (2014: p.921) argues, is the *competitive* dimension. Following the assumption that an incumbent's foundational concern is to retain office, this dimension suggests that legislators use their influence to shape the system to their benefit. This may involve the removal of public funding, or loosening of donation, spending or disclosure rules. Such a pattern has been observed by Scarrow, who found instances of reform

"transparently designed to directly or indirectly benefit the governing party" in Canada, the UK and US (2016: p.8). Though amendments such as these may be unpopular among the electorate, Nwokora argues, "the direct gains from more secure incumbency outweigh the diffuse losses from passing an unpopular law" (2014: p.920). As a result, the *competitive* dimension tends to be associated with *loosening* reforms.

The *cooperative* dimension involves collusion between major parties, where the motivation is to pass regulations that produce a competitive environment for elections. Though this initially appears counter-intuitive on the side of the governing party, this incentive is grounded in the assumption that, contrasting the short-term motives of an office-seeking individual, a political party must "consider what happens if and when it loses" (Nwokora, 2014: p.921). The reasoning behind this long-term focus is that, while an election defeat is damaging for an individual, a continued sequence of losses raises major questions as to the legitimacy of the party. For a party to retain relevance, therefore, they must ensure that they are not excluded from office for a prolonged period of time. Thus, potential short-term benefits may be overlooked in favour of long-term stability.

Following the logic of Katz and Mair (1995), incumbents may opt to cooperate with their rivals and "attempt to erect high entry barriers to restrict the threat posed by newcomer part[ies]" (Nwokora, 2014: p.922). When structuring public funding systems, for example, high thresholds for eligibility may be combined with generous amounts of funding, to increase resource inequalities between the larger and smaller parties (Scarrow, 2006: p.625). Moreover, parties may cooperate on the development of independent institutions for monitoring and enforcement, to "ensure that the rules are not stacked against the challenging party" (Nwokora, 2014: p.922). While the cooperative dimension appears motivated by working toward the collective long-term goals of the major parties, the tightening of reforms "also helps – to some degree – an emergent party to be competitive in election contests" (Nwokora, 2014: p.922). The introduction of disclosure requirements, for example, may provide "insurgent outsiders" with the tools to attack the integrity of established parties (2014, p.922), and the introduction of

public subsidies may provide vital resources to grass roots movements. Moreover, increasing the resources or independence of the electoral commission should enhance competition for all electoral participants, including outsiders. Notwithstanding the complexities in this area, Nwokora (2014) concludes that *tightening* reforms are most likely when the *cooperative* dimension is at play.

The final dimension is characterised by divergent *ideological* preferences of competing parties. While pragmatic goals linked to self-preservation may be a significant contributor to party competition, such explanations are too simplistic in explaining the nuances of the reform process. In short, "winning elections is a central objective but implementing 'good' laws is also an important goal" (Nwokora, 2014: p.922). Accounting for this factor, the model assumes that the major players within a party system are cohesive and hold a distinct ideological position. Though parties may not explicitly be labelled as left or right wing, their ideological preferences may be described as 'left-leaning' or 'right-leaning'. Grounded in political theory, left-leaning parties are assumed to support state interventions to pursue equality of opportunity, while right-leaning parties are assumed to prioritize a *laissez-faire* approach to political finance regulation (Dawood, 2018; Ewing, 2018; Samples, 2006; Smilov, 2007; Smith, 2001).

In sum, the *competitive*, *cooperative*, and *ideological* dimensions explain the multilayered incentive structure that lies behind the passage of *tightening* or *loosening* reforms. Considering that the dynamics of party competition are fluid, the relative influence of each dimension is theorized to rise and fall over time and across contexts, shaping the direction of political finance regulation. As discussed next, the General Theory of Campaign Finance Reform suggests roles for shifts in levels of party organization, competitiveness of the political market, and ideological divergence in driving the reform process. Exogenous factors such as scandals and changes in incumbency are also suggested as influential.

3.3.3 Pathways to Political Finance Reform

The first proposition of the theoretical model concerns the role that the organizational strength of parties plays in the political finance reform process. Conceptualizing levels of party

organization strength, Nwokora presents a contrast between weakly organized parliamentary 'factions' and highly organized 'parties'. The integration of these concepts is influenced by Giovanni Sartori (1976), who distinguishes between the two in his writings on party systems. According to Sartori, a faction is characterized simply by the ego-driven pursuit of political power. As a faction's existence is grounded in office-seeking, it does not represent anyone's interests but its own. On the other hand, parties are groups of individuals formed to "serve purposes and fulfil roles" (1976: p.22); they are an "instrument, or an agency, for representing the people by expressing their demands" (1976: p.24). Consequently, a highly organized party is greater than the sum of its parts, and is "an entity with interests that diverge somewhat from its office-seeking members" (Nwokora, 2014: p.921). Differing in their preference for short and long-term gains, the relative importance of the *competitive* and *cooperative* dimensions shifts between weakly organized factions and strongly organized parties. In contexts where parliament is comprised of factions, for example, the short-term nature of the competitive dimension may be a strong determinant in shaping regulation. Conversely, where parties are highly organized and have clearly defined goals, the longer term cooperative dimension may be more influential, as parties seek to sustain long-term stability over simple 'office-seeking'. By considering these factors, the following hypotheses are formulated:

> H_{1a}: When the incumbent party is *weakly organized*, reforms that *loosen* the political finance system are likely.
>
> H_{1b}: When the incumbent party is *strongly organized*, reforms that *tighten* the political finance system are likely.

On party competition, the model predicts that increased competitiveness is likely to strengthen the *cooperative* motivation of parties, with regards to political finance reform. In a dominant party system, a loss for the incumbent is perceived to be extremely unlikely, so there is little incentive to increase the competitiveness of the financing regime. Conversely, the cooperative dimension becomes more important in a competitive party system as "both parties expect to be in opposition sometime in the near future" (Nwokora, 2014: p.922). In such instances,

tightening reforms align with the interests of major competitors. When passing reforms, the primary goal may be to discriminate against minor parties, if established parties feel a threat to their collective position (Katz and Mair, 1995). In addition, tightening reforms may be likely if an incumbent is expecting a defeat in the near future, as the party attempts to set themselves up for a period in opposition. Summarizing these arguments, the following hypotheses are put forward:

> H_{2a}: When the party system is *uncompetitive*, reforms that *loosen* the political finance system are likely.
>
> H_{2b}: When the party system is *competitive*, reforms that *tighten* the political finance system are likely.

Ideology is suggested as the final factor in determining party support for reforms. As discussed previously, it is theorized that left-leaning parties are more likely to favour interventionist regulations than right-leaning parties, who may prefer a *laissez-faire* approach (Ewing, 2018; Dawood, 2018; Samples, 2006; Smilov, 2007; Smith, 2001). Though the ideology of individual parties is deemed to be important, Nwokora (2014) suggests that the *relative* ideological positions of competitors should also be considered. If two major parties move rightward, for example, the introduction of public subsidies is deemed less likely than if both parties were to move leftward. Moreover, if the ideological preferences of the governing party and their primary opposition diverge significantly, so too do their likely favoured positions on political finance regulation. Consequently, ideological divergence may embolden the *competitive* dimension, leading to a more adversarial approach to political finance reform. This leads to the following set of hypotheses:

> H_{3a}: When the incumbent party is ideologically *right-wing*, reforms that *loosen* the political finance system are likely.
>
> H_{3b}: When the incumbent party is ideologically *left-leaning*, reforms that *tighten* the political finance system are likely.

H_{4a}: When the party system is *ideologically polarized*, reforms that *loosen* the political finance system are likely.

H_{4b}: When the party system is *ideologically convergent*, reforms that *tighten* the political finance system are likely.

The final two hypotheses are linked to individual events which may act as critical junctures in the reform process. Firstly, it is suggested that a change in incumbency may prompt a round of loosening reforms, particularly if the previous regime does not work in the interests of the incoming government. Moreover, while the aforementioned contextual dimensions are suggested as influential, Nwokora suggests that "an exceptional scandal may change this calculus . . . when the popularity gains from enacting reforms exceed the associated losses" (2014, p.924). Thus, hypotheses are presented as follows:

H_5: Following a *change in incumbency*, reforms that *loosen* the political finance system are likely.

H_6: Following a political finance *scandal*, reforms that *tighten* the political finance system are likely.

Recognizing that individual 'episodes' of reform may either initiate or build upon longer term trends, the theoretical model identifies two types of reform routes; named here as the *loosening pathway* and *tightening pathway*.[23] The *loosening pathway* represents trends in which *loosening* reforms are "enacted, maintained and adjusted" on a long term basis, while the *tightening pathway* entails the long-term development of a stringent system of political finance regulation. As an extension of the hypotheses developed above, a *loosening pathway* is generally initiated following a change in incumbency (H_5), and is more likely under a right-leaning government (H_{3a}). Over time, the pathway is likely to be maintained if the party system becomes less competitive (H_{2a}), the ideological positions of the main parties diverge (H_{4a}), or levels of party organization degrade (H_{1a}). Contrarily, a *tightening pathway*

[23]Nwokora (2014) names these pathways as the *vicious* and *virtuous* cycles. This thesis renames the pathways to avoid the use of normative labels.

is most likely to be initiated by a major political finance scandal (H_6), with the odds being greater under a left-leaning incumbent (H_{3b}). Maintenance of a tightening pathway is more likely if elections become more competitive (H_{2b}), the ideologies of the main parties converge (H_{4b}), or if party organization strength increases (H_{1a}).

In sum, the hypotheses developed here are based on a critical appraisal of – and minor adaptations to – the General Theory of Campaign Finance Reform (Nwokora, 2014). Primary changes include: (i) the relaxation of assumptions related to the direction of reform and its apparent impact on party competition, and; (ii) the removal of normative claims ascribed by labels. With theoretical propositions outlined, the following section identifies the scope conditions of the model and, in doing so, outlines the strategy for case selection.

3.4 Case Selection

Although Chapter 2 provided a large-N mapping of political finance systems and, subsequently, the potential to develop an additional large-N framework for theory testing, King et al. (1994) argue that in-depth case studies provide a more suitable design for the examination of multilayered theoretical models. Falleti and Lynch concur, arguing that small-N qualitative research is "singularly well-suited" to theorizing and testing causal mechanisms (2009: p.1161). The remaining empirical chapters of this thesis therefore conduct a series of qualitative case studies, within which process tracing is used as a framework for analysis.

The following section is divided into three parts. Subsection one outlines the scope conditions of the theoretical model and identifies the "universe" of cases to which the analytical framework applies (Geddes, 2003). Following this, subsection two outlines the case selection strategy which, by using the RoPFI to leverage variation on the dependent variable of political finance reform, is designed to avoid selection bias. Following the identification of Canada, New Zealand, and the unregulated Commonwealth Caribbean small states as cases of interest, subsection three provides an overview of the institutional similarities and differences that exist between the three nations.

3.4.1 Defining Scope Conditions and the 'Universe' of Cases

When undertaking qualitative case study research, John Gerring argues that analysts should establish the scope conditions of the theoretical framework from the outset. Provision of a "clear domain, scope, [and] population" for the analytical frame sets expectations on external validity and, thus, avoids the potential for ambiguous inferences to be drawn (2017: p.228). Barbara Geddes concurs, outlining that a strong case selection strategy involves *a priori* definition of the "universe of cases to which the hypotheses should apply" (2003: p.95). In this instance, the universe of cases is influenced by the conditions implicitly outlined by Nwokora (2014). While Nwokora does not define strict scope conditions for the theory – simply dubbing the model a 'General Theory of Campaign Finance Reform' – the illustrative example of political finance in Australia provides some direction in this area. Using Nwokora's example as a foundation, this thesis defines scope conditions by identifying a group of nations that display similarities with Australia.

The first assumption is that application of the model is limited to nations that compare to Australia in institutional terms. This is because variations in institutional design share and constrain power in different ways (Lijphart, 2012; Rothstein, 1998; Tsebelis, 2000). Australia is one of a group of nations whose legal and political institutions are of English origin (La Porta et al., 1999). As former colonies of the British Empire, most nations in this mould have a bicameral legislature with a lower house elected via FPTP. Though nations grounded in a Westminster framework have developed in different ways – see discussions on the 'Washminster mutation' (Thompson, 1980) and 'Westminster adapted' (Payne, 1993), for example – fundamental aspects, including the concept of 'responsible government', remain (Lijphart, 2012). An additional feature of the model that warrants consideration is its focus on reform within the context of regular inter-party competition. In developing the framework, Nwokora (2014: p.918) assumes that reform processes are influenced by: (i) competition between office-seeking elites; (ii) who organize in political parties; (iii) which have distinct ideological identities. Accordingly, the theoretical framework assumes that reforms are

passed through competitive *democratic* processes. Although this is a sound assumption when studying political finance in the Australian context, such an assumption does not hold for all Westminster-influenced polities. Pakistan provides an illustrative example of this, as the nation's post-independence journey has been mired in "military coups, rigged elections, jailing of political opponents, and the censorship of media" (Tudor, 2013: p.7; also see Sheikh, 2023) that are not conducive to the types of inter-party interactions theorized by Nwokora. Thus, this thesis assumes that non-democratic nations fall outside the remit of the theoretical framework.

In combination, scope conditions of the theory are defined as: (i) democratic nations, that; (ii) through previous ties to the British Empire; (iii) have post-colonial institutions grounded in the Westminster system of government.

3.4.2 Avoiding Selection on the Dependent Variable

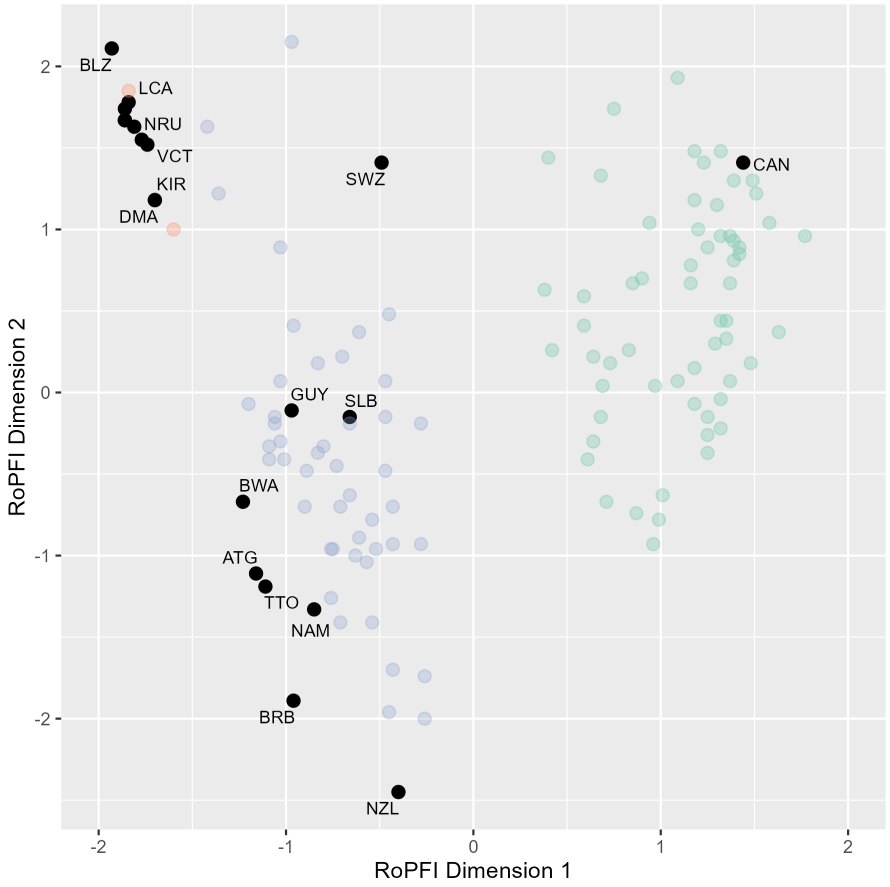
Following definition of scope conditions, the next stage in research design is to select a sample of cases that fall within these parameters (Gerring, 2017). Small-N case selection in this thesis is guided by Geddes, who suggests identifying cases that exhibit variation on the *dependent variable*, as:

> choosing cases for study from among those that cluster at one end of the outcome to be explained can lead to the wrong answers . . . Relationships that seem to exist between causes and effects in a small sample selected on the dependent variable may disappear or be reversed when cases that span the full range of the dependent variable are examined (2003: p.129).

In respect of RQ_2, the outcome to be explained is a *successful change* in political finance regulation (whether loosening or tightening). Thus, the dependent variable is conceptualized in a dichotomous manner, where reforms *may* or *may not* be passed. To avoid selection on the dependent variable, cases must be chosen in a way that allows hypotheses to be examined under conditions of reform and *non*-reform. In order to identify variation on the

outcome, case selection is guided by the RoPFI, which defines the three types of system utilized around the world. To account for the scope conditions outlined previously, the RoPFI sample is reduced to include only those nations that have institutions grounded in the Westminster framework (La Porta et al., 1999) and are classified as 'Free' by the 'Freedom in the World Index' (Gorokhovskaia et al., 2023). Displayed in Figure 3.1, 21 nations fall within these parameters.

Figure 3.1: Candidate Cases within the 'Universe' of Political Finance Regulation



Only countries exceeding 95% confidence in their classification are included. Country codes taken from the ISO 3166-1 Alpha-3 (International Organization for Standardization, 2020).

The presence of Canada in the Strongly Regulated category, as well as New Zealand's classification as a Partially Regulated system, present two logical cases for further study. Karl-Heinz Naßmacher observes that both countries have:

> Historical, cultural and legal similarities [with Australia] that should make it easy to compare their experiences in handling the common problems of modern democracy, especially with regard to financial matters (2014: p.255).

Due to their placement within the RoPFI's Partially and Strongly Regulated categories, both nations have successfully implemented political finance reforms.[24] The third case to be studied is selected from the Unregulated category. Nations that fall within this group are those with:

> No substantive regulation of political finance. Where controls exist, they rarely extend beyond a ban on vote buying or a rudimentary form of indirect public funding (see Chapter 2).

Providing a baseline comparison, selection from the Unregulated classification avoids choosing nations that cluster at one end of the outcome variable (Geddes, 2003). Cases in this group are primarily small states from the Pacific and Caribbean. The nature of politics in the Pacific islands, where party systems are either non-institutionalized or non-existent, presents few commonalities with the cases of Canada and New Zealand (Bishop et al., 2020; Rich, 2006). This differs from the Commonwealth Caribbean, which exhibits a near-perfect preservation of Westminster-style institutions across the region (Barrow-Giles, 2020; Payne, 1993; Sutton, 1999). As a result, Caribbean nations provide a stronger comparator to Canada and New Zealand. Accordingly, the third case study focuses on political finance reform in the Unregulated small states of the Commonwealth Caribbean. This case provides a cross sectional analysis of political finance in seven countries of the region[25] and, to deepen understanding of regulation in small states, undertakes a detailed examination of temporal reform processes in Saint Lucia. The third case study is approached in this way as, due to a major failed reform attempt in the early-2000s (Barrow-Giles, 2018), Saint Lucia provides

[24] Nations in the Strongly Regulated category are defined as having 'extensive' controls on political finance, for example, while those in the Partially Regulated category are defined as having 'some' controls in this area (see Chapter 2).

[25] These countries are: The Bahamas, Belize, Dominica, Grenada, Saint Kitts & Nevis, Saint Lucia, Saint Vincent & The Grenadines.

conditions upon which to test the assumptions of the theoretical model.

Building on this introduction, the following passage outlines the historical development of Canada, New Zealand and the Commonwealth Caribbean, as well as the similarities and differences that the nations display in institutional and demographic terms.

3.4.3 Comparing Cases: Canada, New Zealand & Small States of the Commonwealth Caribbean

Former relations with the British Empire had a considerable influence on the institutional structures of Canada, New Zealand, and nations of the Commonwealth Caribbean (Lijphart, 2012). Colonised at various points between the 17th and 19th centuries, all were eventually granted responsible government, and later became constitutional monarchies in the Westminster mould. In the immediate post-independence period, each nation was accorded a bicameral legislature, with an FPTP-elected lower house and nominated upper house; a representative of the Crown, to grant Royal Assent and conduct further ceremonial functions; and an executive branch, with actions accountable to the lower house of parliament (Lijphart, 1987; Malloy, 2004; Sutton, 1999). Despite this common framework, the development of institutions in the post-independence era has differed across each nation. Table 3.1 compares these nations in institutional and demographic areas.

Firstly, nations differ in their mode of government, with the federal systems of Canada and St. Kitts & Nevis lying contrary to the unitary systems of New Zealand and the remaining Commonwealth Caribbean small states. Foundations of the modern-day nation of Canada were laid in 1867, when the Province of Canada, Nova Scotia, and New Brunswick were bought together under a federal government. Since the turn of the 21st Century, Canada has been comprised of ten provinces and three territories, with each governed via a unicameral legislature. Existing as the smallest federation in the world, the nature of federalism in St. Kitts & Nevis is unique as, while the island of Nevis has its own sub-national institutions, St. Kitts does not (Veenendaal, 2015). These complexities are discussed further in Chapter 6.

Table 3.1: Overview of Cases for Small-N Analysis

	Canada	New Zealand	Bahamas	Belize	Dominica	Grenada	St. Kitts & Nevis	St. Lucia	St. Vincent & the Grenadines
Population (Central Intelligence Agency, 2022)	37,943,231	4,991,442	358,508	419,137	74,656	114,299	54,817	166,637	100,804
Legal System Origin (La Porta et al., 1999)	English	English	English	English	English	English	English	English	English
Period of Democratization (Boix et al., 2013)	Pre-1974	Pre-1974	Pre-1974	Post-1974	Post-1974	Post-1974	Post-1974	Post-1974	Post-1974
Mode of Government	Federal	Unitary	Unitary	Unitary	Unitary	Unitary	Federal	Unitary	Unitary
Type of Parliament	Bicameral	Unicameral	Bicameral	Bicameral	Unicameral	Bicameral	Unicameral	Bicameral	Unicameral
Upper House Membership	Appointed	-	Appointed	Appointed	-	Appointed	-	Appointed	-
Electoral System (International IDEA, 2018)	FPTP	MMP	FPTP	FPTP	FPTP	FPTP	FPTP	FPTP	FPTP
Constitution Type	Uncodified	Uncodified	Codified	Codified	Codified	Codified	Codified	Codified	Codified
RoPFI Value	1.44	-0.23	-1.86	-1.93	-1.7	-1.86	-1.86	-1.84	-1.74
RoPFI Classification	Strongly Regulated	Partially Regulated	Unregulated	Unregulated	Unregulated	Unregulated	Unregulated	Unregulated	Unregulated
RoPFI Uncertainty	0	0.03	0	0	0.02	0	0	0	0

Despite these dissimilarities, each nation has been subject to change in this area. In 1852, the British Parliament passed the New Zealand Constitution Act, which established the bicameral General Assembly, alongside six provincial councils. The federalized framework existed for 25 years, as provincial councils were disbanded in 1877; New Zealand has existed as a unitary state ever since. In a similar manner, Dominica, Grenada, St. Lucia and St. Vincent & The Grenadines have all continued to employ a unitary mode of government throughout their respective periods of independence, despite their inclusion in the short-lived West Indies Federation of the mid-20th Century (Baldacchino, 2020).

The second difference pertains to the shape of parliamentary institutions and electoral regulations. Though Canada and many of the Commonwealth Caribbean small states have remained fairly stable in this area, independent New Zealand opted to remove two pillars of the Westminster system ascribed by the UK in the 19th Century. The upper house of Parliament was abolished in 1950, leaving New Zealand with a unicameral legislature. Moreover, the FPTP electoral system – synonymous with the Westminster model – was replaced by an Mixed Member Proportional (MMP) system in 1993. As Table 3.1 shows, parliaments of Dominica, St. Kitts & Nevis, and St. Vincent & The Grenadines share similarities with New Zealand, by way of their unicameral structure. While this is the case, each of these nations reserves space in their lower house for a number of appointed Senators (Anckar, 2020a). An additional distinctiveness of New Zealand's electoral landscape concerns the reservation of a portion of parliamentary seats for the representation of Māori interests. In existence since the 1800s, Māori MPs are of equal status to their non-Māori counterparts, with voters permitted to register on the Māori *or* non-Māori electoral roll. Though indigenous populations remain in Canada, no specific measures for their parliamentary representation exist and, despite numerous party promises in Canada, no major electoral system amendments have emerged at the federal level. Indeed, elections in all of the Commonwealth Caribbean nations under study continue to be conducted under FPTP.

The final key divergence lies with the constitutional framework of each nation. While Canada

and New Zealand show some resemblance to the United Kingdom, existing under an uncodified constitution, each small state in the Commonwealth Caribbean implemented a codified constitution as one of the final steps toward formal independence. Despite this, scholars have noted that Commonwealth Caribbean constitutions were "written by the British government and handed down to the local governments" (Peters, 1992: p.85) and, as such, "duplicated almost in its entirety British institutional norms" (Barrow-Giles, 2020: p.652). Due to the uncodified nature of Canadian and New Zealand constitutions, various amendments have been adopted in each nation. In Canada, for instance, the *Charter of Rights and Freedoms* was passed in 1982, providing powers for the judiciary to strike down laws that violate the fundamental rights set out in the document. Key cases, such as *Figueroa v. Canada* and *Harper v. Canada*, have curtailed provisions of electoral law related to party nominations and third-party campaigning (Gauja, 2010a). Conversely, parliament remains sovereign in New Zealand and, thus, the High Court is not permitted to overturn legislation in this way.

In sum, Canada, New Zealand, and the unregulated Commonwealth Caribbean small states present a complementary selection of cases for further study. Despite sharing commonalities in their adoption of Westminster based institutions, these nations have developed in different ways. While New Zealand has made sweeping changes to the electoral system and the legislative functions of parliament, the majority of the Commonwealth Caribbean has formal institutions that remain consistent with those presented at independence. Moreover, while Canada has generally witnessed more continuity than change in its institutional apparatus, the judicial branch have grown into an additional check on the legislative powers of parliament. The following section outlines the process tracing method used to examine these cases further.

3.5 Process Tracing

Process tracing is a 'within-case' method which is used to acutely explore the nature of relationships between variables (George and Bennett, 2005; Waldner, 2012). The method

involves the study of a sequence of events, with the aim to theorize or empirically examine the intervening causal chain which leads one or more independent variables to impact a dependent variable. The express purpose of process tracing, therefore, is to produce a thorough analysis of both the interaction of causal mechanisms *and* the contextual settings within which they operate (Falleti and Lynch, 2009). In the late 1990s, Stephen van Evera (1997) introduced a typology of process tracing tests. These techniques – named *hoop, smoking gun, doubly decisive,* and *straw in the wind* tests (see Figure 3.2) – have previously been endorsed by qualitative methodologists, who recommend their use in studies that employ process tracing (see, *inter alia*, Beach and Pedersen, 2013; Collier, 2011; Gerring, 2017; Mahoney, 2012).

Table 3.2: Typology of Traditional Process Tracing Tests

		Sufficient to Establish Causation	
		No	Yes
Necessary to Establish Causation	No	**Straw in the Wind**	**Smoking Gun**
		Passing affirms relevance of hypothesis but does not confirm it	Passing confirms hypothesis
		Failing suggests hypothesis may not be relevant, but does not eliminate it	Failing does not eliminate hypothesis
	Yes	**Hoop**	**Doubly Decisive**
		Passing affirms relevance of the hypothesis but does not confirm it	Passing confirms hypothesis and eliminates others
		Failing eliminates hypothesis	Failing eliminates hypothesis

Since the turn of the century, methodological literature has sought to improve process tracing by defining its underlying inferential logic; in this vein, frequentism has made way for Bayesianism (see, *inter alia*, Befani and Stedman-Bryce, 2017; Bennett, 2008; Bennett, 2015; Bennett and Checkel, 2015; Fairfield and Charman, 2017). Whereas hypothesis testing through frequentist logic focusses on rejection of the null hypothesis based on a fixed significance level, Bayesianism involves assigning probabilities to hypotheses and updating them with new evidence (Jackman, 2009). As a consequence, Bayesian analysts do not view

hypothesis testing as a binary process and, instead, operationalize confidence in hypotheses through degrees of belief (Crasnow, 2017; Bennett, 2015). Though many process tracing studies have continued to follow van Evera's typology, Fairfield and Charman (2017) question the utility of these tests when viewed from a Bayesian perspective. On this, they note:

> We view classification of tests as unnecessary within a Bayesian framework, since evidentiary confirmation is always a matter of degree, not type, and inference is always governed by the logic of Bayes' rule . . . the notion of process-tracing tests remains close in spirit to frequentist statistical theory, with its tradition of subjecting hypotheses to a sequence of discrete, named tests that can be either passed or failed (2017, pp.365–66).

This section outlines the practical steps taken to employ process tracing in the case studies that form the second phase of the thesis. In doing so, it builds on this introduction to outline the inferential logic that underpins data collection and theory testing. It is divided into three parts. The first part outlines the Bayesian logic upon which inferences are made and, by introducing Bayes Theorem, discusses how observations are used to bridge the gap between prior and posterior probabilities. Following this, part two discusses hypothesis testing and introduces the concept of Bayesian updating by way of an illustrative example; Henry Brady's (2010) re-examination of the 2000 US Presidential Election results in the Florida panhandle counties. Finally, part three sets out how these techniques are used in practice, by schematizing the causal mechanisms that underpin the passage of *loosening* and *tightening* reforms, before presenting the data used for hypothesis testing. This discussion closes by outlining how the process tracing framework uses the evidence collected to evaluate confidence in hypotheses.

3.5.1 Bayesian versus Frequentist Logic

A fundamental aspect of theory testing in the social sciences concerns which type of inferential logic is applied when assessing relations between data and hypotheses. Two major schools of thought exist in this area; frequentism and Bayesianism. Frequentist models analyse a sample

of data drawn from a population to make predictions and test hypotheses. The probability of the research hypothesis (H_1) being true is directly linked to the null hypothesis (H_0), a statement that the relationship exists due to sampling error. As H_0 and H_1 are *mutually exclusive*, disconfirmation of H_0 – generally when $p < 0.05$ (or an alternative probability threshold) – implies that H_1 is a valid explanation of the phenomena under study. While this is a commonly used approach, Jackman (2009), argues that frequentist approaches to inference make little sense for many social science applications. The first issue lies in the presupposition that data collected for analysis are representative of a larger population. This assumption is violated in many scenarios; oftentimes researchers are able to collect data that is exhaustive of the population under study, for example. Secondly, as *p*-values play a major role in frequentist hypothesis testing, models require "a sufficiently large sample to get off the ground" (Bennett, 2008: p.708). Accordingly, this logic does not permit the study of hypotheses where – whether for practical, methodological, or theoretical reasons – large-N data does not exist. Finally, the rigid approach to hypothesis testing does not easily account for multiple explanations simultaneously.

Contrasting the frequentist logic of traditional statistical modelling, a recent trend in methodological literature is to align process tracing with Bayesian probability theory (see, *inter alia*, Beach and Pedersen, 2013; Befani and Stedman-Bryce, 2017; Bennett, 2015; Bennett and Checkel, 2015; Fairfield and Charman, 2017). The underpinning logic of Bayesianism is that the quantification of confidence in a hypothesis is the product of: (i) confidence in the hypothesis *ex ante*, and; (ii) confidence in the hypothesis *based on new evidence* (Bennett, 2008). Bayesian logic suggests that confidence in hypotheses should be measured as "degrees of belief" (Crasnow, 2017; Fairfield and Charman, 2017); this can be summarized in the following way (see Jackman, 2009):

$$\text{Prior beliefs} \longrightarrow \text{Data} \longrightarrow \text{Posterior beliefs}$$

$$p(\theta) \longrightarrow y \longrightarrow p(\theta|y) \tag{3.1}$$

Equation 3.1: Logic of Bayesianism

Following the logic outlined in Equation 3.1, if θ is a hypothesis that is subject to uncertainty and y is a pertinent observation related to this hypothesis, Bayes Theorem provides a calculation through which to update *prior* beliefs, $p(\theta)$, and generate *posterior* beliefs given the evidence provided, $p(\theta|y)$. These are the foundations that underpin Bayes Theorem, presented below in its simplified form:

$$p(\theta|y) = \frac{p(y|\theta) \cdot p(\theta)}{p(y)} \tag{3.2}$$

Equation 3.2: Bayes Theorem

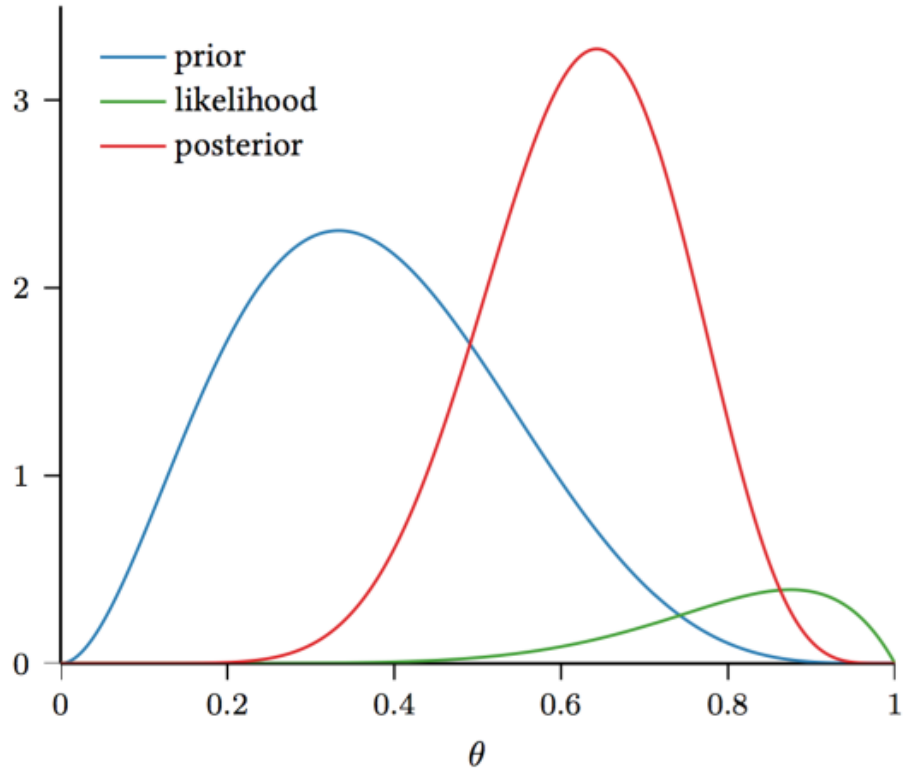
As shown in Equation 3.2, Bayes Theorem contains four primary components. As previously outlined, $p(\theta|y)$ represents posterior probability in the hypothesis, while $p(\theta)$ represents the prior. The probability of the piece of evidence being observed *given* the hypothesis – i.e. how likely we are to observe y if θ is a strong hypothesis – is termed $p(y|\theta)$, while $p(y)$ represents the likelihood of the observation y occurring *regardless of* θ. The relationships on the right hand side of Equation 3.2 are central to understanding Bayesian logic. Although observations through data collection may support the hypothesis (i.e. $p(y|\theta)$ is high), posterior confidence in the hypothesis will only be strengthened if the probability of making that observation is low in any circumstance. In sum, the more "surprising" the evidence is – in terms of its likelihood of being observed regardless of θ – the smaller $p(y)$ is and, consequently, the *larger* the posterior probability, $p(\theta|y)$, becomes (Beach and Pedersen, 2013: p.96). Andrew Bennett summarizes this and explains that, by following Bayesian logic:

> what is important is not the number of pieces of evidence within a case that fit one explanation or another, but the likelihood of finding certain evidence if a theory is true versus the likelihood of finding this evidence if an alternative explanation is true (2006, p.341).

One of the unique features of Bayesian logic, relative to frequentism, is that it "ensures clear identification and careful assessment of salient evidence *and* key elements of the background information" (Fairfield and Charman, 2017: p.376, *emphasis added*). To visualize

the relationship between prior and posterior probabilities, an example case is displayed in Figure 3.2.

Figure 3.2: Visual Representation of Bayesian Logic



Shown in blue, the researcher's prior knowledge suggests that the probability of hypothesis θ being true is roughly 35%. With these expectations defined *a priori*, assume that the researcher subsequently uncovers a piece of pertinent information, y. Displayed in green, the likelihood function indicates that the sample observation aligns with the hypothesis to the extent at which the researcher is 90% certain in the propositions outlined by θ. Although this piece of data provides very strong evidence in support of the hypothesis, the posterior probability distribution is calculated as the product of both the prior *and* likelihood distributions. Using Bayesian logic, therefore, the researcher concludes that they have 65% confidence in θ (displayed in red). The example here outlines a key tenet of Bayesian logic, that the role of data collection is not to collect observations that confirm or disconfirm hypotheses, but to

"update our confidence in the contribution claim, increasing it or decreasing it compared to the prior, pre-observation situation" (Befani and Stedman-Bryce, 2017: p.53). With confidence in hypotheses regularly updated in light of new information, Fairfield and Charman (2017: p.372) view Bayesian inference as a "dialogue with the data"; this approach is generally referred to as 'Bayesian updating' (Beach and Pedersen, 2013; Befani and Stedman-Bryce, 2017; Bennett, 2008; Bennett, 2015). This concept is introduced next.

3.5.2 Hypothesis Testing and the Process of Bayesian Updating

To outline the process of Bayesian updating in a real world context, take Henry Brady's (2010) analysis of the controversial 2000 US presidential election in the Florida Panhandle counties. In this study, Brady uses process tracing to critique previous accounts of what occurred when TV networks prematurely – and incorrectly – declared Republican candidate Al Gore as the President elect. Primarily, Brady's focus is on the works of John Lott who, through using OLS regression on voting data, concluded:

> By prematurely declaring Gore the winner shortly before polls had closed in Florida's conservative western Panhandle, the media ended up suppressing the Republican vote.... An examination of past Republican presidential votes by county in Florida from 1988 to 2000 shows that while total votes declined, the Republican voting rate in the western panhandle was significantly suppressed relative to the non-Republican vote. The 4 percent greater reduction in Republican votes averages about 1,000 votes per county, [yielding] 10,000 Republican votes for all 10 counties in the western Panhandle (Lott, 2000, cited in Brady, 2010: p.238).

Considering Lott's findings in light of alternative evidence, Brady (2010) shows that the argument of voter suppression – to the tune of 10,000 votes – is unlikely to be valid. First, he identifies that the media calls were made at 6.50pm, just 10 minutes before polls closed. Using census data from the previous election, he finds that roughly 1 in 12 voters visit the polls

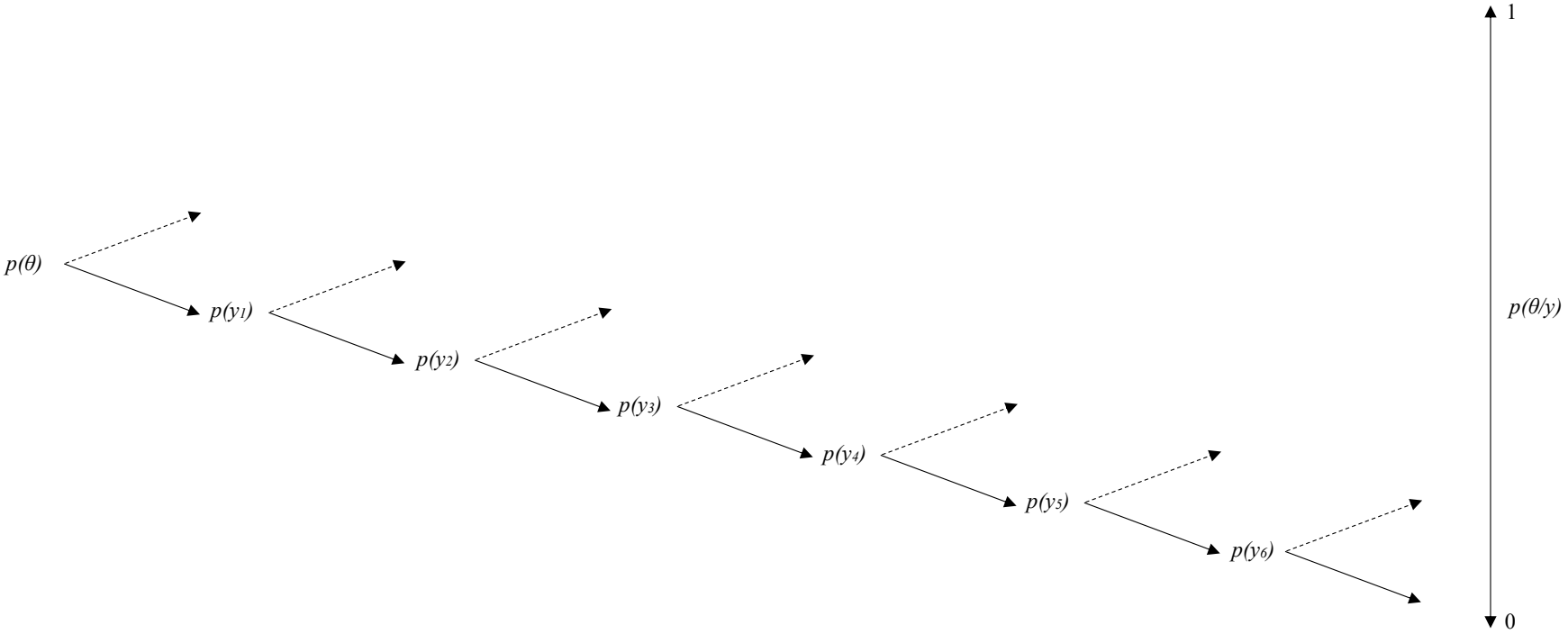
in the final hour. Assuming that visits are distributed evenly across the hour, he concludes that 1 in 72 voters cast their ballot in the final 10 minutes of the final hour. Removing absentee voters – who account for 20 percent of total ballots – Brady calculates that there were 303,000 eligible votes to be cast in person on election day. One in 72 voters therefore equates to roughly 4,200 who would be likely to vote in the relevant period. Through analysis of research on media exposure, Brady makes the assumption that 20 percent of this group were watching the news at this time and, as a result, 840 may have seen the early declaration. Building on this, he uses voting data to assume that roughly two thirds of the population were Bush-supporting Democrats at this time. This leaves 560 who may have had the incentive to hurry and place their vote following the declaration. Finally, through prior knowledge of research on voter behaviour, he argues that 10 percent of voters decide not to vote when they hear an early declaration related to the Presidency. Taking all of these arguments together, Brady concludes that "Lott's figure of 10,000 makes *no sense at all*" (2010, p.240, *emphasis added*). As an alternative, he suggests that a more realistic figure may be *just 56*.

While Brady (2010) does not explicitly claim to be employing a form of Bayesian updating, the steps taken to reach his conclusion can be described as such; this process is outlined in Figure 3.3. Starting with θ, the hypothesis that 10,000 votes were supressed as a result of the early declaration, the assumption is that Brady commenced at an "initial state of maximal ignorance", where the prior, $p(\theta)$, was set at a neutral level of 0.5 (Fairfield and Charman, 2017: p.367). Before any data analysis, therefore, θ was deemed just as likely to be true as it was to be false. Through conducting his analysis, the addition of each new piece of information, $y_1, ..., y_6$, gradually reduced confidence in θ. As shown in Figure 3.3, by systematizing the process of Bayesian updating, posterior confidence in the hypothesis, $p(\theta|y)$, indicated that Lott's hypothesis was very unlikely to be valid.

This example displays the underpinning logic of data analysis in the case studies that follow. It must be noted, however, that the systematized approach presented in Figure 3.3 is not representative of the *practical* approach taken when utilizing process tracing – as noted

Figure 3.3: Example of Bayesian Process Tracing

$p(\theta)$	y_1	y_2	y_3	y_4	y_5	y_6
Starting from a position of maximal ignorance, the prior is set at a neutral value of 0.5.	Media calls are made at 6:50pm, roughly 12 hours after the polls opened. This means that only those voters in the last 10 minutes could be impacted.	Census data shows less than $1/12^{th}$ of voters go to the polls in the final hour. Assuming even distribution, $1/6^{th}$ visit in the last ten minutes. This is $1/72^{nd}$ of all voters.	20% of all 379,000 votes cast were absentee ballots. Thus, only 303,000 voted on election day. $1/72^{nd}$ of this figure leaves 4,200 who could be impacted.	Using research on media exposure, it is assumed that 20% may have been watching the news at this time. Thus, 840 could have seen the declaration of Gore as the winner	Using voting data, it is assumed that $2/3^{rd}$ of the population were Bush supporters. Thus, 560 voters had the incentive to go and place their vote	Research on voter behaviour shows that roughly 10% opt not to vote after an early call. Thus, 56 Bush voters may have been deterred from voting.



previously, Brady (2010) makes no reference to Bayesian updating in his critique of Lott's work. Indeed, while Fairfield and Charman support the principles of Bayesian analysis in process tracing, they do so with the caveat that such analyses "cannot replace case narratives, which are an efficient way to holistically communicate context, evidence, and analysis". As a result, they conclude that explicit Bayesian analysis "may be unduly burdensome in practice" (2017, pp.376–77). Thus, when undertaking process tracing, Beach and Pedersen note that "we usually do not express priors and likelihood functions in mathematical terms, but the Bayesian logic plays the same essential role in evaluating causal inferences that frequentist logic plays in quantitative large-n research" (2013, p.87). Building on this methodological background, the following passage outlines the practicalities of process tracing as applied in this thesis.

3.5.3 Assessing Theoretical Propositions

One of the central pillars of the theoretical model concerns the differentiation between *loosening* and *tightening* reforms. The model's propositions are reflective of this, with most represented by a pair of interrelated hypotheses developed to explain both types of reform. As noted by Nwokora (2014: p.927), "the multi-layered interaction of politicians, parties, issues and ideology produces conflicting pressures". It is therefore assumed that, at any one period, passage of reforms may be influenced by the interaction of multiple mechanisms simultaneously. To visualize these theoretical interactions, Figures 3.4 and 3.5 show a schematization of causal mechanisms at play when reforms are passed. In both figures, each hypothesis is represented by its theorized causative mechanism and its logical negation. Taking Figure 3.4 as an example, the model posits that loosening reforms are most likely when there has been: (i) a change in incumbency; (ii) the incumbent party is weakly organized; (iii) party competition is weak; (iv) the incumbent is right-leaning, and; (v) the party system is ideologically polarized. When all of these factors are at play, the likelihood of loosening reforms is very high. This is not to say, however, that all of these factors are *necessary* for reforms to be passed. As shown in Figure 3.4, the negation of an individual hypothesis

– e.g. *strong* parties within the context of weak party competition, right-wing incumbency, and ideological divergence – will still yield a high probability that loosening reforms will pass (dependent upon the value of the prior).

With the aim of case studies being to test the multilayered propositions of the model, the role of process tracing in this thesis – as well as the Bayesian logic that underpins the technique – is to "ajudicate between rival hypotheses and thereby identify the best explanation in light of the evidence" (Fairfield and Charman, 2017: p.368–9). When testing mechanisms in this way, Befani and Stedman-Bryce (2017) note that the researcher must take steps to identify what evidence should be expected if each contribution claim holds. It is not sufficient only to outline which data are used to test the theoretical model, but also to determine the parameters used to assess confidence in whether an intervention has contributed to the outcome. To reduce potential for bias in data analysis, these steps are outlined *a priori*; this discussion follows next.

Collecting Data and Operationalizing Theoretical Propositions

Due to its foundational Bayesian logic, process tracing does not require data generated from stochastic processes or replicable observations. In short, "any relevant observation or information that bears on the truth of [the] hypothesis" may constitute evidence (Fairfield and Charman, 2017: p.368). Accordingly, a common recommendation within process tracing literature is for researchers to employ a diverse range of data sources (Beach and Pedersen, 2013; Bennett, 2010; George and Bennett, 2005; Vennesson, 2008). Though ostensibly viewed as a qualitative method, David Collier asserts that "the boundary between qualitative and quantitative should not be rigid" (2011: p.825). Indeed, Henry Brady encourages the use of quantitative "causal-process observations" as diagnostic "data nuggets" to strengthen claims of causal inference (2010: p.237), while circumstantial evidence has also been recommended as a way to infer actor preferences (Kuehn, 2013). While this is so, Bengtsson and Ruonavaara assert the importance of working within an "explicit theoretical framework" to ensure that data is fit for purpose (2017: p.47); this is of particular importance when

Figure 3.4: Causal Mechanisms of Loosening Reform

	Change in Incumbency	**Party Organization**	**Party Competition**	**Incumbent Ideology**	**Ideological Distance**
Theoretical Level	When there is a change in incumbency, the incoming administration tailors the system to their own needs. The *competitive* dimension becomes prominent.	Weak parties place an emphasis on short-term goals. The *competitive* dimension is more influential in shaping reform.	In periods of low competition, the *competitive* dimension is more influential in shaping reform as the incumbent looks to strengthen their advantage.	The normative goals of right-wing parties tend to place an emphasis libertarian goals that promote a minor role for the state in financing political competition.	When ideologies of opponents diverge, their favoured positions on political finance do not align. The *competitive* dimension is more influential in these contexts.

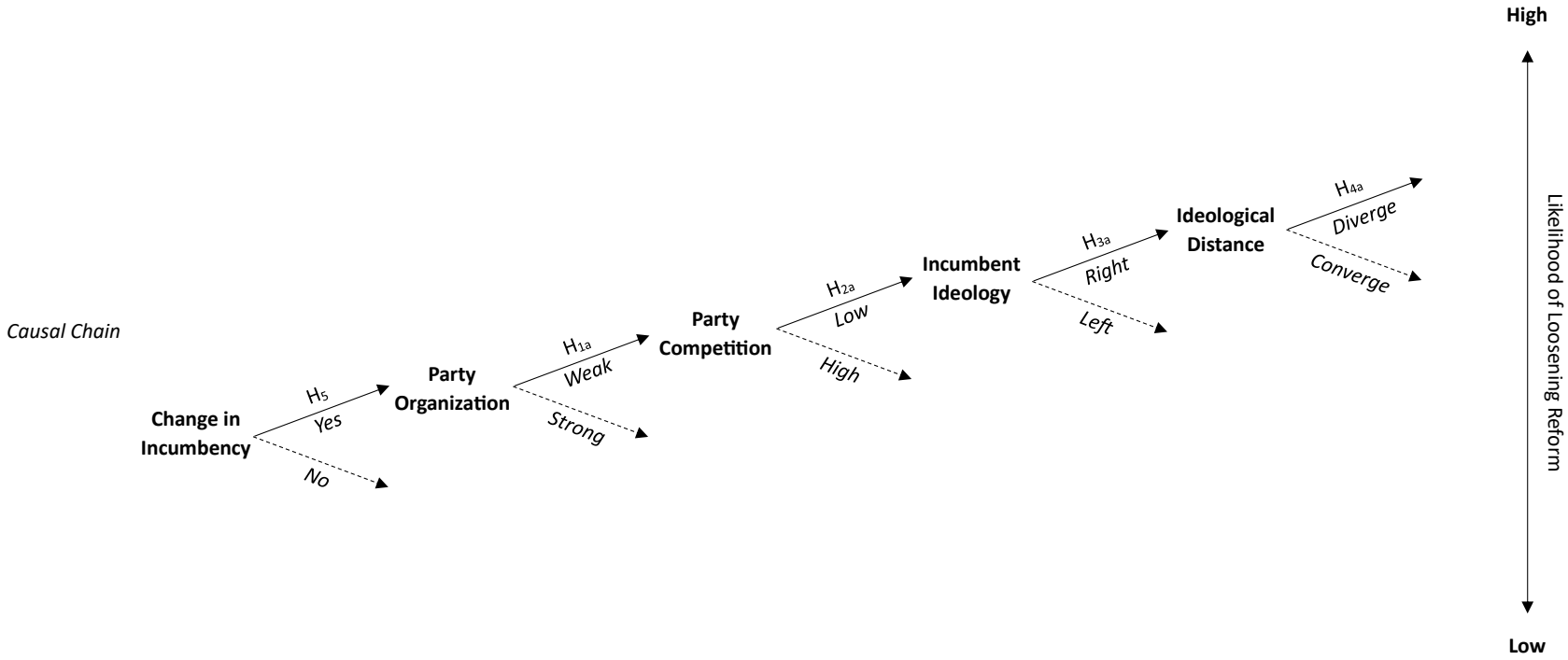
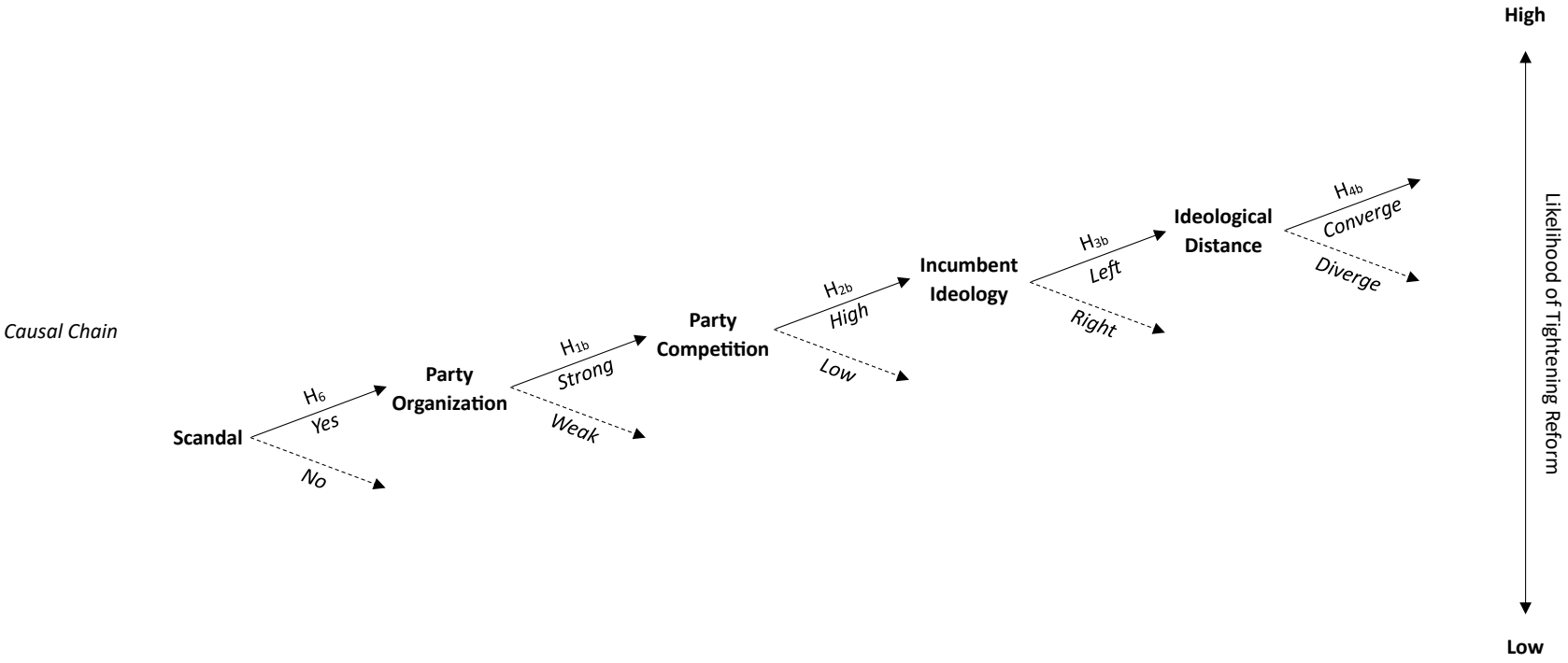


Figure 3.5: Causal Mechanisms of Tightening Reform

	Scandal	**Party Organization**	**Party Competition**	**Incumbent Ideology**	**Ideological Distance**
Theoretical Level	When a scandal has occurred, parties try to regain public trust by tightening regulations. The *cooperative* dimension becomes prominent.	Strong parties place an emphasis on long term goals and stability. The *cooperative* dimension is more influential in shaping reform.	In periods of high competition, the *cooperative* dimension is more influential in shaping reform as parties set themselves up for a potential period in opposition.	The normative goals of left-wing parties tend to place an emphasis egalitarian goals that promote a major role for the state in financing political competition.	When ideologies of opponents converge, their favoured positions on political finance align. The *cooperative* dimension is more influential in these contexts.



evaluating non-standardized observations across cases. To operationalize all propositions of the theoretical model (as outlined in Figures 3.4 and 3.5), the second phase of this thesis collects and analyzes three types of data: (i) documentary sources, to ascertain party positions on reform; (ii) quantitative indicators, to trace changes in independent variables linked to party organization, competition, and ideology, and; (iii) secondary literature and electoral data to establish incumbency changes and identify pertinent scandals.

One of the most important early considerations when undertaking data collection for process tracing relates to periodization, as attempts to trace variables of interest to their origin often pose more questions than answers (Bennett and Checkel, 2015). The identification of a nation's first statute relating to political finance is a fairly simple task, for instance, but how far before this should one search to identify the causal processes behind its adoption? This is a particularly difficult determination when applying process tracing within a small-N context, as "comparison across cases may call for different periodization strategies to ensure analytical equivalence" (Falleti and Lynch, 2009: p.1159). To identify time windows for case studies, secondary literature is used to discover: (i) a period in which political finance regulation became politically salient, through; (ii) a major review into the topic, which; (iii) preceded the implementation of the political finance system's foundations. Following identification of the relevant period, the window of study is extended backward to incorporate the duration of the corresponding government.

Subsequent to the establishment of relevant timelines of study, attention turns to the identification of data for model testing. Grounded in the theoretical model, the first type of data is collected to identify party support or opposition toward each political finance reform, as well as the *reasons provided for doing so*. Methodological literature suggests that interviews, public speeches, or memoirs provide strong sources from which to derive this information (Hampsher-Monk and Hindmoor, 2010; Kuehn, 2013). As institutions from Canada, New Zealand, and Saint Lucia are rooted in the Westminster system, all three nations use a variation of *Hansard* to record Parliamentary debates. Per the UK Parliament website, *Hansard*

is a “substantially verbatim report of what is said in Parliament”, which is “edited to remove repetitions and obvious mistakes, albeit without taking away from the meaning of what is said” (UK Parliament, 2022: para. 1). Used in conjunction with reports from external organizations such as the Organization of American States (OAS), as well as those from Royal Commissions, court decisions and parliamentary committees, *Hansard* transcripts are employed as a “form of interpretive evidence about the way in which real-world actors actually perceived the situation they found themselves in” to identify “the reasons they gave for acting in a particular way” (Hampsher-Monk and Hindmoor, 2010: p.50). Though the mixture of documentary evidence varies across cases, the procedures by which sources are identified is consistent:

- **Step 1:** Timelines of relevant changes in regulation are constructed. A list of parliamentary sittings referencing each political finance bill is created and, as part of this process, related committee reports are found.
- **Step 2:** Each committee’s list of submissions is searched to obtain those which would provide substantive evidence for further study. These include those from party organizations, members of parliament, and various government officials.
- **Step 3:** Secondary literature is used to highlight key court cases and pertinent electoral observation missions. Where identified, relevant documentary evidence is collected in these areas.

Once defined, the first practical stage toward data collection involves a search through the various online repositories that store such documents, including official parliament websites. Where documents are unavailable, direct contact with parliamentary libraries and information services is established to obtain soft copies. As the longest study period, the data collection process for the Canadian case study presents the largest volume of documents for analysis, followed by New Zealand. With the issue of political finance gaining comparatively less attention in Saint Lucia, few documents are obtained. In all cases, data is used to identify party positions and actor preferences toward political finance regulation. Analysis takes place in NVIVO, where coding focuses on: (i) identifying support or opposition toward each regulation,

and; (ii) uncovering the reasons presented for doing so. Following the mechanics of the theoretical model, party positions and their related justifications are used to ascertain whether opposition parties were competing or cooperating at each stage of the reform process. This information is consequently used as a foundation upon which to undertake process tracing. Table 3.3 provides an overview of the qualitative data collected for use in the detailed case studies of Canada, New Zealand, and Saint Lucia.[26]

Table 3.3: Documentary Sources of Evidence

Source Type	Canada	New Zealand	Saint Lucia
External Organization Reports	-	-	2 Reports
Commission Reports	1 Report	1 Report	1 Report
Court Transcripts	3 Cases	-	-
Parliamentary Committee Reports	12 Reports	5 Reports	-
Parliamentary Committee Submissions/Transcripts	147 Submissions (House & Senate)	37 Submissions (House)	-
Parliamentary Debate Transcripts	70 Sessions (House & Senate)	40 Sessions (House)	3 Sessions (House & Senate)

Building on documentary analysis, the second stage of data collection focuses on identifying suitable indicators for the operationalization of independent variables (see Table 3.4).[27] The first proposition – represented by H_{1a}, H_{1b} – relates to *party organization*, where contrasting motivations of 'strong' and 'weak' parties are hypothesized as influential in the type of political finance regulation that is favoured. Nwokora describes strong parties as those which have the 'institutional apparatus' to 'enable them to ensure that their politician members act in ways that are consistent with their party's goals' (2014, p.921). Conversely, when party

[26] A detailed list of sources is included in Appendix F.

[27] See Appendix G for full data on operationalized independent variables for the three case studies.

organizations are weak, decisions related to candidate selection and the direction of policy are concentrated in a single leader or handful of prominent elites. To measure the strength of party organizations, the Intra-Party Power Concentration Index (IPPC), developed by Düpont et al. (2022: pp.2–3), is used. As a composite measure, the IPPC is developed by combining the 'candidate selection' and 'personalization' variables of the Varieties of Party Identity and Organization Dataset (V-Party) (see Lindberg et al., 2022). Consequently, the IPPC considers the methods by which electoral candidates are selected by the party, as well as the extent to which the party is oriented toward the personal policy goals of its leader. Data covers all elections between 1970 and 2019, and values range between -4 and 4. Lower values indicate that power is concentrated within the party leader, while higher values demonstrate a greater dispersion of power among all levels of the party. Accordingly, loosening reforms are considered more likely when the incumbent's IPPC value is low or decreasing (H_{1a}), while tightening reforms are suggested to be more likely when the IPPC is high or increasing (H_{1b}).

Table 3.4: Quantitative Sources of Evidence

Purpose	Data	Source	Measurement
Party Organization	Inter-Party Power Concentration Index (IPPC)	Developed by Düpont et al. (2022), using V-Party data (Lindberg et al., 2022)	-4 indicates concentration; +4 indicates dispersion
Party Competition	Effective Number of Parties ($ENPP_H$ & $ENPP_S$)	Data retrieved from Gallagher (2021)	Minimum value indicates single party system; increases indicate more competition
Incumbent Ideology	Z-score of Comparative Manifesto Project (CMP)	Data retrieved from Volkens et al. (2021)	-4 indicates far right; +4 indicates far left
Ideological Distance	Z-score of Ideological Convergence Index (ICI)	Author calculations based on CMP data	-4 indicates divergence; +4 indicates convergence

The second set of hypotheses suggest that party competition plays a role in political finance.

In this instance, the 'effective number' of parties is used as a proxy measure of competition. Originally developed by Laakso and Taagepera (1979), this index evaluates the distributions of votes and parliamentary seats in a way which considers the relative size of each party. Gallagher and Mitchell (2008) outline the three stages of the methodology which: (i) takes each party's proportion of total votes; (ii) produces the sum of squares for these values, and; (iii) calculates the reciprocal of this figure. As this methodology uses election results as an input, two measures are available. Using proportions of votes to each party provides the Effective Number of Parties at the Electoral Level (ENEP), while employing proportions of seats won as an input produces the Effective Number of Parties at the Legislative Level (ENPP). To provide these insights, figures for post-World War II elections are supplied by Gallagher (2021). Though the effective number of parties provides a crude measurement of electoral competition, it is assumed that the competitiveness of elections increases as the number of parties represented in parliament rises, and vice versa. This is particularly pertinent when smaller parties grow relative to established parties, which is incorporated within the measure. Loosening reforms are anticipated when the ENEP or ENPP values are low or decreasing (H_{2a}), and tightening reforms are considered more likely when values are high or increasing (H_{2b}). Indeed, the impact of party competition is expected to increase further if trends are consistent across several elections.

Finally, propositions linked to ideology are operationalized via data from the Comparative Manifesto Project (CMP) (see Volkens et al., 2021). The CMP is developed through a content analysis of party manifestos in 56 nations, which consequently provides a quantitative measure of the ideological position of parties in elections since the 1920s. Each party is positioned on a scale which ranks from -100 to 100, with negative values indicating a left-wing party, and right-wing parties displayed through a positive value. Accordingly, parties positioned around 0 are deemed to occupy the political centre. Ezrow and Krause (2022: p.5) have found the CMP measures to be 'generally consistent with those from other party-positioning studies, such as those based upon expert placements, citizen perceptions of parties' positions, and parliamentary voting analyses'. The resulting effect is the development

of 'one of the few data sets allowing for the empirical test of theories of party competition both transnationally and over time' (Merz et al., 2016: p.1). Taking these observations into account, the CMP data is used to operationalize incumbent ideology. To ease interpretability, the measure is reversed prior to use. Z-scores are calculated for each year to measure the variability of ideology across the time period. Consequently, a maximum value of 4 indicates a swing to the far left, while a minimum of -4 represents a swing to an incumbent of the far right. To test hypotheses on ideological convergence/divergence, this thesis introduces the Ideological Convergence Index (ICI). The absolute difference between the CMP scores of the incumbent and opposition are calculated to identify this value.[28] Following the same logic presented above, values are converted into Z-scores prior to analysis. Therefore, a maximum value of 4 indicates a shift toward total convergence, with a value of -4 indicating movement toward maximal divergence. Consequently, loosening reforms are expected when CMP (H_{3a}) or ICI Z-score values are low (H_{4a}), and tightening reforms are deemed more likely when Z-scores of the CMP (H_{3b}) or ICI are high (H_{4b}).

While operationalized measures of party organization, party competition, incumbent ideology, and ideological convergence provide a background to the context of each study, their use is supplemented by analysis of secondary literature. Moreover, while data in all areas are available for the cases of Canada and New Zealand, measures linked to party organization and ideology are unavailable for the Commonwealth Caribbean small states. This is an unfortunate reality of studying small states, which are regularly excluded from large-N datasets (Corbett and Veenendaal, 2018; Sharman, 2017; Veenendaal and Corbett, 2015). Thus, discussions related to contextual factors in these nations rely more heavily upon Caribbean party systems literature (see, *inter alia*, Baldacchino, 2020; Barrow-Giles, 2011; Barrow-Giles and Joseph, 2006; Bishop et al., 2020; Duncan and Woods, 2007; Joseph, 2011; O'Brien, 2014; Ryan, 2005; Payne, 2005), as well as general texts on political competition in small states (see, *inter alia*, Anckar, 2020b; Dahl and Tufte, 1974; Gerring and Veenendaal, 2020; Veenendaal and

[28] In order to retain consistency, the incumbent is defined as the governing party following the election, and the opposition is defined as the party that formed the official opposition during this period.

Corbett, 2020).

The final two hypotheses, H_5 and H_6, are unique in their consideration of events as critical junctures in the development of political finance reforms. First, to identify changes in incumbency, election data from each nation is used. In instances where an incoming government consider themselves to be disadvantaged by existing regulations, loosening reforms are expected to be more likely. Following this line of reasoning, it is assumed that action would be taken during a government's first term, so as to benefit the incumbent during any subsequent elections that they contest. Thus, loosening reforms are considered more likely during an incumbent's first term in government (H_5). Finally, scandals are identified through background reading of secondary literature, with the expectation that tightening reforms would be more likely when a scandal had recently occurred (H_6).

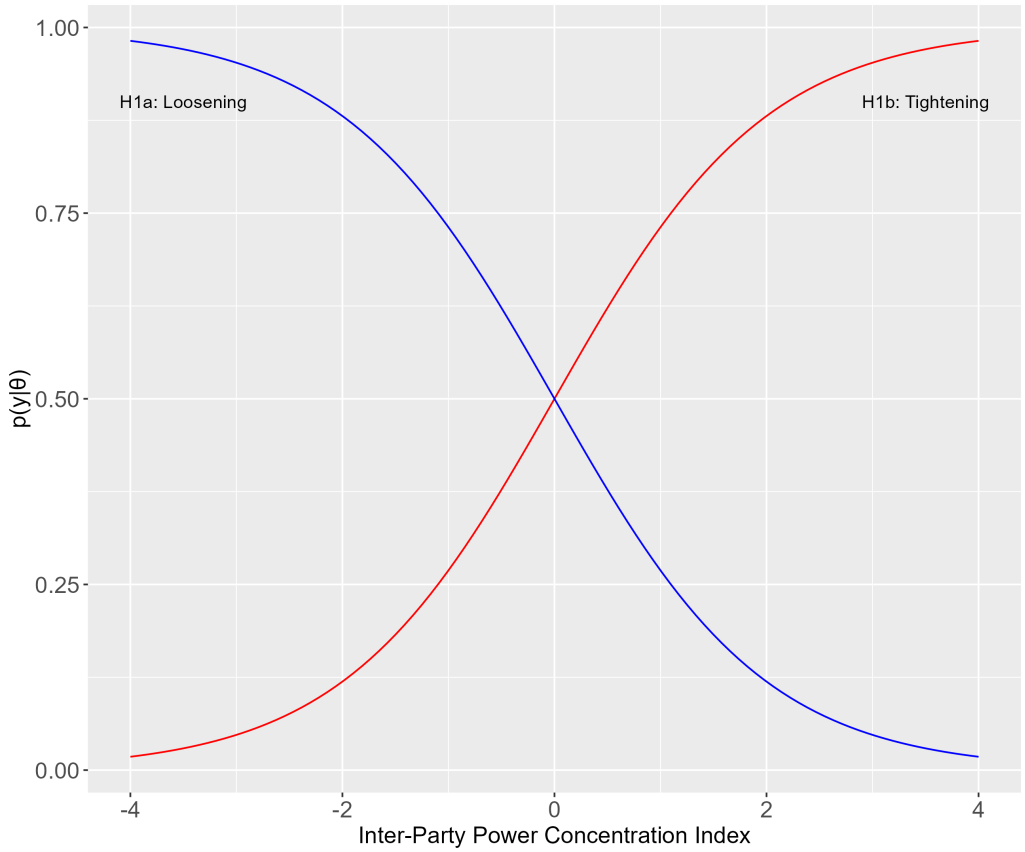
Evaluating Confidence in Hypotheses

Contrasting frequentist modelling, where the success or failure of hypotheses is subjected to rigid interpretations of probability, Bayesian logic posits that confidence in hypotheses should be interpreted as "degrees of belief" (Crasnow, 2017; Bennett, 2015; Jackman, 2009). Revisiting the processes of Bayesian updating that were introduced earlier in this chapter, the final stage in outlining the process tracing methodology entails how this thesis uses data to evaluate confidence in hypotheses. As outlined in Figures 3.4 and 3.5, the hypotheses that underpin process tracing are divisible into two groups. The first group – representing propositions related to party organization, competition, and ideology – have independent variables measured on a continuous scale, whereas the second – representing changes in incumbency and scandals – focus on critical junctures as a causal mechanism.

Assessment of confidence evaluation in the first group is outlined in Figure 3.6, which uses the independent variable of party organization strength as an illustrative example. In this graphical representation, the x-axis represents the range of values that can be taken by the IPPC, while the y-axis represents the confidence in the hypothesis in light of this information.

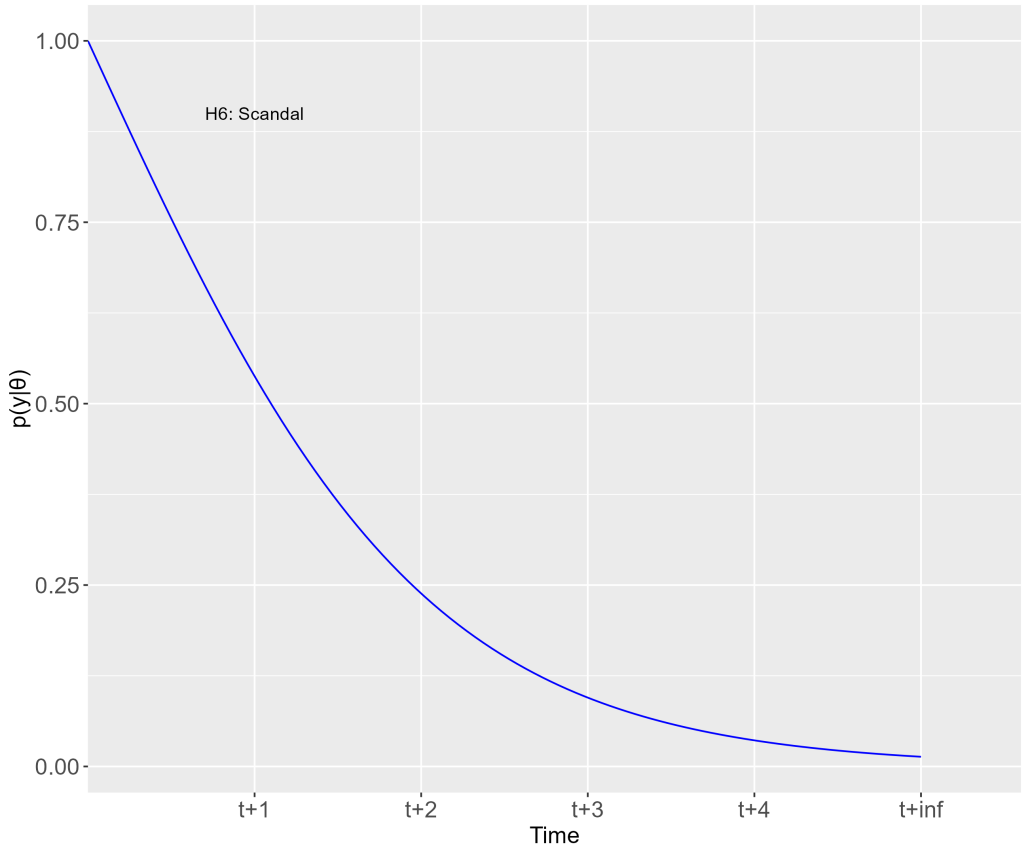
Approximating a sigmoidal function, the red line outlines the impact that a *tightening* reform has on confidence in H_{1b} at varied levels of the IPPC. When tightening reforms are passed under a highly organized incumbent, $p(H_{1b}|y)$ is high. This figure drops considerably as the organizational capacity of the incumbent decreases. Thus, the *magnitude* of the independent variable has an impact on the confidence placed in H_{1b}. Reflecting the opposing nature of H_{1a}, the blue line displays a mirrored image; $p(H_{1a}|y)$ is high when the IPPC is high, and vice versa. Finally, as the two lines cross at the mean of the IPPC, the passage of any reforms at this level – whether tightening *or* loosening – offers little inferential power in either direction. When taken within the context of the underlying theoretical mechanism, this probability function displays why, *ceteris paribus*, loosening reforms are anticipated when the incumbent's IPPC value is low (H_{1a}) and, conversely, why tightening reforms are suggested as likely when the IPPC is high (H_{1b}).

Figure 3.6: Confidence Evaluation for Hypotheses with Continuous Independent Variable



Although the example shown here relates to party organization, evaluation of evidence for the remaining quantitative indicators (see Table 3.4) follows the same approximate sigmoidal function. While this is the case, not all hypotheses have an independent variable measured on a continuous scale. Accordingly, hypotheses of the second group require a different approach to evaluate confidence in their underlying theoretical propositions. Using scandals as an example, Figure 3.7 provides a visual representation of the inferential power that isolated events have on confidence in the hypothesis.

Figure 3.7: Confidence Evaluation for Hypotheses with 'Critical Juncture' Independent Variable



This time, the x-axis origin represents a political finance scandal, and each step rightward represents an increase in the time passed since the occurrance of the event. As in the previous example, the y-axis represents confidence in the hypothesis in light of the evidence. The blue line shows that, while the passage of tightening reforms at the time of a major

political finance scandal provides significant inferential power in support of (H_6) – i.e. $p(H_6|y)$ is high – this power decreases as time passes. In sum, the closer the reform is in proximity to the event that supposedly influenced it, the more confidence is placed in the validity of that hypothesis as an accurate representation of reality. Such logic is also applied to the evaluation of confidence in H_5 where, the earlier the reform is passed following a change in incumbency, the more inferential power is afforded to the observation when calculating posterior probabilities.

3.6 Structure of Case Studies

The following chapters apply process tracing to the political finance systems of Canada (Chapter 4), New Zealand (Chapter 5), and a sample of Commonwealth Caribbean small states (Chapter 6). Nation specific studies of Canada and New Zealand open with a section which: (i) identifies a timeline on which to base the study; (ii) follows with a presentation of shifts in party organization, competition, and ideology, and; (iii) concludes with an overview of the reforms undertaken during the period. These discussions present the multilayered theoretical model schematically; this is key, as Falleti and Lynch note that "interactions between layers may be as important in producing outcomes of interest as any single causal mechanism" (2009: p.1158). Following these preliminary discussions, the main body of each case study presents a deductive form of process tracing, which uses the aforementioned data sources to test the validity of the theoretical model. In the context of Canada and New Zealand, analyses are divided across each Prime Minister who implemented political finance reforms.

Representing a group of seven Commonwealth Caribbean small states, Chapter 6 follows a different structure. It opens by providing contextual information on each nation under study. Building on those areas introduced in this chapter (see Subsection 3.4.3), discussions focus on the identification of similarities and differences across the sample, with respect to their democratic institutions and systems of political finance. Following a cross sectional design,

subsequent sections discuss the nature of party organization, competition, and ideology across the sample and, in doing so, apply each theoretical proposition to explain the continued absence of political finance regulation. With ideological factors playing an inconsequential role in policymaking across the region, the influence of clientelist governance is identified as an additional factor in this process. Introducing the theoretical mechanisms that underpin this relationship, the chapter continues with a detailed case study of failed political finance reforms in Saint Lucia, in the early to mid-2010s.

In all instances, chapters close by combining findings into a series of causal pathways of political finance reform. Two primary pathways are identified in Canada, with a tightening pathway occurring across the Liberal and Progressive Conservative governments of the 1970s to early-2000s, followed by a loosening pathway under Stephen Harper's Conservative government of 2006 to 2015. To varied extents, temporal shifts in party organization, competition, and ideology are identified as influential. Further evidence points to scandals as critical junctures in the reform process. Findings of the New Zealand case study differ, in that they are largely influenced by the major electoral system change of the mid-1990s. Though the strength of party organization is shown to play little role in shaping political finance, shifts in party competition are found to be a substantive factor in the development of a long-term tightening pathway of political finance reform. Ideological factors play a more complex role; despite having a modest impact on reform in the 20th Century, reforms seemingly became more ideologically motivated in the 21st Century. Following observations of the Canadian case study, scandals are also identified as critical junctures in the reform process.

Observations of the final case study follow many conjectures of the theoretical model. Commonwealth Caribbean small states are routinely observed as having weakly organized parties and low competition, explaining the preference toward a looser form of regulation. The endurance of clientelist governance models across the region – which encourage parties to solicit private donations to maintain the client-patron linkage (see Gherghina and Volintiru, 2017) – is identified as a further key factor in the region's general resistance toward political

finance reform. The influence of variations in governance model type are reflected upon further in Chapter 7, which draws case study findings together to develop an updated model of political finance reform.

Chapter 4

Canada: Competition, Scandals, Harperism and Political Finance Reform

4.1 Introduction

Building on the works of Kenneth Carty in the latter years of the 20th Century, the development of party politics in Canada is considered to have passed through four eras of competition (Carty, 1992; Carty, 2002; Carty et al., 2000; Patten, 2007). Between the Confederation of Canada in 1867 and the beginnings of World War I, the 'first party system' developed into a two-party form of competition between the centre-right Liberal-Conservative Party (rebranded to the Conservative Party in 1873) and the centre-left Liberal Party of Canada (LPC). Following the conclusion of World War I, the 'second party system' introduced the agriculturally focused Progressive party, which represented "nothing less than a protest against the foundations of the first party system" (Patten, 2007: p.61). Despite the continued presence of the Progressives, the LPC and rebranded centre-right Progressive Conservative Party of Canada (PC) continued to form government at the federal level. In the early-1960s, the 'third-party system' commenced, through the emergence of the union backed New Democratic Party (NDP) and the Social Credit Party of Canada (SCC). Throughout this period, the left-wing

NDP rose to a consistent status as the third largest party in parliament, alongside the centre-left LPC and centre-right PC. With the SCC's parliamentary representation fading into the 1980s, the transition between the 'third' and 'fourth' party systems is generally understood to have occurred toward the latter year's of Brian Mulroney's PC government, in the early-1990s.

The 1993 election, which led to the demise of the PC and regionalization of the party system, was a critical juncture in the development of the modern day Canadian party system. With the separatist Bloc Québécois (BQ) rising to the official opposition, the Western provinces were taken by the right-wing populist Reform Party of Canada. Attempting to expand to a wider base, the Reform party rebranded to the Canadian Alliance (CA), with the party later merging with the remnants of the PC to form the Conservative Party of Canada (CPC) in 2003. Party competition in the 21st Century 'fourth' party system is comprised of contests between the major centre-left LPC and centre-right CPC, with the left-wing NDP and separatist BQ movement generally taking lesser positions in parliament.

While the earliest form of political finance regulation was passed in the years of the first party system, most major reforms in this area were implemented in the third and fourth systems of the late 20th Century (Young, 2017). Divided into three parts, this chapter is focused on the reforms of these latter periods. To set the stage for process tracing, the first part provides a background and introduction to the period of study. Within this, subsection one applies the periodization criteria outlined in the previous chapter and identifies Pierre Trudeau's 1968 election victory as a logical place to start, bookended by a conclusion point of 2020. This period comprises nine Prime Ministers, of which five have passed political finance regulations. Subsection two provides an overview of these administrations, through an examination of changing levels of party organization strength and party competition, as well as a comparative look at the ideological platforms of each. It also provides an initial examination of the reforms passed in the period of study. Through doing so, it specifies the types of observation that would be expected as evidence in support of each of the hypotheses developed in Chapter 3.

Building on this background, the second part applies process tracing to examine political

finance reforms under the administrations of Pierre Trudeau, Brian Mulroney, Jean Chrétien, Stephen Harper, and Justin Trudeau. Pulling these findings together, the final part concludes by developing a causal pathway of Canadian political finance reform. Findings suggest the presence of two primary periods of reform. The first follows a tightening pathway, which focuses on developing regulations on spending and disclosure, while also introducing public funding and controls on third-party campaigning. Beginning with Pierre Trudeau's reforms in 1974, this trend was built upon by consecutive administrations until Stephen Harper's CPC won a majority at the 2011 elections. A brief but intensive loosening reform pathway followed, which was oriented toward the removal of public funding, as well as the reduction of the Electoral Commission's independence and oversight capacity. The election of Justin Trudeau in 2015 prompted a movement away from this pathway, and subsequently led to the development of more independent institutions for the regulation of political finance. With no further changes beyond this, it remains to be seen whether the election of Trudeau will ultimately constitute the start of a second tightening pathway.

4.1.1 Establishing a Timeline: Reform in the 'Post-Barbeau' Era

As a restatement of the criteria for establishing a timeline, each case study is oriented toward identifying: (i) a period in which political finance regulation became politically salient, through; (ii) a major review into the topic, which; (iii) preceded the implementation of the political finance system's foundations. The following passage gives a brief history of the development of Canadian political finance controls and finds that, while several piecemeal attempts at regulation can be traced to the 19th Century, the foundations for the current framework were laid via the 1974 Election Expenses Act.

Early post-Confederation years were characterised by a *laissez-faire* approach, with no controls over political financing. During this phase, 'corrupt' practices were defined as little other than bribery, with *quid pro quo* exchanges and political patronage enduring in this period. Efforts at regulation arrived in 1874, following the exposure of a CA$350,000 donation to

Conservative prime minister, John A Macdonald, in exchange for the Canadian Pacific Railway construction contract. Subsequently dubbed the *Pacific Scandal*, the exchange resulted in the resignation of Macdonald, with the appointment of LPC Prime Minister, Alexander Mackenzie, in his place (Waite, 2006). The 1874 Dominion Elections Act was passed in response, requiring that "candidates provide a detailed statement of election expenses" (Young, 1991: p.5). Focussing on party expenditure, and omitting an enforcement strategy, the act failed to impact the financial relationships between government and business. The 1891 McGreevy-Langevin Scandal highlighted continued issues in this area, with Conservative MP, Thomas McGreevy, being jailed after continued exchanges of contracts for contributions (Brassard and Hamelin, 1990). Accordingly, the enduring presence of scandals led to public cynicism and the Dominion Elections Act was amended in 1891, prohibiting *quid pro quo* exchanges between candidates and donors. Lacking in an effective enforcement mechanism, these provisions were unworkable. As a result the Dominion Elections Act was again revised to prohibit corporate donations and to require disclosure of contributions *and* expenditures (Ewing, 1993; Young, 1991). As the post-Confederation party structure comprised "little more than loose coalitions that took their form from the institutions of Parliament" (Patten, 2007: p.58), the lack of legal recognition of parties rendered these requirements ineffectual.

In 1920, the Dominion Elections Act was amended further to create the 'Office of the Chief Electoral Officer of Canada',[29] providing the origins of an institutional framework for electoral competition; a key step toward increasing the reach of political finance regulations (Elections Canada, 2020a). Moreover, the 1920 amendments adjusted the corporate giving clause to include all corporations and associations, which effectively extended the provision to trade unions. Although it is unclear whether the regulation of trade unions was intentional, the provision was repealed in 1930, "having been openly evaded yet never once enforced" (Ewing, 1993: p.34).

Until this point, all attempts at political finance regulation had failed to prevent the continuation of funding scandals. In 1931, for example, the revelations of the Beauharnois Scandal cast

[29]The Office of the Chief Electoral Officer of Canada is more commonly known as *Elections Canada.*

light on the provision of CA$700,000 in corporate campaign donations to the LPC, in exchange for a re-routing of the St. Lawrence River through the Beauharnois hydroelectric plant (Regehr, 1990). Despite previous actions taken in response to scandals, federal regulations remained dormant in this period. In contrast, provincial level political finance developments accelerated. Responding to misappropriations of government resources, for example, the 1963 Quebec Election Act was passed following a provincial inquiry. Contrasting the disjointed approach taken at federal level, Quebec introduced a framework of spending limits, public funding, and disclosure regulations (Paltiel, 1989).

In the period of the late-1950s and early-1960s, a new era of government emerged at the federal level, with the 1957 election victory of John Diefenbaker's PC breaking up the domination of the LPC, who had been in government for 28 of the previous 33 years (McCullough, 2022). Despite the 1958 election resulting in the largest majority in history, the 1960s were characterised by a series of minority governments and, with increased electoral frequency, campaign costs escalated. Cognizant of these concerns, newly elected LPC Prime Minister Lester Pearson established the 'Barbeau Committee' in 1964. Conducting significant investigations, the Committee on Election Expenses (1966) made a series of recommendations, including the introduction of: (i) registration requirements for parties; (ii) a system of public election funding; (iii) tax deductions on political donations; (iv) limits on campaign spending; (v) disclosure requirements for income and expenditures, and; (vi) a registrar to audit disclosure reports. Following the election of Pierre Trudeau as LPC Prime Minister in 1968, the first recommendations to be acted upon were the introduction of party registration requirements in 1970. In 1974, a substantive political finance framework was introduced; this included spending limits, public funding, and disclosure requirements (Boatright, 2011). Following the criteria outlined above, the period prior to the 1974 reforms provides the most logical place in which to commence process tracing. With Pierre Trudeau entering office in 1968, the period of analysis was chosen to run from the 1968 election through to 2020. Building on these discussions, the following passage discusses the data used to operationalize empirical tests in this chapter.

4.1.2 Operationalizing Empirical Tests

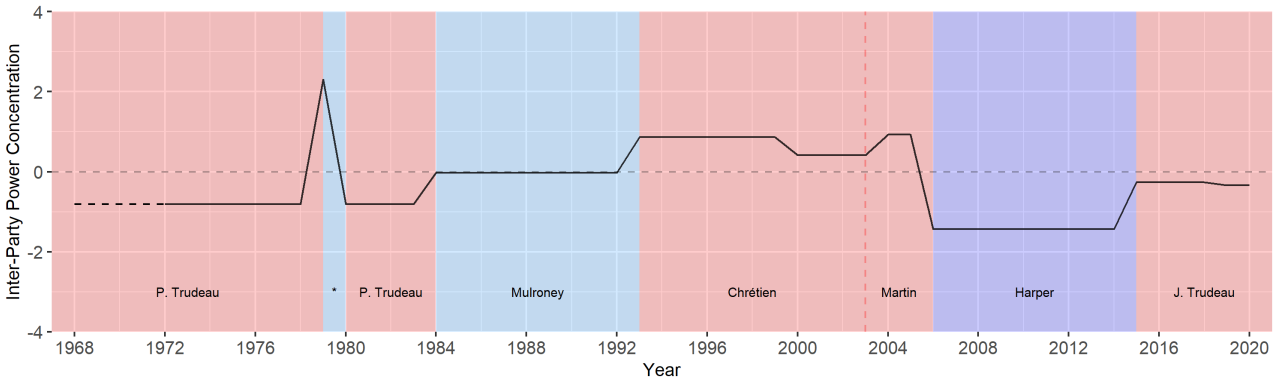
As outlined in Chapter 3, hypotheses are developed to assess the influence of *party organization, party competition, incumbent ideology,* and *ideological distance*, as well as *changes in incumbency* and *scandals*, in shaping political finance regulation. Discussing each in turn, this section builds on the discussions of Chapter 3 and outlines the data used to examine the theoretical model in the Canadian context. Figure 4.1 forms the basis of this section, by displaying trends in hypothesized contextual factors between 1968 and 2020.[30] With analyses being underpinned by Bayesian logic, discussions highlight the impacts that pre-specified observations at fixed times may have on confidence in each theoretical proposition. Following guidance of Fairfield and Charman (2017), these are analysed in greater detail in the case narrative sections that follow.

On *party organization*, H_{1a} suggests that *loosening* reforms are most likely when party organizations are weak, while H_{1b} expects *tightening* reforms to be more probable when party organizations are strong. Using the Intra-Party Power Concentration Index (IPPC) to operationalize this variable, Sub-figure 4.1a shows variations in the organizational strength of incumbent parties across the period. These range from Harper's CPC, where power was highly concentrated within the leadership, to the LPC organization of Chrétien and Martin, which was fairly strong by comparison. As a consequence, the occurrance of *loosening* reforms under Harper's administration would be expected to increase confidence in organization-focussed propositions of the theoretical model, through strengthening claims made by H_{1a}. Accordingly, *tightening* reforms under Chrétien and Martin would provide a similar impact on confidence in H_{1b}.

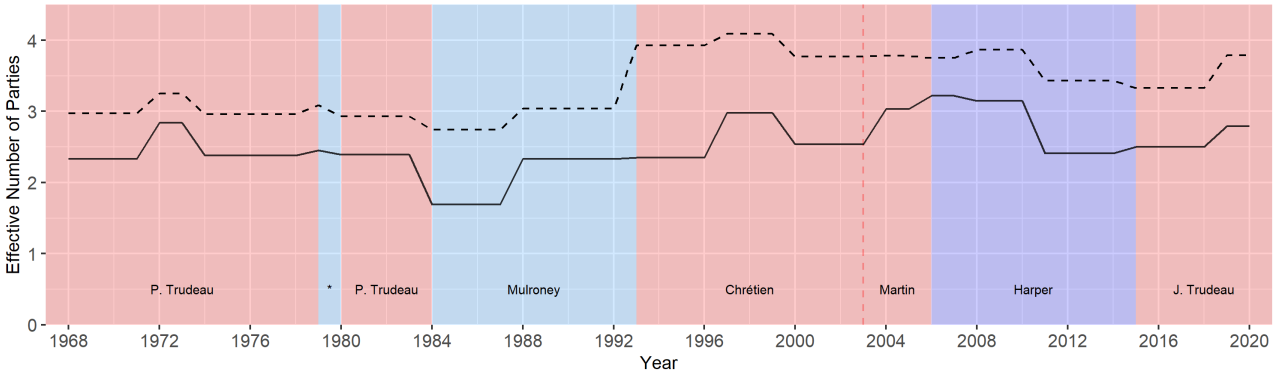
The second pair of hypotheses, operationalized using the Effective Number of Parties data of Gallagher (2021), focus on the role of *party competition* in the reform process. On the one hand, *loosening* reforms are expected when party competition is low (H_{2a}), while *tightening* reforms are anticipated in periods of high competition (H_{2b}). Examination of Sub-figure 4.1b

[30] In all figures, election year data is carried forward to non-election years. Intra-Party Power Concentration Index data does not exist pre-1972.

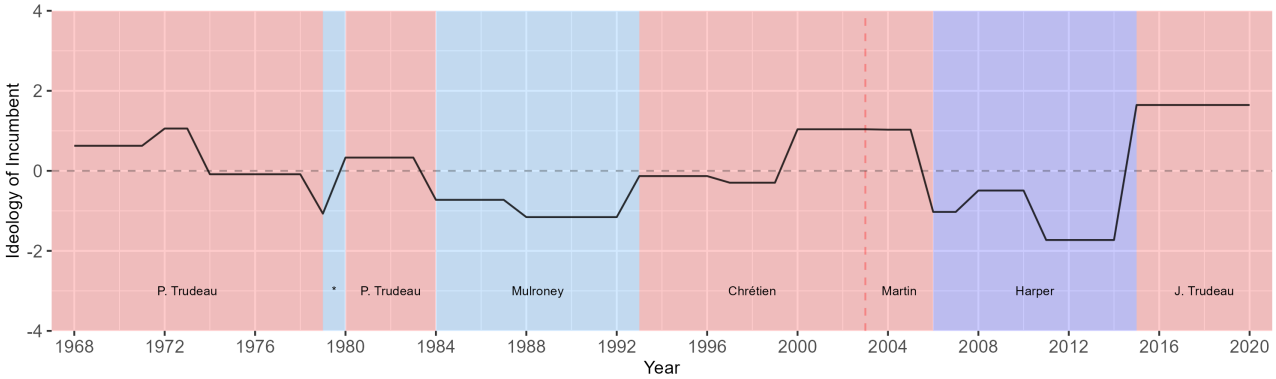
Figure 4.1: Party Organization, Competition and Ideology in Canada (1968–2020)



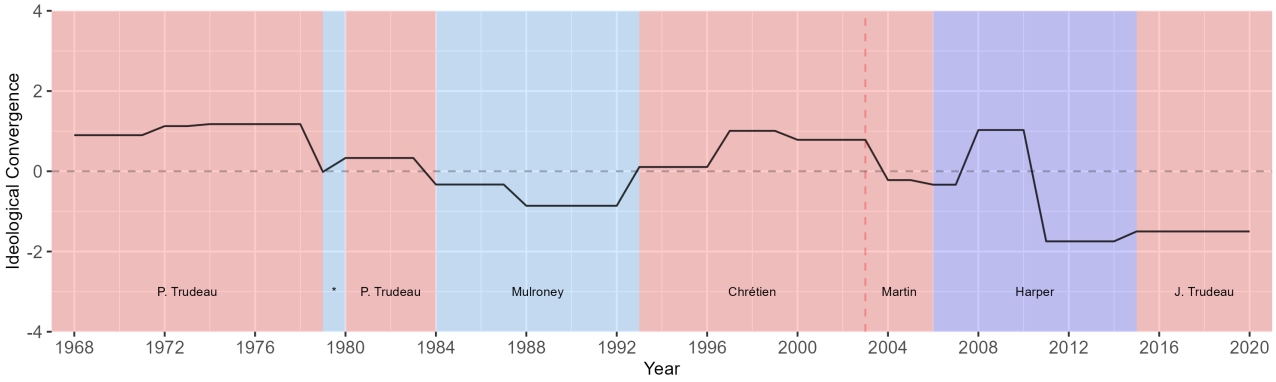
(a) Strength of Party Organization (IPPC)



(b) Party Competition (Effective Number of Parties)



(c) Ideology of Incumbent (Z-Score of CMP)



(d) Ideological Convergence (Z-Score of ICI)

* = Clark (1989–90). Short term appointments John Turner (LPC, June-September 1984) and Kim Campbell (PC, June-November 1993) not included above. In Figure 4.1b, solid line represents legislative level, dashed line represents electorate level.

shows phases of high competition during Pierre Trudeau's first period as Prime Minister, as well as at intervals under Chrétien, Martin, and Harper. The spell of lowest competition appears in the mid-1980s, during Mulroney's PC administration. Assessment of competition-focused hypotheses in isolation indicates that *loosening* reforms should be expected under Mulroney. *Tightening* reforms are again considered to be likely under Chrétien and Martin, as well as in the early years of Harper's premiership. Observations aligning with these patterns would increase confidence in party competition as a factor in influencing the political finance reform process.

Hypotheses linked to ideology are divided into two pairs; *incumbent ideology* and *ideological distance*. Assessing the influence of *incumbent ideology*, H_{3a} associates right-leaning incumbents with *loosening* reforms, whereas H_{3b} predicts a link between left-leaning governments and *tightening* reforms. In addition, hypotheses on *ideological distance* suggest that *loosening* reforms are more likely when the ideologies of government and opposition diverge (H_{4a}). Contrarily, *tightening* reforms are expected in periods of ideological convergence (H_{4b}). To test hypotheses in this area, the Comparative Manifesto Project data (CMP) is used to estimate the ideological position of the incumbent, as well as the levels of convergence between government and opposition.

Trends are displayed in Sub-figures 4.1c and 4.1d. Figures show that Pierre Trudeau governed from the centre to centre-left in the early period of study, with a high level of ideological congruence with opposition leader Robert Stanfield. The influence of *ideological convergence* would therefore suggest an increased likelihood of *tightening* reforms in the 1970s. Since the mid-1980s, wider swings to the right and left have become more common. Prime Ministers have generally intensified their ideological position throughout their tenure, with Chrétien moving his platform further to the left in the latter years of his premiership, and Mulroney and Harper exhibiting similar trends in the opposing direction. Focusing on *incumbent ideology*, Chrétien's administration presents the most fertile ground for *tightening* reforms. Conversely, *loosening* reforms may be expected under Mulroney and Harper. Though a

gradual pattern of ideological divergence occurred in the lead up to the 1993 election, the greatest levels of divergence are visible in the 2010s, where the NDP leader Jack Layton elevated the party to official opposition against an increasingly right-wing CPC government. These observations increase the expectation of *loosening* reforms during the latter years of Harper's administration.

Remaining hypotheses relate to *changes in incumbency*, which may prompt *loosening* amendments (H_5), and *scandals*, which are expected to bring about *tightening* reforms (H_6). Firstly, with regards to *incumbency changes*, the period covers seven changes between the CPC, LPC, and PC. As outlined in Chapter 3, it is assumed that *loosening* reforms will take place during a government's first term, should this be a factor in shaping reform (see Figure 3.7). On scandals, consultation of secondary literature (see, *inter alia*, Pal, 2017; Pelletier, 2018; Young, 2012; Young, 2015), identified three primary events across the study period. The 'Sponsorship Scandal' occurred in the latter years of Chrétien's administration, while the 'In-and-Out' and 'Robocalls' Scandals involved Harper's CPC government. With these scandals publicized in the early-2000s, the existence of *tightening* reforms in this period would increase confidence in H_6.

To provide a background on political finance regulation in Canada, a timeline is shown in Table 4.1.[31] Following a high level description of the content of these reforms, the following section examines each Bill in more detail to assess the validity of the theoretical model within the Canadian context. As previously discussed, the first major political finance reforms were passed under Pierre Trudeau in 1974, employing a combination of spending limits, public funding, and disclosure requirements. Further reforms followed in Pierre Trudeau's second tenure as Prime Minister, as prohibitions on third-party campaigning were implemented; these were immediately struck down by the courts, however. A decade later, a looser form of third-party regulation was passed under PC Prime Minister Brian Mulroney, but these reforms were struck down once again. Subsequently, two reform bills were passed during Jean Chrétien's tenure, which included a successful attempt at third-party regulation, the

[31] A more detailed version of this table is available in Appendix H.1.

Table 4.1: Timeline of Canadian Political Finance Reforms

Year	Change	Prime Minister	Overall Impact
1974	Introduction of spending limits, public subsidies, and disclosure requirements	Pierre Trudeau (LPC minority)	Tightening
1983	Prohibition of third-party campaigning (overturned by courts in 1984)	Pierre Trudeau (LPC majority)	Tightening
1993	Introduction of registration requirements and spending limits for third-party campaigners (overturned by courts in 1996)	Brian Mulroney (PC majority)	Tightening
2000	Introduction of registration, spending, and disclosure requirements for third parties (upheld by courts in 2004) and prohibition of foreign donations to parties and candidates	Jean Chrétien (LPC majority)	Tightening
2003	Introduction of donation limits, prohibitions on corporate and union donations at the national level, and the introduction of the 'quarterly allowance' of public funding	Jean Chrétien (LPC majority)	Tightening
2006	Tightening of the donation limit and an extension of the corporate and union donation ban to the local level	Stephen Harper (CPC minority)	Tightening
2011	Removal of the 'quarterly allowance'	Stephen Harper (CPC majority)	Loosening
2014	Introduction of limits on loan contributions, a loosening of the donation limit, and separation of the compliance and administration functions of the Electoral Commission	Stephen Harper (CPC majority)	Loosening
2019	Introduction of the 'pre-election period' and reversal of the 2014 amendments to the Electoral Commission	Justin Trudeau (LPC majority)	Tightening

introduction of donation limits, and establishment of the generous 'quarterly allowance' public funding regime. With Chrétien leaving this framework to his successors, Stephen Harper built on this by passing the most reforms of any Prime Minister in the period of study. In short, the three reforms passed under Harper included the complete prohibition of corporate and union donations in 2006, the removal of the 'quarterly allowance' in 2011, and major adjustments to the compliance and administration functions of Elections Canada in 2014. Finally, Justin Trudeau reversed Harper's 2014 reforms in 2019, alongside amendments to the timing of election periods for disclosure purposes.

4.2 Process Tracing Canadian Political Finance

This section applies process tracing to the reforms outlined in Table 4.1. Divided into five parts, discussions focus on instances of political finance reform under Pierre Trudeau, Brian Mulroney, Jean Chrétien, Stephen Harper, and Justin Trudeau. This structure is designed to follow the guidance of David Collier, who advises that "to characterize a process, we must be able to characterize *key steps in the process*" (2011: p.824, emphasis added). Thus, subsections begin by providing a 'snapshot' of the nature of party organization, competition, and ideology at the time of each reform, before documentary evidence is used to shed light on inter-party interactions on political finance regulation. These diverse data are used to examine the case specific conjectures outlined in Section 4.1.2 and, thus, to test the hypotheses developed in Chapter 3. Following this, the chapter concludes by outlining the results of hypothesis testing in the Canadian context.

4.2.1 Pierre Trudeau: Establishing a Framework

With a total tenure in excess of 15 years, Pierre Trudeau remains Canada's third longest serving Prime Minister. Of all government leaders, Trudeau's works in the area of political finance have been the most impactful, as he laid strong foundations to be built upon by his successors. Forging a new governance style, Trudeau's period in office was well known for sweeping changes in the shape of the LPC party organization. Upon taking office in 1968, Trudeau overhauled the central machinery of government, via amendments to the policies and procedures upon which the committee system, central agencies, and Prime Minister's Office (PMO) were built (Munroe, 2011). In his leadership position, Trudeau relied on political advice from an inner circle of trusted ministers, with access to the Prime Minister controlled by "a handful of party technocrats" (Aucoin, 1986: p.17). Changes to the PMO were significant as, through reducing staffing in the policy advisory function to a handful of individuals, Trudeau ensured that the office would put their entire resources into his personal policy agenda. Consequently, the PMO was redesigned to "promote adherence to the political objectives of the government as a corporate body" (Aucoin, 1986: p.11). Sub-

figure 4.1a supports this, by displaying a concentration of power within the LPC leadership during this period. These amendments were a cornerstone of Trudeau's development of a 'rational management' governance style, which prioritized a non-partisan and non-ideological approach to law making. Figure 4.1c reflects this, by highlighting the LPC's occupation of the ideological centre under Trudeau. Moreover, Sub-figure 4.1d shows a near perfect ideological convergence, as opposition leader Robert Stanfield moved the PC toward the centre until his resignation in 1976 (Cochrane, 2011).

Though Trudeau retired as Prime Minister in 1984, he spent eight months as Leader of the Opposition following Joe Clark's victory at the 1979 election. This victory was achieved by adopting a platform focused on "get[ting] Government off your back and out of your pocket" (Progressive Conservative Party of Canada, 1979: p.3). While short lived, the movement of the PC to its traditional economically conservative roots triggered a long-term process of ideological divergence which continued through the remainder of the 20th Century. Notwithstanding the 1979 election defeat, Trudeau's fifteen year period as Prime Minister was lacking in significant competition from opposition parties. As shown in Sub-figure 4.1b, the 1972 election provided a short term shift in the nature of party competition, as the long term LPC government were reduced to a minority. For a short period the NDP, originally formed as a "vehicle for unions' political goals", held the balance of power (Boatright, 2011: p.11). Despite holding this position for just two years, the NDP were influential in temporarily pulling the minority government leftward. As observed by Desmond Morton:

> when Parliament met in January 1973, the NDP influence was soon apparent. Family allowances were tripled, and there was no more talk of an earlier plan for a complicated and discriminatory system of means tests . . . a government Bill designed by critics of unemployment insurance was quietly dropped when the NDP indicated its hostility (1977: pp.145–6).

To summarize the duration of Pierre Trudeau's premiership, we see a mixture of factors which would indicate a tendency toward a loosening reform strategy. These include a fairly weak

party organization, wherein Trudeau held significant decision making power, and generally low levels of competition, with the exception of a period of minority government between 1972 and 1974, and eight months in opposition to Clark's minority PC government in 1979. Despite this, the period also comprises several factors considered to be important in the development of tightening reform. In the two years that Trudeau held a minority, for example, the presence of the NDP was influential in the ideological makeup of parliament. Moreover, the near complete convergence between the platforms of Trudeau and the opposition PC under Stanfield suggests that this period was well suited to Trudeau's non-partisan legislative approach. Finally, though no Canadian-based political finance scandal was prominent in the early-1970s period, numerous scholars have cited the US-based Watergate scandal as influential in shaping Canadian legislation at this time (Beange, 2012; McMenamin, 2013; Paltiel, 1989; Seidle and Paltiel, 1981; Sorauf, 1992). Taking these factors into consideration, the early-1970s period provided fertile grounds on which to introduce a tighter form of regulation.

Supporting these propositions, a major tightening reform was passed in the early-1970s, introducing a combination of public funding, disclosure requirements, and spending controls. This reform was based on the findings of the Special Committee on Election Expenses – known colloquially as the 'Chappell Committee' – whose recommendations were adopted in 1974. As a key component of this framework, spending limits restricted parties to 30c per voter for all constituencies in which they were participating, with candidates being subjected to a progressive formula that ranged from 25c to CA$1 per voter, based on constituency size (Stanbury, 1994). Linked to election spending formulas, public funding provisions entitled those receiving more than 15 percent of the vote to reimbursement, at a rate of 22.5 percent for parties, and 50 percent for candidates (Elections Canada, 2015). Subsidies were extended to donors, with the introduction of tax-deductible credits for donations up to CA$500. Finally, disclosure requirements were introduced for all donations above CA$100, alongside restrictions on third-party spending.[32] To ensure compliance with the regime, the role of

[32]Although third-party prohibitions were stringent, the inclusion of a caveat allowing expenditures if "incurred

'Commissioner of Election Expenses' was introduced (Tokaji, 2018).[33]

The timing of this reform, during a period of minority LPC government, was influential in the direction that was taken. As predicted, the development process was influenced by the presence of the NDP, as parties engaged in a series of negotiations and concessions. Although the LPC did not initially support the inclusion of transparency related provisions based on the "secret ballot" principle, the NDP demanded "full disclosure" during debates of the Chappell Committee (Proceedings of the Special Committee on Election Expenses, 15 December 1970, p.5). As the passage of the 1974 Bill was contingent upon opposition support, disclosure requirements were eventually included. Moreover, the inclusion of spending limits garnered debate as, while the LPC justified their inclusion to curtail escalating campaign costs, the PC caucus argued that parties and candidates who were successful fundraisers "should be entitled to the wealth that is given to them" (Proceedings of the Special Committee on Election Expenses, 10 December 1970, p.46). Finally, though parties differed in their ideal formula to calculate and disperse public funding, all parties supported the idea in principle. While the committee stages of the Bill were underscored by a series of disagreements, the reform was eventually passed with cross-party consensus. Michael Forrestall of the opposition PC stated "we welcome a bill that limits election expenses and provides for disclosure of donations to the various parties" (HC Deb 10 July 1973, p.5478), for instance, to which Les Benjamin later added "we of the NDP are prepared to support, vote for and pass this legislation with haste" (HC Deb 10 July 1973, p.5485). Consequently the passage of tightening reforms in 1974 supports hypotheses linked to scandals, party competition, and ideology. Watergate provided a critical juncture on which to build political finance regulations (H_6) and, in a brief period of increased competition (H_{2b}), ideological convergence (H_{4b}), and left-wing influence (H_{3b}), all parties supported the reforms.

Beyond the 1974 Bill, an additional tightening reform was implemented in 1983. Following the

for the purpose of gaining support for their views on policy issues or for advancing the aims of a non-partisan organisation" (Royal Commission on Electoral Reform and Party Financing, 1991: p.331) rendered these prohibitions obsolete.

[33]The original role was to enforce political finance regulations; this was expanded in 1977 to include "general enforcement responsibility" (Tokaji, 2018: p.196).

enactment of the 1974 framework, elections in 1979 and 1980 were subjected to spending limits which successfully slowed party and candidate expenditures, but were ineffective in the area of third-party campaigning. A loophole within the framework, which permitted 'good faith' spending on non-partisan campaigning, was exploited by groups campaigning for abortion rights, nuclear disarmament, and environmental purposes (Paltiel, 1989). Though the figures involved were low relative to the campaign expenditures of electoral participants, Trudeau's majority government opted to prohibit third-party spending in 1983.[34] Gaining the support of all major parties, this reform was passed with the absence of significant parliamentary debate. Examination of the factors outlined in Figure 4.1 provides little explanation for the motivations behind these regulations, with their passage occurring in a period of stability in the areas of party organization strength, competition, and incumbent ideology. Despite this, the increased role of third-party campaigners in 1979 and 1980 provides an additional dimension of competition and, as such, looks to have pushed the LPC, PC and NDP to pass regulations to restrict third parties from entering their closed system of party competition (H_{2b}). Moreover, though at a reduced level, the continued ideological congruence between the incumbent LPC and opposition PC may have had an influence on the apparent ease at which the reform was passed (H_{4b}).

4.2.2 Brian Mulroney: Targeting third-party Campaigners

Of the leaders under study in this chapter, PC Prime Minister Brian Mulroney had the smallest direct impact on the political finance system. This is because the single reform of his administration was invalidated by the courts. During this period, political finance developments were driven by the continued and increasingly competitive role of third-party groups in election campaigns. With spending by third parties reaching a peak at the 1988 election, Mulroney took action in 1992 following a Royal Commission linked to the issue.

During Mulroney's tenure, the PC organization developed to be more influential than the LPC

[34]Third parties would only be authorised to run campaigns linked to a party or candidate if permissions were granted by the subjects of the advertisements.

had across Trudeau's decade and a half as party leader. Though Turner proposed significant changes in this area after Trudeau's 1984 resignation, his defeat at that year's general election ensured that he would not implement the bulk of his proposals. Instead, Brian Mulroney broke a two-decade period of LPC dominance to become Prime Minister and, upon taking office, continued with the organizational changes commenced under Turner. The cabinet was expanded to include 40 members and, significantly, the staffing and budget within the PMO were increased. Consequently, all appointments to key administrative positions were centralized within the PMO. Mulroney's intention, according to Aucoin (1986), was to increase power concentration in the level under the prime minister. Differing from the concetrated leadership of Trudeau, Mulroney's approach is summarized in Sub-figure 4.1a, which shows a relatively decentralized organizational structure by comparison.

In addition to organizational changes, Mulroney reshaped the party's traditionally right-wing platform to one of "the centre right, of urban Canada, of French Canada, and the east" (MacDonald, 2007: p.424). Throughout his tenure, Mulroney took steps to reduce public spending and privatize crown corporations, while also replacing the hidden federal manufacturers' sales tax with a reduced rate goods and services tax (Hart, 2007). Perhaps the most significant action under Mulroney, however, was the development of the US-Canada Free Trade Agreement. The decision to enter this pact "opened up some ideological space between the two big parties" (McMenamin, 2013: p.37), with John Turner's LPC campaigning against the US-Canada free trade agreement during the 1988 election (LeDuc, 1989). This is visible in Sub-figures 4.1c and 4.1d, which show the PC moving further rightward following Mulroney's 1988 election victory, contributing to an increasingly divergent party system.

Alongside this ideological divergence, Mulroney's period as Prime Minister comprised a shift in the direction of political competition and election campaigning, with the 1988 election being key. As shown in Sub-figure 4.1b, following the landslide election victory of 1984, the number of effective parties decreased to fewer than two for the only time in the period of study. Turner's LPC were defeated and, despite a stronger showing in 1988, still fell far

short of being in a position to govern. This contest was the final election where only three parties were elected to Parliament, as this figure increased to five following the 1993 election. In addition, while privately funded third-party groups have traditionally played a minor role in Canadian politics (Boatright, 2011; Crandall and Lawlor, 2014; Gauja and Orr, 2015), campaigning increased during the 1988 election, where an estimated CA$4.7million was spent by third parties (Hiebert, 1991). Scholars have argued the significance of the 1988 elections in changing the nature of party competition at this time. Boatright (2011: p.67), for example, suggests that all three parliamentary parties "worried that the 1988 election foreshadowed things to come", while Carty et al. (2000: p.85), argue that the rise of third parties represented a "significant challenge to the primacy of parties within the political arena" in the early-1990s.

Though aforementioned third-party regulations were passed under Trudeau, these were complicated by the introduction of the Charter of Rights and Freedoms in 1982, which increased the power of the judiciary as a broker in constitutional matters, and challenged the notion of parliamentary supremacy (Morton, 1995). Thus, the constitutional validity of Trudeau's third-party campaigning ban was immediately questioned by the National Citizens' Coalition (NCC). As an ideologically conservative third-party group, the NCC were against state interventions, arguing that prohibitions on third-party campaigning inhibited *Charter* rights to free speech and informed voting (Paltiel, 1989). In the ensuing case, *National Citizens' Coalition v. Canada*, the state argued that controls on third parties satisfied Section 1 of the Charter, which allowed for restrictions on rights if "demonstrably justified in a free and democratic society" (Canadian Charter of Rights and Freedoms, cited in La Forest, 1983: p.25). Following this line of reasoning, it was argued that the strength of regulations on parties and candidates "would be lost if such restrictions were not extended to third parties during the same period" (National Citizens' Coalition v. Canada (A.G.), 1984, para 50). In response, the court declared that the associated limitation on freedom of expression was not "reasonable or demonstrably justified" and struck down the provisions (National Citizens' Coalition v. Canada (A.G.), 1984, para 56). Though this ruling was valid within Alberta, Elections Canada elected

to abstain from implementation of third-party regulations across Canada (Paltiel, 1989).

As the first court intervention in political finance, *National Citizens' Coalition v. Canada* was significant, and questions arose as to constitutionality of further provisions of the Canada Elections Act. The judicial fallout from third-party regulation spanned into Mulroney's period as Prime Minister. In response, Mulroney opted to establish a Royal Commission into Electoral Reform and, following an extensive audit into the electoral system, the 'Lortie Commission' arrived at a series of recommendations in 1991. Addressing the issue of third-party regulations, the commission concluded that "it would be unfair, as well as unconstitutional, to ban all independent election spending" (Royal Commission on Electoral Reform and Party Financing, 1991: p.340). As an alternative, the commission recommended third-party spending limits of CA$1,000, with requirements for the sponsor to be identified in all campaign material. These recommendations were passed in 1993, again with support from the PC, LPC, and NDP.

The collective position of the three parties was explained by NDP representative Rod Murphy, who argued:

> We cannot have a situation in which the Conservatives, Liberals and New Democrats as political parties may each spend on the order of CA$9 million on a national campaign and then find out that some group that supports NAFTA, the North American Free Trade Agreement, decides it is going to spend not the CA$4.7 million it spent last time but two, three or four times that amount. In other words, it could spend more than the political parties on only one issue and would not have the same responsibilities of political parties (HC Deb 8 March 1993, p.16672).

Directing this argument toward NCC protests, LPC MP Peter Milliken stated that "according to the National Citizens' Coalition we should be [subject to rules] and they should not. They want everything on the politician but do not want anything on themselves" (HC Deb 8 March 1993, p.16666). Following the passage of the Bill, provisions linked to third-party spending were immediately subject to a *Charter* challenge from NCC president, David Somerville. Once more, the Albertan courts invalidated third-party restrictions, as they were not "sufficiently

pressing and substantial so as to outweigh the Charter rights and freedoms" (Somerville v. Canada (A.G.), 1996, cited in Dundas, 1999: p.212).

To summarize, the eventual passage of tightening reforms in 1993 offers little support for hypotheses linked to ideology and inter-party competition. Despite initially governing from the centre right, Mulroney's government moved further rightward following the 1988 election. Furthermore, the duration of Mulroney's tenure was characterised by an increase in ideological divergence in the party system. The passage of tightening reforms in 1993 are subsequently inconsistent with expectations related to ideology.

With regards to party competition, low levels are observed in the opening years of Mulroney's premiership, with competition increasing following the 1988 election. Thus, the period of PC dominance between the 1984 and 1988 elections provided fertile grounds on which to pass tightening reforms. No such reforms arrived, however. Alternatively, the additional dimension of third-party competition, commenced in the latter years of the Trudeau era, appears much more cogent in Mulroney's fruitless attempts at reform. The 1988 election was a central factor, as third parties increased their influence relative to campaigns in the 1979 and 1980 elections. With the 1993 legislation being similar in scope to that passed in 1983, the reform is considered to be a continuation of Trudeau's attempts to retain a closed system of party competition. This argument is bolstered when viewing the structure of the Royal Commission which, comprised almost exclusively of PC, NDP, and LPC members, was designed to "harm the smaller and newer parties" (MacIvor, 1996: p.326). Such conclusions are supported by independent MP Louis Plamondon of the burgeoning BQ Parliamentary caucus,[35] who argued that bill represented an agreement on the part of the three main parties to "protect their ivory tower at the expense of democracy" (HC Deb 2 April 1993, pp.18009–10). Ultimately, reforms passed under Mulroney are supportive of hypotheses linked to *party competition* (H_{2b}), but are inconsistent with expectations on *incumbent ideology* (H_{3b}) and *ideological convergence* (H_{4b}).

[35]Although the BQ came into existence in 1991, the group were not officially recognised as a party until the 1993 election.

4.2.3 Jean Chrétien: Toward State Funded Parties

Following Mulroney, whose attempts to enact reform were stifled by judicial intervention, Jean Chrétien implemented two tightening reforms. After a period in opposition to Mulroney's PC government, Chrétien's reforms were made possible by back to back LPC majorities at the 1993, 1997, and 2000 elections. Per Sub-figure 4.1a, Chrétien oversaw a different LPC party to that of previous leaders Trudeau and Turner, which was conducive to a tightening reform process. According to Bakvis (2000: p.66), Chrétien made a concerted effort to shift power downward, and "put more responsibility directly into the hands of ministers and their senior officials". This moved beyond Chrétien's cabinet, with the LPC's Parliamentary caucus playing an influential role in policy development. As Herman Bakvis argues:

> The Chrétien government's banking policy, which effectively derailed proposed mergers among the major banks, had as much to do with the weight of the Liberal party caucus as with the predilections of the minister of Finance or prime minister (2000: p.73).

Minister of Finance Paul Martin became a central figure under Chrétien and, as Martin favoured liberal economic policies, the LPC adopted a right-leaning position during Chrétien's first mandate. With the successes of the Reform party culminating in their elevation to official opposition in 1997, the ideological spectrum was pushed "in a more radically right-wing and populist direction" (Bickerton, 2014: pp.256–57). According to Steve Patten this provided Chrétien with the opportunity to build upon Mulroney's neo-liberal reforms while appearing "relatively moderate" in comparison (2004: p.210). This differed from the approach taken post-2000, where growing tensions between Chrétien and Martin influenced the short term direction of the party. Following Chrétien's decision to remove Martin from his cabinet, the LPC moved toward the left, with a focus on developing "a more explicitly social liberal legacy" (Patten, 2004: p.311).

In 2003, Chrétien retired following a decade as Prime Minister, with this action taken due to the LPC's involvement in the *Sponsorship Scandal*. This scandal was grounded in Chrétien's

attempts to appease the separatist movement at the 1993 Quebec independence referendum. Committing to increased public investment in Quebec, it was later revealed that the LPC had taken advantage of the scheme to engage in quid pro quo exchanges of political contributions for government contracts (Pelletier, 2018). Martin succeeded Chrétien as Prime Minister and retained the LPC's left-leaning platform, through progressive policies such as the development of educational programmes for Canada's indigenous population, additional investment in health and childcare services, and the legalization of same sex marriage (Johnson and Tremblay, 2018; Washkowsky, 2020). Moreover, Martin called for an immediate inquiry into the Sponsorship Scandal, the results of which contributed to his defeat at the 2006 elections.

Chrétien's period as Prime Minister constituted a significant change in the nature of party competition. Bridging the divide between the 'third' and 'fourth' Canadian party systems, this period was later defined as an era of "tumultuous politics" (Patten, 2007: p.58), which culminated in the fragmentation of the political right, and abandonment of 'pan-Canadianism' through the growth of regionalised parties. Declining support for the established parties was evident, as their combined vote share dropped from 95 percent in the 1980s, to less than two thirds in the mid-1990s (Carty et al., 2000). Chrétien's 1993 election victory was of great significance, as the majority PC government was reduced to just two seats. As regions which had contributed to the PC's electoral successes in the 1980s, the dissolution of the party was influenced by "regional alienation" in Quebec and the Western provinces (Bélanger, 2004: p.591). Opposing the established parties, the separatist BQ became dominant in Quebec, while the anti-establishment Reform party grew in the West (Cairns, 1994). The fragmentation of the PC grew the number of parties represented in Parliament to five, and support for the established parties continued to diminish through the 1997 and 2000 elections, where the collective vote share of the LPC and PC fell to roughly fifty percent (Bélanger, 2007). As shown in Figure 4.1b, the effective number of parties in the legislature began an upward trend following the 1993 election, and increased further in 1997 as the PC and NDP grew their share of seats, relative to the declining LPC majority.

This increase in party competition was influential across the duration of Chrétien's period as Prime Minister and, working within a strong LPC party organization, set the foundations for tightening reforms. Moreover, the removal of Martin as Minister of Finance, as well as an intention to adopt a more left-wing platform at the 2000 elections, revealed a preference toward more interventionist policies in the latter years of Chrétien's premiership. The first of these reforms came in 2000, through the introduction of a further attempt at third-party regulations. Under Chrétien's proposals, registration requirements were introduced for those spending more than CA$500, with third parties being subjected to electoral expenditure limits, set at CA$3,000 per district and CA$150,000 nationwide. As an additional measure, the Bill extended disclosure requirements to include third parties, with the threshold raised to CA$200.[36] The final provision prohibited 'non-citizens' from donating to parties or candidates (Robertson, 2000).

Although the governing LPC garnered NDP support, the 2000 reform failed to receive unanimous party approval. Supporters of the Bill justified the reforms as an essential step in levelling the playing field for political debate, arguing that third parties should be "similarly limited" to parties and candidates and, thus, "should not be able to spend in an unlimited way" (HC Deb 22 February 2000, p.3864). The Reform party, who promised to "change how politics is done in Canada", exemplified through a "rejection of established consensus around political finance", were clear in their stance against the Bill (Young, 2017: p.34). Citing the cases brought by the NCC and Somerville, Reform MP Cliff Breitkreuz rejected the Bill as a "gag law", designed to allow "Liberals to spend the voters' money to spread Liberal opinions, but not for voters to spend it on their own opinions" (HC Deb 22 February 2000, p.3873). In forcing reforms through without parliamentary consensus, the LPC halted the convention of negotiation within political finance regulation, with this action initiating a shift toward the highly partisan approach that would occur in later years.

Implementation of regulations on third-party campaigning prompted a third round of legal action, as NCC president – and future Prime Minister – Stephen Harper initiated a *Charter*

[36] Disclosure requirements had previously only applied to registered parties and candidates.

challenge. The case of 'Harper v. Canada (A.G.)' (2004) reached the Supreme Court, who determined restrictions on freedom of speech to satisfy the reasonable limits clause. This landmark ruling upheld the reforms and, thus, brought the two decade long debate on third-party regulation to a close (Haigh, 2005). At this time Chrétien's LPC government built on this success to pass further tightening reforms in 2003. As the most significant restructuring of regulations since 1974, these reforms expanded the reach of the political finance system, by extending existing disclosure requirements to include party leadership campaigns and local party associations. For the first time, political contributions were restricted, with separate limits for donations from individuals, corporations, and unions. Individuals were subject to a CA$5,000 donation limit to parties and candidates, with an additional CA$5,000 allowance toward leadership contests. Restrictions on corporations and unions were tighter, with donations at the local level restricted to CA$1,000, and national level donations to parties and leadership candidates prohibited (Robertson, 2003). The final, and perhaps most significant provisions, were in the area of public funding. Firstly, the introduction of the generous 'quarterly allowance' scheme permitted parties to receive CA$1.75 per vote received at the previous general election, indexed to inflation. In addition, reimbursements of election costs were increased to 50 percent for parties, and 60 percent for candidates. The vote eligibility threshold for candidates was amended to 10 percent, with the party threshold remaining at 2 percent (Young, 2011).[37] In combining donation limits, disclosure requirements, and public funding, the 2003 restructuring of the system had a tightening impact on the political finance framework.

The Bill received support from the NDP and BQ but, once again, caused parliamentary divisions. While the CA, as the Reform party's successor, backed the principle of corporate and union restrictions, the party voted against the Bill. The introduction of contribution limits was championed by the LPC as a way to build on disclosure requirements and "allay all the fears that large political donations may bring" (HC Deb 20 February 2003, p.3806). To replace

[37] A temporary reimbursement rate for parties was set at 60 percent for the 2004 election, to be reduced to 50 percent for subsequent elections.

funds lost through private channels, the LPC, NDP and BQ backed the introduction of the quarterly allowance, while also contending that it would increase the diversity of elections, and allow voters to commit financial support through their vote. As a historically vociferous opponent to state intervention in political finance, Stephen Harper of the CA argued "in a democracy it is simply wrong to force hard-working Canadians to support political parties. It should be the voter's right to choose which parties they support in any given year" (HC Deb 11 February 2003, p.3435). Indeed, the CA remained cynical of Chrétien's intentions, claiming that the scheme had been constructed to clear LPC party debts incurred since the Sponsorship Scandal. Pelletier (2018: p.298) concurs with this sentiment, arguing that the quarterly allowance was designed to 'pre-emptively mitigate the fallouts' of the scandal.

In summary, tightening reforms were implemented under Chrétien in 2000 and 2003. Passed at a time of heightened competition (H_{2b}), a strong LPC party organization (H_{1b}), and under a left-leaning incumbent (H_{3b}), these reforms support several of the propositions outlined in the model. The 2003 reforms signified the beginnings of a clear ideological divergence on political finance. On the issue of public funding, the LPC and NDP, as the two most left-wing parties, were supportive of the provisions (H_{3b}). These ideological ties formed the beginnings of a left-leaning 'syndicate' of parties, in support of tighter regulations and public funding (Jansen and Young, 2011). On the contrary, Stephen Harper's right-leaning CA and the PC opposed the provisions, holding a preference toward private funding (H_{3a}). While debates on the 2003 reforms were divided across ideological lines, the passage of strict donation limits and generous public funding while the LPC were embroiled in a scandal supports the hypothesis that scandals may precipitate tightening reforms (H_6).

4.2.4 Stephen Harper: Curtailing the Role of the State

The nature of political finance reform under Harper represented a substantive departure from those implemented under Chretién. Incorporating a series of reforms in 2006, 2011, and 2014, Harper's tenure ran alongside a major shift in the shape of political finance regulations,

from a publicly funded framework toward one which prohibited corporate and union influence, curtailed subsidization, and reduced the powers of electoral institutions. Shaped by a weak party organization, decreased competition, and a personal opposition to political finance regulation, Harper's reforms remoulded the rules of political finance to reward the small donor fundraising strategy of his party.

The beginnings of the CPC's rise to government are traceable to the early-2000s 'unite the right' campaign, where Harper championed the formation of the party via a merger of the CA and PC parties. Holding considerable influence within the party, Harper was elected as leader in 2004, and later as Prime Minister in 2006. The CPC took a much different path to its predecessors, as Harper structured the party into a highly centralized vehicle for his own policy platform. These patterns extended into Harper's period as Prime Minister, where he opted against appointing a deputy, enforced strict controls over media access to cabinet members, and directly controlled the staffing of his ministers' offices. In short, Harper was the decision maker in developing the party brand (Marland and Flanagan, 2013), and ran the CPC with a warning that "sanctions would be levied against members who contradicted or embarrassed the government" (Lewis, 2017: p.269). According to Sub-figure 4.1a, centralization of power under Harper exceeded that of any Prime Minister in the period under study.

While Harper led a centralized party, his ideological platform moved far to the right, relative to his predecessors Chrétien and Martin. Policies under Harper were oriented toward cutting taxes, decreasing state bureaucracy and refocusing the priorities of the federal government toward law and order. Included within these changes were a reduction in the goods and services tax, corporate tax cuts, and the removal of roughly 30,000 federal government employees (Gutstein, 2014). In addition, the focus of public spending was moved from areas of welfare and education toward increased expenditures in criminal justice and the military (Prince, 2015; Smith, 2012). Throughout Harper's period as Prime Minister, the CPC's gradual movement rightward contributed to an increasing ideological divergence. This was

accelerated following the 2011 election, where the LPC had the worst result in their history under Michael Ignatieff. As a consequence, the NDP took up the role of official opposition to a majority CPC government (McCullough, 2022). This result led to a decline in the political centre, and a major ideological divergence between the government and opposition (see Sub-figure 4.1d).

On party competition, the duration of Harper's premiership was characterised by a gradual solidification of the CPC as the governing party. Following a strong showing in their maiden election of 2004, the party grew their seat share in three consecutive elections. In late 2005, during Martin's period as Prime Minister, investigations into the Sponsorship Scandal concluded, finding that his party had engaged in:

> Deliberate actions to avoid compliance with federal legislation and policies, including the Canada Elections Act, Lobbyists Registration Act, the Access to Information Act and Financial Administration Act, as well as federal contracting policy and the Treasury Board Transfer Payments Policy (Gomery, 2005: p.6).

Following the release of these findings, a no confidence motion was passed, and Harper's CPC formed a minority government in 2006. Four parties were represented in Parliament at this time, with the effective number of parties calculated as roughly three. This level of competition was significant in quashing Harper's attempts to remove public party funding in 2008, as all other parties stood in opposition to the proposal (Young, 2012). A similar pattern occurred in 2011, as the minority CPC's budget was rejected, prompting an early election. The shape of Parliament following the 2011 election, which returned a CPC majority, was vastly different to that which preceded it. Significant losses for the LPC and BQ, alongside major gains for the NDP, saw a decrease in the effective number of parties to roughly 2.5 (see Sub-figure 4.1b). Thus, while the levels of competition were fairly high in Harper's early years as Prime Minister, competitiveness decreased following the 2011 elections.

In summary, party organization under Harper was extremely weak, exhibited by a centralization of decision making power within the Prime Minister. Though entering government with a

minority, inter-party competition decreased as the CPC grew in 2008 and gained a majority in 2011. Finally, as the most right-wing Prime Minister under study, levels of ideological divergence grew substantially as the NDP took up the role of official opposition in the latter years of his leadership. Harper's long history as a critic of political finance regulations, through his leadership of the NCC, presented a Prime Minister with a personal agenda against regulation in this area, suggesting ideological preferences toward a looser form of regulation. While reforms of this nature were eventually passed in 2011 and 2014, one of Harper's first actions as Prime Minister was to pass a major *tightening* reform. This was primarily influenced by the Sponsorship Scandal which, despite initially emerging in 2003, continued to be major salience issue at the 2006 election (Clarke et al., 2006). Running on an anti-corruption platform, the CPC released a Federal Accountability Action Plan shortly after their victory, detailing changes to be made in political financing, lobbying, and government contracting. Accompanying this roadmap, the Federal Accountability Act was passed, reducing donation limits for individuals from CA$5,000 to CA$1,000 per annum, and prohibiting cash donations above CA$20. These limitations were accompanied by tightened restrictions on corporations and unions, with the removal of the CA$1,000 allowance for donations at the local level. Consequently, corporate and union donations were prohibited in their entirety (Pelletier, 2018; Seidle, 2011). The passage of a tightening reform immediately after a change in incumbency has a major negative impact on confidence in H_5, which predicts that *loosening* reforms are much more likely in this scenario.

The 2006 reform was subject to substantial debate in Parliament. As the formation of the CPC brought together "the considerable populist base of the Canadian Alliance with the fundraising prowess of the Progressive Conservatives" (Young, 2015: p.114), the reforms "harmed the LPC, who had continued to emphasize larger contributions from a relatively small number of elite donors as the core of their fundraising strategy (Young, 2017: p.37). Considering this point, the LPC argued that "the Accountability Bill has everything to do with political strategy and nothing to do with accountability" (HC Deb 26 April 2006, p.555). All remaining parties were supportive of the reduced contribution limit, with the CPC citing the

opportunity to “rebuild public confidence and assure that influence is seen not to be brought through large political donations” (Proceedings of the Standing Senate Committee on Legal and Constitutional Affairs, 8 September 2006, p.9). Due to the party’s involvement in the Sponsorship Scandal, however, the LPC ultimately “could not withstand the political fallout from voting against the measure” (Young, 2015: p.115), and the Bill received unanimous support.

Parallel to the passage of this bill, investigations into the 2006 elections revealed that the CPC had used creative accountancy to circumvent spending limits and maximise electoral reimbursements. As part of the ‘in-and-out’ scandal, subsequent CPC legal action against Elections Canada failed, with the party’s later admission of guilt leading to the repayment of almost CA$250,000 in over-claimed reimbursements (McGregor and Maher, 2012). A subsequent snap election in 2008 returned a second CPC minority. Following the election, Minister of Finance Jim Flaherty signalled his intention to remove the quarterly allowance as part of the government budget, declaring:

> The truth is that tax dollars have been supporting political parties for a long time. For example, we take advantage of reimbursements on our election spending. Canadians also receive a tax credit on their donations to political parties. This is a generous allotment of tax dollars to politicians. It ought to be sufficient for all of us, but we ask for much more in the form of a $1.75 subsidy for every vote we receive in an election (HC Deb 27 November 2008, p.376).

Although framed as an opportunity to reduce spending in a period of financial uncertainty, this action was viewed with scepticism by opposition parties, who claimed that the CPC were utilising the Financial Crisis to attack their resources. Between the introduction of the quarterly allowance and initial attempts at its removal in 2008, the CPC received an average of 35 percent of their total funds from public sources. In contrast, the the LPC, as the principal opponents of the CPC, had struggled to adapt to the updated regulatory environment, and received an average of 56 percent of their funds from public sources. This proportion was

even greater for the Quebec-based BQ, who gained 82 percent of their funds from subsidies (Pelletier, 2018). With the CPC having made gains from the BQ in the preceding election (Hébert, 2011), the removal of the quarterly allowance at this time would inhibit the finances of the dominant party in Quebec, while also cutting off guaranteed funding of the primary opposition. Recognising the disproportionate impacts that would occur, opposition parties rejected the budget, with the LPC and NDP attempting to forge a coalition to replace Harper's minority government. In opposition, Harper prorogued Parliament and, with an opportunity to restructure the budget, opted to reinstate the quarterly allowance; a move that was accepted by opposition parties (Young and Jansen, 2011). The minority CPC government remained until 2011, where the party gained a majority, with the NDP forming the official opposition (McCullough, 2022).

Governing with a majority for the first time, the CPC immediately phased out the quarterly allowance in 2011. Despite the CPC claiming that their loss would be the greatest, the reform had a disproportionate impact on opposition parties who relied on subsidization. According to Maxime Pelletier:

> Given that the CPC did not provide any sort of compensation for the loss of the quarterly allowance, its phasing out represented an unprecedented decrease in the parties' revenue raising capabilities (2018: p.304).

The eventual success of the CPC in cutting public funding follows several of the conjectures outlined by the theoretical model. Despite attempting to pass loosening reforms in 2008, Harper's minority government were unable to gain support from opposition parties. Following the 2011 elections, the composition of parliament shifted to an environment associated with a loosening reform process. Power within the CPC remained saturated within the leadership (H_{1a}), for instance and, with Harper commanding a healthy majority, levels of competition were low (H_{2a}). Moreover, the decision to shift the party toward a traditionally conservative platform served to create an increasingly right-wing government (H_{3a}), polarized against a left-wing 'syndicate' of parties who opposed Harper's reforms (H_{4a}).

Loosening reforms of 2011 were repeated in 2014, through the passage of the Fair Elections Act. The origins of these reforms trace back to an additional CPC-related controversy at the 2011 elections; the 'Robocalls Scandal'. On election day in 2011, Elections Canada received 40,000 complaints linked to CPC conduct. Although most claimed to have received false polling station information through automated phone calls, other complainants received harassing calls alleging to be from the LPC party. While calls were linked to a CPC database, investigations failed to gain evidence to bring charges to the party, with former CPC staffer, Michael Sona, being the sole recipient of criminal repercussions (Canadian Broadcasting Corporation, 2014).

The revelations were damaging to the CPC, however the LPC were embroiled in controversies of their own. An investigation into the party's 2006 leadership elections noted candidates' use of loans to evade contribution limits, with a series of amounts, ranging between CA$7,500 and CA$225,000, remaining unpaid beyond the 18-month period mandated by the Canada Elections Act. Additional investigations found LPC candidates to have engaged in these exploits during the 2006, 2008, and 2011 elections, where unpaid loans exceeded CA$1.5million (Canadian Broadcasting Corporation, 2013). Responding to these scandals, the CPC majority opted to extend donation limits to loan contributions, increase the donation limit from CA$1,000 to CA$1,500 per annum, and restrict self-financing to CA$5,000 in general elections, and CA$25,000 in leadership contests (Scarrow, 2016). In all cases, limits were subject to an annual increase of CA$25 (Elections Canada, 2015). Amendments were also made to spending limits, which were indexed to a 5 percent annual increase. While the initial version of the Bill allowed parties to "spend unlimited money during a campaign to contact previous contributors" (Young, 2015: p.120), the clause was dropped in the Senate. Alongside minor changes in donation and spending limits, the 2014 reforms instigated a major restructuring of the administration and compliance regime. A new series of penalties were introduced, including powers for the Elections Commissioner to withhold electoral reimbursements from parties and candidates in breach of spending limits. In addition, the administrative and enforcement arms of Elections Canada were divided for the first time, as the Elections Commissioner

was transferred to the office of the Director of Public Prosecutions. Despite sitting in this department, the Elections Commissioner would "conduct investigations independent[ly] of the director" (Tokaji, 2018: p.196).

Repeating patterns displayed when repealing the quarterly allowance, the CPC forced through loosening reforms without consensus. On spending limits, the party emphasized that an increase would be beneficial in disseminating information further, while adjustments to restrictions on loans would close the loopholes exploited by the LPC in preceding elections. When viewed in conjunction with the 2006 and 2011 reforms that had preceded it, however, the increase in the spending limit at this time was "designed to benefit the parties that could raise the most money" which, at this time, was the incumbent CPC (Scarrow, 2016: p.4). In a similar manner, CPC representatives argued the positives of the amendments to Elections Canada, by supporting the new ability to "impos[e] tougher audits and penalties to enforce limits" (HC Deb 10 February 2014, p.2783). Despite these assertions, the Bill met resistance from various camps. These included Elections Commissioner, Yves Côté, who indicated that the reforms were "definitely not" a step in the right direction, as they would hamper investigations. Côté further noted:

> with respect to regulatory statutes, the need for expertise and coherence between administration and enforcement explains why the trend is to place these two functions in the same agency, not separate them (Proceedings of the Standing Senate Committee on Legal and Constitutional Affairs, 10 April 2014, p.2).

These arguments prompted further claims that changes to the compliance regime were intentionally designed to debilitate its function. Thus, the reforms were considered to be influenced by "a decade of conflict between the CPC and Elections Canada", due to the party's involvement in the 'in and out' and 'robocalls' scandals (Pal, 2017: p.262). These views were expressed by representatives of the NDP, who saw the amendment to be "an obvious attack on Elections Canada, as it aims to limit its powers" (HC Deb 6 February 2014, p.2695). Finally, it was claimed that the timing of the Bill, during the opening week of the Olympic games, was

a premeditated decision to distract voters and "absolutely suppress debate of critical issues" (HC Deb 10 February 2014, p.2772). As theorized by Nwokora, movements to decrease the "authority, independence and monitoring resources" of the Electoral Commission are more likely when competition is low, as incumbents attempt to solidify control over the institutional apparatus of government (2014: p.922). Thus, the decrease in competition following Harper's 2011 majority victory appears pertinent in shaping the 2014 reforms (H_{2a}).

Although the three reforms passed by Harper's CPC government support several of the hypotheses of this study, scandals are seen to play an inconsistent role. The 2006 reforms support the model, in that they were passed in response to the Gomery Report findings into the LPC's Sponsorship Scandal. While this is the case, loosening reforms were passed in 2011 and 2014, despite the CPC's involvement in the In-and-Out and Robocalls scandals. Support for H_6, which expects tightening reforms following scandals, subsequently appears weak during this period. Alternatively, it is concluded that loosening reforms passed in the latter years of Harper's administration were influenced by the long-term environment of weak party organization (H_{1a}) and decreasing party competition (H_{2a}), which allowed Harper to act upon his personal opposition to political finance regulation.

4.2.5 Justin Trudeau: Remodelling Electoral Institutions

Following Michael Ignatieff's disastrous general election as LPC leader in 2011, Justin Trudeau was successful in the party's 2013 leadership election. Sitting in opposition as Harper forced the 2014 reforms through Parliament without consensus, Trudeau pledged to repeal the act "in its entirety", prior to the 2015 election (Raj, 2014). Moreover, significant changes to the leadership approach of Harper were promised. The 2015 elections were a success for the LPC, as they entered government for the first time in almost a decade. Trudeau initially followed his pledge to adopt a different approach to leadership, but this was later abandoned in favour of a top down model, by which the PMO would play a central role in authorizing the communications and plans of ministers (Marland, 2020b). In conjunction,

Trudeau established a 'deliver-ology' unit within the Privy Council Office to "ensure that ministers and their departments deliver[ed] on what the prime minister asked" (Savoie, 2020: p.74). What eventually transpired was a centralized executive, where Trudeau held considerable power. This was exemplified during the SNC-Lavalin Affair in 2019. With an ongoing criminal case against SNC-Lavalin, Trudeau attempted to influence the Attorney General, Jody Wilson-Raybould, in her dual role as Minister of Justice, to arrange a Deferred Prosecution Agreement with the company. Following disagreement, Wilson-Raybould was later reassigned to the role of Minister of Veterans Affairs, before eventually being expelled from the LPC caucus. According to Marland (2020a: p.172), the SNC-Lavalin Affair shows that "there can be no doubt that the opposition leader who promised to end the trend of centralized control has evolved into a prime minister who has learned to practice it". Indeed, according to Figure 4.1a, control within the LPC was much more centralized under Trudeau than under previous LPC Prime Ministers, Chrétien and Martin.

In ideological terms, Trudeau's policy platform differed from his predecessors. Data from the CMP shows that Trudeau's 2015 manifesto was the most left-wing of any previous LPC manifesto in the period of study, and was even positioned further to the left than the NDP. In an analysis of Trudeau's first term as Prime Minister, Tellier and Traoré (2019: p.69) seemingly confirm this assessment, finding that the "more interventionist orientations marked a clear break with the previous Conservative government". As examples of this departure, Tellier and Traoré point to Trudeau's immediate amendments to the Income Tax Act, which lowered the tax rate for middle-class earners, raised the rate for high-income tax payers, and prohibited income splitting for tax purposes. Further amendments to tax policy were made, as Trudeau worked with premiers of provincial governments to develop a system of carbon taxation (MacNeil, 2020). In conjunction with amendments to tax policy, Trudeau's government introduced several progressive policies, including the Canadian Child Benefit, the legalization of cannabis, and grants for domestic green energy conversions. These policy positions support the observations laid out in Sub-Figure 4.1c.

As outlined in Sub-Figure 4.1b, levels of party competition have generally grown throughout the Trudeau era. The 2015 election began as a highly competitive contest, with the CPC, LPC, and NDP all leading the polls at different points of the campaign period (Daoust, 2018). Eventually, Justin Trudeau's LPC pulled away and won the largest majority since the 1980s. Following Harper's eleven year leadership of the CPC, Rona Ambrose served as interim leader, before the election of Andrew Scheer at the 2017 leadership contest. This result, generally regarded as a shock (Grenier, 2017), was divisive and runner up Maxime Bernier subsequently left the CPC to form the People's Party of Canada. Though this initially threatened to split the right-wing vote, Scheer was able to raise the popularity of the CPC and, while there was little competition to the LPC in the immediate aftermath of the 2015 election, polls indicated a waning support for the party throughout 2017 and 2018 (Grenier, 2019). Scheer was able to capitalise in winning the popular vote at the 2019 election, but was unable to stop the LPC from forming a minority government, despite Trudeau's involvement in several scandals during this period, including the aforementioned SNV-Lavalin affair (Marland, 2020a) and the 'blackface scandal' (Kambhampaty et al., 2019). Ultimately, Scheer resigned after the 2019 election, following revelations that party funds had been used to finance private school tuition for his children (Cecco, 2019). In sum, though the 2015 election presented a solid majority for Trudeau, with relatively little competition from opposition parties such as the CPC and NDP, the 2019 election proved more competitive, with a slight resurgence from the CPC under Scheer. This is reflected in Sub-Figure 4.1b, which shows an increase in the effective number of parties during Trudeau's second mandate.

Upon taking office, Trudeau established a special committee on electoral reform. While the report recommended a public vote into PR voting (Special Committee on Electoral Reform, 2016), Trudeau opted against a referendum, citing a lack of public support (Office of the Prime Minister, 2017). As of 2020, the only electoral reforms passed under Trudeau were implemented in the months leading up to the 2019 general election. Political finance reforms were included in the 'Elections Modernization Act', which raised spending limits for third parties, introduced a regulated 'pre-election' period, and reversed Harper's changes to

the Electoral Commission's administration and enforcement roles. Running between June 30th and the dropping of the writ, the pre-election window layered additional regulations to existing election window limits on campaign spending. These values were initially set as CA$1million for third parties, and CA$2million for registered parties (Elections Canada, 2020b; Elections Canada, 2020c).[38] Through extending the regulated period, the overall impacts of this reform reduced permissible levels of election spending across an election year. Furthermore, the reforms sought to target foreign influence by prohibiting third parties from expending foreign-sourced funds on election related activities, additionally prohibiting foreign third-party involvement during the pre-election and election periods (Ahmad, 2019). Finally, changes to the commission were focused on "uphold[ing] the principle of non-partisan election administration while enhancing the capacity of the Commissioner to effectively enforce the provisions of the Elections Act" (Pal, 2019: p.181).

Continuing trends of development across the 21st century party system, the LPC forced reforms through without parliamentary consensus. Promoting the pre-election period as an instrument to increase transparency, while endorsing prohibitions on foreign third-party campaigners on the basis that "Canadian elections belong to Canadians" (HC Deb 26 October 2018, p.22896), the LPC argued the potential for the reforms to reduce the propagation of 'fake news'. Justifications were grounded in a 2017 report, which found that "13 percent of elections globally had some level of foreign interference" (HC Deb 10 May 2018, p.19353), while amendments to electoral institutions were deemed "extremely important' to avoid repeats of the CPC 'in-and-out' and 'robocalls' scandals (HC Deb 24 October 2018, p.22808). Despite this, opposition parties remained sceptical as to the Bill's workability, as the CPC argued that it contained loopholes to legitimise an influx of foreign monies *prior* to the June 30th cut-off. It was consequently argued that the Bill would "allow foreign influence to funnel large amounts of money into US-style super-PACs to be distributed within Canada during an election campaign" (HC Deb 10 May 2018, p.19358). While changes to third-party regulation

[38]The pre-election period only applied to registered political parties and third-party groups. Candidate spending limits, therefore, were applicable only within the election period.

generated discussion among parties, the return of the Electoral Commission to Elections Canada was generally met with little opposition.

In sum, the Reform Bill was introduced in an increasingly competitive environment, and directly coincided with the publication of the first poll ranking the CPC above the LPC since before the 2015 elections (Grenier, 2019). Breaking from the left-wing 'syndicate' for the first time, the LPC were able to pass the Bill against opposition from all other parties. Arguments in opposition focused on the decision to increase third-party spending limits, while justifications for the reforms were shaped as a response to the 'robocalls' and 'in-and-out' scandals of Harper's CPC government. While these scandals failed to impact the shape of legislation under Harper, the passage of reforms at this time supports hypotheses linked to scandals (H_6), albeit with a response delayed until a change in incumbency. Primarily, however, the reforms should be viewed as an attempt to increase the independence of the Electoral Commission and reduce the disproportionate spending power of incumbents, in view of the potential increase in competition in the forthcoming election (H_{2b}). These reforms also align with the interventionist ideological platform of Trudeau's LPC government (H_{3b}). With the Bill being passed in Trudeau's first term and during the greatest period of ideological divergence in the window of study, however, confidence in H_{4b} and H_5 are weakened.

4.3 Conclusion: A Tale of Two Pathways

This chapter has traced the development of Canada's political finance system. Focussing on nine reforms implemented between 1974 and 2019, it has examined the influence of party organization strength, party competition, ideology, scandals, and incumbency changes in driving the reform process. Two reform pathways are identified, and results of hypothesis testing are displayed in Table 4.2.

The tightening pathway, which incorporates six reforms across three decades, began in the early-1970s. Ideologically and competitively, the NDP success at the 1972 election was critical in setting the foundations of the political finance system. Within this period, the spectre

Table 4.2: Canada Case Study Findings

Hypothesis	1974	1983	1993	2000	2003	2006	2011	2014	2019
	← Tighten →						← Loosen →		TR
H_{1a}: When the incumbent party is *weakly organized*, reforms that *loosen* the political finance system are likely	✗	✗	∼	∼	∼	✗	✓	✓	∼
H_{1b}: When the incumbent party is *strongly organized*, reforms that *tighten* the political finance system are likely	∼	∼	∼	✓	✓	∼	∼	∼	∼
H_{2a}: When the party system is *uncompetitive*, reforms that *loosen* the political finance system are likely	∼	∼	∼	∼	∼	∼	✓	✓	∼
H_{2b}: When the party system is *competitive*, reforms that *tighten* the political finance system are likely	✓	✓	✓	✓	✓	✓	∼	∼	✓
H_{3a}: When the incumbent party is ideologically *right-wing*, reforms that *loosen* the political finance system are likely	∼	∼	∼	∼	∼	✗	✓	✓	∼
H_{3b}: When the incumbent party is ideologically *left-leaning*, reforms that *tighten* the political finance system are likely	∼	∼	∼	✓	✓	∼	∼	∼	✓
H_{4a}: When the party system is *ideologically polarized*, reforms that *loosen* the political finance system are likely	∼	∼	∼	∼	∼	∼	✓	✓	✗
H_{4b}: When the party system is *ideologically convergent*, reforms that *tighten* the political finance system are likely	✓	∼	∼	✓	✓	∼	∼	∼	∼
H_5: Following a *change in incumbency*, reforms that *loosen* the political finance system are likely	∼	✗	∼	∼	✗	✗	∼	∼	✗
H_6: Following a political finance *scandal*, reforms that *tighten* the political finance system are likely	✓	∼	∼	∼	✓	✓	✗	✗	✓

Tighten = Tightening Reform Pathway; Loosen = Loosening Reform Pathway; TR = Tightening Reform; LR = Loosening Reform; ✓ = Observations increase confidence in hypothesis; ✗ = Observations decrease confidence in hypotheses; ∼ = Observations do not impact confidence in hypothesis.

of Watergate prompted interventions in this area, and all three parties cooperated to pass reforms. Though the period preceding the 1993 elections comprised a fairly non-competitive electoral environment, growing competition from third-party campaigners led to increased

government regulation on their activities; a process elongated by resistance from Harper, the NCC and judicial system. The tightening pathway continued into the early-2000s. Despite this, the 1993 election was a critical juncture in the later development of a loosening pathway under Harper. According to Lisa Young, the rise of the Reform party at this time contributed to the "collapse of the norm that significant changes to the rules governing political finance should be legitimized through consultation with experts and efforts to achieve consensus among major parties" (2017: p. 39). Consequently, as Chrétien passed further tightening reforms, the cooperative legislative process transitioned toward partisan lawmaking.

Although the tightening pathway continued in the early years of Harper's premiership – largely influenced by the Sponsorship Scandal inquiry – the 2011 election was significant in shifting the direction of political finance reform. As the head of a weak party organization with a personal agenda against political finance regulations, the loosening pathway was aligned to the second half of Harper's incumbency. The two loosening reforms passed at this time sought to navigate the political finance system away from state subsidization as a primary source of income, and to reduce the influence of the Electoral Commission. Initially elected under a minority, Harper's hold on government was strengthened over subsequent elections. The right-wing influence of Harper's CPC and increasing ideological divergence created a left-wing 'syndicate' of opposition parties (Jansen and Young, 2011), which lasted until the election of Justin Trudeau in 2015. Despite several scandals during Harper's premiership, no tightening reforms arrived until toward the end of Justin Trudeau's first term as prime minister. The passage of tightening reforms at this time is inconsistent with propositions related to incumbency changes. Ultimately, however, as the Bill was passed following several CPC scandals, under a left-wing incumbent, and within an increasingly competitive political environment, this observation increases confidence in many of the theoretical propositions of the model. While it is not yet clear whether the 2019 reforms constitute a long term or fleeting return to a tightening pathway, the development of independent and non-partisan institutions for enforcement and administration may form the foundations for a longer term reform pathway, particularly if the party system remains competitive in the long term.

Chapter 5

New Zealand: Political Finance Reform in the Pre- and Post- MMP Eras

5.1 Introduction

Over the past two and a half decades, New Zealand has become an exemplary case for researchers of elections, institutions, and party systems. Increases in scholarly interest have primarily been driven by the nation's decision to adopt a MMP electoral system in the mid-1990s. Prior to this change, elections were held under a Westminster-influenced FPTP system which, over time, developed a closed two-party system of competition (Ridout and Walter, 2015). Between 1946 and 1990, the traditionally democratic socialist New Zealand Labour Party (NZLP) and conservative National party dominated government, with the total number of independents and members from alternative parties never rising beyond two at any one time. Since the mid-1990s, a plethora of new parties have been established, including the libertarian Association of Consumers and Taxpayers (ACT NZ) party, the environmentalist Green Party of New Zealand (GPNZ), and the Māori party, as a representative of the rights of the indigenous population. Reflecting these changes, minor parties have at times held significant power in government, with the Alliance, Progressives and NZ First all taking the

role of coalition partner to NZLP administrations. The shifting nature of party politics in New Zealand has led researchers to focus their attentions toward exploration of the origins and impacts of the updated electoral framework (see Ferrer, 2022; Gauja, 2010b; Geddis, 2017; Lamare and Vowles, 1996; Riera, 2020). Within this group of literature, further studies have examined the nation's political finance laws (see Edwards, 2008b; Geddis, 2006; Naßmacher, 2014) and system of public subsidization (see Geddis, 2002; Orr, 2010a; van Biezen and Kopecky, 2007). This chapter augments these works, by studying the development of New Zealand's political finance system in both the pre- and post-MMP contexts.

Although attempts to regulate political finance matters can be traced to the 19th-Century prohibition of bribery and alcoholism at the polls (see Geddis, 2006), the direct issue of electoral finance did not gain political salience until the late-20th Century. While various statutes throughout the 20th-Century attempted to regulate the finances of individual candidates, their impact was minimal, and it was not until a mid-1980s *Royal Commission* that the concept of party finance regulation was comprehensively reviewed (see Royal Commission on the Electoral System, 1986). Publication of the commission's findings formed a critical juncture in the development of the modern electoral system. While the establishment of subsidized electoral broadcasting in 1989 constituted the first use of the report's findings, further reforms were implemented in conjunction with the change to the MMP electoral system in the mid-1990s (Geddis, 2006). Additional amendments in subsequent decades have developed New Zealand's financing regime into a Partially Regulated framework in the present day.

This chapter uses process tracing to test hypotheses developed in Chapter 3 within the context of New Zealand. It is divided into three parts. The first part focuses on establishing a timeline for process tracing, before providing an overview of each administration within the period of study. This period runs between 1984 and 2020, incorporating six reforms and nine Prime Ministers. With five administrations having passed these reforms, the remainder of the chapter applies process tracing to the administrations of David Lange, Jim Bolger, Helen Clark, John Key, and Jacinda Ardern. The closing passage presents a causal pathway of political finance

reform in New Zealand, exhibited through the development of a long-term tightening reform pathway. The beginnings of this process, which incorporated the introduction of indirect subsidization of broadcasting, as well as spending limits and disclosure requirements for parties and candidates, ran alongside the transition from the FPTP to MMP electoral system. Following a major scandal in the early-2000s, strict controls on third-party campaigners were introduced in 2007, before they were eventually replaced by a looser form of regulation in 2010. This represented a short-term, but partial, departure from the tightening pathway. Reforms in 2019 continued the tightening trend, through the introduction of controls on political donations from foreign sources.

5.1.1 Establishing a Timeline: Reform in the Post-Royal Commission Era

Following the same criteria applied in the Canadian case study, the year to commence process tracing was grounded in the selection of (i) a period in which political finance regulation became politically salient, through; (ii) a major review into the topic, which; (iii) preceded the implementation of the political finance system's foundations. As shown below, the 1986 Report of the Royal Commission on the Electoral System was integral in the development of the system of indirect public funding which exists to the current day, as well as the major electoral amendments of the 1990s. As the Prime Minister whose administration established the Royal Commission, David Lange's election victory of 1984 was identified as the point at which to commence process tracing.

Early movements to regulate political finance in New Zealand emerged from the handling of the nation's inaugural electoral contests, which suffered from "bribery and drunkenness at the polls" (Ritchie and Hoffman, 1986: p.37). Legislation was passed in 1858 to prohibit such acts, as well as to restrict the sale of alcohol on election day (Geddis, 2006: p.16). Over the next two decades, key electoral amendments were passed, relating to the expansion of suffrage, introduction of the secret ballot, establishment of Māori electorates, disbanding of

provincial governments, and introduction of triennial Parliamentary terms. Initial efforts to define 'political spending' followed in 1881, as reforms were introduced to prohibit candidate spending on any activity outside of "personal expenses, printing and advertising, stationery, postage and telegrams, holding public meetings, and hiring committee rooms" (Ritchie and Hoffman, 1986: p.38). Subsequent efforts to regulate campaign costs were passed in 1895, with candidates limited to NZ£200 expenditure and required to disclose their expenses within 30 days of the election (Hager, 2006).[39] Ten years later, the position of the Chief Electoral Officer (CEO) was established, to oversee the work of registrars appointed within each electorate.

Regulations on political finance lay untouched until the mid-20th Century. In advance of the 1949 elections, the candidate expenditure limit was increased to NZ£500, from the NZ£200 limit legislated more than 50 years prior. Following the introduction of the New Zealand Dollar, the threshold was set at NZ$1,500 in 1971, before it was increased to NZ$2,000, NZ$4,000, and NZ$5,000 in 1975, 1977, and 1983, respectively (Ritchie and Hoffman, 1986). Recognising patterns of independent campaigning in the 1975 elections, limits on third-party spending were established in 1977. Third-party advertisements subsequently required candidate authorization, with costs regulated under their expenditure threshold (Hager, 2006). In conjunction, the period initiated trends toward increased state involvement in elections, with the 1976 Broadcasting Act introducing free television and radio time for party electoral broadcasting. With "informal" allocation criteria determined by the major parties, National and the NZLP used the system for their own benefit (Corban, 1997: p.266).

Characterized by diminishing support for the two major parties, the 1970-80s period provided the foundation for political realignment in New Zealand. Following the death of NZLP Prime Minister Norman Kirk in 1974, National secured a definitive victory in the 1975 elections. Subsequent victories in 1978 and 1981, despite receiving fewer votes than the NZLP, produced a nine-year period of National government, headed by Robert Muldoon. Muldoon

[39]Adjusting for inflation based on the CPI, the 1895 candidate expenditure limit of NZ£200 would equate to roughly NZ$43,500 in 2022. As of November 2022, this equates to approximately £22,500.

oversaw a deep economic depression, and was often viewed as “unaccountable and representing a narrow set of partisan interests” (Gauja, 2010b: p.51). Disillusioned by Muldoon’s performance, millionaire businessman Bob Jones formed the ‘New Zealand Party’, which attracted 12 percent of the vote at the 1984 election and assisted the NZLP in returning to government (Aimer, 1988). Having sat in opposition for nine years, despite gaining a larger overall vote share, the NZLP initiated an immediate review into the nation’s electoral regulations. Reporting in 1986, the *Royal Commission on the Electoral System* undertook a major review into matters including the conduct of elections, number of MPs, and alternatives to the FPTP voting system (Royal Commission on the Electoral System, 1986). An additional matter within the inquiry’s remit concerned the future of political finance and state-funded broadcasting.

The findings of the *Royal Commission* were wide reaching, with key recommendations including the introduction of an independent Electoral Commission, expansion of the House of Representatives to 120 MPs, and a referendum on the adoption of an MMP electoral system. Political finance recommendations included: (i) disclosure requirements for donations exceeding NZ$250 at the electorate level and NZ$2,500 at the national level; (ii) an increase in the candidate spending limit to NZ$7,000, alongside the introduction of spending limits for parties; (iii) a new form of state funded broadcasting formula to be agreed upon by the Electoral Commission, Broadcasting Corporation, and registered parties; (iv) a prohibition on privately funded broadcasting, and; (v) the introduction of public funding for parties and independent candidates, to be paid on a ‘per vote’ basis (Royal Commission on the Electoral System, 1986).

In the following decade, a number of the *Royal Commission* recommendations were adopted, with provisions linked to state funded broadcasting being implemented under David Lange in 1989. Major electoral reforms followed in the mid-1990s, as FPTP was abandoned in favour of an MMP system. Prior to the release of the commission findings in 1986, reform efforts had developed a system of rules for candidates, but “virtually no restrictions” on party

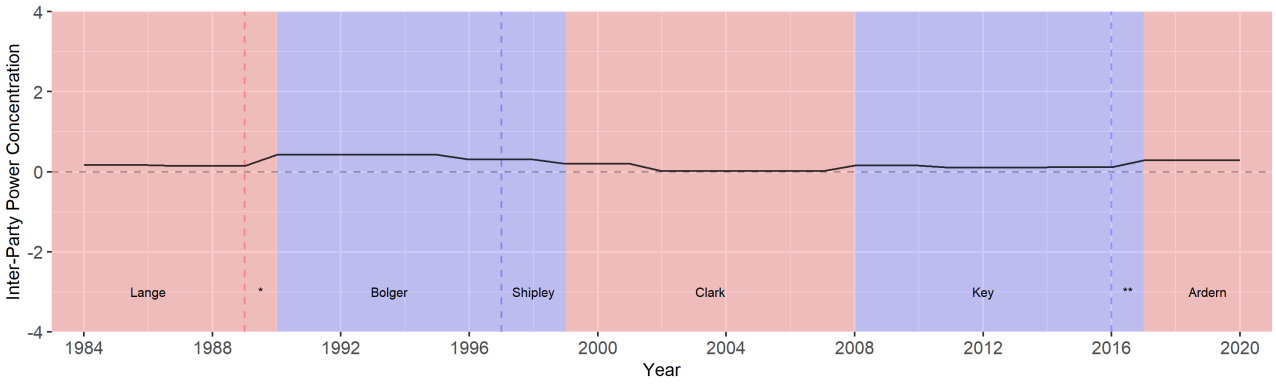
finances (Geddis, 2006: p.16). The post-*Royal Commission* era therefore reflects the shifting importance of the topic, and provides a logical period to study. As David Lange entered office in 1984, the period selected for process tracing runs between 1984 and 2020. The following section provides a discussion of the data used for hypothesis testing, alongside an overview of the reforms that underpin discussions in this chapter.

5.1.2 Operationalizing Empirical Tests

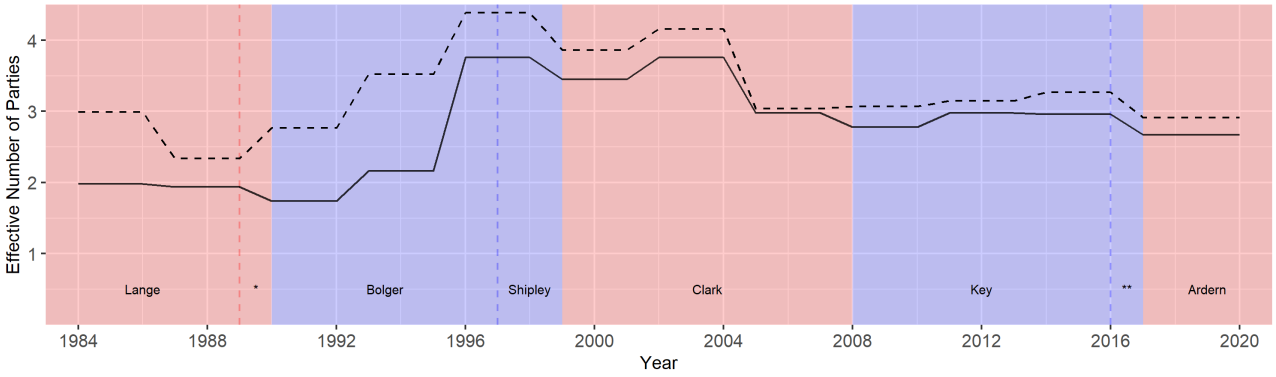
In Chapter 3, evaluation of Nwokora's General Theory of Campaign Finance Reform produced a selection of hypotheses which underpin the three case study chapters of this thesis. These hypotheses – tested in the Canadian context in Chapter 4 – outline the respective roles of *party organization, party competition, incumbent ideology, ideological convergence, changes in incumbency* and *scandals*, in shaping political finance reforms. Using Figure 5.1 to guide discussions, this section introduces the data used to test hypotheses in New Zealand and provides an overview of the political finance reforms that fall within the parameters of the study.

In the area of *party organization*, hypotheses suggest that *loosening* reforms are most likely when party organizations are weak (H_{1a}), and *tightening* reforms are probable when parties are strong (H_{1b}). The basis of these hypotheses lies in the notion that, when parties are weakly organized, the short-term goals of leaders take prominence and, as such, reforms are likely to focus on improving the incumbent's position, relative to that of their opponent. Conversely, as there is a greater focus on the long term survival of strongly organized parties, opponents may cooperate on reforms that produce long-term stability (Nwokora, 2014). Differing from the Canadian context, leaders in the style of Pierre Trudeau and Stephen Harper have failed to emerge in New Zealand, as the position of Prime Minister has comparatively fewer formal powers (O'Malley, 2007). As Johansson notes, parties in New Zealand "have the appearance of democratic virtue", as relationships between party organizations and leaders generally exhibit a co-dependency (2013: p.197). These factors contribute to the collective positions of the NZLP and National in Sub-figure 5.1a, who are consistently oriented toward the centre

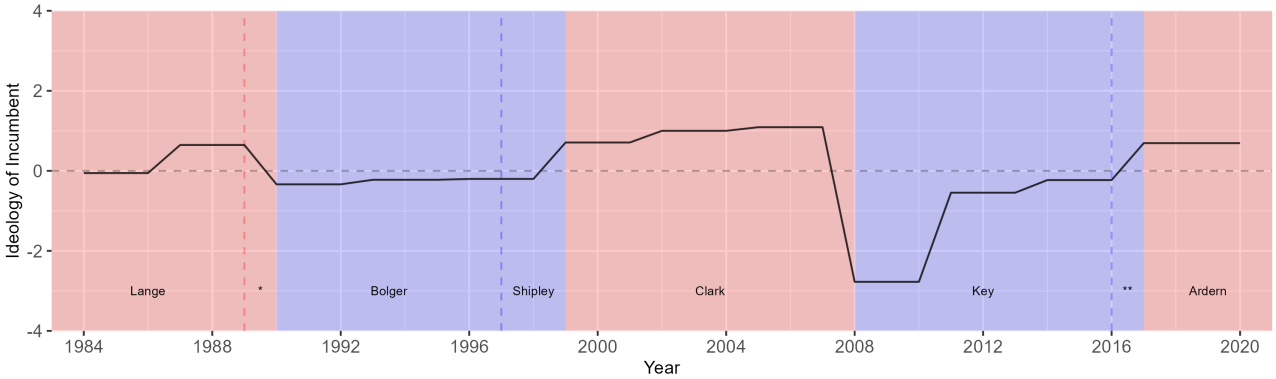
Figure 5.1: Party Organization, Competition and Ideology in New Zealand (1984–2020)



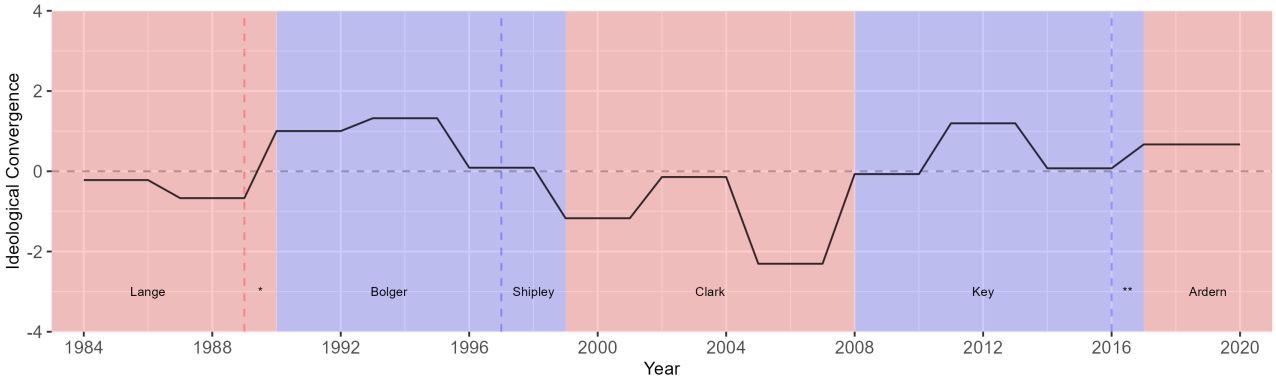
(a) Strength of Party Organization (IPPC)



(b) Party Competition (Effective Number of Parties)



(c) Ideology of Incumbent (Z-Score of CMP)



(d) Ideological Convergence (Z-Score of ICI)

* = Palmer (1989–90); Moore (1990). ** = English (2016–17). In Figure 5.1b, solid line represents legislative level, dashed line represents electorate level. In all four figures, election year data is carried forward to non-election years.

of the IPPC measure. As a consequence, a preliminary conclusion of this chapter is that variations in the strength of *party organizations* are unlikely to have much visible impact on political finance reforms in New Zealand.

Regarding the influence of *party competition*, reforms of a *loosening* nature are considered to be more likely in non-competitive periods (H_{2a}), while *tightening* reforms are expected within highly competitive contexts (H_{2b}). As Nwokora (2014) argues, when competition is low, the incumbent is unlikely to consider the consequences of electoral defeat and, as a result, is more likely to pass reforms that target the finances of the opposition. Following this line of reasoning, when the party system is competitive, the incumbent must assess the likely repercussions of defeat and pass reforms to prepare for a period in opposition. When examining party competition in New Zealand, experiences in the 20th Century are remarkably similar to those of Canada. The 1960s represented the beginnings of a political realignment in both countries, as support for major parties entered a long term decline toward key events in the 1990s (Riera, 2020). Canada observed a regional fractionalization of party competition in 1993, for instance, while New Zealand underwent a major electoral system change in the same year. As shown in Sub-figure 5.1b, party competition exhibited a large and immediate increase in anticipation of, and subsequent to, the first MMP election in 1996. This shift is reflected upon by Ridout and Walter, who describe the transition from a "closed structure" of two-party competition to an "open structure" of multipartism (2015: p.985). As a consequence, the existence of a long-term tightening pathway in the post-1996 period would increase confidence in the competition-linked propositions of the theoretical model.

The third set of hypotheses relate to *ideological factors*. In this area, *loosening* reforms are associated with right-wing incumbency (H_{3a}) and ideological divergence (H_{4a}). By contrast, *tightening* reforms are associated with left-wing incumbency (H_{3b}) and ideological convergence (H_{4b}). As outlined in Chapter 3, hypotheses related to *incumbent ideology* are grounded in the assumptions that left-wing parties favour a highly regulated environment, while right-wing parties hold a preference toward a *laissez-faire* approach. As noted by Nwokora,

"this is not because the left-leaning party is less self-interested or more altruistic than its right-leaning rival, but rather a logical consequence of the parties' ideological predispositions" (2014: p.923). Beyond this, ideological distance between government and opposition is assumed to influence the likelihood of cooperation or competition that occurs during the reform process. In periods of ideological convergence, cooperation is more likely as competitors' normative preferences align. Conversely, when ideological platforms diverge, processes of reform are expected to become more competitive.

Assessment of Sub-figure 5.1c shows a shift in ideological trends between the pre- and post-MMP eras. According to Ramia, social policy has been impacted by MMP, as "National has moved it to the right of politics and Labour has moved it a little to the left" (2020: p.213). While the pre-MMP era exhibited moderate platforms, particularly in the latter years of the Bolger-era, subsequent administrations have shown wider swings toward the left and right. When considering the role of *incumbent ideology*, therefore, the passage of *tightening* reforms under Clark or Ardern would strengthen claims outlined by H_{4b}. Contrarily, per H_{4a}, the first term of Key's National government displays the most fertile grounds for *loosening* reform.

Shifts in incumbent ideology have had an impact on the relative positions of government and opposition. Sub-figure 5.1d shows a convergence in the early-1990s, before a gradual divergence into the early-2000s. These findings are consistent with previous research, which observes a congruence on economic policy into the 1990s (Brechtel and Kaiser, 1999) and greater levels of polarization under the MMP system (Gibbons, 2011; Karp and Banducci, 2002). Although party ideologies converged under Key, English, and Ardern, the NZLP and National have rarely coalesced to the levels observed in Canada; this is largely due to the consistent positioning of the NZLP to the left of Canada's LPC (see Volkens et al., 2021). On the basis of *ideological convergence* alone, therefore, *tightening* reforms across the early 1990s should be anticipated. Conversely, the divergence that occurred throughout Clark's premiership suggests that *loosening* reforms may be expected toward the latter years of her administration.

The remaining hypotheses relate to the potential critical junctures that may prompt reform. Firstly, it is suggested that *changes in incumbency* may prompt *loosening* reform, as the newly elected government seeks to take advantage of the natural financial benefits associated with incumbency (Nwokora, 2014). Between 1984 and 2020, there were five changes in government between the NZLP and National, under nine different Prime Ministers (see Figure 5.1). To assess whether changes in incumbency have had their hypothesized impact, it is assumed that *tightening* reforms will come within the respective government's first term. Such an assumption is grounded in the idea that a new government will seek to increase the relative benefits of reform prior to any elections that they will have to face.

The final hypothesis suggests that *scandals* may prompt the passage of *tightening* reforms (H_6). Across the period of study, two major scandals are identified. The first occurred in the early-2000s, where widespread misuse of Parliamentary Service funding at the 2005 elections, alongside unauthorized involvement of the 'Exclusive Brethren' church in National's campaign, grew into one of the largest political scandals in New Zealand's modern history (Hager, 2006). The second scandal of note refers to the alleged involvement of the Chinese Communist Party (CCP) in financing National campaigning at the 2017 election (Orr and Geddis, 2020). Following the logic of H_6, therefore, the passage of *tightening* reforms during these periods would increase confidence in the validity of the theoretical model.

The following sections expand on these discussions to outline the contexts within which reforms were passed and, consequently, test the hypotheses described above. To aid these discussions, Table 5.1 presents an overview of political finance reforms in New Zealand.[40] As discussed in the opening passage of this chapter, the issue of political finance regulation gained salience in the mid-1980s, with its inclusion in the report of the *Royal Commission on the Electoral System* in 1986. The first use of the report's recommendations on political finance came in 1989, when legislation passed under Lange commenced the system of indirect public funding which remains intact in the 21st Century. The structure of the reforms included a public subsidy for election broadcasting, along with a prohibition on privately

[40] A more detailed version of this table is available in Appendix H.2.

funded broadcasts. In 1993, the implementation of MMP via referendum came in conjunction with spending and disclosure requirements for candidates. The Electoral Commission was established at this time, with representatives from the government and opposition playing a role in the division of broadcasting subsidies. Under Bolger, spending limits were subsequently increased prior to the first MMP election in 1996, with further reforms extending disclosure and spending limits to parties. Strict restrictions on third-party campaigning and disclosure passed by Clark's NZLP administration in 2007 initially had a major tightening impact on the political finance system, before they were repealed and replaced with a loosened form of regulation in 2010, due to their "chilling effect" on political campaigning (New Zealand Electoral Commission, 2008: p.7–8). To summarize, the period of study comprises six major reforms, passed over a 20-year period.

Table 5.1: Timeline of New Zealand Political Finance Reforms

Year	Change	Prime Minister	Overall Impact
1989	Prohibited privately funded election broadcasts and introduced a formal allocation process for subsidization of broadcasting	David Lange (NZLP majority)	Tightening
1993	Introduced the MMP electoral system and established the Electoral Commission. Carried forward spending limits and disclosure requirements for candidates, and authorization requirements for third-party spending	Jim Bolger (National majority)	Tightening
1995	Increased the candidate spending limit. Introduced spending limits and disclosure requirements for parties	Jim Bolger (National minority)	Tightening
2007	Extended the three month election period to the entire calendar year. Introduced strict limits on third-party spending, as well as disclosure requirements for campaigners. Expedited disclosure for large donations, and included contribution limits for foreign donations (reforms repealed in 2009)	Helen Clark (NZLP/Progressive coalition)	Tightening
2010	Returned the election period to three months. Loosened disclosure requirements and indexed spending limits to inflation. Introduced a system of third-party registration, spending and disclosure requirements	John Key (National minority)	Loosening
2019	Prohibited foreign donations and anonymous online campaigning	Jacinda Ardern (NZLP/NZ First coalition)	Tightening

5.2 Process Tracing New Zealand Political Finance

This section discusses the processes of New Zealand political finance reform between 1984 and 2020. Though nine Prime Ministers span this period, discussions are divided into five parts, focused on those who implemented political finance reforms. Consequently, the first subsection discusses the impacts of previously identified contextual factors on political finance reform under David Lange, before similar examinations of those passed under Jim Bolger, Helen Clark, John Key, and Jacinda Ardern. Discussions are guided by observations displayed in Figure 5.1 – as well as the case specific conjectures presented in Section 5.1.2 – alongside findings of secondary literature and documentary analysis. Building on these discussions, the chapter concludes by outlining the results of hypothesis testing.

5.2.1 David Lange: State Funding Electioneering

Commencing in 1984, the Lange government exhibited a tumultuous period of ideological fissures, as well as increasing acrimony toward the traditional governing parties. While the effective number of parties during this period gives the appearance of a stable two-party system (see Sub-figure 5.1b), voting patterns provide a differing narrative. Assessing the two-party vote shows a sharp decline into the 1980s, where voting for National and the NZLP comprised roughly 80 percent of the total. This proportion is considerably lower than the comparable figure of 87 percent obtained during the 1970s (Miller, 2005). Moreover, the period coincided with the success of minor parties such as the Social Credit Party of New Zealand (SCNZ), who could only convert more than 20 percent of the nationwide vote into two seats in 1981, and Bob Jones' 'New Zealand' party, who failed to gain a seat with 12 percent of the vote in 1984 (Vowles, 2002). As such, Lange's government existed within one of the least proportional legislatures in the post-war period (Gallagher, 2021). Concerns over disproportionality at this time led Lange to establish the *Royal Commission on the Electoral System*, which eventually led to the adoption of the MMP electoral system in 1993.[41]

[41]The NZLP won more votes than National at the 1981 and 1978 elections, but sat in opposition. The Royal Commission was established to examine the electoral system and provide potential alternatives.

Reflective of increased competition during this period, support for the NZLP declined in the latter years of Lange's tenure. According to Vowles and Aimer, through 1988 and 1989, popularity between the NZLP and National "widened to a chasm", to a point where NZLP officials feared a reduction to around 10 to 20 seats at the 1990 election (1993: p.4). These factors were influential in the decision to replace Lange with Geoffrey Palmer in 1989, before Palmer himself was replaced by Mike Moore before the 1990 election. In sum, though voting trends did not consistently translate into seats in the 1980s, levels of competition increased toward the latter years of the decade.

In ideological terms, Sub-figure 5.1c designates Lange's NZLP platforms as of the centre to centre left. Increased government spending on social services, healthcare, and education at this time give credence to this classification (McCluskey, 2008; Schulman, 2015). Despite this, Lange's period as Prime Minister was best known for the economic policies adopted by Minister of Finance, Roger Douglas. Dubbed 'Rogernomics', the process of market liberalization during Lange's tenure led New Zealand to be one of the least regulated economies in the world (Redden et al., 2020; Vowles and Aimer, 1993), at a pace comparable to the rapid fall of communism in Eastern Europe (Nagel, 1998). As a result, the NZLP's 1984 and 1987 manifestos and, by extension the CMP data, "poorly predicted many of the right-wing neo-liberal policies it pursued in government" (Gibbons, 2011: p.52). Consequently, Lange's premiership is considered divisive, as these policies were seen to be inconsistent with the traditional values of the NZLP (Karp and Banducci, 2002; Johansson, 2013).[42] These fissures led to the production of the 'New Labour' splinter party in 1989, formed by long term NZLP member Jim Anderton. In opposition, National underwent a similar process of ideological adjustment. Following Muldoon's nine years as Prime Minister, where the CMP at times classified National as a centre-left party, subsequent leaders sought to distance themselves from the party's uncharacteristically interventionist economic policies. Jack Nagel summarizes the infighting within National at this time:

[42]The spurious designation of Lange's administration as left-wing, per the CMP data, also has implications for Sub-figure 5.1d. In reality, the ideological platforms of opposition parties at this time were much closer than outlined by the data. This observation is reflected in Table 5.3.

> Following its 1984 defeat, National initially gave more-market signals when the caucus replaced Muldoon with Jim McLay, an economic liberal. However, in early 1986 the vengeful Muldoon helped engineer the defeat of McLay by Jim Bolger, an economic pragmatist. So the direction that National would take economic policy if it won was uncertain (1998: p.249).

In sum, Lange's period as Prime Minister exhibited characteristics associated with both tightening *and* loosening strategies of political finance reform. Though middling levels of party organization strength offer little support either way, tightening reforms are expected due to increased competition from emerging parties, such as the SCNZ; and protest movements, such as the New Zealand Party. As per Vowles and Aimer (1993), heightened competition was particularly apparent in the run up to the 1990 election, where the NZLP predicted their own downfall. In ideological terms, though Lange presided over an NZLP government, the influence of the deregulatory programme of Rogernomics suggested a normative preference toward the existing unregulated approach to political finance. Ultimately, tightening reforms were passed in 1989.

Incorporating *Royal Commission* recommendations for the first time, the 1989 Broadcasting Act was passed as a wider restructuring of broadcasting regulations. Within this Bill, political finance provisions amended the processes of allocating electoral broadcasting allowances. Utilizing a formula based on multiple factors, including the number of votes at the previous general election, by-elections, and results of opinion polls, the reform provided a NZ$2million grant to be divided between parties (Geddis, 2002). Reflecting the two-party nature of political competition at this time, the government and opposition would each be permitted to nominate one member to assist in dividing the broadcasting allocation. Augmenting these changes, the Bill prohibited parties from spending private funds on additional broadcasting (Corban, 1997).[43] Looser restrictions were placed on candidates, with individuals permitted to spend on private advertisements during the three-month election period, if linked directly to their

[43]Attempts to re-introduce private broadcasting were made in 1993 and 1996. In both instances, legislation failed to pass the House (Corban, 1997).

candidacy (Buchanan, 2016).

Speaking on the Bill, NZLP representatives supported the broadcasting allocation as a fair system which would "allow small parties and independent candidates to take advantage of the broadcasting system" (HR Deb 4 May 1989, p.5).[44] Rejecting these claims, opposition members argued that the Bill would put incumbents in a "very powerful position" (HR Deb 4 May 1989, p.14). National MP Douglas Graham later expanded on this claim, arguing that:

> only the major political parties will have free advertising, and members will be able to ensure that the views of the Labour Party and National Party are put over. To me, that is unjust and improper . . . (the NZLP are) trying to cement an advantage to incumbents and therefore cannot be supported (HR Deb 16 May 1989, p.19).

Despite National protests in Parliamentary debates, the Bill was passed with the support of both major parties. Indeed, the only vote against the reform came from the newly established New Labour party, of which Anderton was the only member of Parliament. Opposition from Anderton's emerging party underscored the nature of the reforms, which were oriented toward the retention of two-party competition. The decision to combine a prohibition on private broadcasting with a publicly funded allocation would benefit incumbent parties, by defining the state as a gatekeeper to electoral broadcasting. In allocating funds based on votes at the previous election, by-elections, and opinion polls, subsidization was applied as "a tool for incumbents to disadvantage challengers by impeding their access to financial resources" (Piccio and van Biezen, 2018: p.68). In sum, public subsidies were agreed upon by the main parties to preserve the status quo in the party system (Alexander, 1989; Paltiel, 1980; Katz and Mair, 1995). Allocations for the 1990 elections demonstrate the disproportionate nature of the system, as representatives from the NZLP and National influenced a division of 35 percent for each of themselves, with the remaining 30 percent to be divided between five minor parties (Corban, 1997). In summary, NZLP and National support for the reforms

[44] In the process of digitization, official page numbers were lost for all pre-2000 legislative documents. As a result, page numbers here relate to those of the PDF documents downloaded from sources outlined in Appendix F.2.

represented an “attempt to erect high entry barriers to restrict the threat posed by newcomer part[ies]” (Nwokora, 2014: p.922).

The passage of tightening reforms at this time follows expectations linked to party competition (H_{2b}), but reduces confidence in H_{3a}, which expects right-leaning parties to favour a looser form of regulation (Dawood, 2018; Ewing, 2018; Smilov, 2007). Despite this, the model ranks incentives linked to inter-party competition as more influential than those linked to ideology as, while incumbents seek to implement ‘good’ reforms that align with their normative goals, they must first retain their position in government to do so (Nwokora, 2014).

5.2.2 Jim Bolger: Regulating Election Spending under MMP

The most significant reforms to electoral regulation since the early 20th Century were implemented under National Prime Minister Jim Bolger, who ushered in a new system of party competition in the mid-1990s. Passing reforms in 1993, which constructed the MMP electoral system; and 1995, which established the framework for party spending regulations, Bolger’s reforms provided a major tightening impact on the political finance system. Adopted via a two-stage referendum, where an indicative poll held in 1992 was followed by a confirmatory referendum in 1993, the introduction of MMP was the result of diminishing support for the two traditional parties. Following the Rogernomics reforms of Lange, and Muldoon’s unaccountable and highly partisan administration that preceded it, trust in Parliament fell to an all time low between the late-1980s and early-1990s (Gauja, 2010b; Vowles, 1995). These factors led to a viewpoint of Parliament as “fractious and ineffectual”, and the FPTP election system as “undemocratic and unjust” (Vowles, Aimer, et al., 1995: p.2). As the *Royal Commission* findings were published in 1986, the NZLP promised to hold a referendum into FPTP alternatives at the 1987 election. No referendum was forthcoming and, as National seized on this failure as a promise of their own, the party won in a large majority in 1990.

Spanning seven years, Bolger’s tenure is divided across two periods, split into the pre- and post-MMP eras. Inter-party competition was low in the pre-MMP years, due to Bolger’s

landslide electoral victory of 1990. Despite this, the result was a reflection of discontent toward the previous NZLP administration, whose losses at the election outweighed the gains of National (Denemark, 2005). Comparing levels of competition at the start of Bolger's tenure to those at its end shows the increase in competition, facilitated by the change in electoral system. Sub-figure 5.1b displays this, as the effective number of parties at the legislative level increased from 1.74 in 1990, to 3.45 in 1999 (see Gallagher, 2021). Moreover, disproportionality between effective parties at the electoral and legislative levels decreased as parliament adjusted to MMP. In anticipation of the first MMP election to be held in 1996, Bolger made the decision to invite National MPs to form new parties, "so long as National retained their Parliamentary support" (Vowles, 1998: p.13). Accordingly, a proliferation of breakaway parties shifted the composition of parliament, as the newly established United NZ, Conservatives, Christian Democrats, and NZ First increased the number of parties in parliament to seven, prior to the 1996 election (Miller, 2005). The dismantling of the closed two-party system was immediate, building an open multiparty system of minority and coalition governments in its place (Ridout and Walter, 2015).

The 1990s saw a further shift in ideological terms, following the tumultuous period of NZLP government under Lange, Palmer and Moore. As an 'economic pragmatist', Bolger fought the 1990 election with the pledge to forge a 'decent society' through the adoption of moderate social and economic policies (Nagel, 1998). Mirroring Lange's premiership, however, programmes implemented during Bolger's first term diverged from those promised during the election. Appointed as Minister of Finance in the first term of Bolger's tenure, Ruth Richardson's radical 'Ruthanasia' economic policy was a continuation of the deregulatory Rogernomics programme of Lange's NZLP government (James, 2004). Though this was an initial feature of the Bolger government, Richardson was removed from post in 1993, as National prioritised a centrist position at the 1993 and 1996 elections; a particular emphasis was placed on increased healthcare spending (Gibbons, 2011). Ultimately, the 1996 election proved to be crucial in the short to medium term ideological makeup of New Zealand's party system. As shown in Sub-figure 5.1d, the process of ideological convergence that

commenced in the late-1980s continued in the years preceding the first MMP election in 1996. With this election leading to the aforementioned increase in parliamentary parties, however, the party system underwent a period of ideological polarization (Gibbons, 2011; Karp and Banducci, 2002). Differences grew wider throughout Shipley's two year period as prime minister, which followed Bolger's resignation in 1997.

As Bolger took office in 1990, it was clear that campaign promises linked to electoral reform could no longer be ignored. Though National and the NZLP were historically against the introduction of MMP, both parties opted to reduce their hostilities toward the proposal, recognizing that, "to have done otherwise would have courted the full wrath of a public incensed by their own impotence in the face of years of broken promises" (Renwick, 2010: p.207). What followed, therefore, was a "genuine attempt by committee members from all parties to develop a robust and broadly acceptable MMP structure" (Jackson and McRobie, 1998: p.148). The 1993 Electoral Act consequently adopted many of the *Royal Commission* recommendations. MMP was introduced alongside the establishment of the Electoral Commission, while the number of MPs was increased to 120. Corresponding with the creation of the Electoral Commission, registration requirements were introduced for parties, with a minimum of 500 members required for eligibility (Gauja, 2010b). Alongside these major changes, the act carried forward regulations linked to third-party campaigning, with positive advertisements requiring authorization from parties and candidates, alongside identification of the third-party campaigner. Although the act fell short of adopting controls on party spending, expenditure limits for candidates were amended, with a threshold set at NZ$15,000 during the three-month election period. The disclosure scheme, which had been loosely followed since the late-19th Century, was transposed, with the Electoral Commission assuming responsibility for oversight. Under updated regulations, candidates were required to disclose individual donations above NZ$1,000 (Geddis, 2004).[45]

Seeking to counter the growing public resentment toward Parliament, party whips played

[45]While names and addresses of donors contributing more than NZ$1,000 were required, donors could be listed as 'anonymous' if their identities were unknown.

a limited role in constructing the 1993 reforms, with parties agreeing to permit conscience voting. Significant efforts were applied to the committee stages, which spanned six months and attracted a combined 597 written and oral submissions (New Zealand House of Representatives, 1993). Parliamentary debates lacked clear division across party lines, with some members of the NZLP and National siding with the Alliance to support the principles of MMP, and others aligning to express support for the existing FPTP system. While political finance issues received little discussion within Parliamentary debates, parties expressed their views in committee submissions. Those of left-wing parties favoured increased state involvement, with the introduction of direct public funding and a stricter form of disclosure proposed by the Alliance (Alliance Submission to Electoral Law Committee, 1993). Conversely, the National Party desired a reduction in regulation, submitting in favour of an increased NZ$30,000 candidate spending limit (National Party Submission to Electoral Law Committee, 1993). These submissions tended to follow the ideological expectations of left- and right-wing parties, whose normative preferences lie with tighter and looser systems, respectively.

In sum, the decision to hold a referendum on MMP at the 1993 election, while potentially to the detriment of the established parties, was forced by an inflammatory political climate. Considering wider contextual factors, the early-1990s presented a scenario which was conducive to the passage of tightening reforms included in the 1993 legislation. Levels of competition between National and the NZLP, though nominally low, masked an underlying movement of public support to alternative parties. With a change in electoral system seeming inevitable following almost 85 percent support at the 1992 indicative referendum, a significant increase in party competition was anticipated (H_{2b}). Furthermore, Bolger's pragmatic centrist position was mirrored by NZLP leader Mike Moore. Thus, ideological convergence toward the centre likely influenced the non-partisan approach taken when passing the reforms (H_{4b}).

The second reforms passed under Bolger built on those implemented in 1993. Following a regular inquiry into the 1993 election, the *Electoral Law Committee* concluded that the extension of spending regulations to parties should be reviewed, and that responsibilities for

the system of state funded broadcasting should be transferred to the Electoral Commission (Electoral Law Committee, 1994). While the first election under MMP was scheduled for 1996, the National government acted on these findings to pass political finance reforms in 1995. This legislation introduced party spending limits of NZ$1million per election, with an additional NZ$20,000 for each constituency being contested.[46] Candidate spending limits were increased further from those set in 1993, rising from NZ$15,000 to NZ$20,000. Disclosure regulations were also extended, requiring parties to file a return with the Electoral Commission following an election. The threshold for donation disclosure for parties was set at NZ$10,000 (Hager, 2006).[47] Finally, the Electoral Commission took control of the subsidized Broadcasting Allocation. Despite this, two positions on the commission were reserved for the NZLP and National to continue their contributions to the division process.

In a similar manner to events that occurred in Canada in the early-2000s, the 1995 reforms in New Zealand led to polarization on the issue of political finance. While Canadian parties divided into a left-wing 'syndicate' in opposition to the incumbent CPC (Jansen and Young, 2011), the passage of reforms in 1995 produced sharp divisions between New Zealand's established parties, and those emerging in preparation for the 1996 MMP election. Thus, the cross-party consensus developed when passing the 1993 reforms was replaced by a partisan environment. One of the central concerns identified in the first version of the Bill was National's attempt to allow unlimited spending for parties and list candidates. The absence of such restrictions was influential in NZLP's decision to oppose this iteration of the Bill. With the later addition of limits to the Bill, the NZLP changed their stance, as party representatives concluded:

> The disclosure of donations to political parties is a very important move, to remove the suspicion of corruption in our political system . . . the cap on overall party spending, to ensure that parties cannot buy an election by simply spending huge sums of money, brings some equality amongst the political parties (HR Deb 30

[46] 65 constituency level seats were contested at the 1996 election. As the party spending formula incorporated an additional NZ$20,000 for each candidate fielded, the total limit was calculated as NZ$2.5 million.

[47] As with candidate contributions, donors could be listed as 'anonymous' if unknown.

November 1995, p.23).

While National and the NZLP agreed on the final Bill, however, smaller parties were critical. United NZ representative Bruce Cliffe condemned the Bill as "stacked against the small, the new, or the minor parties" (HR Deb 28 November 1995, p.53), for example, while Alliance leader Jim Anderton criticised the increase in the constituency candidate spending limit, stating:

> We increased the allowance from NZ$10,000 to NZ$15,000 for 1993 for the new MMP environment ... That was a 50 percent increase and it was done on the basis there was roughly a 50 percent increase in the size of the electorates ... Suddenly we have a figure of NZ$20,000 ... it seems to me that we have suddenly jumped up a step or two in terms of money (HR Deb 4 April 1995, p.13).

Compounding this criticism, the Alliance and NZ First argued for a decrease to the NZ$10,000 disclosure threshold, with NZ First leader Winston Peters claiming that Bolger's government were using the Bill to avoid publicizing their "rotten little corporate funding mates" (HR Deb 22 November 1995, p.15). Despite these disagreements, National and the NZLP came together to support the Bill.

While the 1995 reforms contained a provision to raise the candidate spending limit, the introduction of previously non-existent regulations on party spending and disclosure had an overall tightening impact on the regulatory system. As an "unstable interim between electoral systems characterised by rapid changes to party politics" (Ferrer, 2022: p.6), the 1995 reforms were passed in anticipation of an increase in competitition. The tightening of regulation at this time, therefore, increases confidence in competition-related propositions of the theoretical model (H_{2b}). In ideological terms, tightening reforms in this period provide little support for or against hypotheses H_{3a}, which associates *right-wing* incumbency with *loosening* reform, and H_{3b}, which associates *left-wing* incumbency with *tightening* reform, due to the centrist position adopted by Bolger (see Sub-figure 5.1c). Despite this, the 1995 reforms came during a period of moderate ideological convergence between National and the

opposition NZLP and, as a consequence, provide support for propositions outlined by H_{4b}.

5.2.3 Helen Clark: 'Gagging' third-party Activity

Commencing in 1999, Helen Clark's nine year period as Prime Minister was notable for shifts in the nature of party competition and coalition formation, as well as a major tightening reform to the political finance system. The proliferation of emerging parties reached a peak at the 2002 elections, where minor parties comprised more than a third of parliament. As junior coalition partner following the 1992 election, the left-wing Alliance were a key player in the early years of Clark's government, before the group fragmented at the 2002 election. A plethora of minor parties entered parliament following the 2002 election, as National suffered a considerable defeat under leader Bill English. As shown in Sub-figure 5.1b, the 2005 election was influential in reconfiguring New Zealand's previously fragmenting party system into one of three effective parties, as National fell to just two seats behind the governing NZLP. Johansson summarizes this period, observing that "while momentarily knocked askance by the consequences of the 'big change' they collectively unleashed, [the NZLP and National] have restored their duopoly control of New Zealand politics" (2013: p.213). In sum, the first two terms of Clark's government exhibited a high level of competition from a greater number of parties, while the relative success of National at the 2005 election had the effect of restoring the traditional parties as major forces in parliament.

Ideologically, Clark's NZLP diverged from the centrist platform implemented in the latter years of the Bolger and Shipley government. The consistent positioning of the NZLP toward the left was bolstered through periods of coalition with the Alliance and Progressives, who occupied the ideological space to the left of the NZLP. Policies implemented during Clark's tenure support this observation, exhibited in Sub-figure 5.1c, as key amendments were made in areas of taxation, housing, health and social care, transport, and labour relations. Major changes included an immediate tax increase on high earners, a reduction in rates of state housing rent, increased expenditures on hospitals, the re-nationalization of rail services, and

the establishment of the state-owned 'Kiwibank' for various financial services (Gibbons, 2011). In the area of labour relations, the NZLP increased the minimum wage and annual leave entitlements, in conjunction with legislation to allow unions "far more freedom to organize and bargain collectively" (Bale, 2003: p.205). A return to the traditional ideological position of the NZLP contributed to a period of increased ideological divergence, as shown in Sub-figure 5.1d. The arrival of opposition leader Don Brash in 2003 was influential in furthering ideological polarization, as National adopted "strong policy positions on tax cuts and Māori separatism" (Broome, 2009: p.14). Levels of divergence intensified during the 2005 election which, as observed by Gibbons (2011), presented the greatest disagreement on economic issues since the early 20th Century.

The 2005 election proved influential in the passage of further political finance reforms in 2007. Following the election, Attorney General investigations revealed misappropriation of Parliamentary Service funds by the NZLP, with resources being applied to produce an electoral pledge card (New Zealand Auditor General, 2006). Further investigation identified widespread breaches of Parliamentary Service fund spending, as all but one party exceeded their allowance (see Table 5.2).

Table 5.2: New Zealand Parliamentary Service Funding Use in 2005

Party	Total Expenditure (NZ$)	Calculated Overspend (NZ$)
ACT NZ	90,336	17,805
GPNZ	57,060	50,024
Māori Party	427	48
National	81,520	4,856
NZ First	110,585	59,906
NZLP	635,591	452,489
Progressive	4,523	0
United Future	109,342	63,882
Total	1,089,384	649,010

Source: New Zealand Auditor General (2006)

While Parliamentary Service overspending drew controversy, National's relationship with the 'Exclusive Brethren' Christian group added to the contentious nature of the contest. During the election, the Exclusive Brethren enacted several pamphlet and newspaper campaigns

criticising the GPNZ and NZLP. Although National denied knowledge of the advertisements, leaked emails revealed correspondence detailing the contrary, including records of meetings with Brethren leaders (Hager, 2006). Under the framework implemented in 1993, third-party advertisements supporting a party required authorisation from the party in question; these expenditures would subsequently contribute to their election spending limit. Conversely, *negative* campaigns by third parties remained free from any regulation (Geddis, 2004). Interactions between the Brethren and National campaigns revealed a loophole, wherein the Brethren conducted negative campaign advertising by emphasizing the phrase 'change the government', and National followed up that "the only way to change the government is to party vote National" (Hager, 2006: p.24–5). Consequently, National were not required to authorise Brethren campaigns and, by extension, did not need to include these sums as contributions to their electoral spending. Further controversial third-party campaigning involved National's 'fair tax' policy, which was the foundation of unauthorised campaigns at nationwide horse racing venues. Though these loopholes allowed National to run a wide reaching campaign, Brash failed to unseat Clark as Prime Minister and the NZLP subsequently formed a coalition with the Progressives.

Ultimately, the election spending scandals of 2005 led to a major tightening of the political finance system. The 2007 'Electoral Finance Act' expanded the window for regulating political finance, by extending the three-month election period to encompass the calendar year of an election (Boston and Mladenovic, 2010). Within the enhanced regulated period, the Bill tightened controls on third-party actors, requiring registration if spending more than NZ$1,000 on candidate advertisements, or NZ$12,000 on electioneering activities. Spending controls were established for registered promoters, with limitations of NZ$4,000, for candidate-focused electioneering, and NZ$120,000 for other purposes (Mladenovic, 2010).[48] The disclosure system was adjusted to incorporate registered promoters, with reporting required at the closure of the election period, including detailed information on contributions received above NZ$5,000. Donations exceeding NZ$20,000 to parties, candidates, and registered promoters,

[48] 'Registered Promoters' refers to third-party actors who are registered with the Electoral Commission.

were to be disclosed within 10 working days of receipt.[49] Furthermore, the 2007 reforms established attempts at reducing foreign influence in elections, prohibiting campaigning by overseas third parties and capping foreign-sourced donations to parties and candidates at NZ$1,500 (Boston and Mladenovic, 2010). Attempts to evade restrictions, by funnelling funds via domestic entities, or splitting donations, were punishable through a three-year prohibition on voting or holding public office (Orr and Geddis, 2020). Finally, electoral administration processes were adjusted. By removing National and NZLP representatives from the Electoral Commission, major parties were no longer permitted to influence the allocation of state broadcasting.

Upon introducing the Bill, Minister of Justice Mark Burton summarized the intentions of the proposal, stating:

> at the heart of this Bill is the principle that the public should have the highest confidence that our electoral system is honest and open, and that money spent in the run-up to an election is clearly accounted for. Alongside this, a second principle promoted by this Bill is that there should be fair and equitable participation in electoral campaigning. Wealthy interest groups should not have a disproportionate influence on the outcome of an election simply because they have access to greater financial resources than the general public (HR Deb 26 July 2007, p.10776).

Though the Bill was supported by the NZLP's coalition partner, NZ First, and the GPNZ, it was met with resistance by National, ACT NZ, and the Māori party, who objected to the restrictions on freedom of speech that the Bill would cause.[50] The extension of the regulated period was also criticised as excessive, with newly elected National leader John Key claiming:

> this legislation today is designed for one reason alone, and that is to silence

[49] This requirement applied to single or aggregated donations from the same donor within a 12-month period.

[50] While United Future originally supported the legislation, party leader Peter Dunne changed his position at the third reading stage. Highlighting the public mistrust toward the Bill, he stated that "United Future has listened carefully to the views and feelings of New Zealanders. Consequently, we have come to the conclusion that we can no longer support the passage of the legislation" (HR Deb 18 December 2007, p.14047).

> democracy, reduce participation, and put a legalised gagging order on the people that Helen Clark and her travellers do not like. There can be no other explanation for a law that will see New Zealanders spending one-third of their adult life subject to a law that is so bureaucratic (HR Deb 18 December 2007, p.14032).

Finally, further criticism highlighted the Bill's disproportionate impact on smaller parties. In extending the regulated period without increasing the party or candidate spending limit, ACT NZ deputy leader Heather Roy argued that the incumbency advantage would be entrenched, with challengers facing little prospect of victory, as:

> with only NZ$20,000 to spend in an election year before an election, any candidate faces an intensely difficult challenge to unseat an incumbent electorate MP. This is blatantly unfair, when we like to call ourselves a democracy (HR Deb 22 November 2007, p.13396).

Examination of these reforms within the context of the theoretical framework provides mixed support for its various propositions. While reforms of the late-20th Century consistently followed expectations linked to competition, reforms of 2007 provide a different narrative. Contrasting the highly fractionalized and competitive contexts of Clark's early years in government, tightening reforms were passed during the latter years of her administration, where the "unstable" transition to MMP had long since passed (Ferrer, 2022: p.6). In a period of declining competition, therefore, reforms of a tightening nature are inconsistent with expectations outlined by H_{2a}. Additional complexities are observed in relation to the ideology-focussed propositions of the model. The tightening nature of the reforms is consistent with the ideological position of the incumbent, as Clark's NZLP at this time represented the most left-wing administration in the period of study. Despite this, the reforms were passed during an ideologically polarizing period; as Brash's National platform moved sharply rightward, the relative ideological positions of the major parties were wider at this point than at any other during the study period (see Sub-figure 5.1d). As a consequence, the passage of tightening reforms as this time simultaneously increases confidence in H_{3b} and decreases confidence in H_{4a}.

Inconsistencies in this area appear to be influenced by the existence of the major political finance scandal at the 2005 election. With tightening reforms having been passed in response to this event, H_6 is strengthened in this context.

5.2.4 John Key: Consolidating Electoral Administration and Oversight

With Helen Clark's reforms having been passed in the lead up to the 2008 election, the updated political finance regime had an immediate impact on the nature of electoral campaigning. National seized on the strict controls as evidence of the NZLP's "nanny state" policy agenda (Vowles, 2009: p.508) and, as a result, were successful in their efforts to unseat Clark. Despite this, Prime Minister John Key was only able to establish a minority National government. Following periods of party system volatility under Bolger, Shipley, and Clark, inter-party competition was more stable under Key's government. Although the pre-MMP era had produced a strong two-party system, New Zealand's parliament settled as a system of three effective parties (see Sub-figure 5.1b). In this period, minor parties "struggled to retain popular support and visibility" as "they continue[d] to be squeezed by Labour and National's bitter two-party battle" (Edwards, 2008a: p.1087). As such, the five minor parties elected in 2008 comprised just 17 percent of parliament; a substantial decrease from the peak of 34 percent in 2002. While the influence of minor parties was waning, their combined presence was sufficient to prevent a National majority at any point during Key's tenure. Having entered confidence and supply agreements with the ACT, United Future, and Māori parties, Key oversaw an eight year period of minority government. Bill English took leadership of the party in 2016, and continued to govern under the same conditions until the 2017 election. Consequently, while competitiveness failed to reach the heights of the immediate post-MMP era, Key and English oversaw a period of relatively high competition.

During Key's first term as Prime Minister, the National government adopted several policies positioned to the right of those implemented under the preceding NZLP government. Tax rates for high earners were cut, for instance, and public expenditures were reduced in areas

of healthcare, education and transport. Moreover, funding for the 'Kiwisaver' retirement scheme, established under Clark, was decreased (Gibbons, 2011). While radical shifts were implemented as an immediate response to the ongoing global financial crisis, Key's leadership strategy was focused on "drag[ging] National into the centre ground" and "cleverly ditching unpopular policies, especially those associated with neoliberalism and social conservatism" (Edwards, 2008a: pp.1085–6). This is evident in Sub-figure 5.1c, which shows National occupying the centre during the second half of Key's tenure. This centrist platform lay in contrast to the right-wing campaigning of former leader Brash at the 2005 election, which had resulted in a major divergence on the proposed policy platforms of the two rival parties. The election of Key as National leader prior to the 2008 election began a process of ideological reconciliation between the NZLP and National, as Key committed to a continuation of some policies implemented under Clark (Vowles, 2009). Sub-figure 5.1d shows this convergence, which peaked between the 2011 and 2014 elections.

Within these contexts, Key's administration implemented major reforms to political finance in 2010. These reforms were prompted by inefficiencies in the political financing regime, as the Electoral Commission reported that the 2007 Electoral Finance Act "had a chilling effect on the extent and type of participation in political and campaign activity" during the 2008 election (New Zealand Electoral Commission, 2008: p.7–8). With the failure of Clark's "excessively draconian" reforms being recognised (Geddis, 2017: p.226), National immediately introduced an "interim electoral finance regime", pending a comprehensive review of the regulatory system (McSoriley, 2009: p.1). The temporary system reinstated the pre-2007 framework, returning provisions linked to political spending to their 2005 levels, loosening third-party controls, and reinstating the three-month election period. Though Parliament had previously been divided on the implementation of the 2007 reforms, National's decision to repeal the Electoral Finance Act attracted near-unanimous approval.[51] Recognising the flaws in their

[51]The GPNZ were the sole objectors, with party co-leader Dr Russel Norman outlining their position by stating: "the Green Party will not be voting for this Bill. We do not think it is progress. There is no need to repeal the Electoral Finance Act while we look at what we do. The National Government is doing it because of an election promise, but there is no need to do it" (HR Deb 17 February 2009, p.1318).

approach, and seeking to “move on from the issue quickly and quietly”, the NZLP did not oppose changes in this area (Geddis, 2017: p.227).

The conclusion of National’s review into electoral funding came in 2010; the results of which led to a loosening reform to the financing regime.[52] Contained within this bill were amendments to the disclosure scheme, spending limits, and third-party regulations. Under the 2010 framework, disclosure thresholds were increased to NZ$15,000 for parties, and NZ$1,500 for candidates. These increases were in line with inflation, as thresholds had not been increased since 1995 (Buchanan, 2016). While the 2010 reforms retained the same candidate and party expenditure limits introduced in the mid-1990s, thresholds were indexed to increase with inflation for the first time. As the replacement for the 2007 regime, reforms in 2010 retained the system of expedited disclosure, with donations exceeding NZ$30,000 to be disclosed within 10 working days of receipt. This represented an increase on the NZ$20,000 threshold implemented under Clark in 2007. The major provisions of the 2010 Bill, however, concerned the regulation of third-party ‘registered promoters’, which had proven to be the most contentious provisions of the 2007 reforms. Under the new regime, registration requirements for third-party campaigners were preserved, with groups requiring registration if spending more than NZ$12,000 on electoral advertisements. Limitations on spending and disclosure were loosened relative to those implemented in 2007. Registered promoters were permitted to NZ$300,000 in campaign spending during an election period, which was reverted from 12 to 3 months. Moreover, all expenditures exceeding NZ$100,000 were subject to disclosure requirements (Gauja and Orr, 2015). Following established practice, *negative* advertising by third parties remained unregulated (Geddis, 2010). Summarizing the content of the Bill, Minister of Justice Simon Power said:

[52] An additional administrative reform was passed during this period, as a merger of the Chief Electoral Office and Electoral Commission consolidated the administration and oversight functions of elections for the first time (Geddis, 2017). Speaking on this, Minister of Justice Simon Power outlined that “this body will have significant responsibility, performing all the functions of the CEO and the Electoral Commission. It will be an independent Crown entity to ensure independence, accountability, effective discharge of duties, organisation capacity, cost effectiveness, and easy implementation (HR Deb 27 October 2009, p.7451).” The Bill received unanimous Parliamentary support. While this reform does not *directly* link to political finance, it warrants a mention here.

> Additional regulation of third-party promoters is introduced to improve transparency and accountability, and to uphold public confidence in the conduct of elections. The Bill also makes a number of changes to the donations regime, to provide for administrative efficiency, and, again, greater transparency. I am confident that this Bill strikes the right balance between participation and fairness (HR Deb 15 December 2010, p.16455).

Reforms to the political finance framework gained near-unanimous support in Parliament, with many echoing the sentiments of Minister Power.[53] Citing the Exclusive Brethren scandal, for instance, the NZLP welcomed the inclusion of third-party regulations, arguing that they would prevent Parliament from becoming "subservient to the influence of a well-resourced minority who would never stand for election" (HR Deb 15 December 2010, p.16455).

The timing of Key's review into the political finance regime, as well as the reforms that emerged in response, provide support for numerous propositions of the theoretical model. Established in the immediate aftermath of a change in incumbency, observations align with expecations of H_5, which posits that incoming governments may opt to loosen regulations. Per Nwokora (2014), such movements are undertaken with intentions related to incumbency protection. Moreover, the decision to move toward a looser form of regulation aligns with the normative goals of a right-wing party. This is particularly pertinent, as Sub-figure 5.1c designates Key's National government as by far the most right-wing administration in the study period. With this administration passing the only loosening reform in the study period, H_{3a} is significantly strengthened. Despite support in these areas, the 2010 reforms are inconsistent with expectations related to competition. Within competitive contexts, the theoretical model outlines that tightening reforms are more likely. The inverse is observed here which, taken in isolation, negatively impacts confidence in H_{2b}.

[53] ACT NZ were the only party to object to the Bill, as leader Rodney Hide argued "with this Bill we are restricting them (third-party campaigners) to spending no more than one-sixteenth of what the two major political parties in this Parliament can spend. Those two parties are using their voting strength to put those restrictions in place" (HR Deb 15 December 2010, p.16455).

5.2.5 Jacinda Ardern: Curtailing Overseas Influence

The 2017 election was central to the final reforms passed within the period of study. This election was unique in the MMP era as, despite winning the plurality of seats, Bill English's National party were unable to receive the requisite parliamentary support to stay in government. Thus, a change in incumbency followed the election, as Jacinda Ardern headed an NZLP/NZ First coalition. Of further significance at this time was the emergence of a foreign donations scandal in the run up to the 2017 election, which involved the CCP and National. As Serious Fraud Office (SFO) investigations were ongoing, the NZLP/NZ First coalition passed reforms on foreign donations in 2019. According to Orr and Geddis (2020: p.24–5), these reforms were symbolic, with their passage allowing government to "claim it was doing something in the face of political concerns about potential foreign interference . . . rather than significantly reforming the law to combat it". Though lacking in perceived impact, these amendments were passed in a period conducive to the passage of tightening reforms.

One of the oddities of Ardern's first term as Prime Minister concerned the presence of a larger party sitting in opposition. The composition of Parliament at this time thus represented a unique form of party competition as, while Sub-figure 5.1b shows a small decrease in the effective number of parties at the legislative level, the NZLP fell 10 seats short of National. As a consequence, the importance of a cooperative relationship with NZ First, as junior coalition partner, was increased. Compounding the fragility of Ardern's government in its first term, opinion polls displayed a gradual decline in favourability toward government, as December 2019 presented the lowest level of NZLP support in two years (1 News, 2019). Accordingly, the urgent passage of reforms in this month reflected the increased competition in the run up to the 2020 election.

An additional aspect of the NZLP under Ardern relates to the leftward turn that occurred after the 2017 election. Flagship policies delivered in coalition with Peters' economically centrist NZ First party reflect this observation. The Families Package, for instance, increased rates of family tax credit and winter energy payments, alongside an extension of the duration of paid

parental leave (Roy, 2018). In the area of labour relations, union rights were enhanced, the minimum wage was increased, and protections for casualized workers were strengthened (Fletcher, 2018; Ramia, 2020). Moreover, increased spending in healthcare (Fletcher, 2019), as well as the commitment to NZ$3 billion toward a 'Provincial Growth Fund' (Thomas, 2019), were further indicative of the NZLP's left-wing platform during this period. In opposition, National's policy platform under English continued the centrist position that was implemented under former Prime Minister Key. While National supported some fiscally conservative policies, such as a reduction in the income tax rate for high earners, these were juxtaposed by commitments to increase investment in transport, healthcare, and education (Lees-Marshment et al., 2018). In sum, Ardern's early years as Prime Minister exhibited a continuation of a fairly high level of ideological convergence, which commenced under the preceding Key/English government (see Sub-figure 5.1d).

With the duration of Ardern's administration proceeding through a period of heightened competition, left-wing incumbency, and ideological convergence, the passage of tightening reforms is expected to be much more likely. In conjunction with these contextual factors, the presence of a foreign donations scandal provides an additional driver of reforms in this area. Preceding the 2017 election, details of foreign influence within National emerged, centred on a NZ$150,000 donation made through a domestic company with Chinese ownership (Orr and Geddis, 2020). Additional foreign involvement in National's funding emerged in late-2018, when SFO investigations highlighted a selection of sub-NZ$15,000 donations which, when aggregated, exceeded NZ$200,000. With funds originating from a Billionaire Chinese citizen and funnelled through New Zealand residents, the structure of these payments was allegedly designed to evade disclosure (Patterson, 2020). During this period, concurrent investigations into NZ First finances revealed the use of the 'NZ First Foundation' to funnel funds into party accounts, revealing a series of similarly evasive financial transactions between the foundation and the party (New Zealand Herald, 2020).[54]

[54]The SFO charged those involved in scandals linked to National and NZ First funding in 2020. In addition, the SFO commenced concurrent investigations into NZLP finances, with the party allegedly holding art auctions art to evade disclosure requirements. While the NZLP disclosed the artists as the donors, the individuals

In December 2019, the NZLP/NZ First coalition sought to expedite changes in foreign donation controls. Passed under urgency, the reforms reduced the threshold for foreign-sourced donations to parties and candidates to NZ$50, from the NZ$1,500 limit retained within the 2010 reforms. Additional changes mandated that party secretaries must "take all reasonable steps to satisfy themselves that a donation over NZ$50 is not from an overseas person", while prohibitions on anonymous campaigning were extended to include online advertisements (Buchanan, 2019). Introducing the Bill, NZLP Minister of Justice Andrew Little stated that the proposed reform "establishes that only those who are part of New Zealand's democracy should participate in our electoral system" (HR Deb 3 December 2019, p.1). Though these arguments were forwarded, the system maintained avenues for foreign actors to participate in electoral campaigning. While regulations prohibited foreign actors from registering as third-party promoters, for instance, the absence of third-party contribution limits permitted unlimited donations to *domestic* groups, with no disclosure on contributions made outside of the regulated period. Thus, "these largely cosmetic amendments did little to alter the law's effect" (Orr and Geddis, 2020: p.24). Various representatives of National argued this case; Nicola Willis, for example, stated:

> this Bill is simply an attempt to distract and divert the New Zealand public . . . yes, it has a good intent. Yes, supporting the lowering of the level of donations is a good idea. But, please, let us be clear: this does not ban foreign donations (HR Deb 3 December 2019, p.19).

As a representative of the junior coalition partner, NZ First's Mark Patterson retorted that the reforms were required to "get this lowest of the low-hanging fruit, this absolute no-brainer of taking foreign funding out of our electoral process" (HR Deb 3 December 2019, p.10). Despite disagreements between National and the NZLP as to the impact of the proposed reform, the Bill was passed with support from all but one party, with sole ACT NZ representative David Seymour critical of the lack of select committee consideration.

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purchasing the items were not disclosed (Trevett and Walls, 2020).

To conclude, Ardern's tightening of regulations on foreign donations increases confidence in several conjectures of the theoretical model. The presence of a major scandal (H_6), for example, is hypothesized as a driver of tightening reforms, alongside heightened competition (H_{2b}), a left-leaning incumbency (H_{3b}), and a sustained level of ideological convergence (H_{4b}).

5.3 Conclusion: A Long Term Tightening Pathway

Examination of New Zealand's political finance system shows support for several aspects of the theoretical model. While levels of party organization have seemingly had little to no impact, party competition has generally been a substantive driver of reforms. The replacement of the FPTP system in the mid-1990s provided greater levels of competition from emerging parties, which initially encouraged the major parties to pass a series of tightening reforms. Scandals played a role in prompting reforms in 2007 and 2019. Changes in incumbency played a mixed role in the reform process; despite many changes across the study period, loosening reforms followed on just one occasion. Finally, mixed support is offered for ideological factors of the theoretical model. In this area, however, ideology is shown to be important in determining the positions of minor parties. The libertarian ACT NZ party consistently rejected all forms of political finance regulation, for example, while the left-leaning Alliance and GPNZ supported the more restrictive regulations. Breaking down the overall period of study, a long-term tightening pathway is identified. A summary of this pathway, as well as observations from hypothesis testing, is displayed in Table 5.3.

The tightening pathway was put in motion via the establishment of the *Royal Commission on the Electoral System* under David Lange's NZLP government. With recommendations following in 1986, the report brought the issue of political finance into a sharper focus than before. The 1989 reforms, which implemented part of the report's recommendations, placed substantive regulation on electoral broadcasting. Despite arguing against the reforms in Parliamentary debates, National voted with the NZLP to pass the Bill. By prohibiting private spending on television and radio advertisements, and providing state-funded broadcasting

Table 5.3: New Zealand Case Study Findings

Hypothesis	1989	1993	1995	2007	2010 LR	2019 TR
	⟵ Tighten ⟶					
H_{1a}: When the incumbent party is *weakly organized*, reforms that *loosen* the political finance system are likely	∼	∼	∼	∼	∼	∼
H_{1b}: When the incumbent party is *strongly organized*, reforms that *tighten* the political finance system are likely	∼	∼	∼	∼	∼	∼
H_{2a}: When the party system is *uncompetitive*, reforms that *loosen* the political finance system are likely	∼	∼	∼	✗	∼	∼
H_{2b}: When the party system is *competitive*, reforms that *tighten* the political finance system are likely	✓	✓	✓	∼	✗	✓
H_{3a}: When the incumbent party is ideologically *right-wing*, reforms that *loosen* the political finance system are likely	✗	∼	∼	∼	✓	∼
H_{3b}: When the incumbent party is ideologically *left-leaning*, reforms that *tighten* the political finance system are likely	∼	∼	∼	✓	∼	✓
H_{4a}: When the party system is *ideologically polarized*, reforms that *loosen* the political finance system are likely	∼	∼	∼	✗	∼	∼
H_{4b}: When the party system is *ideologically convergent*, reforms that *tighten* the political finance system are likely	∼	✓	✓	∼	∼	✓
H_5: Following a *change in incumbency*, reforms that *loosen* the political finance system are likely	∼	✗	∼	∼	✓	✗
H_6: Following a political finance *scandal*, reforms that *tighten* the political finance system are likely	∼	∼	∼	✓	∼	✓

Tighten = Tightening Reform Pathway; Loosen = Loosening Reform Pathway; TR = Tightening Reform; LR = Loosening Reform; ✓ = Observations increase confidence in hypothesis; ✗ = Observations decrease confidence in hypotheses; ∼ = Observations do not impact confidence in hypothesis.

allocations through a formula based on votes at the previous election, by-election results, and opinion polls, the reforms rewarded the established powers, at the expense of unrepresented parties. The passage of reforms at this time was necessitated by an increase in the competitiveness of the party system, due to declining support for the existing two parties. The decision to subsequently hold a two stage referendum on the adoption of MMP was

the product of the continual downward spiral of support for the two traditional parties. With National and the NZLP converging in their ideological preferences through the early-1990s, further reforms were passed prior to the maiden MMP election of 1996.

Adjusting to the new party system, regulations on political finance remained stable through the 1999, 2002, and 2005 elections. Following a proliferation of new parties during the early-MMP elections, the party system settled into one of three 'effective' parties in the 21st Century. Though this level of competition was not intense, the MMP era led the NZLP to focus on building an effective coalition with the Alliance and Progressive parties. A major multi-party political finance scandal prompted an additional round of reforms in 2007. These reforms tightened regulations on spending and third-party campaigning, by extending the election window from three to 12 months. The Bill had a "chilling effect" on political campaigning (New Zealand Electoral Commission, 2008: 7-8) and, following Key's 2008 election victory, was eventually replaced by an alternative system in 2010. While the Bill retained controls on third party campaigning and disclosure, it represented the sole loosening reform of the study period. Loosening of regulations at this time appears influenced by the ideological platform of Key's administration; observed as the most right-wing incumbent in the study period. Returning to the tightening trend, further reforms on foreign donations followed in 2019, in response to a scandal linking National to the CCP. This period was notable for having high competition, due to declining poll support for the incumbent NZLP; an increasingly left-wing government, under Jacinda Ardern's NZLP; and fairly high ideological convergence between government and opposition.

In sum, the late-20th Century movement toward MMP facilitated a long term trend toward tighter regulations on political finance. While this pattern slowed in the 21st Century, the most recent trends point toward the solidification and retention of a stringent form of regulations in this area.

Chapter 6

Small States of the Commonwealth Caribbean: Clientelism as an Inhibitor of Reform?

6.1 Introduction

Colonized by Britain between the 1600s and 1800s, nations of the Commonwealth Caribbean began to transition toward independence in the post-World War II period. Described as one of the most democratic regions in the developing world (see, *inter alia*, Barrow-Giles, 2011; D'Agostino, 2009; Dominguez, 1993; Duncan and Woods, 2007), political institutions in nations of the Commonwealth Caribbean are based "almost entirely" on the Westminster model that was transposed at independence (Barrow-Giles, 2020: p.652). Accordingly, widespread use of FPTP electoral systems has influenced the development of two-party systems across much of the region (Bishop et al., 2020). Despite nominal differences between competing parties, distinct ideological cleavages are generally lacking (Veenendaal and Corbett, 2020); instead, party loyalty tends to be forged through a system of clientelism (Barrow-Giles, 2011; D'Agostino, 2009; Duncan and Woods, 2007; Midgett, 1998; O'Brien,

2014). Contrasting the programmatic approach to governance, where parties exist to develop and implement policies that reflect a distinct ideological position (Kitschelt and Wang, 2014), primary features of a clientelist governance model include: (i) dyadic relationships between the client (voter) and patron (government), which are; (ii) hierarchical in nature, where; (iii) benefits are exchanged; (iv) on an iterative basis (see, *inter alia*, Berenschot and Aspinall, 2020; Hicken, 2011; Hilgers, 2011; Lauth, 2000). When the voter provides political support to a party, they do so with the expectation that they will receive a *personal* benefit in return (O'Brien, 2014). According to Veenendaal and Corbett, benefits may range from "straightforward vote-buying to paying electricity bills, refrigerators, a license to study abroad, or a public tender assignment" (2020: p.68). Within the small state context, these benefits are primarily funded by political donations and, as such, increases in campaign spending are often reflective of efforts to maintain patron-client relations (Gerring and Veenendaal, 2020; Hicken, 2011). Building on the theoretical model of the thesis, this chapter argues that variations in governance model type provide an additional contribution to processes of political finance reform.

Contrasting the single nation case studies of the previous chapters, this chapter focuses on a subsample of seven nations that fall within the Unregulated category of the RoPFI. With populations below 1 million, the overwhelming majority of these nations are categorized by Corbett and Veenendaal (2018) as 'small states'. While unified in this respect, unregulated nations differ in other ways; the archipelago and island states of the Caribbean and Pacific contrast Liechtenstein – a landlocked European microstate – and, while some states such as Nauru and Kiribati are extremely remote, others are much less so. As outlined in Chapter 3, the case selection strategy of this thesis is oriented toward the identification of (i) democratic nations, that; (ii) through previous ties to the British Empire; (iii) have post-colonial institutions grounded in the Westminster system of government. Working within these parameters, this chapter examines the unregulated small states of the Commonwealth Caribbean which: (i) belong to one of the world's most democratic regions (Barrow-Giles, 2011; D'Agostino, 2009; Dominguez, 1993; Duncan and Woods, 2007), and ; (ii) with few exceptions, have rigidly

preserved the Westminster-style institutions handed down at independence (Baldacchino, 2020; Payne, 1993; Sutton, 1999). These factors ensure that cases drawn from the region fall within previously defined scope conditions of the theoretical model (see Chapter 3). Accordingly, seven nations form the focus of this chapter: the Bahamas, Belize, Dominica, Grenada, St. Kitts & Nevis, St. Lucia, and St. Vincent & the Grenadines. Applying the theoretical model in contexts where reforms have *not* occurred, analyses are designed to account for the opposing end of the outcome variable to those studied in the previous chapters (Geddes, 2003).

The chapter commences by examining the relative influences that party organization strength, competition, and ideological factors have on the unregulated nature of political finance in the region. Approached from a cross sectional perspective, initial findings indicate that the prevalence of weak party organizations, as well as low levels of competition, are influential in this area. Ideological factors, however, are observed to be unimportant in this context. Following guidance of Frank Schimmelfennig, who argues that qualitative researchers should be "open to inductive insights . . . if theoretically specified causal mechanisms fail to explain the case[s]" under study (2014: p.108), the boundaries of the theoretical framework are expanded to examine whether the widespread use of clientelist governance models has any bearing on the direction of political finance reform. Supplementing cross sectional analyses with a case study of failed political finance reform in Saint Lucia, findings suggest an association between clientelism and looser forms of political finance regulation. This is because, as clientelist inducements are often funded by privately-sourced monies (Gherghina and Volintiru, 2017; Hicken, 2011), parties working within these contexts have no incentives to regulate these financial channels.

This chapter is divided into five sections. Section one introduces the seven nations under study, providing a background on the shape of their democratic institutions and political finance regulations. Supplementing this, section two provides a cross sectional examination of the theoretical model's dimensions, with a focus on party organization, competition, and

ideology. Findings reveal the existence of weak party organizations in all cases, alongside limited political competition. With regulations on political finance lacking in this sample, these observations support the organization and competition-oriented propositions of the theoretical model. Despite this, ideological factors are inconsequential in the policymaking process. Accordingly, section three outlines key features of clientelism – a substantive driver in decision-making in nations under study here – as well as the theorized mechanisms that underpin the relationship between governance model type and political finance regulation. To demonstrate the influence of clientelism in a real-world context, section four examines the Constitutional Reform Commission's (CRC) political finance proposals in Saint Lucia which, while vocally supported by both parties, were never implemented. Established during a temporary shift away from clientelism under the first Saint Lucia Labour Party administration of Kenny Anthony, the CRC's political finance recommendations arrived in Parliament during Anthony's second period as Prime Minister, which was overtly clientelist in nature. It is concluded that shifting approaches to governance played a role in the failure to implement political finance reforms in Saint Lucia. Finally, the chapter closes with a synthesis of conclusions drawn from cross-sectional and temporal analysis of political finance approaches in the Commonwealth Caribbean small states.

6.2 Small States in the Commonwealth Caribbean

Based on the large-n analyses undertaken in Chapter 2, seven Commonwealth Caribbean small states have political finance systems that are defined as Unregulated: the Bahamas, Belize, Dominica, Grenada, St. Kitts & Nevis, St. Lucia, and St. Vincent & the Grenadines. Centred around this subsample, this chapter examines the applicability of the theoretical model in the unregulated context. Setting foundations for these analyses, this section provides a background of key institutional features of the nations under study. Divided into two parts, the section opens by outlining the structure of political institutions in the small states of the Commonwealth Caribbean. Following this, it outlines the state of political finance regulations

and their implications on party financing patterns across the region.

6.2.1 Structure of Institutions

Throughout the 1800s, each of the nations that form the focus of this chapter was designated as a Crown Colony by the British Empire. This system lacked any form of representative government, as legislation was imposed upon colonies by the British Parliament. In 1914, citizens of Grenada formed the Representative Government Association (RGA) to petition the British Colonial Secretary to "introduce a small elected element into the island's Legislative Council" (O'Brien, 2014: p.18). A groundswell of support across the British West Indies led the Under Secretary of State for the Colonies, Edward Wood, to conduct a three-month visit of the region. Upon returning to London, Wood's final report advised Parliament to introduce "unofficial" elected members to some of Britain's West Indian colonies (Wood, 1922: p.20). Initially, these elected members would be outnumbered by their appointed counterparts and, as literacy and property requirements were imposed on voters, the minority upper class retained control of institutions (D'Agostino, 2009; Peters, 1992).

While universal suffrage was not introduced until the mid-20th century, the blossoming of party politics in much of the Commonwealth Caribbean can be traced to the 1930s, through the emergence of organized labour movements (Bishop et al., 2020). These developments had implications for the status of territories of the region, as the existence of parties increased the intensity of campaigns for self-governance. Accordingly, Britain began the process of deconstructing the Crown Colony system in the post-World War II period (Randall, 2009; O'Brien, 2014). With the exception of the Bahamas and Belize, all nations shown in Table 6.1 were previously members of the short lived West Indies Federation (WIF). Established in 1958, the federation was designed to consolidate the resources of member territories "to the point at which the region would become eligible for self-government as a single cohesive unit" (O'Brien, 2014: p.20). The WIF immediately "fell victim to island pique and nationalism", however, and disbanded when Jamaica opted to break away in 1961 (Baldacchino, 2020: p.279). Contributing to the WIF's demise was the unwillingness of the federation's larger

economies to subsidize its less developed members (D'Agostino, 2009; O'Brien, 2014). Excluding the remaining British Overseas Territories in the region (Anguilla, Cayman Islands, Montserrat, and the Turks & Caicos Islands), each territory formerly of the WIF has achieved independence. The Bahamas and Grenada were the earliest of those considered here, in 1973, while St. Kitts & Nevis was the latest, in 1983.

Table 6.1 provides an overview of key institutional features of each independent state. With each nation following a different timeline to independence, some differences in institutional structures exist across the region. Though many Commonwealth Caribbean Parliaments are bicameral, for example, Dominica, St. Kitts & Nevis, and St. Vincent & The Grenadines do not have appointed upper houses. Dag Anckar describes Parliamentary institutions in these nations as "unicameral . . . with bicameral features", as appointed Senators sit within the same chamber as elected representatives (2020: p.21). St. Kitts & Nevis displays additional unique features, as the only Federal nation in the sample under study. The structure of federalism in St. Kitts & Nevis is particularly notable as, although Nevis has its own legislature and political executive – including rights to "decide on matters related to finances and economy, infrastructure, health, education, the public order, and labour, . . . [to] . . . draft and ratify its own budget, . . . [and to] separate from St. Kitts" – the island of St. Kitts does not (Veenendaal, 2015: p.594). A 1998 secession referendum returned a result of 61.8% in favour of Nevesian independence, but fell short of the two-thirds support that the constitution requires. As a consequence, the federation continues to exist as one of the smallest in the world (Phillips, 2004).

Despite these differences, common threads tie these nations together. Cynthia Barrow-Giles describes how independence processes contributed to similarities in institutional structuring across the region, for example, observing that Commonwealth Caribbean constitutions drafted in these periods "were broadly similar and generally established two-party democracies modelled after the British Westminster system and, as was to be expected, constitutional practices [which] duplicated almost in its entirety British institutional forms" (2020: p.652).

Table 6.1: Small States in the Commonwealth Caribbean

	Bahamas	Belize	Dominica	Grenada	St. Kitts & Nevis	St. Lucia	St. Vincent & the Grenadines
Population (Central Intelligence Agency, 2022)	358,508	419,137	74,656	114,299	54,817	166,637	100,804
Legal System Origin (La Porta et al., 1999)	English	English	English	English	English	English	English
Period of Democratization (Boix et al., 2013)	Pre-1974	Post-1974	Post-1974	Post-1974	Post-1974	Post-1974	Post-1974
Mode of Government	Unitary	Unitary	Unitary	Unitary	Federal	Unitary	Unitary
Type of Parliament	Bicameral	Bicameral	Unicameral	Bicameral	Unicameral	Bicameral	Unicameral
Upper House Membership	Appointed	Appointed	-	Appointed	-	Appointed	-
Electoral System (International IDEA, 2018)	FPTP	FPTP	FPTP	FPTP	FPTP	FPTP	FPTP
Constitution Type	Codified (1973)	Codified (1981)	Codified (1978)	Codified (1973)	Codified (1983)	Codified (1978)	Codified (1979)
RoPFI Value	-1.86	-1.93	-1.7	-1.86	-1.86	-1.84	-1.74
RoPFI Classification	Unregulated	Unregulated	Unregulated	Unregulated	Unregulated	Unregulated	Unregulated
RoPFI Certainty Value	0	0	0.02	0	0	0	0

Table 6.1 reflects this, as all nations use a Parliamentary form of responsible government and retain the FPTP electoral system. Although nuances exist between cases, therefore, small states of the Commonwealth Caribbean have broadly institutionalized and maintained the fundamentals of the Whitehall-Westminster framework in the present day (Baldacchino, 2020; Duncan and Woods, 2007; Payne, 1993; Sutton, 1999).

6.2.2 Structure of Political Finance Regulations

Differing substantially from those of Canada and New Zealand, political finance systems of the Commonwealth Caribbean small states remain Unregulated. The RoPFI findings of Chapter 2 align with previous qualitative case study research, which identifies an absence of formal regulation on donations to parties and candidates, and a lack of electoral spending controls in the region (Barrow-Giles, 2011; Barrow-Giles and Joseph, 2006; O'Brien, 2014; Payne, 2005; Phillips, 2004; Saati, 2022). Due to incredibly low membership numbers (Barrow-Giles, 2004; Ryan, 2005), parties gain minimal funds via party dues. Instead, they capitalize on lax regulations to solicit large donations from the business community. Parties often benefit from foreign-sourced donations, as regulations in this area simply do not exist (Ryan, 2005). In Saint Lucia, for instance, the United Workers Party regularly receives support from the 'International Democratic Union'; a coalition of right of centre political parties. Similarly, both parties in the nation receive a small portion of funding from the 'Westminster Foundation for Democracy' to contribute to training, technical assistance, and pre-election opinion polling (Barrow-Giles and Joseph, 2006). The involvement of foreign states in electoral funding has long been alleged, with claims of significant investments, up to $800,000, from the governments of Libya and Taiwan, toward Saint Lucian parties (Barrow-Giles, 2004; Saati, 2022; Saati, 2023). Dylan Vernon finds similar patterns in Belize, where British peer Michael Ashcroft became the "single largest financial contributor to both Belize's major political parties" in the 1990s and, since the turn of the century, an influx of donations from foreign owned oil corporations has been observed (2013: p.95).

The orientation toward business funding of parties in the Commonwealth Caribbean is influenced by the lack of public subsidies across the region (Pinto-Duschinsky, 2002). Although some funding is offered for representatives to maintain constituency offices, none of the nations considered here provide direct subventions for electoral purposes (Barrow-Giles, 2011; Barrow-Giles and Joseph, 2006). Despite this, some nations do provide subsidies in an indirect manner. Parties in Saint Lucia are provided with state-funded access to 'Radio Saint Lucia' and the 'National Television Network' but, while the governing party is provided with a weekly timeslot on state-owned radio, free media access is only granted to opposition parties during election periods. Moreover, subsidized media is allocated to parties based on their Parliamentary representation, meaning that incumbent parties receive a significant advantage (Barrow-Giles, 2004; O'Brien, 2014; Payne, 2005). Similar provisions exist in the Bahamas, where the Electoral Broadcasting Council was established to regulate media access and ensure non-biased coverage of party campaigns at election time (Hillebrands and Schwehm, 2005). Despite the existence of similar bodies in other nations of the region, concerns have been raised regarding their independence, with suggestions abound that the allocation of electoral advertising is subject to undue influence from incumbent parties (Commonwealth Observer Group, 2022; Organization of American States, 2007; Payne, 2005; Society for the Promotion of Education and Research, 2004).

An additional trend across the region is the lack of disclosure requirements; the absence of which makes the examination of party finances a difficult task. While many parties of the region officially do not accept contributions garnered from criminal enterprise, the lack of donor transparency means that it is likely, intentionally or otherwise, that illicit funds will have been directed toward election spending (Pinto-Duschinsky, 2002; Ryan, 2005). These regulatory structures, or lack thereof, have shaped the functioning of elections in the region. Due to perceived fears of victimization, political donations and 'in kind' forms of funding tend to flow toward the incumbent party. In conjunction with disproportionate media access, the dynamics of private funding tend to limit the resources of opposition parties (Barrow-Giles and Joseph, 2006). Indeed, Duncan and Woods suggest that contests "function as a tool to sustain

patronage" (2007: p.217), and some have theorized that resource imbalances may contribute to the continued lack of female Parliamentary representation (Ballington and Kahane, 2014; Barrow-Giles, 2005; Restrepo, 2009). The funding of parties via the business community means that corporate elites are "able to make their voices better heard, and listened to more effectively, than those of popular interests" (Payne, 1993: p.70). Consequently, political donations have become synonymous with the "sale of governmental decision-making power" (Barrow-Giles and Joseph, 2006: p.148). Exacerbating these patterns, bodies responsible for electoral oversight lack independence, as Caribbean constitutions allow the Prime Minister to influence the selection of "the majority" of their respective Electoral Commission's members (O'Brien, 2014: p.88).

Despite being almost two-decades old, Steven Griner and Daniel Zovatto's declaration that "political party and campaign financing reform efforts seem particularly ephemeral in the Caribbean" (2005: p.72–73) remains pertinent. With elections continuing to operate in an unregulated context, the following section examines the factors that contribute to the widespread absence of political finance regulations across the region. Approached from a cross-sectional perspective, an emphasis is placed on the relative influence of party organization, competition, and ideology in the seven nations outlined in Table 6.1.

6.3 Party Organization, Competition, and Ideology in the Commonwealth Caribbean Small States

In Chapters 4 and 5, operationalized measures of *party organization* (Düpont et al., 2022), *competition* (Gallagher, 2021), and *ideology* (Volkens et al., 2021) were used to examine the shifting contexts within which political finance reforms were passed. Due to the regular exclusion of small states from large-N datasets (Corbett and Veenendaal, 2018; Sharman, 2017; Veenendaal and Corbett, 2015), comparable data is unavailable for the seven nations considered in this chapter. Despite this, numerous studies have been undertaken on party politics and institutions in the context of small states (see, *inter alia*, Anckar, 2020b; Dahl

and Tufte, 1974; Gerring and Veenendaal, 2020) and the Commonwealth Caribbean (see, *inter alia*, Baldacchino, 2020; Bishop et al., 2020; O'Brien, 2014). Following Bayesian logic, findings of these studies, alongside observations gleaned from alternative sources, are used as "data nuggets" to make inferences and draw conclusions (Brady, 2010: p.237). To reiterate the assertions of Chapter 3, this chapter applies a "common-sense view of what constitutes evidence" (Fairfield and Charman, 2017: p.368).

This section is divided into three parts. The first part focusses on party strength across the seven nations under study, finding evidence of weak party organization in all instances. Executive powers are highly concentrated and, existing within the confines of weak institutional frameworks (Hinds, 2008; O'Brien, 2014; O'Brien, 2017; Sutton, 1999), parties of the Commonwealth Caribbean small states are generally vacuous (Baldacchino, 2020; Barrow-Giles, 2018; Peters, 1992; Veenendaal and Corbett, 2020). These patterns are exacerbated by the fact that, due to the lack of resistance from within, party leaderships often span multiple decades (Corbett and Veenendaal, 2018; Gerring and Veenendaal, 2020). With political finance regulations lacking, it is subsequently argued that the prevalence of weak parties provides support for the organization-oriented propositions of the theoretical model (H_{1a}).

Building on this discussion, part two outlines the state of party competition within the sample. Following the approach taken previously, the Effective Number of Parties at the Legislative Level (ENPP) is used as a proxy for party competition (Gallagher, 2021). Trends show that, with few exceptions, elections across the region are conducted within a rigid two-party framework, through which new parties struggle to permeate (Barrow-Giles, 2020; Barrow-Giles and Joseph, 2006; Bishop et al., 2020). Competition in the region is often so low as to return single-party legislatures that are *entirely lacking in opposition*. These observations provide additional support for the theoretical model, which expects looser forms of regulation where competition is low (H_{2a}).

Finally, part three examines the nature of ideology across the region. The Database of Political Institutions (DPI) – which categorises parties as of the 'left', 'right', or 'centre' (Scartascini et al.,

2021) – provides an overview of parties in five of the nations under study. While observations based on the DPI suggest that parties span the ideological spectrum, extant literature argues that ideological differences between parties are almost non-existent (Bishop, 2013; Corbett and Veenendaal, 2018; Veenendaal, 2020b). Due to the long term failure of the Grenadian socialist revolution, small states of the Commonwealth Caribbean have developed a neoliberal economic agenda since the 1980s. It is argued that this transition has been influenced by the Caribbean Basin Initiative (CBI), which provided tariff free access to US markets, and the spectre of US military power, following the invasion of Grenada (Bishop, 2013; Deere et al., 1990; Grugel, 1995; Joseph, 2011; Quashie, 2023). Fundamentally, research finds that ideological factors are rarely of importance in policy development (Veenendaal, 2020b; Vernon, 2013) and that, alternatively, processes are motivated by the maintenance of client-patron relationships (D'Agostino, 2009; Duncan and Woods, 2007; O'Brien, 2014). Recognising this, it is assumed that the ideological propositions of the theoretical framework (H_3 and H_4) are of little consequence in the contexts under study here. Subsequent sections of the chapter develop the theoretical model further by analysing the relationship between clientelism and political finance reform.

6.3.1 Organization: Weak Parties within Weak Institutional Frameworks

Despite a lack of comparative data on party organization strength in the small state context, findings of Caribbean-oriented literature highlight that parties in the region tend to be weak and loosely organized. Veenendaal and Corbett observe that party organizations tend to be "very shallow" (2020: p.68) while, as mass party membership is lacking (Barrow-Giles, 2004), decisionmaking power tends to be concentrated within the party leadership. Compounding this, weak parties operate within the confines of defective and under-resourced institutions (O'Brien, 2014; Sutton, 1999), the combination of which embolden political leaders to invoke "unitarist power dynamics" (Baldacchino, 2020: p.288). The reach of the Prime Minister's executive power is outlined by Derek O'Brien, who notes that "it would be no exaggeration to say that there are hardly any senior public officials who do not owe their appointment either

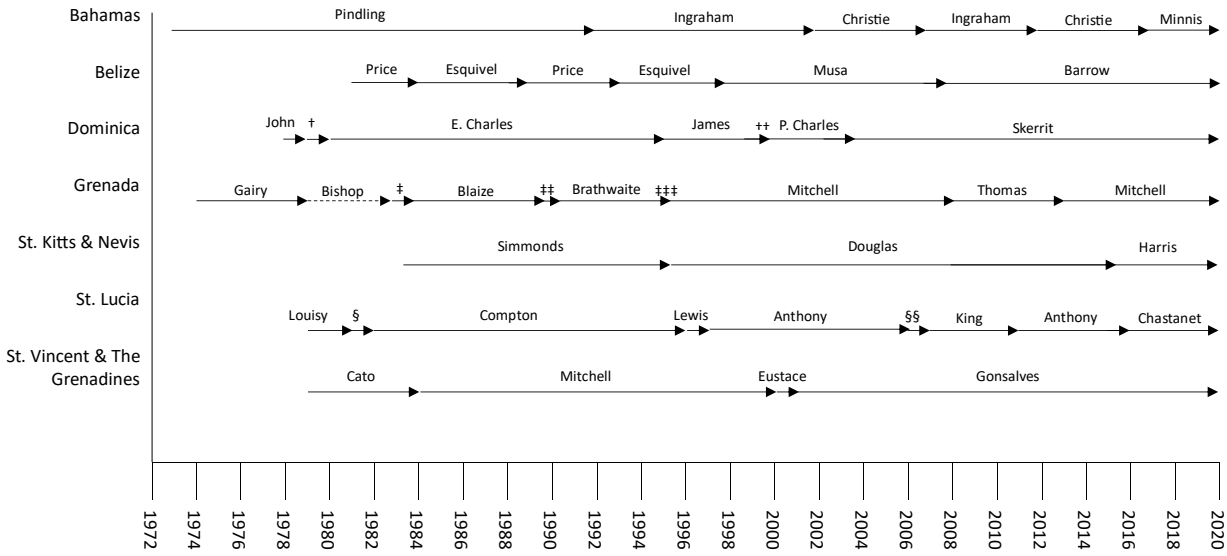
directly or indirectly to the Prime Minister" (2017: p.146). In these contexts "it is considered political suicide for members of the ruling party to oppose a bill introduced by the prime minister of the party" (Peters, 1992: p.90). This contributes to strong party discipline and, as a result, the leader's agenda tends to be implemented with little resistance from within the party (Barrow-Giles, 2018). In sum, the lack of strong party organizations across the region has implications on the functioning of parties at the leadership level.

Heading weak organizations with high power concentration, political leaders in Commonwealth Caribbean small states often attain an "omnipresence" within their parties and the wider political environment (Gerring and Veenendaal, 2020: p.257). Facing little competition from within, party leaderships routinely endure for extended periods of time; Figure 6.1 shows the duration of Prime Ministers in the sample of Commonwealth Caribbean small states. In the Bahamas, for instance, Lynden Pilling led the Progressive Liberal Party for more than four decades while, in Saint Kitts & Nevis, Denzil Douglas headed the Labour Party for thirty-two years. Both men served as Prime Ministers of their respective countries for twenty-year periods; at which time they went on to "not only control their parties, but also dominate the entire political arena" (Corbett and Veenendaal, 2018: p.99). This point is evidenced by a former Saint Kitts government minister who observed that Douglas held all levels of the party "almost in a state of subservience to him" during his tenure (cited in Gerring and Veenendaal, 2020: p.258). With party elites lying at the centre of their respective party organizations, leaders often have the capacity to "hand over their aura of authority and control of the party base" at their retirement (Baldacchino, 2020: p.287–88).

The level of dominance that leaders have within their parties is compounded further by the constitutions of the Commonwealth Caribbean, which grant major decision-making powers to the Prime Minister (Hinds, 2008; Peters, 1992; Sutton, 1999). A case from Grenada exemplifies the reach of this power, where:

> following the 1995 elections . . . seven out of the 13 senators who were appointed on the recommendation of the Prime Minister were defeated candidates in the

Figure 6.1: Prime Ministers of the Commonwealth Caribbean Small States (1972–2020)



In Dominica, † = Seraphin (1979–1980); †† = Douglas (2000); Does not include Riviere, who was Prime Minister for two days in 2004. In Grenada, Bishop's dashed line represents period as the Peoples Revolutionary Government of Grenada. This does not include brief periods of leadership by Coard (5 days) or Austin (6 days); ‡ = Brathwaite as Chairman of the Interim Advisory Council (1983–1984); ‡‡ = Jones (1989–1990); ‡‡‡ = Brizan (1995). In Saint Lucia, figure does not include Compton's first period as Prime Minister (130 days in 1979) and does not include Pilgrim's interim period (106 days in 1982). § = Cenac (1981–1982); §§ = Compton (2006–2007).

> general election, and five of these defeated candidates went on to be appointed government ministers (O'Brien, 2017: p.149).

This feeds into a further implication of weak party organization in the Caribbean context, concerning the power that elites retain even in the face of defeat. With political leaders often facing little pressure to vacate their position following an election loss, former Prime Ministers regularly go on to serve second – and even third – terms in government, often many years apart. The clearest example of this phenomenon lies with John Compton of Saint Lucia who, having originally served as the colonial Premier between 1967 and 1979, went on to serve as Prime Minister on three separate occasions (Joseph, 2011). Within some contexts, expedient political rivals retain control of their respective parties and, in doing so, cycle through periods of incumbency. In the Bahamas, Hubert Ingraham and Perry Christie – respectively of the Free National Movement and Progressive Liberal Party – traded places three times in a

twenty-year period. Similar patterns occurred in Belize, where political rivals George C Price and Manuel Esquivel twice cycled in and out of government over the course of 17 years (see Figure 6.1).

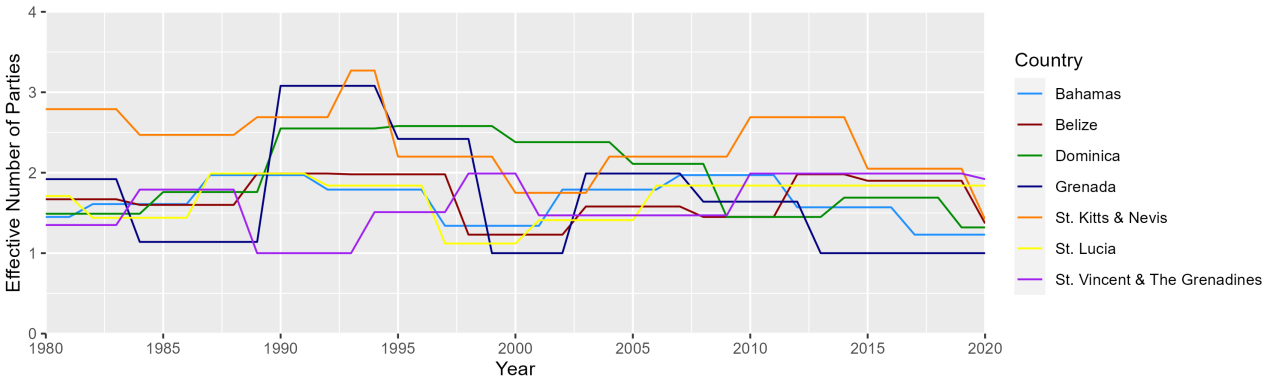
The examples highlighted here support Veenendaal and Corbett's observation that parties "primarily serve as political vehicles of individual leaders" (2020: p.68). Following the logic of Giovanni Sartori, therefore, parties of the Commonwealth Caribbean are factional, in that they are instrumental "merely [to] the private benefit of the contestants" and, otherwise, serve little functional purpose (1976: p.22). Where parties are weakly organized, Nwokora (2014) theorizes that the competitive motivations of party leaders are heightened and, as a result, tighter forms of political finance regulation are less likely. This is because the short-term office-seeking incentives of the individual outweigh the long-term motivations associated with strong party organizations. The absence of strong parties across the region, in conjunction with a continued lack of political finance regulation, consequently supports the propositions outlined in H_{1a}.

6.3.2 Competition: Two-Party Competition and Single Party Dominance

Despite challenges of natural disaster, poverty, and economic crisis, elections have grown to "enjoy unchallenged ideological legitimacy" in the Commonwealth Caribbean (Payne, 1993: p.68). Continued use of FPTP frameworks (as displayed in Table 6.1) has influenced the consolidation of two-party systems across much of the region. According to Bishop et al, "the Caribbean island states therefore appear to offer the strongest confirmation of Duverger's law" (2020: p.1). To illustrate trends in party competition in the seven nations under study, Figure 6.2 plots the values of each nation's ENPP between 1980 and 2020.

Across the 40-year period, the ENPP values for each nation rarely increased above two. As eluded to above, this is a pattern observed by many scholars of party politics in the Commonwealth Caribbean (see, *inter alia*, Barrow-Giles, 2020; Barrow-Giles and Joseph,

Figure 6.2: Party Competition in Small States of the Commonwealth Caribbean (1980–2020)



Source data from Gallagher (2021). Election year data is carried forward to non-election years.

2006; Bishop et al., 2020). Due to the nation's unique federal system, competition in Saint Kitts & Nevis exhibits nuances that differ from other nations under study. These differences pertain to the division of the National Assembly's 11 elected seats across the two islands. Elections for the eight seats in Saint Kitts are contested by the Labour Party and People's Action Movement, while competition for the three seats in Nevis is solely between two secessionist parties; the Nevis Reformation Party and the Concerned Citizens' Movement. Differences in competitive dynamics across the two "historically antagonistic islands" (see Veenendaal, 2015: p.598) explain why the nation regularly exhibits heightened ENPP values, relative to the other nations shown in Figure 6.2.

Displayed in navy blue, the early-1990s saw a rise in the ENPP of Grenada. This foray into multi-partism was influenced by the US invasion on the island, which occurred in October 1983. In the months following the invasion, the US – in conjunction with political leaders of Barbados, Saint Lucia, and Saint Vincent & the Grenadines – orchestrated the formation of the 'New National Party', to be led by Herbert Blaize. While the party won 14 of 15 seats at the 1984 elections, it represented "an externally imposed coalition arrangement among strange bedfellows", which "splintered within three years" (Grenade, 2015: p.245). The breakup of this guise of the New National Party led to an immediate fractionalization of the party system (as shown in Figure 6.2) and, with the 1990 elections involving five political parties, none won a majority (Grenade, 2013). Between 1990 and 1995, the nation was

governed by a coalition government, which oversaw a period of economic downturn and major structural adjustment. In opposition, Keith Mitchell reconstructed the New National Party and, by "balanc[ing] neoliberal principles, technocratic leadership, and populism", won a majority at the 1995 election (Grenade, 2015: p.248). Marking the start of a thirteen-year term as Prime Minister, the 1995 election brought an end to more than a decade of instability. In doing so, it formed the foundations for the transition toward the two-party system that exists in the present day.

Notwithstanding shifts toward greater competition in the examples outlined above, numerous studies highlight that the FPTP election system tends to return large government majorities, which produce a "winner takes all" environment for governing parties (Barrow-Giles and Joseph, 2006; Barrow-Giles, 2020; Bishop et al., 2020; Girvan, 2015). This is particularly pertinent in instances where government are left with *no effective opposition* following an election. As Figure 6.2 shows, two of the seven nations considered here have experienced a one-party Parliament. The first to achieve this feat was Vincentian Prime Minister James Mitchell, whose New Democratic Party won all fifteen seats in the Saint Vincent & the Grenadines House of Assembly in 1989. Despite aforementioned periods of fractionalization and instability in Grenada, Keith Mitchell's New National Party attained this status on three separate occasions, in 1999, 2013, and 2018 (Bishop et al., 2020).

The lack of effective opposition in Parliament has negative implications for the functioning of political institutions. In a study of oversight in Grenada and Trinidad & Tobago, Stapenhurst et al observe:

> a high level of partisanship is beneficial to oversight because when the opposition parties are mobilized against the ruling party, both they and parliament are more likely to effectively perform their watchdog and oversight functions. This line of thinking holds the view that government members will not take their oversight tasks seriously [when there is no Parliamentary opposition] because their primary interest is to protect their government (2018: p.499).

This logic aligns with the underpinning theoretical model of this thesis in that, when the party system is uncompetitive, the incumbent is unlikely to pass political finance regulations that allow their rivals to regroup and provide an effective competition in future (Nwokora, 2014). Expressed as H_{2a}, the theoretical framework anticipates a looser form of political finance regulation in uncompetitive contexts. From this perspective, trends toward rigid forms of two-party competition – and, in some instances, *single party dominance* – in the small states of the Commonwealth Caribbean provide some explanation for the lack of regulation in the region.

6.3.3 Ideology: Fundamentally of the Left...but almost Never Ideologically Driven

In previous case study chapters, the CMP dataset was used to compare and trace party ideology (see Volkens et al., 2021). While this is the case, most of the Commonwealth Caribbean – including the seven nations under study in this chapter – are currently omitted from the CMP sample. One resource that contains information in this area is the Database of Political Institutions (DPI) (see Scartascini et al., 2021). Spanning the period of 1975 to 2020, this dataset provides a nominally coded 'left', 'right', or 'centre' classification of party ideology in 180 nations. Table 6.2 shows the DPI categorizations of major political parties in four of the Commonwealth Caribbean small states.

Ideologically, Bishop et al understand most Caribbean parties to be "fundamentally of the left" and, with a strong union presence, in favour of a "key economic role for the state" (2020: p.7). This argument is based on the history of party development in the region, which emerged from early labour movements in the 1940s. The Grenadian New Jewel Movement – a Marxist-Leninist party led by revolutionary Maurice Bishop – represents the most distinctive left-wing government in the nations under study (see Table 6.2). Ruling by decree, the party overthrew Eric Gairy's Grenada United Labour Party government in 1979 and, in doing so, turned Grenada into the first overtly socialist state within the Commonwealth. Four years

Table 6.2: Political Parties in Small States of the Commonwealth Caribbean

Nation	Left-Wing Parties	Centrist Parties	Right-Wing Parties
Bahamas	-	Progressive Liberal Party Bahamian Democratic Party (1977–82)	Free National Movement
Belize	-	-	People's United Party United Democratic Party
Grenada	New Jewel Movement (1973–83) National Democratic Congress	-	Grenada United Labour Party (1950–99) National Party (1989–95) New National Party
St. Lucia	St. Lucia Labour Party	-	United Workers Party

Source data from Scartascini et al. (2021). Data not available for Dominica, St. Kitts & Nevis, and St. Vincent & The Grenadines.

later, ideological conflict within the administration led to Bishop's assassination by members of his own party and, finally, to the US-led invasion on the island (Grugel, 1995). In the long term, the failure of the Grenadian revolution has impacted ideological patterns in the region. Studying the history of Caribbean development, Matthew Bishop (2013: p.46) argues that "the omnipresent shadow cast by US policy towards the region made various paths of socialist orientation . . . essentially unworkable". At a time of heightened Cold War pressure, the US held concerns that Grenada would join Cuba to become "the second Soviet proxy in the Caribbean" (Payne, 1990, cited in Grugel, 1995: p.229). President Reagan responded by developing the Caribbean Basin Initiative (CBI), which allowed duty free access for exports of certain Caribbean products to the US market. Tennyson Joseph (2011) argues that the primary aims of the CBI lay in the consolidation of economic and political influence within the region. Indeed, the 'carrot' of the CBI, in conjunction with the 'stick' of US military presence, have contributed to the adoption of a broadly defined neoliberal agenda across most of the region (Bishop, 2013; Deere et al., 1990; Grugel, 1995; Joseph, 2011; Quashie, 2023).

Since the dissolution of Bishop's New Jewel Movement, parties of the ideological extremities have failed to gain traction in the region. Indeed, Corbett and Veenendaal (2018) observe that,

even when parties infer an ideological leaning through the adoption of 'Labour', 'Progressive', or 'Workers' party labels, differences between competitors are often indiscernible. Ultimately, Wouter Veenendaal concludes that patterns in voting and policymaking across the region are "almost never ideologically driven" (2020c: p.4). This is supported in Vernon's research on Belizean politics, where he notes that:

> Even when a party takes what appears to be a principled or ideological position, such as the nationalisation of public utilities by the United Democratic Party between 2008 and 2012, closer examination reveals motivations of political expediency rather than any deep ideological or principled underpinnings (2013: p.189).

Instead, party allegiance tends to be based upon personal relationships and the party's capacity to deliver individual benefits to the voter (D'Agostino, 2009; Duncan and Woods, 2007; O'Brien, 2014). As ideology plays an inconsequential role in this context, it is assumed that the theoretical model's ideological dimension is of little importance in determining the direction of political finance regulation. With government-citizen relations generally upheld through clientelist networks, the absence of ideological considerations raises the additional question: *does the adoption of a clientelist governance model influence the process of political finance reform?* The following section outlines the nature of clientelism in the small states of the Commonwealth Caribbean. In doing so, it presents the theoretical basis upon which to consider governance model type as influential in preventing reforms to political finance regulation.

6.4 Clientelism and Political Finance in the Commonwealth Caribbean Small States

Despite a long history of study, there exists a lack of consensus on the definition of the term 'clientelism' (see, *inter alia*, Berenschot and Aspinall, 2020; Clapham, 1982; Hicken, 2011;

Hilgers, 2011; Lauth, 2000; Stokes, 2009). While this remains the case, general features of clientelist governance structures can be identified by collating the propositions of extant literature. As outlined in Chapter 1, clientelism is characterised by: (i) dyadic relationships between the client (voter) and patron (government), which are; (ii) hierarchical in nature, where; (iii) benefits are exchanged; (iv) on an iterative basis. In practice, votes are provided from the client side, in exchange for direct benefits such as jobs or public service access from the patron (Duncan and Woods, 2007; Hilgers, 2009; Ryan, 1994; van de Walle, 2007). As summarized by Allen Hicken:

> whether it is a bag of rice in exchange for a promised vote, or a vote in exchange for a promised job, clientelist exchange usually requires one of the parties to trust that the other will deliver on their promises. Such promises are more credible when there is an expectation that the relationship will be an ongoing one (2011: p.293).

While a simple patron-client relationship is conducted through direct contact between two individuals, this is not practical under most circumstances. In reality, 'brokers' are often required as an intermediary between the patron and their clients. Thus, parties may have no direct contact with one another, with trust instead built through long-term delivery of promises from both sides (Kitschelt, 2007; Weingrod, 1968).

Several studies find clientelism to be a more prevalent form of governance in poorer countries (Hilgers, 2008; Stokes, 2009; Stone, 1980). In addition, Lauth (2000) finds evidence to suggest the widespread existence of clientelism in third wave democracies. According to Veenendaal and Corbett (2015), nations of the Commonwealth Caribbean and Pacific region fall within the parameters of the 'third wave', despite their exclusion from Huntington's widely cited works in this area (see Huntington, 1991). Indeed, the inherent characteristics of small states tend to produce contexts within which clientelism can flourish. As populations are low, for example, societal roles tend to overlap. Through conducting interviews with numerous ministers in Malta, Veenendaal observes that politicians and constituents "frequently have

a personal relationship" and "continuously meet and communicate with each other in a remarkable variety of settings", including restaurants and supermarkets (2019: p.1040). Boundaries between private relationships, of friends or acquaintances, and public relations, between politicians and citizens, tend to blur as a result. Exchanges of favours in these settings do not require brokers, as patron-client interactions are highly personalized (Gerring and Veenendaal, 2020). Moreover, as the endurance of clientelism hinges upon the ability for patrons and clients to monitor the actions of the other party "at a fine-grained level" (Stokes, 2009: p.619), patron-client relations are durable in the small state context, as opportunities for monitoring are enhanced. Finally, the power of individual votes is higher than in larger populations, as the pool of potential voters is low. Under these conditions, clients may exert pressure on government representatives to deliver personalized benefits (Corbett, 2015; Gerring and Veenendaal, 2020; Veenendaal, 2019; Veenendaal, 2020a; Veenendaal and Corbett, 2020).

6.4.1 Clientelism in the Commonwealth Caribbean Small States

Many studies have identified clientelist tendencies in nations of the Commonwealth Caribbean (see, *inter alia*, Barrow-Giles, 2011; Duncan and Woods, 2007; Midgett, 1998; Nowottny, 2007; Ryan, 1994; Saati, 2022; Saati, 2023; Stone, 1980; Veenendaal, 2015; Veenendaal and Corbett, 2020; Vernon, 2013). Absent of strong party organizations and resources for oversight, the assumption that "official political institutions function according to their own formal rules" (Lauth, 2000: p.22) is flawed in these contexts. Political processes are instead conducted through informal channels, where quid pro quo exchanges are commonplace. The combination of these factors forms the "essence of clientelism" (Berenschot and Aspinall, 2020: p.4), which remains the "primary governance structure" in the region (Barrow-Giles, 2011: p.290).

By way of example, Vernon (2013) and Nowottny (2007) outline the long-term development of systematised clientelist practice in Belize. Introduced by People's United Party prime minister

George C Price in the 1950s, 'political clinics' – which embody "the culture that every time you go the the Prime Minister's office he gives you a little money in an envelope" (Faber, cited in Nowottny, 2007: p.10) – have become routinised in the 21st century. Similar trends are observed in Saint Kitts & Nevis, wherein traditions of clientelism have generally benefited party loyalists in Saint Kitts – where government expenditures are primarily targetted – relative to those in the smaller island of Nevis. This factor has directly contributed to the formation of an acerbic relationship between the two island states, and fuelled the aspirations of Nevesian secessionists (Veenendaal, 2015).

To this point, this section has provided an overview of general features of clientelism, as well as their prevalence within the small state context. Taken alongside RoPFI findings of Chapter 2, there seemingly exists a correlation between the implementation of clientelist governance models and an unregulated approach to political finance, at least within the sample of nations considered here. Despite this, the question remains: *upon what theoretical basis should we expect clientelism to have an impact in shaping political finance regulation?* The following passage details the mechanisms that underpin this theorized relationship.

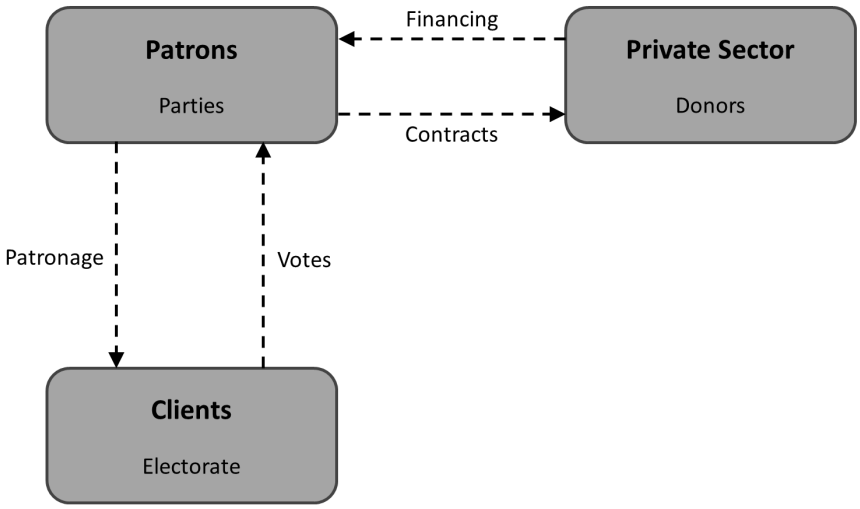
6.4.2 Clientelism and Political Finance

Extant literature has identified clientelism as a hindrance to institutional reform (see, *inter alia*, Graziano, 1973; Hicken, 2011; Lyne, 2007; Stokes, 2005). Explanations for these patterns are rooted in suggestions that clientelism undermines the political neutrality of the bureaucracy (Golden, 2003), may be beneficial to constituents and, thus, produce no appetite for change (Corbett, 2015; Duncan and Woods, 2007; Gerring and Veenendaal, 2020), and causes levels of polarization that are not conducive to reform (Farrugia, 1993). Further studies find clientelism to be an economically inefficient model of governance (Luna et al., 2014; Veenendaal, 2020b) that leads parties to seek resources that are exogenous to the political system (Gherghina and Volintiru, 2017; Hicken, 2011).

Grounded in this logic, case studies have developed loose theoretical insights into how clientelism may impact political finance regulation (Saati, 2022; Saati, 2023; Vernon, 2013).

Central to this argument is that parties often use campaign spending as a tool to develop and maintain patron-client relationships (Gerring and Veenendaal, 2020; Society for the Promotion of Education and Research, 2004). This is especially pertinent in environments characterised by low internal resources, where parties must cast a wide net to fund their activities. In such circumstances, the existence of private and willing political donors becomes of extreme importance for parties wishing to retain their incumbency (Gherghina and Volintiru, 2017). A simplified representation of this governance model is outlined in Figure 6.3, which shows the role that political donations play in clientelist polities.

Figure 6.3: Clientelism and Political Finance



Source: Author's adaptation of Gherghina and Volintiru (2017).

To summarize, patrons receive funding from private donors who, in turn, receive preferential treatment from government. Privately-sourced funds are subsequently transferred to party supporters via clientelist transactions, which provide the party with sufficient votes to retain incumbency. The transactional nature of this mode of governance provides benefits to all involved and, as a consequence, presents few pressures for legislators to move beyond the status quo. A logical extension of this argument is that, as unfettered access to political funds provides the financial base upon which to maintain patron-client linkages, no incentives exist for government to implement political finance reforms. Speaking on the lack of political

finance regulations in Saint Lucia, for example, one politician highlighted this point:

> you might complain when you're in the opposition, but in a couple of years that might change and then you will benefit by things being kept as they are. Therefore, there's no incentive to change it. At the same time, it is a problem that people fund electoral campaigns not because they agree with the policies. Rather they do it because they see it as a business decision (Saati, 2023: p.10).

This logic is substantiated in further nations of the Commonwealth Caribbean, where "policies that are perceived to threaten access to giving and receiving clientelist inducements generally find little support" (Vernon, 2013: p.272). An illustrative example of this comes from Belize, where:

> in its 2003-2008 term of office, elements of the People's United Party government actually drafted a campaign finance law, but it was squashed in Cabinet. This bipartisan reluctance to regulate campaign financing, much less political parties, points to the absence of incentives to enact legislative changes that may inhibit unregulated competition for private financing for campaigns and clientelist operations (Vernon, 2013: p.224).

Building on these foundations, the proposition of this thesis is that variations in governance model type – whether clientelist or programmatic – exist as an additional contributory factor within the originally established theoretical framework. Where nations are highly clientelist in their orientation, looser forms of regulation are anticipated. Incumbents are unlikely to introduce reforms that will hinder their solicitation of private funding streams, as these resources perform a vital function in implementing patronage policies (Gherghina and Volintiru, 2017). By way of comparison, parties operating within programmatic frameworks are more likely to favour tighter forms of political finance regulation, as campaign resources do not serve this function.

To illustrate how this proposition fits within the context of the original theoretical model, the remainder of this chapter undertakes a case study of failed efforts at political finance reform

in Saint Lucia. Through doing so, it examines the roles that party organization strength, party competition, governance model type, changes in incumbency, and scandals play in the process of political finance regulation.[55] Findings suggest that weak party organizations and a strong two-party system have contributed to the absence of political finance regulation in the long term, while the endurance of clientelism is identified as an additional factor in failed reform proposals in the early-21st century.

6.5 Case Study: Saint Lucia's Constitutional Reform Commission

As is the case with most small states of the Commonwealth Caribbean, elections across all periods of Saint Lucia's history have been conducted with no controls on political finance. In the 21st century, the OAS has called for the introduction of regulations on numerous occasions. Electoral observation missions in 2007 and 2012 both arrived at the same conclusions, recommending cross-party development of a political finance framework (Organization of American States, 2007; Organization of American States, 2012). The most extensive suggestions – represented in the proposed 'Political Parties and Elections Campaign Finance' Bill – were published as part of the Saint Lucia Constitutional Reform Commission (2011) report.

As shown in Table 6.3, the idea of a Constitutional Reform Commission (CRC) was first announced in Governor General Perlette Louisy's throne speech of 2000. In this speech, Louisy discussed Saint Lucia's transition "from the stage of adolescence to adulthood", as well as the need to critically examine the nation's constitutional practices (2000: p.17). Authorized with unanimous support from the governing Saint Lucia Labour Party (SLP) and opposition Saint Lucia United Workers Party (UWP), the CRC was officially established in 2004. As a member of the commission, Cynthia Barrow-Giles outlined the CRC as a

[55] As previously noted, ideological factors are assumed to be of little importance due to their inconsequential role in wider processes of policy development (Veenendaal, 2020b).

Table 6.3: Timeline of Saint Lucian Political Finance Recommendations

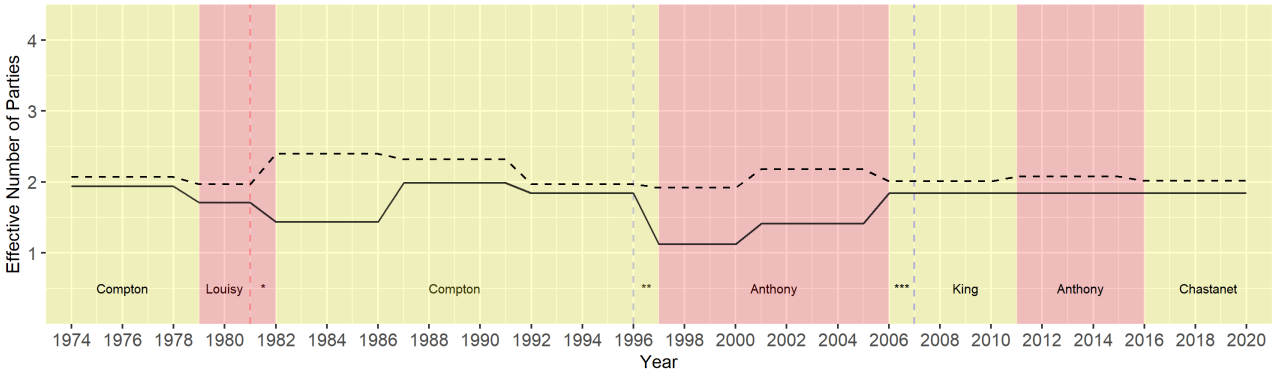
Year	Event	Prime Minister
2000	Constitutional Reform Commission discussed in Throne Speech	Kenny Anthony (SLP)
2004	Constitutional Reform Commission established	Kenny Anthony (SLP)
2007	OAS electoral observation mission report for the 2006 election published. It recommends "a cross-party accord on campaign financing that promotes transparency and accountability" (Organization of American States, 2007: p.15)	Stephenson King (UWP)
2011	Constitutional Reform Commission report published, recommending the introduction the 'Political Party and Elections Campaign Finance Act'. This proposed act recommended the introduction of party registration, disclosure requirements, prohibitions on foreign donations, limits on corporate and individual donations, and public funding for parties (Saint Lucia Constitutional Reform Commission, 2011)	Kenny Anthony (SLP)
2012	OAS electoral observation mission report for 2011 election published. It recommends the introduction of prohibitions on anonymous and foreign donations, disclosure requirements, and public funding for parties (Organization of American States, 2012)	Kenny Anthony (SLP)
2015	Constitutional Reform Commission findings debated in Parliament, with no further action taken	Kenny Anthony (SLP)

significant undertaking that "paid tremendous attention to the impact of the electoral system on the body politic of the country" (2018: p.28). Due to the scope of the study, the report took seven years to publish. Parliamentary discussions on its findings were delayed a further four years and, subsequently, were never acted upon. Proposals included the development of controls on foreign donations and disclosure, as well as the introduction of a system of public funding (Saint Lucia Constitutional Reform Commission, 2011). Despite a cursory, yet generally positive, discussion in Parliament, no such Bill has ever been tabled.

To provide additional contexts to the period, Figure 6.4 traces the ENPP in Saint Lucia and, in doing so, summarizes all changes in government since independence. The pathway of the proposed 'Political Parties and Elections Campaign Finance' Bill can be divided into two stages. In the establishment phase, proposals were made under an administration focussed on programmatic reforms. Social policy under the first administration of Kenny Anthony

(1997–2006) was representative of a "politics of inclusion". This decision ultimately alienated a section of the SLP's support base, whose "demand[s] for a crude form of patronage and clientelism" went unanswered (Joseph, 2011: p.161–62). As a contributory factor in the return of John Compton's UWP government in 2006, the rejection of Anthony's governance approach underscores the entrenched nature of clientelism within Saint Lucia. As the CRC recommendations did not arrive until 2011, the reporting phase was conducted under a vastly different set of circumstances. Anthony's SLP returned to government in 2011 and, upon re-entering office, shifted their priorities from institutional and programmatic reforms toward economic concerns, in the wake of the global financial crisis. Replacing a programmatic form of governance with one of clientelism and patronage, the CRC recommendations were never acted upon.

Figure 6.4: Party Competition in Saint Lucia (1974–2020)



Source data from Gallagher (2021). Election year data is carried forward to non-election years. * = Cenac (1981–82). ** = Lewis (1996–97). *** = Compton (2006–07). Red segments indicate an SLP government and yellow segments represent a UWP government. Solid line represents legislative level, dashed line represents electorate level. Election year data is carried forward to non-election years.

The following case study examines the contexts within which the CRC recommendations were developed, proposed, and debated in Parliament. Contrasting steps taken in Chapters 4 and 5, the theoretical model of the thesis is applied under contexts of *non-reform*.[56] It is divided into three subsections. The first discusses the precursory period to the CRC's establishment, with a focus on Kenny Anthony's first spell as Prime Minister. Following this, subsection two

[56] See Chapter 3 for discussions on the importance of hypothesis testing in scenarios where reforms have and have not been successfully implemented.

examines the discussion of the commission's findings in Parliament, observing vocal support for reforms from both parties. In spite of a cross-party pledge to establish a committee on the issue, no action has been taken in this area. Finally, subsection three outlines the applicability of the theoretical model within this context.

6.5.1 Proposing Reforms: A Programmatic Approach?

First proposed in 2000, the CRC was established in 2004 during Kenny Anthony's first period as SLP Prime Minister. Anthony entered Parliament with a substantial mandate upon which to govern, as the SLP gained the largest government majority in history. Central to this victory was a 1997 World Trade Organization (WTO) ruling which significantly reduced banana exports. As discussed by Godfrey Baldacchino:

> the European Commission had been providing incentives for traders and retailers in Europe to import bananas from the Caribbean, as well as African and Pacific countries, rather than from their lower-cost competitors (largely in Latin America). This regime was successfully challenged, and subsequently dismantled, since it did not conform to the rules of the WTO (2020: p.281).

The prohibition of this arrangement, which brought an end to the 'Banana Trade War' between the European Union (EU) and US, compounded the slow decline in banana production, which fell by roughly 40 percent between 1995 and 1999 (Bishop, 2013: p.138). Within this context, allegations of corruption were also levelled at the incumbent UWP. According to Smickle (1997), "in order to raise funds for its 1992 re-election campaign, (the UWP) had used a dummy research foundation to secure United Nations (UN) funds for fictitious community projects". In response to this scandal, the SLP's 1997 manifesto promised to strengthen government accountability and transparency, with an additional focus placed upon democratic reform (Barrow-Giles and Joseph, 2006). Support for the UWP deteriorated, and the SLP won 16 of 17 seats to effectively leave the government with no opposition (Hillebrands and Nohlen, 2005). Within the SLP, Anthony led with a "managerial ethos" which, ultimately, "created a

distance between the managerial goals of the party leadership and the economic aspirations of its mass base" (Joseph, 2011: p.140). Within this structure, the SLP attempted to merge a neoliberal economic strategy with a traditionally left-wing approach to welfare, public policy, and labour relations. The partial embrace of neoliberalism was deemed problematic by former SLP Deputy Prime Minister, George Odlum. As a radical socialist, Odlum was viewed as detrimental to the pragmatic administration, which led to his exclusion from the SLP ministry.

Consequently, the early years of Anthony's administration display conditions generally associated with a looser form of political finance regulation. The weakly organized SLP, through which policy was determined by the whims of its leader; and the lack of competition, as an effective one party Parliament (see Figure 6.4), produced few incentives to pass regulations on political finance. Tangentially, the UWP's political finance scandal was influential in development and implementation of SLP election promises to improve monitoring of money laundering, through the 1999 Money Laundering Act, and to introduce asset disclosure for public officials, via the 2002 Integrity in Public Life Act (Ryan, 2005). Moreover, Anthony's administration put the wheels in motion for reform of democratic institutions, including political finance, through the establishment of the CRC.

Following Anthony's first term in office, the results of the 2001 election were further symptomatic of the nature of party competition in Saint Lucia. Having been excluded from the SLP on account of his radical socialist beliefs, George Odlum formed the National Alliance for Unity (NAU) as a "coalition of anti-SLP forces" to contest the election (Barrow-Giles and Joseph, 2006: p.89). Despite seeking to destabilize the existing structure of political competition, the NAU won less than 4 percent of the vote, as Anthony's SLP remained in government. According to Cynthia Barrow-Giles and Tennyson Joseph:

> The defeat of the NAU points to the continued difficulty of third parties to impact on Saint Lucian elections and the retaining of the two-party character of the territory's electoral environment. It also ensured that the future of Saint Lucia's politics would continue to be dominated by the two traditional parties, the UWP and the SLP

(2006: p.89).

At this time, prospective discussions into constitutional reform were taking place. Initially proposed at the opening of the Parliamentary session in the year 2000, Governor General Perlette Louisy discussed the importance of establishing the CRC to "engage in deep reflection" on the constitutional framework, and "further consolidate democratic traditions and practices" (Louisy, 2000: pp.17–8). The establishment of the CRC followed in 2004, with membership comprised of lawyers, academics, civil servants, business leaders, and representatives from religious communities. Interviews with senior members of both parties found "little evidence . . . that there [was] much political willingness to undertake reform with respect to the financing of political parties" at this time (Barrow-Giles, 2004: p.8). This continued resistance to reform supports the suggestion that reforms which tighten the political finance system are unlikely within an uncompetitive framework (H_{2a}).

After substantial electoral victories in 1997 and 2001, Anthony's SLP were eventually defeated by the Compton-led UWP at the 2006 election. Though the SLP had been successful in economic terms, exhibited through a 3.5 percent growth rate in the early years of Anthony's premiership, the impacts of this economic success failed to *directly* benefit many of the SLP's constituents. Programmatic policies such as the 'Poverty Reduction Fund', 'Short Term Employment Program', and the 'Basic Needs Trust Fund' were unfavourable to the party's supporters, whose preference toward clientelism was argued at a party convention, where:

> A resolution from a member on the floor called for a policy of 'affirmative action' to address the needs of SLP supporters neglected during the thirty-year rule of the UWP . . . While this was a demand for a crude form of patronage and clientelism, it indicated a growing dissatisfaction by the party's mass base with the delivery capacity of the state and represented an early challenge to the new philosophy, which downplayed the need for direct government intervention to assist vulnerable groups. By challenging the SLP's new 'politics of inclusion', the resolution also expressed impatience with the emphasis on political reform at the expense of

economic change (Joseph, 2011: pp.160–61).

The SLP's intent to move toward a programmatic governance model hastened the party's exit from government in 2006. In summary, this electoral defeat encapsulated the importance of clientelism and the short term economic goals of citizens in Saint Lucia (Bishop, 2011; D'Agostino, 2009; Duncan and Woods, 2007; Veenendaal, 2020b).

6.5.2 Debating Reforms: Rejecting Barriers to Clientelism?

Despite an apparent focus upon reducing corruption through increased transparency and accountability, Anthony's abuses of power were identified by the 'Ramsahoye Commission' following his 2006 exit from office. Under Anthony, unauthorized foreign loans had been obtained in violation of the Finance Act, which required such transactions to gain approval from the House of Assembly. Foreign influence in Saint Lucian politics was further elevated under the subsequent UWP administration, as an influx of external capital from Taiwan allowed for a return to the overtly clientelist form of governance practised in the pre-Anthony era. In this instance, UWP representatives grew to rely on foreign investment to finance patron-client relations in their constituencies, as funds of the Taiwanese government were "handed over directly to elected members" for implementation in community projects. While projects were proposed, funds totalling roughly $1 million circumvented government, and were used by UWP representatives to dispense patronage to party supporters (Joseph, 2011: p.178). Further weaknesses in institutional accountability were exploited by the King administration, who were embroiled in further controversies linked to tax evasion and misappropriation of government funds (Barrow-Giles, 2011).

Following a five-year term under the UWP government of Compton and King, Anthony returned to office in 2011. This time, the SLP's platform abandoned promises of institutional reform in favour of rebuilding the economy and creating jobs, in the wake of the global financial crisis. While Anthony's first tenure as Prime Minister spanned nine years, his second lasted just a single term. Moreover, Anthony's second period in office contrasted with his first, in that

the focus on programmatic policymaking made way for clientelism and "cementing a patronage system" (Alphonse, 2015: para. 4). It was within this context that the CRC recommendations were eventually published. The report, presented in 2011, included proposals for reform in areas such as state organization, separation of powers, and the regulation of political finance. Although the wider proposals for constitutional reform are discussed in detail elsewhere (see, *inter alia*, Albert, 2017; Barrow-Giles, 2018; Joseph, 2018), this chapter focuses primarily on the recommendations linked to political finance. While all parties vocally favoured the introduction of political finance regulations and, as a consequence, pledged to a detailed cross-party review on the issue, it is found that no genuine attempts have been made to legislate in this area.

One of the central observations in the CRC report is that "the Caribbean is one of the last refuge for parties in the Western Hemisphere where the regime of elections and political party financing is virtually unregulated" (Saint Lucia Constitutional Reform Commission, 2011: p.225). To address these concerns, the CRC proposed the introduction of a 'Political Party and Elections Campaign Finance Act'. This package incorporated: (i) registration requirements for political parties; (ii) requirements for disclosure of party assets and income, (iii) a prohibition on foreign donations; (iv) contribution limits for individuals and corporations; (v) modest public funding for parties, and; (vi) appropriate sanctions for parties found to be in violation of these rules. These recommendations were eventually discussed in Parliament in 2015. With few exceptions, discussants praised the conduct of the CRC in engaging the public, and leaders of both parties affirmed their support for a bipartisan outcome. Despite a lack of substantial debate on the issue, the introduction of political finance regulations received unanimous support. On the government side, Minister Moses J Baptiste affirmed:

> there should be some regulations in relation to campaign financing. I personally believe that unless we do that and do it well, we are not into the realm of real and true and free and fair elections . . . Unless we do that the Parliament and the Parliamentarians who sit here, sometimes you are at the whims and fancies and

> mercies of forces that you do not even understand (HA Deb 25 August 2015, p.22).

Demonstrating cross-party consensus, Leader of the Opposition Stephenson King, argued that reforms were required:

> so as to ensure that the financing of political organizations does not interfere with the integrity of those organizations after emerging as Government. We must ensure that we do it, but we must also ensure that political organizations cannot be bought easily to ascend to political office (HA Deb 25 August 2015, p.47).

Though general support for political finance regulation was apparent in Parliamentary discussions, the structure of proposed reforms was the subject of mild debate. Some focused their attention toward increasing transparency, while others prioritized the discussion of public subsidies for parties and candidates. On the issue of disclosure, Minister Baptiste added:

> if somebody wants to contribute, anybody can contribute to your country men, your country women, but do it in a way that has some level of transparency (HA Deb 25 August 2015, p.22).

In supporting the substance of this issue, Deputy Prime Minister Philip J Pierre argued that reforms should seek to further increase the transparency requirements of the Integrity in Public Life Act, as to do so would curtail public perceptions that "being a Parliamentarian is a dishonourable profession" (HA Deb 18 August 2015, p.33). Furthermore, Minister Robert Lewis affirmed that proposed reforms would be unworkable without a significant increase in subsidization from public sources, as without doing so, "it [would] be very difficult to say . . . that certain persons ought not to be involved in providing political finances" (HA Deb 18 August 2015, p.51). As with wider proposals for political finance reform, no members presented any dissenting views on the matter of public funding. Despite this, Deputy Prime Minister Pierre urged caution, and reasoned that:

> financing of political parties should be within the scarce resources . . . I think that many measures in this document do not take into consideration the resources

> that are available to the country . . . [however] there should be some form of party financing from the Consolidated Fund (HA Deb 18 August 2015, p.33).

These excerpts convey a broad consensus on political finance, which led both parties to agree upon the establishment of a specific Parliamentary committee on the issue. No such action has been taken at the time of writing.

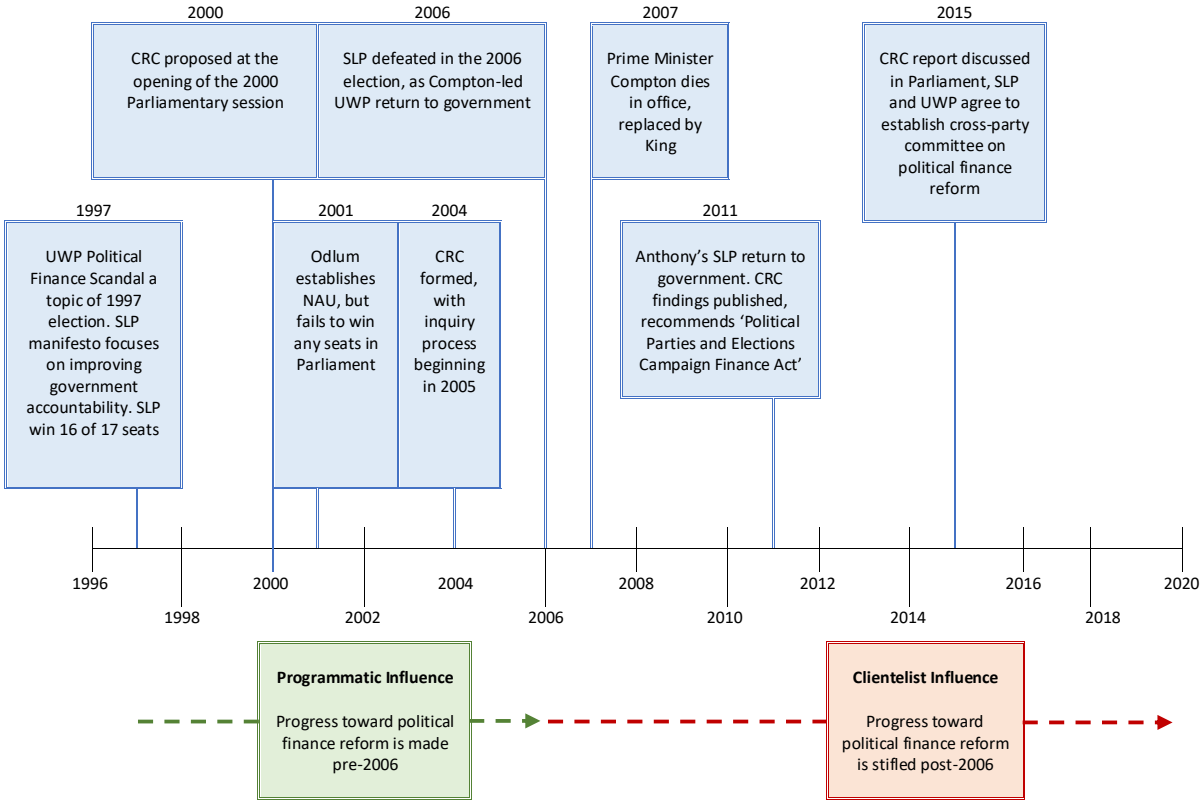
6.5.3 Maintaining an Unregulated Political Finance System

Saint Lucia presents a curious case in the area of political finance as, despite an apparent willingness from both parties to enact reform, there has been a clear reluctance from either to do so. To explain this, Figure 6.5 presents a narrative timeline on the failure to implement the CRC's Political Parties and Elections Campaign Finance Act.

The origins of the CRC's establishment are traceable to the 1997 election, where Kenny Anthony's SLP entered government. This election was significant for three reasons. Firstly, it marked the end of fifteen years of UWP government led, for the most part, by John Compton. Secondly, the election unearthed a political finance scandal, which exposed the UWP's use of UN development funds for political campaigning. Finally, it ushered in a new era of government, wherein the SLP manifesto focused on improving government transparency and accountability. The results of the election were damning for the UWP, as the SLP won 16 of 17 seats to dramatically reduce levels of competition (see Figure 6.4). In office, Anthony made changes to the organization of the SLP, by excluding the socialist wing of the party, represented by Odlum, from positions of influence. Instead, the SLP introduced a pragmatic approach to policy by attempting to embrace neoliberal economic policies alongside a programmatic approach to social and welfare policy. The announcement of the CRC in 2000 embodied many of these principles, and provided a potential foundation upon which to reform the central machinery of government. Following the successful 2001 election, in which the SLP retained incumbency, the CRC was finally formed in 2004.

While Anthony's administration were successful in economic terms, the attempt to move

Figure 6.5: Timeline of Failed Political Finance Reform in Saint Lucia



toward a programmatic form of governance was a key factor in their defeat at the 2006 election. The focus on long term constitutional reforms alienated voters, who failed to directly reap many of the short term benefits of an expanding economy. Compton's UWP returned to government in 2006, and the CRC proceeded in tandem. The commission's report was published in 2011, and Anthony's SLP entered government for a second time in the same year. Parliamentary discussions on the report were delayed until 2015 and, despite vocal support for regulation on political finance, including a pledge to establish a committee on the issue, no action has been taken since. To summarize, findings suggest that the continued weakness of party organization, lack of competition outside of the two parties, and voter preference toward a system of clientelism, have produced little incentive for either party to act upon the CRC findings.

6.6 Conclusion: Continuity over Change

Despite numerous calls from international organizations, political finance regulation has not yet been implemented in the majority of the Commonwealth Caribbean small states. Elections continue to be conducted with no controls on financing, and parliaments consist of weakly organized parties with low levels of effective competition. This chapter has examined the political contexts of seven Caribbean small states, defined as such by Corbett and Veenendaal (2018), finding evidence that supports the organization and competition-oriented propositions of the theoretical model. Developing inductive insights, the chapter identifies an additional dimension of political competition. Nation size, in terms of population and landmass, fosters a much more personalized form of politics. Ideology plays an inconsequential role in policy development, with clientelist governance structures being prevalent in the region (Barrow-Giles, 2011; D'Agostino, 2009; Duncan and Woods, 2007; Midgett, 1998; O'Brien, 2014). Clientelist inducements are found to be a central mechanism in maintaining stability (Veenendaal, 2020b) and, with this being so, there exists no "material basis" on which to implement institutional reforms (Albert, 2017; Barrow-Giles, 2020: p.672–3). Extending this logic, this chapter argues that endurance of clientelism across the region has had a profound impact on developments in political finance.

A short case study of Saint Lucia is used to assess the theoretical model in the context of failed reform. Focusing on the CRC's proposed Political Parties and Elections Campaign Finance Bill, it is observed that the rejection of political finance regulation has occurred within an environment of weak party organization and scarce party competition. Low party membership and the upward concentration of executive power ensure that the Prime Minister is able to fulfil their personal objectives with little opposition from within the party, while the two-party system offers little room for the development of external competition. Indeed, Cynthia Barrow-Giles explains that the lack of regulation in the Saint Lucian context is "seen to mitigate against the possibility of third-party presence in the Parliament and firmly orients the system to a two-party model" (2004: p.13). While no direct action related to political

finance has been taken in response to scandals, reforms have been passed in other areas, including money laundering and asset disclosure requirements for public officials. The UWP political finance scandal of the 1990s was also influential in the establishment of the CRC which, despite failing to bear fruit, brought discussions on political finance reform into greater focus.

With propositions on organization and competition supported, patterns observed in Saint Lucia follow those identified in cross-sectional analysis. Building on this, however, the case study exhibits how the influence of clientelism sits within the existing theoretical model. In his several works on small state governance, Wouter Veenendaal identifies that the increased power of individual votes is a central factor in the maintenance of clientelism (see, *inter alia*, Gerring and Veenendaal, 2020; Veenendaal, 2019; Veenendaal, 2020a; Veenendaal and Corbett, 2020). This argument is exemplified by Anthony's first electoral defeat as SLP Prime Minister, where the economic successes of his administration ran alongside a programmatic approach to welfare and social policy. Consequently, voters rejected these proposals in favour of maintaining the status quo. The individual power of voters, whose preferences are often oriented toward the delivery of personalized benefits, has been suggested as a substantive barrier toward political finance reform. Luna et al. (2014) reason that the maintenance of patron-client relations is expensive, for example, while Gerring and Veenendaal find that the substantial campaign spending of parties in small states often indicates that "candidates are trying hard to forge a special bond with voters . . . about personality or pork rather than party or ideology" (2020: p.156). Gherghina and Volintiru (2017) also note that, where public resources are not available, clientelist parties must solicit donations from private sources to maintain their particularistic relationships with voters. In sum, where clientelism prevails, parties have few incentives to introduce regulations on political finance.

The following chapter synthesizes findings of the three case studies to build an updated model of political finance reform.

Chapter 7

Party Competition, Organization, or Clientelism: Explaining the Process of Political Finance Reform

7.1 Introduction

Structured as three nested case studies, the second part of this thesis was developed to address RQ_2, which asks *what factors drive change in political finance regulation and how and why do they do so?* This chapter draws together observations from studies of Canada, New Zealand, and the Commonwealth Caribbean small states to address the *why* of political finance reform. In doing so, it develops an updated model of political finance reform based on the foundations of Zim Nwokora's (2014) 'General Theory of Campaign Finance Reform'. To reiterate, Nwokora's model seeks to explain the processes that underpin the passage of *tightening* and *loosening* reforms. In doing so, it outlines three key motivations that influence decision-making on political finance reform, namely helping the incumbent stay in power, reducing the costs of electoral defeat, and implementing the party ideology. The relative importance of these motivations shifts based on the wider political contexts which,

subsequently, impact the probability that reforms will be passed. In sum, loosening reforms are viewed as more likely when: (i) party organizations are *weak*; (ii) party competition is *low*; (iii) the incumbent is *right-leaning* in ideological terms; (iv) there is *ideological divergence* between government and opposition, or; (v) a major political finance *scandal* has occurred. Contrarily, tightening reforms are more likely when: (i) party organizations are *strong*; (ii) party competition is *high*; (iii) the incumbent is *left-leaning* in ideological terms, (iv) there is *ideological convergence* between government and opposition, or; (v) a *change in incumbency* has occurred.

As outlined in Chapter 3, this thesis used process tracing to apply the model to a sample of: (i) democratic nations, that; (ii) through previous ties to the British Empire; (iii) have post-colonial institutions grounded in the Westminster system of government. Quantitative indicators, including those from the V-Party and CMP datasets, were used to operationalize independent variables and, accordingly, to trace temporal shifts in the nature of party organization, competition, and ideology. Secondary literature was examined to identify pertinent scandals, while election data was used to identify changes in incumbency. Alongside this, documentary sources – primarily *Hansard* – were used to identify actor preferences toward loosening and tightening reforms, as well as the justifications given for these positions. These diverse data sources were subsequently used in the process of hypothesis testing, with preliminary findings being presented at the conclusion of each chapter. Grounded in Bayesian logic, this chapter assesses the combined weight of evidence to assess the strength of hypotheses in these contexts.

When applying the model in the contexts of Canada and New Zealand, observations broadly aligned with expectations. Taken together, findings suggest a major role for party organization strength and competition in influencing the reform process. Ideological factors are also observed as influential, with incumbent ideology being a more powerful predictor of reform than the ideological distance between government and opposition. Although reforms were often passed in the first term of an incoming government, changes in incumbency were found

to be of little influence in determining the shape of political finance reform. Finally, scandals were identified as a substantive driver of reforms that tighten existing rules on political finance.

While the study of Commonwealth Caribbean small states supported the framework in some areas – primarily those linked to party organization and competition – the widespread endurance of clientelist governance models was identified as an additional factor in the lack of political finance regulation in the region. In these contexts, private donations are generally used as a tool to finance and maintain client-patron relationships, which are crucial to retaining incumbency (Gerring and Veenendaal, 2020; Gherghina and Volintiru, 2017; Hicken, 2011; Saati, 2022; Saati, 2023; Vernon, 2013). Parties within clientelist systems therefore have no incentive to introduce regulations on political finance, as these would provide a major impact on their abilities to retain office. This is pertinent, as the incumbency retention incentive is considered one of the key motivations of parties when approaching reform (Nwokora, 2014). Recognising the importance of this observation, the reform model developed in this thesis considers the influence of varied governance model types in shaping the reform process.

The remainder of this chapter is divided into three sections. Section one summarizes the results of hypothesis testing in the contexts of Canada, New Zealand, and Commonwealth Caribbean small states. Subsections are arranged thematically and focus on the relative influences of: (i) party organization; (ii) party competition; (iii) ideological factors; (iv) changes in incumbency and scandals, and; (v) governance model type, on processes of political finance reform. Section two integrates findings from these studies to update and develop the reform model. While it retains many of the fundamentals of Nwokora's theoretical framework, the updated model accounts for varied approaches to governance – namely, the distinction between programmatic and clientelist models – in shaping processes of political finance reform. Section three concludes the chapter by restating the scope conditions of the model and, thus, identifying the potential and limits of its application.

7.2 Examining Theoretical Propositions

Table 7.1 outlines the reform pathways that were previously identified in case study chapters. The development of Canada's Strongly Regulated political finance system incorporated nine reforms, contained within two broad pathways. A tightening pathway commenced in the early-1970s and ran until the early-2000s. Following Stephen Harper's election victory in 2006, the direction of reform transitioned toward a loosening pathway, through the implementation of reforms in 2011 and 2014. While the 2015 election of Justin Trudeau, and subsequent passage of reforms in 2019, curtailed Harper's efforts to loosen the political finance system, it is unclear whether this represented the beginnings of a new pathway of reform. In New Zealand, major development of political finance regulation did not commence until the late-1980s. A long-term tightening pathway was identified in this case, which initially involved reforms passed during the major electoral system change of the mid-1990s. Despite a short break from this pathway in 2010, the tightening trend continued in 2019, where reforms on foreign donations were passed under Ardern's NZLP administration.

The identification of reform pathways in Canada and New Zealand provide the evidence upon which to test the propositions of the theoretical model. Owing to their collective status as Unregulated nations (see Chapter 2), however, the sample of seven Commonwealth Caribbean small states have failed to successfully implement any reforms on political finance. As noted in Chapter 6, ill-fated attempts at tightening reforms were made in Saint Lucia in the early-2000s. Accordingly, the continued non-existence of political finance regulations in these nations – as well as the failed passage of the proposed 'Political Parties and Elections Campaign Finance' Bill in Saint Lucia – are used as observations upon which to test the model under conditions of non-reform. Doing so ensures that hypothesis testing does not focus solely on explanations that cluster at one end of the outcome variable (Geddes, 2003).

Using Table 7.1 as a foundation, this section combines the findings of case studies to identify the factors that influence political finance reform processes. The following passage outlines the relationship between the strength of party organizations and political finance.

Table 7.1: Summary of Case Study Findings

Hypothesis	Canada									New Zealand						Caribbean
	1974	1983	1993	2000	2003	2006	2011	2014	2019	1989	1993	1995	2007	2010	2019	-
	←——— Tighten ———→						← Loosen →		TR	←——— Tighten ———→				LR	TR	UPFS
H_{1a}: When the incumbent party is *weakly organized*, reforms that *loosen* the political finance system are likely	✗	✗	∼	∼	∼	✗	✓	✓	∼	∼	∼	∼	∼	∼	∼	✓
H_{1b}: When the incumbent party is *strongly organized*, reforms that *tighten* the political finance system are likely	∼	∼	∼	✓	✓	∼	∼	∼	∼	∼	∼	∼	∼	∼	∼	∼
H_{2a}: When the party system is *uncompetitive*, reforms that *loosen* the political finance system are likely	∼	∼	∼	∼	∼	∼	✓	✓	∼	∼	∼	∼	✗	∼	∼	✓
H_{2b}: When the party system is *competitive*, reforms that *tighten* the political finance system are likely	✓	✓	✓	✓	✓	✓	∼	∼	✓	✓	✓	✓	∼	✗	✓	∼
H_{3a}: When the incumbent party is ideologically *right-wing*, reforms that *loosen* the political finance system are likely	∼	∼	∼	∼	∼	✗	✓	✓	∼	✗	∼	∼	∼	✓	∼	∼

continued on next page . . .

H_{3b}: When the incumbent party is ideologically *left-leaning*, reforms that *tighten* the political finance system are likely	∼	∼	∼	✓	✓	∼	∼	∼	✓	∼	∼	∼	✓	∼	✓	∼
H_{4a}: When the party system is *ideologically polarized*, reforms that *loosen* the political finance system are likely	∼	∼	∼	∼	∼	∼	✓	✓	✗	∼	∼	∼	✗	∼	∼	∼
H_{4b}: When the party system is *ideologically convergent*, reforms that *tighten* the political finance system are likely	✓	∼	∼	✓	✓	∼	∼	∼	∼	∼	✓	✓	∼	∼	✓	∼
H_5: Following a *change in incumbency*, reforms that *loosen* the political finance system are likely	∼	✗	∼	∼	✗	✗	∼	∼	✗	∼	✗	∼	∼	✓	✗	∼
H_6: Following a political finance *scandal*, reforms that *tighten* the political finance system are likely	✓	∼	∼	∼	✓	✓	✗	✗	✓	∼	∼	∼	✓	∼	✓	∼

Tighten = Tightening Reform Pathway; Loosen = Loosening Reform Pathway; TR = Tightening Reform; LR = Loosening Reform; UPFS = Unregulated Political Finance System; ✓ = Observations increase confidence in hypothesis; ✗ = Observations decrease confidence in hypotheses; ∼ = Observations do not impact confidence in hypothesis.

7.2.1 Party Organization

As shown in Table 7.1, the hypothesised relationship between party organization and political finance posits that weakly organized parties favour a looser form of regulations (H_{1a}), with strong parties likely to favour a tighter form of regulation (H_{1b}). Hypotheses in this area are grounded in the works of Giovanni Sartori, who differentiates the short-term ambition of weakly organized 'factions' from the longer term priorities of strong party organizations (Sartori, 1976). While Canadian parties exhibited variation in their organizational structure during the period of study, parties in New Zealand were consistently ranked as neither strong nor weak, as organizations and leaders shared a "co-dependency" (Johansson, 2013: p.197). Extant literature identified parties in the Commonwealth Caribbean to be extremely weak and, with low membership and few constraints on executive powers, malleable to the whims of their leaders (Baldacchino, 2012; Barrow-Giles, 2004; O'Brien, 2017). Accordingly, case studies identified an important role for party organization in shaping the political finance systems of Canada and the Commonwealth Caribbean, with little influence observed in New Zealand.

In the small states of the Commonwealth Caribbean, the organizational structure of parties tends to be autocratic, with weak organizations existing to legislate and implement patronage on behalf of their leaders (Barrow-Giles, 2004; Veenendaal and Corbett, 2020). Per Sartori (1976), therefore, Caribbean parties are reminiscent of 'legislative factions', as opposed to representative political parties. Following the logic of H_{1a}, therefore, the continued lack of strong party organizations contributes to the complete absence of political finance regulation in the region, as Prime Ministers have little incentive to consider the long-term interests of their party. In Canada, similar conclusions are drawn in relation to Stephen Harper's CPC government of 2006 to 2015. Under Harper, continuous targetted attacks on opposition finances, through the removal of public funding, helped the CPC to gain a considerable resource advantage. Moreover, organizational changes to the Electoral Commission hampered its powers to investigate alleged political finance violations (Scarrow, 2016); many of which involved Harper's CPC administration. Triangulating the IPPC measure with findings

of previous literature highlighted Harper's CPC as the weakest incumbent, in terms of party organization, in the period of study (Düpont et al., 2022; Lewis, 2017; Marland and Flanagan, 2013).

Although the pervasive nature of weak party organizations in the Commonwealth Caribbean, taken in conjunction with Harper's nine year period as Canadian Prime Minister, support the relationship between weak parties and a looser form of political finance regulation, three Canadian reforms of the late-20th Century do not align with expectations in this area. Tightening reforms of 1974 and 1983 came during Pierre Trudeau's LPC administrations, while those of 2006 were the first to be passed under Harper. With Trudeau's Liberals and Harper's Conservatives being the two weakest incumbents in the study period (see Düpont et al., 2022), these reforms directly contradict the expectations outlined by the theoretical model. While this has a negative impact on confidence in H_{1a}, these observations do not go so far as to *substantially* impact the probability that this hypothesis is true. This is because, while these reforms contradict expectations linked to party organization, they strengthen claims made in other areas linked to *party competition* and *scandals* (see Subsections 7.2.2 and 7.2.4). This suggests that, while party organization plays a role in shaping the reform process, it may not be the most important factor, relative to alternative explanations.

The second hypothesis in this area, H_{1b}, suggests that stronger parties favour tighter regulations, in order to reduce the potential costs of an electoral defeat (Nwokora, 2014). In this instance, support comes solely from the Canadian case, with the reforms passed by the Chrétien-led LPC administration of the mid-1990s to early-2000s increasing confidence in this proposition. Tightening reforms passed in 2000, which placed limits on third-party campaigning, and 2003, which introduced donation limits and generous public funding, were both implemented by the strongest incumbent party in the duration of the study. Throughout Chrétien's tenure, for example, the LPC were organized in a manner which shared power across various levels of the party. Primarily, this involved shifting policy development responsibilities to ministers, and involving the wider LPC Parliamentary caucus in decision-making

(Bakvis, 2000). The polar approaches to party organization displayed by Harper's CPC and Chrétien's LPC are reflected in their opposing strategies to political finance regulation, with Harper's loosening efforts of 2011 and 2014 lying in stark contrast to the tightening reforms of Chrétien.

To summarize, case study observations support the assertion that party organization plays a role in the reform process. In Canada, tightening reforms came under the most highly organized incumbent in the study period and, by contrast, the most weakly organized party were responsible for the development of the only loosening pathway across all cases. Further support comes from the Commonwealth Caribbean small states, where the continued absence of political finance regulation appears symptomatic of the weak party organizations throughout the region. While observations point to party organization as an influential factor, however, some reform efforts contradict this narrative. With each being explained by wider aspects of the model, these observations indicate that party organization does not play as significant a role as some of the alternative factors under consideration.

7.2.2 Party Competition

On party competition, H_{2a} suggests that loosening reforms are most likely when competition is low, while H_{2b} proposes that tightening reforms are probable in highly competitive contexts. The basis for these hypotheses is the assumption that, when parties are in a dominant position, they will seek to entrench their position of power and, when competition is high, parties must consider the potential for electoral defeat. Competition from emerging parties provides an additional dimension, as established parties may introduce political finance regulations that stifle their progress (Nwokora, 2014). As shown in Table 7.1, the influence of party competition on political finance is ubiquitous across all cases. In Canada, every reform in the period of study aligned with expectations, greatly increasing confidence in this pair of hypotheses. Shifts in party competition in mid-1990s New Zealand were identified as a major factor in shaping political finance, as the role of emerging parties around this

period provided an increased incentive for major parties to tighten controls on political finance. Finally, the rigid two-party systems in the Commonwealth Caribbean small states means that major parties have no incentives to implement tightening reforms. These observations provide additional support for H_{2a}.

As the only loosening cycle identified across all cases, Stephen Harper's reforms of 2011, and 2014 provide the clearest evidence on which to assess H_{2a}. Previous sections identified that this cycle supported H_{1a}, in that the reforms were implemented under the weakest incumbent party organization across the study period. Considering H_{2a}, however, it is found that decreasing levels of party competition further exacerbated the trend toward looser reform. While Harper's CPC entered government as a minority in 2006 and, consequently, required cross-party support for tightening reforms passed in the same year, those passed in 2011 and 2014 came under a CPC majority. The long process of repealing the quarterly allowance provides a key example to support this hypothesis. Initial attempts to cut this funding source were made under the CPC minority government in 2008, but this move was met by opposition from all other parties, who held a greater reliance on the subsidy (Pelletier, 2018). Upon winning a majority in 2011, Harper immediately removed the quarterly allowance, using the period of decreased parliamentary competition to do so. The 2014 reforms, which were passed under similar conditions, provide further evidence in support of H_{2a}.

Observations linked to the Commonwealth Caribbean small states provide further support in this area. As shown in Chapter 6, party systems across the region generally approximate a consistent form of two-party competition. Competition outside of the SLP and UWP is virtually non-existent in Saint Lucia, for example, while Saint Vincent & The Grenadines and Grenada experienced single party Parliaments across the study period. Only two trends toward multipartism were identified across the region. A product of the nation's unique federal structure, the first was observed in Saint Kitts & Nevis, where each of the "historically antagonistic" islands has developed its own party system (Veenendaal, 2015: p.598). Beyond this, a temporary shift toward multipartism occurred in Grenada, where the US-backed

'New National Party' fragmented after failing to gain traction in the early-1990s (Grenade, 2015). While the Grenadian party system exhibited a short-term fragmentation, Keith Mitchell commenced a thirteen-year period as Prime Minister in 1995. Winning all 15 seats, Mitchell's New National Party government began with no Parliamentary opposition. Taken as a whole, patterns in the Commonwealth Caribbean small states point to the institutionalization of two-party systems as the general norm (see Bishop et al., 2020). Under these conditions, there exists no incentives for parties to introduce political finance regulations, further explaining the continued absence of regulation across the region.

While periods of heightened competition in the Caribbean are rare, New Zealand exhibited wider shifts in this area. The mid-1990s adoption of MMP vastly changed the nature of competition in the nation, and the political finance system developed accordingly. In the years preceding the change in electoral system, David Lange's NZLP administration prohibited spending on privately-funded election broadcasts and introduced a publicly funded broadcasting allocation as an alternative. National supported the passage of the Bill, which reduced campaigning opportunities for emerging and unrepresented parties, relative to the NZLP and National (Corban, 1997). Though competition within Parliament was low, opinion polling and long-term declines in the two-party vote were indicative of increasing competition from alternative movements (Miller, 2005; Vowles, 2002; Vowles and Aimer, 1993). The use of subsidization thus suggests an element of cartelization between the two parties (Katz and Mair, 1995; Mendilow and Rusciano, 2001), who sought to retain a two-party form of competition (Nwokora, 2014). Reforms that followed in the 1990s provide similar insights. While the 1993 MMP Bill was passed via conscience voting, party discipline returned with amendments in the "unstable interim" between the final FPTP election and the first held under MMP (Ferrer, 2022: p.6). As the party system fragmented in anticipation, the introduction of regulations on party spending and disclosure at this time supports the notion that tightening reforms are likely under contexts of heightened competition.

Canada displayed similar trends in the development of reforms in the latter 20th Century.

Though largely prompted by Watergate (see Subsection 7.2.4), the nature of party competition was key in shaping the 1974 framework. Passed under a minority LPC government, Pierre Trudeau's administration needed, at a minimum, support from the NDP, whose 31 Parliamentary seats held the balance of power. NDP demands for disclosure requirements were met by the LPC, and the final Bill was supported by all three parties represented in Parliament. In this instance, high levels of competition were a contributing factor in the development of tightening reforms. Further reforms passed in 1983 and 1993, respectively overturned by the courts in 1984 and 1996, were influenced by an additional dimension of competition, in the shape of third parties. Campaigning by these groups commenced at a relatively low level in the 1979 and 1980 elections, and reached a peak at the 1988 election, where the NZLP, National, and NDP were replaced as the arbiters of electoral messaging (Boatright, 2011; Carty et al., 2000). Cross-partisan attempts to regulate third parties in 1983 and 1993 sought to curtail the perceived threats posed by a newly emerging dimension of competition.[57] This supports the foundations of H_{2b}, but suggests that the impact of competition extends beyond *direct* electoral opponents, to any perceived threats to the existing shape of the party system.

While these observations provide major support for competition-oriented propositions of the model, two 21st Century reforms in New Zealand are inconsistent with expectations in this area. In 2007, for example, Helen Clark's NZLP placed major controls on third party campaigning and disclosure, despite being in a period of declining competition relative to the earlier years of her government. Indeed, the decision made by Key's National government, to loosen these regulations upon gaining office, did not align with expectations of a minority government, where competition is increased. Although these observations have a minor effect on confidence in H_{2a} and H_{2b}, they do not significantly impact the perceived strength of these hypotheses. As discussed in Chapter 5, the transition from FPTP to MMP had an impact on the ideological platforms of political parties, with administrations of the 21st Century swinging further to the left and right than those in power prior to the turn of the century. This

[57] Though these attempts were unsuccessful, Couture Gagnon and Palda (2011) find that third-party regulations passed under Chrétien did have a dissuasive impact on third-party involvement in elections.

was reflected in the trend toward ideological divergence at this time. With the administrations of Clark and Key representing the most left and right-leaning governments across the study period, the evolving role of ideology in New Zealand partially explains these inconsistencies. The impact of these factors is expanded upon further in Subsection 7.2.3.

In conclusion, shifting levels of competition are identified as one of the most influential factors of the original model. Findings are applicable across all cases, and in a variety of institutional contexts. Support for hypotheses held across the FPTP and MMP eras of New Zealand, for instance. Reduced competition influenced the passage of loosening reforms in Canada, and the retention of Unregulated frameworks across the Commonwealth Caribbean small states. Moreover, when moving beyond an exclusive focus on inter-party competition, relative increases in third-party campaign spending were found to have a similar impact in the Canadian context, as the major parties sought to retain control of political discourse in the latter-20th Century.

7.2.3 Ideological Factors

The next two pairs of hypotheses examine the role of ideology in political finance. Based upon their respective normative goals, right-wing parties are assumed to favour a looser form of regulation (H_{3a}), while left-wing parties are assumed to favour a more interventionist style (H_{3b}). Beyond this, the relative ideological positions of government and opposition are expected to play a role; looser reforms are more likely when ideologies diverge (H_{4a}) and vice versa (H_{4b}). Initial findings in this area are summarized in Table 7.1. To summarize, observations from Canada and New Zealand suggest that ideological factors play a role in shaping the reform process. While this is evident, ideological factors are secondary in importance to the more influential competition and organization-oriented factors of the model. As shown in Chapter 6, parties of the Commonwealth Caribbean small states lack distinct ideological cleavages (Veenendaal and Corbett, 2020), as party loyalty tends to be aligned with the perceived availability of clientelist inducements (Barrow-Giles, 2011; D'Agostino, 2009; Duncan and Woods, 2007; Midgett, 1998; O'Brien, 2014). With these factors existing

in place of ideology, they are discussed further in Subsection 7.2.5

In the Canadian context, the loosening pathway implemented under Harper's CPC provides support for the ideological assertions of the model. Harper's preference toward a looser form of political finance regulation is traceable to the decades prior to his period as Prime Minister where, as President of the NCC, he played a significant role in successful court action against the third-party reforms of Pierre Trudeau and Brian Mulroney. Furthermore, Harper unsuccessfully challenged the constitutional validity of Chrétien's reforms in *Harper v. Canada* and, in 2003, described the introduction of the quarterly allowance as "simply wrong" in Parliament (HC Deb 11 February 2003, p.3435). Adding to this right-wing policy preference, Harper's tenure also represented the most ideologically divergent stage of the study period, as the left-wing NDP replaced the LPC as official opposition. As Jansen and Young (2011) observe, Harper's reforms proved to be ideologically divisive, as a left-leaning 'syndicate' of opposition parties formed against the incumbent CPC. To summarize, Harper's reforms of 2011 and 2014 support H_{3a}, in that they align with the right-wing policies of his government, and H_{4a}, due to the polarized nature of the party system at this time.[58]

Observations from this case also provide support for both H_{3b} and H_{4b}. Firstly, the foundations of the Canadian political finance system, laid by Pierre Trudeau's minority LPC administration, were influenced by left-wing ideology, and were passed in a period of ideological convergence. As discussed previously, the NDP's policy influence was substantially increased during the two years of LPC minority government, as the party were immediately able to petition the government on amendments to family allowances and unemployment insurance (Morton, 1977). This left-wing influence was further felt in the development of tightening reforms in 1974 as, despite LPC and PC opposition to disclosure requirements, the NDP successfully argued for their inclusion. In favouring tighter regulations on political finance, the NDP's position at this time supports H_{3b}. Furthermore, as the Bill was passed in an era of near perfect congruence between the ideological platforms of Pierre Trudeau's LPC and Robert

[58]While this is the case, tightening reforms of 2006 do not align with expectations related to ideology. As shown in Figure 7.1, these reforms are explained as a product of high competition (H_{2b}, see Subsection 7.2.2), and as a longer term response to the Sponsorship scandal (H_6, see Subsection 7.2.4).

Stanfield's PC, H_{4b} is supported. Major tightening reforms passed under Chrétien, which targetted third parties, donations, and introduced the 'quarterly allowance', arrived within a similar context of left-leaning incumbency and ideological convergence, providing additional support for both hypotheses.

As eluded to in Subsection 7.2.2, the nature of ideology shifted as time passed in New Zealand, with greater ideological swings in the 21st Century. One of the most right-leaning governments in the late-20th Century was led by David Lange, whose NZLP administration implemented the deregulatory 'Rogernomics' programme of economic policies (Redden et al., 2020; Vowles and Aimer, 1993).[59] Reforms in 1989, which introduced subsidized broadcasting and prohibitions on privately funded electoral broadcasts, were inconsistent with this liberalization programme and, as a result, impact confidence in incumbent ideology as an influential factor in shaping the reform process. Despite this, observations in the latter years of the study period align with expectations in this area. The 2007 reforms of Clark's NZLP administration tightened regulations on third-party campaigners, financial disclosure, and foreign donations, which align with the normative preferences associated with a left-wing government (Nwokora, 2014). Indeed, the shift to a right-leaning government under Key led to a near immediate loosening of the reforms first implemented by Clark. Finally, Jacinda Ardern's reforms in 2019, which tightened regulation on foreign donations and online campaigning, were firmly aligned to the wider left-wing preferences of her NZLP administration (see Volkens et al., 2021).

New Zealand offers contrasting findings relative to the remaining ideology-focussed hypotheses. Following the passage of tightening reforms in 1989, the 1990s displayed a convergence on economic policy between Lange's NZLP and Bolger-led National (Brechtel and Kaiser, 1999), and further tightening reforms were passed in 1993 and 1995. These reforms therefore support propositions outlined by H_{4b}. Ardern's reforms of 2019 provide additional support in this area, having been passed in a period of increasing ideological convergence. Despite

[59]Though the CMP data show this administration to be of the centre to centre left, research shows this to be a poor reflection of the policies implemented in government, which did not resemble those presented in the party manifesto (Gibbons, 2011).

this, tightening reforms passed in 2007 directly contradict expectations linked to ideology. Passed under Clark's administration – the most left-wing incumbent across the study period – these reforms came in a period of substantial ideological divergence. Indeed, the platforms of Clark's NZLP and Brash's National represented the widest ideological divergence of any government and opposition across the study period. While this decreases confidence in H_{4a}, it suggests that incumbent ideology performs a more influential role in shaping reform than the ideological distance between government and opposition.

A final observation in this area concerns the links between minor party ideology and political finance, where ideological differences are highly pronounced. In Canada, for example, the left-wing Green Party of Canada (GPC) consistently favoured Bills that were more interventionist and rejected those which were deregulatory. On the contrary, Reform and the CA, as right-wing parties, displayed the opposite tendency. Observations of New Zealand's minor parties reveal the same divides, as the left-wing environmentalist GPNZ and right-wing libertarian ACT NZ unwaveringly voted in favour of tightened and loosened controls, respectively. Thus, while major parties have at times shown a propensity to legislate pragmatically, minor parties tend to remain adherent to their ideological preferences.

In sum, while observations suggest that ideological factors and political finance reform are linked, this association is deemed to be less important than factors linked to party organization and competition.

7.2.4 Changes in Incumbency and Scandals

The final hypotheses displayed in Table 7.1 are unique within the context of the theoretical model as, while all others involve variables which change over time, H_5 and H_6 incorporate individual events as *critical junctures* in the passage of political finance reform. On the one hand, loosening reforms are anticipated following a change in incumbency (H_5), while, on the other, tightening reforms may be implemented following a major political finance scandal (H_6). In relation to scandals, prior literature has observed scandal-driven reforms in some European (Koß, 2010; van Biezen, 2003a; Piccio, 2014a) and North American nations (Grant,

2005; Young, 2015), while studies from Australia (McMenamin, 2014) and Latin America (Londoño and Zovatto, 2014) find no connection in this area. As a consequence, Nwokora (2014) theorizes that, while scandals and changes in incumbency may influence reforms under some conditions, such events do not provide an adequate explanation for political finance reform when considered in isolation.

To identify whether changes in incumbency are likely to prompt loosening reforms, the timing of each Bill was examined to assess whether it arrived in the first term of an incoming administration. Of fifteen Bills passed in Canada and New Zealand, seven fell within these parameters. Despite the suggestion that these reforms would be of a loosening nature (H_5), Table 7.1 shows all but one to be *tightening* reforms. The single reform that did align with expectations was passed in New Zealand by Key's National administration. As previously identified, this reform is not explained by factors linked to party organization or competition, with observations only aligning with the ideological propositions of the model. Although this seemingly strengthens claims that the change in incumbency was a contributory factor, Chapter 5 showed this reform to be a response to Clark's unworkable system (passed in 2007) that had a "chilling effect" on political campaigning (New Zealand Electoral Commission, 2008: 7-8). With all parties agreeing on the 2010 Bill, the suggestion that incoming parties will pass loosening reforms with the intentions of self-preservation (see Nwokora, 2014) does not align with what occurred at this time. Taken in conjunction with additional contradictory observations in Canada (1983, 2003, 2006, 2019) and New Zealand (2019), H_5 is significantly weakened.

The final hypothesis of the original model suggests that scandals prompt tightening reform. In total, seven political finance related scandals were identified across the detailed case studies of this thesis; four linked to Canada, two in New Zealand, and one in Saint Lucia (see Table 7.2). Of these, four were observed to be influential in the passage of tightening reform. Though not directly involving Canadian parties, the US-based Watergate scandal was a key event in the passage of the 1974 reforms (Beange, 2012; McMenamin, 2013;

Seidle and Paltiel, 1981), which incorporated regulations on spending and disclosure, as well as public funding. Furthermore, the 2019 passage of tightening reforms under Justin Trudeau was justified as a "very important" step toward avoiding the 'in-and-out' and 'robocalls' scandals of the previous Harper administration (HC Deb 24 October 2018, p.22808). In New Zealand, the mid-2000s Exclusive Brethren scandal – which revealed National's controversial links with the Exclusive Brethren (see Hager, 2006) – was a major factor in the passage of strict reforms on third party campaigning in 2007. Finally, investigations into a series of alleged CCP donations in New Zealand prompted the prohibition of foreign donations in 2019; albeit a largely symbolic reform (Orr and Geddis, 2020). These reforms provide the clearest observations in favour of H_6.

Table 7.2: List of Political Finance Scandals

Canada	New Zealand	Saint Lucia
1974: US Watergate Scandal	2005: Exclusive Brethren Scandal	1997: UWP Political Finance Scandal
2003–06: Sponsorship Scandal	2017: Chinese Communist Party Donations Scandal	
2006–08: In-and-out Scandal		
2011: Robocalls Scandal		

While these supporting observations are identified, Table 7.1 shows two instances of loosening reform under Harper's CPC – passed in 2011 and 2014 – that do not follow expectations in this area. These reforms relate to the In-and-out Scandal of the mid-2000s, which preceded the removal of public funding in 2011, as well as the 2011 Robocalls Scandal, which preceded the loosening of administration and oversight functions of elections in 2014. With these scandals both involving the incumbent CPC, Harper's administration opted to pass reforms that would target opposition finances, as well as the ability for Elections Canada to investigate political finance infractions. Taken alongside wider observations in this area, the passage of

loosening reforms during this period signals that the influence of competition and organization was greater at this time (see Table 7.1).

The final scandal observed in case studies involved misconduct by the UWP, which became a key aspect of the 1997 Saint Lucian general election. Originating in the early 1990s, it was revealed that the UWP had falsified the existence of community projects in order to attract UN remittances (Smickle, 1997). Funding was consequently misappropriated toward election campaigning, which Kenny Anthony's SLP used as a message to question the credibility of the UWP in their 1997 election victory. Though the scandal did not ultimately lead to the passage of political finance reforms, it was a significant driver in the reform proposals outlined by the CRC in their 2011 report (Saint Lucia Constitutional Reform Commission, 2011). During the election, for example, the SLP manifesto was oriented toward increasing government accountability (Barrow-Giles and Joseph, 2006), and the CRC was established as a result. While the scandal put the wheels in motion for political finance reforms, the process was ultimately halted upon reaching Parliament.

To summarize, assessment of each critical juncture of the theoretical model presents inconsistent findings. Although changes in incumbency play an inconsequential role in the reform process, evidence suggests that scandals do play a part in prompting political finance reform. Building on these findings, the following subsection focusses on the role that a nation's governance model type plays in shaping processes of political finance reform.

7.2.5 Governance Model Type

Previous sections assessed the propositions of the original theoretical model, linked to *party organization, party competition, ideological factors,* and *changes in incumbency and scandals*. Observations showed mixed support for these factors as influential in the reform process. One key finding that has not yet been discussed in detail relates to an observation made in Chapter 6, which identified that ideological factors are of little importance in shaping policy in the small states of the Commonwealth Caribbean (see Veenendaal and Corbett, 2020).

With clientelism identified as the "primary governance structure" in the region (Barrow-Giles, 2011: p.290), a detailed case study of the Saint Lucian CRC proposals outlined how voter preferences toward clientelism halted the reform process under Kenny Anthony's second SLP administration. Following the logic that researchers should be "open to inductive insights" when conducting qualitative research (Schimmelfennig, 2014: p.108), this section expands on these findings and assesses how variations in governance model type influence outcomes on political finance reform.

Governance models are routinely conceptualized on a dimension where *programmatic* and *clientelist* approaches represent polarities. The central distinction between these two models concerns the role that policy plays in attracting and maintaining political support (Kitschelt and Wang, 2014). Per Luna et al, parties within programmatic systems have:

> well structured and stable ideological commitments that constitute the basis for: (i) the link between the party and its constituency; (ii) electoral competition among parties and (iii) the policymaking process (2014: p.2).

By contrast, clientelism is "the practice of exchanging personal favours and material benefits in exchange for political support" (Berenschot and Aspinall, 2020: p.1). Under a clientelist mode of governance, political actors (patrons) control the resources of the state, which are used to directly reward their supporters (clients) (Hicken, 2011; Hilgers, 2011; Lauth, 2000; Vernon, 2013). By handing out rewards to party loyalists, the knock on impacts may be punitive for those who choose not to support the governing administration, particularly if these views are expressed in a highly vocal manner. Such practice is absent in nations using a programmatic model of governance, where Kitschelt notes that the development and implementation of policies is:

> neither accompanied by monitoring or sanctioning of voters who defect from the politician's partisan camp, nor by precise knowledge of who in the target constituency will vote for the party delivering the benefit (2007: p.10).

Studies into the impact of clientelism have noted that widespread institutional reforms are

unlikely in nations using this mode of governance (Graziano, 1973; Hicken, 2011; Lyne, 2007; Stokes, 2005). Building on these observations, this thesis suggests that political finance reforms are less likely to occur within clientelist contexts, relative to those nations where programmatic governance is the norm. With clientelism being highly inefficient in economic terms (Luna et al., 2014; Veenendaal, 2020b), parties must seek income from exogenous sources to function (Gherghina and Volintiru, 2017). As political donations play a major role in the maintenance of patron-client relationships, therefore, patrons have few incentives to place restrictions on their abilities to attract funding (see Figure 6.3, Chapter 6). This is particularly notable within the context of the General Theory of Campaign Finance Reform, where retaining incumbency is one of the primary incentives that underpins decision-making on political finance reform (Nwokora, 2014). Considering these points, this thesis argues that the implementation of tightening reforms on political finance is less likely in states that employ a clientelist model of governance.

To test this proposition further, the following passage revisits the sample of 21 candidate cases that were identified when outlining the theoretical model's scope conditions (see Figure 3.1, Chapter 3).[60] These cases represent: (i) democratic nations, that; (ii) through previous ties to the British Empire; (iii) have post-colonial institutions grounded in the Westminster system of government. The availability of the Political Clientelism Index (PCI), which ranks nations on a mono-dimensional scale from most clientelist to most programmatic (Lo Bue et al., 2021), allows for a direct comparison to be made with the RoPFI, which provides a comparative measurement of political finance regulation. Following the propositions outlined here, those nations identified as clientelist should be more likely to be positioned within the Unregulated RoPFI category, with those adopting programmatic models likely to be found in the Strongly Regulated group.

An initial examination of this relationship provides tacit support for the propositions outlined here; with Canada and New Zealand representing two of the most highly regulated nations

[60]The sample of 21 cases only included those nations whose RoPFI classification fell within the 95% confidence standard.

in the sample, their positions toward the programmatic end of the PCI scale align with expectations. Despite this, exclusive use of the PCI fails to account for numerous small states. This is problematic, as the sustainability of client-patron relations in small states is much greater than in larger countries, due to the highly personalized nature of politics (Anckar, 2008; Corbett, 2015; Gerring and Veenendaal, 2020; Sanches, 2020). Wouter Veenendaal and colleagues have extensively studied this phenomena, finding that small populations lead to a unique form of political competition where: (i) societal roles overlap to a greater extent; (ii) opportunities for monitoring of quid pro quo exchanges are increased; (iii) individual votes are more powerful, and; (iv) fewer intermediary 'brokers' are needed to uphold relationships (see, *inter alia*, Gerring and Veenendaal, 2020; Veenendaal, 2019; Veenendaal, 2020a; Veenendaal and Corbett, 2020). To compare the experiences of 'large' and 'small' states, this chapter follows the approach of Corbett and Veenendaal (2018). The sample of 21 cases is divided into two groups; those with populations *above* 1 million, and those with populations *below* 1 million (see Table 7.3).

Considering extant literature on clientelism, this chapter assumes that state size is suggestive of governance model types; small states are considered more likely to be clientelist, while larger states are less so. While this provides a crude representation of governance practices, this decision is necessitated by the fact that "small states tend to be overlooked" in comparative clientelism literature (Veenendaal, 2019: p.1038).[61] Despite this limitation, the findings of case study literature support the view that clientelism is a major feature of governance in the group of small states presented in Table 7.3. Research at the regional level finds evidence of such practice in the Commonwealth Caribbean (see, *inter alia*, Barrow-Giles, 2011; Duncan and Woods, 2007; Ryan, 1994) and Pacific islands (see, *inter alia*, Corbett, 2015; Duncan and Hassall, 2011; Rich, 2006), for example, while single nation case studies find further evidence to support these claims (see, *inter alia*, Midgett, 1998; Nowottny, 2007; Saati, 2022; Saati, 2023; Vernon, 2013). Building on these theoretical discussions, therefore, small states are expected to adopt looser forms of political finance regulation, relative to larger states. To

[61] As evidenced by the sampling biases within the PCI.

Table 7.3: Small versus Large States in the Candidate Cases

Small States	Large States
Antigua & Barbuda	Botswana
Bahamas	Canada
Belize	Eswatini
Barbados	Namibia
Dominica	New Zealand
Grenada	Trinidad & Tobago
Guyana	
Kiribati	
Nauru	
Samoa	
Solomon Islands	
St. Kitts & Nevis	
St. Lucia	
St. Vincent & The Grenadines	
Vanuatu	

Small States have population $<$1million; data retrieved from Central Intelligence Agency (2022).

test this proposition, Table 7.4 shows the division of cases across the three groups of the RoPFI.

Observations in this area follow expectations, with small states shown to regulate political finance to a much lesser extent than larger states. Of the 15 small states within the sample, 11 are found within the Unregulated RoPFI classification, with none categorized as Strongly Regulated. Although only one large state is categorized as Strongly Regulated, none are found in the Unregulated group. Taken in conjunction with findings of the detailed case study of Saint Lucia (see Chapter 6), patterns in Table 7.4 strengthen the suggestion that small states are less likely to regulate political finance and, by extension, the proposition that tightening reforms are unlikely to emerge within contexts of clientelism. While this is the case, this relationship should be tested further upon provision of globally representative data on governance, inclusive of both the large and small state experience. Combining this factor with those evidenced in the earlier stages of this chapter, the following section presents an

Table 7.4: Small versus Large States Divided by RoPFI Classification

	Small States	Large States
Unregulated	Bahamas Belize Dominica Grenada Kiribati Nauru St. Kitts & Nevis St. Lucia St. Vincent & The Grenadines Samoa Vanuatu	-
Partially Regulated	Antigua & Barbuda Barbados Guyana Solomon Islands	Botswana Eswatini Namibia New Zealand Trinidad & Tobago
Strongly Regulated	-	Canada

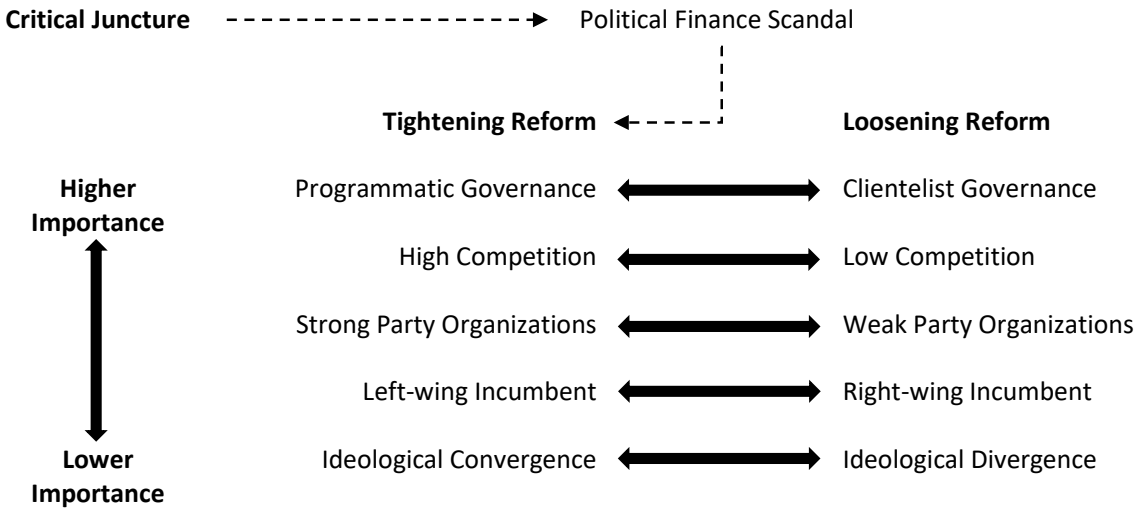
updated variant of the theoretical model.

7.3 Developing an Updated Model of Political Finance Reform

Bringing together the findings of case study chapters, this thesis concludes with an adapted theoretical framework (see Figure 7.1). Built on the foundations of the 'General Theory of Campaign Finance Reform', the updated model retains some of the underlying features identified by Nwokora (2014), while also making some adaptations. As in the original model, the framework that emerges from this thesis upholds the importance in distinguishing between tightening and loosening reforms, as well as the multilayered *competitive, cooperative,* and *ideological* incentive structure that underpins decision-making in this area. The remainder

of this section details the contextual factors that are identified as important in shaping the reform process.

Figure 7.1: Updated Model of Political Finance Reform



The original model presented political finance scandals as critical junctures in the process of tightening reform, while changes in incumbency were highlighted as a potential factor in the passage of loosening reforms. Numerous observations were consistent with the proposition that scandals prompt tightening reforms and, as a consequence, scandals remain a major feature of the updated model of political finance reform. While this is the case, little evidence was presented to suggest that changes in incumbency had any influence in this area. Although many reforms were passed following a change in incumbency, the majority of these Bills had a tightening impact and, in any case, were explainable by alternative dimensions of the model. As a consequence, changes in incumbency do not feature in the updated model of political finance reform.

Remaining sections of Figure 7.1 show the five dimensions of the updated model, ordered by their relative importance. The governance model dimension is deemed the most influential in shaping political finance regulation, particularly in the direction of clientelism. As the maintenance of patron-client relationships comes at a great cost, parties have no incentive

to pass reforms which may hinder their fundraising goals and, as a result, often exist within an unregulated environment of political finance. This pattern was primarily observed in the unregulated small states of the Commonwealth Caribbean, where clientelism is highly prevalent, and in the detailed case study of Saint Lucia, which observed the electorate's preference toward clientelism as a factor in the failure of the CRC proposals. On the contrary, programmatic parties exist to develop and implement policies, making them much more likely to consider the introduction of regulations on political finance. With parties in Canada and New Zealand identified as highly programmatic, this dimension partially explains the tendency toward tightening reforms across the two cases.

The second major dimension of the model reflects the role of competition. In all instances, periods of decreased competition were associated with loosening reforms, with periods of high competition linked to tighter regulation. Despite a major electoral system change during the period of study, this relationship was strongly observed in New Zealand. As a further aspect of this relationship, the competitive dimension now incorporates levels of competition with *external* groups. Third-party campaigners in Canada and New Zealand presented an additional form of competition, which prompted parties in both cases to regulate their activities. Ultimately, when competition is low, incumbents are able to use their advantageous position to further strengthen their prospects in remaining in government. Accordingly, when competition is high, there is an increased prospect of electoral defeat and, thus, more likelihood that tightening reforms will emerge.

Variations in party organization were found to perform a relatively important role in the reform process. Particularly in the Canadian and Commonwealth Caribbean case studies, weak party organizations were associated with a looser form of regulation. In the sample of Caribbean small states, the continued presence of weak parties was deemed a contributory factor in the lack of political finance regulation while, in Canada, the entirety of the loosening pathway came under Harper's CPC government; the weakest incumbent party across the study period. In addition, evidence from Canada linked strong party organizations with tightening reforms,

as the strong LPC organization of Jean Chrétien focussed on implementing reforms of this nature. To summarize this relationship, weak party organizations are oriented around the short-term goals of their leaders and, as such, tend to favour looser regulations. Contrarily, strong party organizations have a longer term focus on survival, tending to favour tighter regulations that would not put the party at a disadvantage should they exit office.

The final two dimensions, deemed to be of reduced relative importance, relate to party ideology. Based on the ideological motivations of parties, tightening reforms are suggested to be more likely under left-wing incumbents, and vice versa. As the more influential factor in this area, incumbent ideology was found to play a role in the Canadian and New Zealand contexts. Though major parties were found to legislate pragmatically at times – primarily the result of influences from the more important dimensions of the model – minor parties across both cases tended to remain adherent to their expected ideological positions on political finance. The least important of the two ideological-oriented propositions suggests that tightening reforms are more likely to be implemented within the context of ideological convergence, as the policy preferences of incumbent and opposition are congruous with one another. Contrarily, the probability of loosening reforms is increased when ideologies diverge, as policy preferences become polarized. With the weight of ideology truncated by the influential factors of governance model type, levels of party competition, and party organization strength, this dimension performs an ancillary role, and is generally unlikely to determine the direction of regulation when observed in isolation.

7.4 Conclusion

This chapter has drawn together findings of case studies to test, and subsequently develop, Zim Nwokora's General Theory of Campaign Finance Reform. To conclude, the analysis of political finance reform pathways in Canada and New Zealand revealed distinct trajectories over time. Canada's Strongly Regulated system underwent a significant transition from a tightening pathway in the early 1970s, to a loosening pathway in the early to mid-2000s.

Conversely, New Zealand's Partially Regulated system developed via a long-term tightening pathway, with intermittent deviations. These reform pathways provided valuable insights with which to test the propositions of the theoretical model. Despite this, the examination of Commonwealth Caribbean small states, collectively classified by the RoPFI as Unregulated nations, highlighted a striking contrast. Despite occasional efforts at reform, such as those in Saint Lucia in the early-2000s, these nations have failed to successfully implement *any* regulations on political finance. These non-reform contexts serve a critical point of reference in evaluating the theoretical model, ensuring that hypothesis testing encompasses a broader range of outcomes, as proposed by Geddes (2003). Through conducting this analysis, this thesis has identified six factors as influential in processes of political finance reform. Presented in order of importance, these factors include: (i) political finance scandals; (ii) variations in governance model type; (iii) levels of party competition; (iv) variations in parties' organizational strength; (v) incumbent ideology, and; (vi) ideological distance between government and opposition. This updated model provides a more nuanced understanding of the complexities of political finance reform. It underscores the importance of considering the interplay of multiple dimensions in shaping the regulatory landscape.

While these factors represent a wide range of circumstances, these findings should be taken within the contexts from which they were derived. Previously outlined in Chapter 3, the 'scope conditions' of the theoretical model warrant further mention here. Based on Nwokora's discussion of Australian political finance, this thesis makes two primary assumptions. The first is that the model is only likely to be applicable to nations that use a form of Westminster responsible government. As government models share and constrain power in a variety of ways, alternatives present differing opportunities for the introduction, passage, and veto of legislation, that may undermine many of the propositions of the theoretical model (Lijphart, 2012; Rothstein, 1998; Tsebelis, 2000). With the framework placing a major emphasis on inter-party competition, the second assumption of this thesis is that the model is only likely to be applicable in democratic contexts. Absent of further empirical application, therefore, the model's scope conditions do not currently extend beyond the boundaries of Westminster

democracies. The following chapter concludes the thesis and outlines its methodological, empirical, and theoretical contributions. By considering the limits of the current study, as well as the opportunities that it presents, the chapter concludes by outlining a future research agenda.

Chapter 8

Contributions, Limitations, and Prospects for Research

8.1 Introduction

The primary purposes of this thesis were to identify the different ways in which political finance regulation is approached, and to examine the factors that drive political finance reform. To exemplify some variations that exist in funding models, the thesis opened with an illustrative case of political finance at the 2020 Democratic Presidential primaries, in the US. This contest contrasted the position of Andrew Yang, whose 'democracy dollars' proposal focused on bringing a major form of public funding to US politics, and Michael Bloomberg, whose campaign of roughly $1 billion relied entirely on his own personal wealth. Using these models as a starting point, the first stages of the thesis were focussed on the *how* of political finance regulation and, accordingly, on developing a framework through which to compare systems of political finance. Application of MCA and MBC to data from International IDEA identified three classificatory groups; Unregulated, Partially Regulated, and Strongly Regulated. Building on these findings, the remaining chapters of the thesis focused on the *why* of political finance reform. Nested case studies of Canada, New Zealand, and a sample of Commonwealth

Caribbean small states were undertaken to test Zim Nwokora's (2014) 'General Theory of Campaign Finance Reform'. Observations revealed influential roles for differing levels of party competition and party organization strength in shaping political finance reform, and a lesser role for ideological factors. Scandals were also observed to be influential in triggering reforms in this area. Although absent from the original model, this thesis identified a further component in the reform process; the influence of governance model types.

This chapter concludes the thesis, and is broken into three sections. The first section presents an overview of the primary findings of the thesis. Following this, the methodological, empirical, and theoretical contributions are outlined. In methodological terms, the development of the RoPFI provides a model for future studies to compare political finance systems on a large-N basis. In qualitative studies, the three classification groups may be used as a tool to identify cases for small-N comparative analysis, while, for quantitative scholars, combined use of the continuous scale and ordinal coded classifications provides myriad opportunities to assess the impacts of regulation on factors such as corruption and electoral competition. Empirical contributions are again linked to the RoPFI, which represents one of the first global measures of political finance regulation to incorporate information on candidate and party finances. Using the model to examine patterns in regulation, the RoPFI brings awareness to the nature of political finance in previously understudied regions, including the Caribbean and Pacific islands. Finally, this thesis provides theoretical contributions in numerous areas. Application of the 'General Theory of Campaign Finance Reform' to the cases of Canada and New Zealand gives support to the model, while examination of political finance reform in the Caribbean context provides the opportunity to develop it further. Through identifying a key role for clientelism in stifling attempts at reform, the thesis contributes to theories of governance, democratization, and small state development.

The chapter closes by discussing the limitations of the study and outlining three project proposals for future research. The first focuses on the ways in which the RoPFI may be developed further; first by building the resource into a panel dataset, and second by integrating

further variables of the International IDEA data. The second proposal looks to develop a greater understanding of *de facto* political finance practices. Through doing so, the contexts within which regulations are adhered to and disregarded may be identified. Such information would provide practical implications for policymakers in this area. The final proposal is oriented toward further application and extension of the theoretical model of this thesis. While this project has placed an emphasis on political finance reform in Westminster-style democracies, future study should be undertaken on nations of different institutional backgrounds.

8.2 Primary Findings of the Thesis

This thesis was designed to examine the *how* of political finance *regulation*, and the *why* of political finance *reform*. In short, the aims were to undertake a cross-sectional exploration of how nations differ in their approaches to political finance regulation, and to temporally examine the factors that lead to reforms in this area. Working toward these objectives, the thesis was developed through a 'nested analysis' research design. Opening with a large-N mapping of political finance systems, process tracing of political finance reforms in Canada, New Zealand, and a sample of Commonwealth Caribbean small states – with detailed focus on Saint Lucia – followed. This section details the findings and conclusions drawn from each stage of the study.

To address RQ_1 – *how do nations differ in their approach to political finance regulation* – the early stages of the thesis developed the RoPFI. Through applying MCA and MBC to International IDEA's PFD, Chapter 2 identified and defined the following types of political finance system:

- **Unregulated:** No substantive regulation of political finance. Where controls exist, they rarely extend beyond a ban on vote buying or a rudimentary form of indirect public funding.
- **Partially Regulated:** Countries utilize some controls on political finance, through

various combinations of restrictions on private income and spending, requirements for disclosure, and public funding.

- **Strongly Regulated:** Countries utilize extensive controls in most, and sometimes all, areas of political finance, including controls on private income and spending, requirements for disclosure, and public funding.

Upon defining these classifications, the second stage of Chapter 2 provided a descriptive analysis of global trends in political finance. Discussions within this context revolved around the three classification groups established by the RoPFI. Firstly, the Strongly Regulated category was found to be comprised of nations from Central and Eastern Europe, the MENA region, and the Americas. The Partially Regulated group contained a large clustering of African nations – representing approximately 50 percent of all cases in this classificatory grouping – alongside a number of additional cases primarily based in South and Southeast Asia. The final category, where political finance remains Unregulated, is predominantly composed of small states located in the Caribbean and Pacific regions. The significant exception to this pattern is Switzerland, which is the sole European nation without regulations on political finance.

Following large-N analysis, RQ_2 queried *what factors drive change in political finance regulation and how and why do they do so?* This section of the thesis used three case studies to apply and develop Zim Nwokora's (2014) 'General Theory of Campaign Finance Reform'. To begin to address this question, the RoPFI was used to identify case studies for further analysis. Respecting the scope conditions of the theoretical model, the RoPFI sample was reduced to exclude all cases that fell outside of the following parameters: (i) democratic nations, that; (ii) through previous ties to the British Empire; (iii) have post-colonial institutions grounded in the Westminster system of government. Within this subsample, RoPFI categories were used to differentiate those nations where political finance reforms had occurred from those where they had not. This was an important step to avoid selection on the dependent variable and, accordingly, to ensure that the model could be tested under conditions of reform

and *non-reform* (see Geddes, 2003). Following the selection of Canada, New Zealand, and a sample of Commonwealth Caribbean small states, each chapter used process tracing to examine causal pathways of reform.

To summarize findings, examination of the original dimensions of the theoretical model identified that levels of party organization strength and party competition were strong determinants in shaping regulation. Though some evidence was found in support of the ideological factors of the model, these were found to play a lesser role by comparison. Finally, mixed evidence was found with regards to the critical junctures of the theoretical framework, in the shape of scandals and changes in incumbency. While political finance scandals were shown to be a key driver of tightening reforms, changes in incumbency were identified as a poor predictor of reform. The final factor identified in shaping political finance, that of governance model types, proposes that nations employing a clientelist mode of governance are less likely to regulate political finance than those employing a programmatic model. The explanation behind this relationship is based upon the notion that, as patron-client relations are costly to maintain and, accordingly, require ample resources from private sources to function (Gherghina and Volintiru, 2017), parties have no incentives to regulate political finance (Hicken, 2011; Luna et al., 2014). First outlined in the cross-sectional analysis of political finance in Commonwealth Caribbean small states, the influence of clientelist governance on the reform process was illustrative further in a detailed examination of failed reform attempts in Saint Lucia. In this instance, citizen preferences toward clientelism were a major influence on the decision not to act upon political finance proposals that had developed as part of the CRC process. Indeed, the differentiation between governance styles in small states, where clientelism is much more likely to be prevalent, and large states, where it is comparatively less so, is suggested as the underpinning theoretical mechanism in the vastly differing political finance practices observed when considering state size.

Taking these findings together, this thesis concludes with an updated model of political finance reform in Westminster democracies. To summarize, the most influential factors in shaping

political finance reform are the type of governance model employed within a nation, the strength of party organizations, and levels of party competition.[62] *Looser* forms of regulation are more likely under a clientelist model of governance, where party organizations are weak, and where party competition is low. Contrarily, *tighter* forms of regulation are more likely under a programmatic model of governance, where party organizations are strong, and where party competition is high. An additional major contributor to political finance reform is the presence of funding scandals, which often lead to tightening reforms. While right-wing and left-wing parties tend to favour looser and tighter forms of regulation, respectively, the ideology of an incumbent party does not tend to have a significant bearing on the direction of political finance when viewed in isolation. This is because the ideological incentives of major parties are generally found to be subservient to their desires to retain incumbency or remain competitive in opposition. Such a relationship is not observed in the interactions of minor parties, however, whose positions on political finance tend to mirror their normative preferences. This difference is reflective of the different roles that major and minor parties play within a party system. According to Mainwaring and McGraw, for example, minor parties are often "more constrained ideologically, having generally been founded to address issues that major parties were perceived to be ignoring or addressing insufficiently" (2019: p.679). As minor parties tend to place greater emphasis on their ideological goals, this is suggested as an explanation for the different incentives that are at play when minor parties approach political finance reform. Finally, the least influential factor in the updated model of political finance concerns the ideological distance between government an opposition. In this area, looser controls are likely when the ideologies of government and opposition diverge, while tighter controls are likely when platforms converge.

Considering these findings, the following section outlines the contributions of this research. The thesis subsequently concludes with a presentation of its limitations, as well as an introduction to a range of prospects for future study.

[62] These findings are visualized in Figure 7.1 of Chapter 7.

8.3 Research Contributions

Contributions of this thesis are divided into three groups; methodological, empirical, and theoretical. Methodologically, the development of the RoPFI provides a rich data resource that has numerous implications for future studies of political finance. Firstly, the three classification groups of the RoPFI may be used to aid case selection in small-N comparative study. Categories may be used to apply the 'diverse cases' approach to sampling or, alternatively, to identify cases for 'most similar' or 'most different' designs. Beyond this, the publication of this data has major significance for the study of political finance in a large-N context. The continuous RoPFI variable may be used in Ordinary Least Squares (OLS) models, for example, while the three classification groups may be used as a dependent variable in logistic regression. In empirical terms, the RoPFI further builds on prior studies in this area. By utilizing the 2020 version of the PFD, the resulting measurement and classification tools provide additional information, such as regulations on both candidate *and* party finances, an updated picture of regulations as of 2020, and a larger, truly *global*, sample. Thus, this thesis provides substantial insights in to political finance practice around the world. Finally, this thesis makes numerous theoretical contributions to the study of political finance, governance, and small state democratization. By applying and refining the General Theory of Campaign Finance Reform, the nested case studies develop understanding of the incentives that underpin political finance reform. Building on this introduction, the following passages discuss these contributions in greater detail.

8.3.1 Methodological: Improving Small-N and Large-N Analyses

The methodological contributions of this thesis primarily stem from the development of the RoPFI. As discussed in Chapter 2, prior efforts in this area have generally used reductive methods to measure levels of regulation, and have failed to agree upon the number of dimensions that should be used to do so. Through using MCA, this study identified that a single dimension provides the most parsimonious representation of political finance regulation. Moreover, while extant literature has often used arbitrary methods to group cases into system

types, the application of an MBC algorithm to cluster cases represents a first in this research area. The use of 'soft partitioning', which provides a statistical measure upon which to identify the certainty of each nation's classification, has implications for both small-N and large-N studies. In a small-N context, scholars can use the statistical measure to aid case selection in qualitative studies (as discussed in Chapter 3). As a further application, large-N researchers may adjust the sample by removing outliers or nations for which assignment is not certain. This provides researchers with an opportunity to improve the validity and fit of any statistical models utilizing the RoPFI, while also offering an additional test of robustness.

Taken together, therefore, the three components of the RoPFI have major implications for the future study of political finance. Firstly, the continuous indicator provides a means to compare levels of regulation across a wide sample of nations. Secondly, the three clusters allow researchers to easily group nations based on similarities within their overall structures of regulation. Finally, the statistical measure of certainty provides an additional level of confidence and flexibility to the resource.

8.3.2 Empirical: Identifying Regional Patterns of Political Finance

Empirical contributions are again drawn from the findings of Chapter 2. With prior literature in this area using previous versions of the International IDEA data, findings were bounded to the information provided at the time of study. As the RoPFI is built on the most recent – and more comprehensive – version of the PFD, it provides a more detailed tool for classifying political finance systems and is grounded in the most up-to-date information possible. Furthermore, the measures incorporate a global sample which includes nations that have routinely been excluded from studies in this area. These contributions are discussed in turn below.

One of the central contributions of this thesis is the use of new data on political finance regulation. Although data have been available since 2003, previous iterations of the PFD did not include variables for as many forms of regulation as its more recent updates. Since International IDEA's development of this resource has been gradually improving over time, this study is one of few to incorporate information on party *and* candidate regulations. This

contrasts a range of previous studies, which have often placed an emphasis on party finance as an alternative (see Ben-Bassat and Dahan, 2015; Wiltse et al., 2019). An additional benefit of this data source is the provision of information that is accurate as of 2020. This represents a more valid account of political finance practices than other studies in this area which are, in some instances, up to twenty years out of date (see Ben-Bassat and Dahan, 2015; Casas-Zamora, 2005; van Biezen, 2010). To summarize, the RoPFI represents a more holistic and up-to-date measure of political finance regulation than those of extant literature.

Beyond this, the RoPFI provides a major contribution as one of the most wide-reaching comparative measures of political finance that currently exist. Through applying a larger sample than used in most prior studies in this area (see,*inter alia*, Ben-Bassat and Dahan, 2015; Casas-Zamora, 2005; van Es, 2016; Whiteley, 2011; Wiltse et al., 2019), a globally representative picture of political finance regulation is painted. The implications of this greater sample are clear when making comparisons to findings of extant literature. While van Biezen (2010), for example, observes that African nations are some of the least regulated in the world, the sample of the 'Typology of Financing Regimes' contains data on just nine nations within the continent, and none from the North African region. With African nations tending to be placed within the Partially Regulated category, this thesis challenges findings of empirical research in this area.

Continuing in the same vein, the RoPFI introduces classifications for a group of nations which are often excluded from large-N datasets. Little research has been undertaken on political finance in small states, for example, which "account for roughly 20 percent of the world's countries" but "have been routinely overlooked" in comparative literature (Corbett and Veenendaal, 2018: p.1). Veenendaal and Corbett (2015) note two reasons why these omissions may be problematic. First, if observations gleaned from the study of small states mirror those of larger nations, then the exclusion of this group of cases from comparative research reduces the ability for researchers to generalize their findings to a wider sample. Put simply, comparative studies are "wasting valuable data" by not considering small states

(2015: p.528). Secondly, if practices in small states are found to be significantly different to those of large states, then findings will always be skewed toward the perspectives of larger states. Through doing so, therefore, "we are missing out on the insights that these diverse, extreme, deviant, or most different cases offer" (2015: p.528). The findings of this thesis align with the second of these arguments, as small states are generally so lacking in political finance regulation as to be categorized in a class of their own. Such observations are central to the theoretical contributions of this thesis, which are discussed next.

8.3.3 Theoretical: Developing Theories of Political Finance, Small State Development, and Clientelism

This thesis makes substantial contributions to theories of political finance, by providing a detailed examination of the processes that underpin regulatory reform. Originally developed by Nwokora (2014), the 'General Theory of Campaign Finance Reform' used game theory to combine observations from research linked to party competition, organization, and electoral strategies. Despite addressing numerous inconsistencies of prior studies, the theoretical model had not previously been subjected to empirical testing, with the exception of Nwokora's brief illustrative example of political finance reform in Australia. This thesis has built on the works of Nwokora, by applying the model within the wider Westminster context. Findings are generally supportive of the theory and, as a result, strengthen its main pillars. Despite this, the contributions of this thesis go beyond the simple application of previously constructed theories to new contexts. Through examining the reform process in Canada, New Zealand, and the Commonwealth Caribbean, this study identified an *additional* factor that contributes to political finance reform; the clientelist versus programmatic dimension.

The development of this theoretical framework therefore provides contributions in numerous areas of study, including theories of clientelism, governance, and small state democratization. Though prior research into governance has identified clientelism as a barrier toward institutional reform (Graziano, 1973; Hicken, 2011; Lyne, 2007; Stokes, 2005), this thesis extends this relationship to account for political finance regulations. In clientelist systems, it is

identified that political contributions may be used as a method to exchange political support for personalized benefits (Gerring and Veenendaal, 2020; Vernon, 2013). As regulations on such transactions would block a central mechanism for quid pro quo exchange, there exists no incentives for clientelist parties to introduce regulations on their own finances. Thus, findings presented here contribute to knowledge on the consequences of clientelist governance models, in political and institutional terms. Finally, Chapter 6 in particular makes contributions to the study of small state development, by presenting further explanations as to the continued resistance to institutional change in the post-colonial context.

8.4 Limitations and Prospects for Further Research

This section builds on previous discussions on research contributions, to consider the potential limitations of this thesis. These are divided into two groups. The first relates to the development of the RoPFI, while the second concerns the methodological limitations of the nested case studies of Canada, New Zealand, and Commonwealth Caribbean small states. This section opens by highlighting these limitations, before proposing three projects that address them and build upon the findings of this study.

When developing the RoPFI in Chapter 2, three primary limitations were identified. The first was linked to the data that underpin the model. As with all inductive studies, if underlying data does not provide a valid representation of the phenomena under study, findings will capture a distorted picture. International IDEA provide corroborating evidence to the dataset, by presenting links to primary legislative sources alongside PFD categorizations. Despite this, the breadth of the International IDEA project – which yields more than 11,000 data-points – means that some level of inaccuracy is probable. An addition to this concerns levels of missing data. While the pre-screening process reduced levels of missing data to a managable level, the methodology that underpinned the RoPFI relied on a single imputation algorithm to complete the dataset. As a consequence, this strategy could not account for uncertainties in the imputation process. The second limitation concerns the data selection procedure

that was applied when developing the RoPFI. While the International IDEA dataset contains information in categorical and qualitative form, the RoPFI only includes nominally coded data. To summarize, the measures account for the use of specific regulations such as donation limits or disclosure requirements, but *do not* consider the thresholds for such limits. Finally, although the RoPFI ranks nations based from a *de jure* perspective of regulation, it does not provide insights into the *de facto* realities of political finance. As mentioned in Chapter 2, researchers should consider these points when using the RoPFI.

Remaining limitations are drawn from the small-N stage of the thesis. As outlined in Chapter 3, the diverse cases selection method was based upon choosing those nations which exhibited similarities to Australia in institutional terms, while also differing in their approaches to political finance regulation. As such, the pool of cases from which choices were made was limited to democracies which inherited the Westminster form of government upon their transitions to independence. While this is not an issue in itself, it narrows the scope of the study, as different institutional arrangements share and constrain power in different ways (La Porta et al., 1999; Lijphart, 2012; Rothstein, 1998; Tsebelis, 2000). As the nature of legislative processes vary across different institutional models, therefore, findings of this thesis cannot be assumed to be applicable outside of the institutional contexts from which they were derived. Recognising these limitations as an opportunity for further research, this thesis closes by outlining three project proposals, which focus on: (i) developing the RoPFI into a panel dataset; (ii) placing an additional focus on political finance in terms of *de facto* practice, and; (iii) applying the theoretical framework to cases outside of the Westminster mould.

Looking at ways in which the RoPFI can be developed further, the first proposal is divided into two strands. Firstly, though providing insights into the nature of political finance regulation around the world, the data relate only to practice in the year 2020. Thus, the RoPFI offers little opportunity to identify causal relationships in the large-N context, when compared to similar resources in other areas; the V-Dem (Coppedge et al., 2022), V-Party (Lindberg et al., 2022), or CMP (Volkens et al., 2021), for instance. To broaden the contribution of the model, future

research should be oriented toward the development of a RoPFI panel dataset. Such an endeavour would allow researchers to trace the development of regulation at regular intervals and, as such, provide tools for researchers to identify causal relationships across a large-N sample.

Beyond this, the second area for development relates to the data that underpin the RoPFI. As discussed above, the data selection procedure excluded many variables for which cross-national comparison was not deemed possible. This information was largely related to the numerical thresholds associated with donation and spending limits, as well as requirements for financial disclosure. Thus, the second strand of this proposed research project should focus on developing a method to compare such thresholds across nations and, consequently, to integrate them within the RoPFI model. Taken together, these two improvements would provide a greater understanding of changes over time, while also improving the accuracy of comparisons across cases.

The second proposal moves beyond the parameters of this thesis, which focused on the legal regulation of political finance, to study the extent to which laws are followed in a practical sense. Taking a comparative approach, research in this area should use and build upon the RoPFI data to study the relative gaps that exist between political finance regulations from *de jure* and *de facto* perspectives. Findings from such a study would serve two purposes. First, through understanding the gaps that exist between laws 'on the books' and in reality, researchers would be able to examine whether certain types of regulatory strategy are associated with non-compliance. Using the RoPFI scale as a foundation, a study in this area may be able to determine whether there is a threshold above which laws are no longer followed, for example. The second use of this information would be to identify whether there are any specific political or institutional factors that are associated with compliance on financing regulations. Knowledge in these areas would provide substantive implications for policymakers, by providing potential explanations for failed attempts at embedding regulations on political finance.

The final proposal focuses on the further development of theory on political finance reform. Although this thesis provided insights into reform processes in Westminster democracies, future research should explore the applicability of the updated theoretical model within the context of mixed and Presidential systems. Such analysis would allow for wider generalizations or adaptions to the model, if necessary. As an additional tool of theory development, the position of outliers should be examined. Case study research should look to the position of Switzerland, for instance, which is one of the only large states to be positioned within the Unregulated category, and also uses a programmatic governance model. Finally, the relationship between political finance and clientelism should be examined further. This thesis used proxies linked to state size and, subsequently, relied on assumptions drawn from extant case study literature, to differentiate between governance practices. While this was necessitated by the lack of globally representative data in this area – a common issue for scholars of small states (Veenendaal and Corbett, 2015) – these findings should be revisited upon provision of stronger data in future. Further data may be brought in to assess relationships between political finance regulation and wider political-economic contexts, including measures of financial inequality, economic development, and democratic consolidation. My future research agenda will aim to cover each of these areas.

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Appendix A

Missing Data by Nation

Nation	Missing Data (%)	Nation	Missing Data (%)
Afghanistan	20.00	Libya	31.11
Albania	4.44	Liechtenstein	0.00
Algeria	26.67	Lithuania	0.00
Andorra	0.00	Luxembourg	2.22
Angola	2.22	Madagascar	0.00
Antigua and Barbuda	0.00	Malawi	2.22
Argentina	24.44	Malaysia	0.00
Armenia	4.44	Maldives	0.00
Australia	0.00	Mali	6.67
Austria	0.00	Malta	2.22
Azerbaijan	0.00	Marshall Islands	0.00
Bahamas	0.00	Mauritania	4.44
Bahrain	44.44	Mauritius	2.22
Bangladesh	4.44	Mexico	0.00
Barbados	2.22	Micronesia, Federated States of	0.00
Belarus	2.22	Moldova, Republic of	2.22
Belgium	17.78	Monaco	6.67
Belize	11.11	Mongolia	0.00
Benin	2.22	Montenegro	0.00
Bhutan	0.00	Morocco	8.89
Bolivia	13.33	Mozambique	2.22
Bosnia and Herzegovina	0.00	Myanmar	0.00
Botswana	4.44	Namibia	2.22
Brazil	0.00	Nauru	0.00
Bulgaria	8.89	Nepal	17.78
Burkina Faso	22.22	Netherlands	0.00
Burundi	0.00	New Zealand	4.44
Cabo Verde	2.22	Nicaragua	11.11
Cambodia	4.44	Niger	4.44

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Nation	Missing Data (%)	Nation	Missing Data (%)
Cameroon	0.00	Nigeria	0.00
Canada	2.22	North Macedonia, Republic of	0.00
Central African Republic	48.89	Norway	2.22
Chad	51.11	Pakistan	0.00
Chile	0.00	Palau	0.00
Colombia	0.00	Panama	0.00
Comoros	60.00	Papua New Guinea	0.00
Congo, Democratic Republic of	0.00	Paraguay	0.00
Costa Rica	0.00	Peru	0.00
Cote d'Ivoire	0.00	Philippines	0.00
Croatia	4.44	Poland	0.00
Cyprus	2.22	Portugal	4.44
Czech Republic	2.22	Republic of The Congo	31.11
Denmark	0.00	Romania	0.00
Djibouti	40.00	Russian Federation	2.22
Dominica	8.89	Rwanda	0.00
Dominican Republic	0.00	Saint Kitts and Nevis	0.00
Ecuador	8.89	Saint Lucia	4.44
Egypt	8.89	Saint Vincent and The Grenadines	6.67
El Salvador	0.00	Samoa	68.89
Equatorial Guinea	73.33	San Marino	13.33
Estonia	0.00	Sao Tome and Principe	51.11
Eswatini	86.67	Senegal	8.89
Ethiopia	0.00	Serbia	4.44
Fiji	0.00	Seychelles	0.00
Finland	0.00	Sierra Leone	0.00
France	0.00	Singapore	0.00
Gabon	44.44	Slovakia	0.00
Gambia	0.00	Slovenia	0.00
Georgia	0.00	Solomon Islands	0.00
Germany	6.67	South Africa	6.67
Ghana	2.22	Spain	4.44
Greece	11.11	Sri Lanka	31.11
Grenada	0.00	Sudan	11.11
Guatemala	2.22	Suriname	22.22
Guinea	6.67	Sweden	2.22
Guinea-Bissau	2.22	Switzerland	0.00
Guyana	24.44	Syrian Arab Republic	28.89
Haiti	26.67	Taiwan	0.00
Honduras	0.00	Tajikistan	0.00
Hungary	11.11	Tanzania, United Republic of	8.89
Iceland	0.00	Thailand	0.00
India	4.44	Timor-Leste	0.00
Indonesia	0.00	Togo	8.89

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Nation	Missing Data (%)	Nation	Missing Data (%)
Iran, Islamic Republic of	46.67	Tonga	0.00
Iraq	26.67	Trinidad and Tobago	0.00
Ireland	4.44	Tunisia	4.44
Israel	0.00	Turkey	0.00
Italy	11.11	Turkmenistan	0.00
Jamaica	11.11	Tuvalu	53.33
Japan	17.78	Uganda	0.00
Jordan	17.78	Ukraine	4.44
Kazakhstan	0.00	United Kingdom	6.67
Kenya	4.44	United States	0.00
Kiribati	4.44	Uruguay	8.89
Korea, Republic of	0.00	Uzbekistan	0.00
Kyrgyzstan	0.00	Vanuatu	0.00
Latvia	4.44	Venezuela	6.67
Lebanon	6.67	Yemen	17.78
Lesotho	6.67	Zambia	0.00
Liberia	0.00	Zimbabwe	0.00

Appendix B

Pre vs. Post Imputation of RoPFI Variables

Variable	Pre-Imputation	Post-Imputation
1. Is there a ban on donations from foreign interests to political parties?	Yes = 68.3% No = 30.5% NA = 1.1%	Yes = 68.9% No = 31.1%
2. Is there a ban on donations from foreign interests to candidates?	Yes = 56.1% No = 39.4% NA = 4.4%	Yes = 58.3% No = 41.7%
3. Is there a ban on corporate donations to political parties?	Yes = 25.5% No = 71.1% NA = 3.3%	Yes = 26.7% No = 73.3%

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Variable	Pre-Imputation	Post-Imputation
4. Is there a ban on corporate donations to candidates?	Yes = 23.3% No = 70.6% NA = 6.1%	Yes = 23.9% No = 76.1%
5. Is there a ban on donations from Trade Unions to political parties?	Yes = 23.9% No = 70.6% NA = 5.6%	Yes = 26.7% No = 73.3%
6. Is there a ban on donations from Trade Unions to candidates?	Yes = 27.2% No = 65.6% NA = 7.2%	Yes = 29.4% No = 70.6%
7. Is there a ban on anonymous donations to political parties?	Yes = 56.7% No, but limit = 11.1% No = 30.0% NA = 2.2%	Yes = 56.7% No, but limit = 11.1% No = 32.2%
8. Is there a ban on anonymous donations to candidates?	Yes = 42.8% No, but limit = 8.9% No = 37.8% NA = 10.6%	Yes = 48.3% No, but limit = 8.9% No = 42.8%
9. Is there a ban on donations from corporations with government contracts to political parties?	Yes = 35% No = 54.4% NA = 10.6%	Yes = 37.2% No = 62.8%
10. Is there a ban on donations from corporations with government contracts to candidates?	Yes = 30% No = 56.7% NA = 13.3%	Yes = 32.2% No = 67.8%

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Variable	Pre-Imputation	Post-Imputation
11. Is there a ban on donations from corporations with partial government ownership to political parties?	Yes = 48.9% No = 38.9% NA = 12.2%	Yes = 53.3% No = 46.7%
12. Is there a ban on donations from corporations with partial government ownership to candidates?	Yes = 41.1% No = 46.7% NA = 12.2%	Yes = 46.1% No = 53.9%
13. Is there a ban on donations from any other source?	Yes = 55.0% No = 37.8% NA = 7.2%	Yes = 58.9% No = 41.1%
14. Are there bans on state resources being used in favour or against a political party or candidate?	Yes = 63.9% No = 21.1% NA = 15.0%	Yes = 77.2% No = 22.8%
15. Is there a limit on the amount a donor can contribute to a political party over a time period (not election specific)?	Yes = 46.1% No = 48.3% NA = 5.6%	Yes = 47.8% No = 52.2%
16. Is there a limit on the amount a donor can contribute to a political party in relation to an election?	Yes = 33.3% No = 58.3% NA = 8.3%	Yes = 35.6% No = 64.4%
17. Is there a limit on the amount a donor can contribute to a candidate?	Yes = 37.8% No = 53.3% NA = 8.9%	Yes = 39.4% No = 60.6%

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Variable	Pre-Imputation	Post-Imputation
18. Is there a limit on the amount a candidate can contribute to their own election campaign?	Yes = 26.7% No = 59.4% NA = 13.9%	Yes = 29.4% No = 70.6%
19. Is there a limit on in-kind donations to political parties?	Yes = 38.3% No = 48.9% NA = 12.8%	Yes = 42.2% No = 57.8%
20. Is there a limit on in-kind donations to candidates?	Yes = 28.9% Sometimes = 1.6% No = 55.0% NA = 14.4%	Yes = 33.0% Sometimes = 1.7% No = 64.4%
21. Are there provisions regarding political parties engaging in commercial enterprises?	Yes = 26.1% Sometimes = 6.1% No = 52.2% NA = 15.6%	Yes = 30.0% Sometimes = 6.1% No = 63.9%
22. Are there restrictions regarding political parties taking loans in relation to election campaigns?	Yes = 13.3% Sometimes = 6.1% No = 62.8% NA = 17.8%	Yes = 13.3% Sometimes = 6.1% No = 80.6%
23. Are there provisions requiring donations to go through the banking system?	Yes = 31.7% Sometimes = 11.7% No = 46.1% NA = 10.6%	Yes = 33.9% Sometimes = 11.7% No = 54.4%

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Variable	Pre-Imputation	Post-Imputation
24. Are there provisions for direct public funding to political parties?	Yes = 70.0% No = 26.7% NA = 3.3%	Yes = 72.2% No = 27.8%
25. If there are provisions for direct public funding to political parties, are there provisions for how it should be used (‘ear marking’)?	Yes = 39.4% No = 53.9% NA = 6.7%	Yes = 41.1% No = 58.9%
26. Are there provisions for free or subsidized access to media for political parties?	Yes = 68.3% No = 23.3% NA = 8.3%	Yes = 73.9% No = 26.1%
27. Are there provisions for free or subsidized access to media for candidates?	Yes = 59.4% No = 33.9% NA = 6.7%	Yes = 62.8% No = 37.2%
28. Are there provisions for any other form of indirect public funding?	Yes = 60.0% No = 31.1% NA = 8.9%	Yes = 66.7% No = 33.3%
29. Is the provision of direct public funding to political parties related to gender equality among candidates?	Yes = 16.1% No = 77.2% NA = 6.7%	Yes = 16.1% No = 83.9%
30. Are there provisions for other financial advantages to encourage gender equality in political parties?	Yes = 10.6% No = 82.2% NA = 7.2%	Yes = 10.6% No = 89.4%

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Variable	Pre-Imputation	Post-Imputation
31. Is there a ban on vote buying?	Yes = 92.2% No = 3.3% NA = 4.4%	Yes = 96.7% No = 3.3%
32. Are there limits on the amount a political party can spend?	Yes = 35.0% No = 60.0% NA = 5.0%	Yes = 36.7% No = 63.3%
33. Are there limits on the amount a candidate can spend?	Yes = 48.9% No = 45.6% NA = 5.6%	Yes = 51.1% No = 48.9%
34. Are there limits on traditional media advertising spending in relation to election campaigns ?	Yes = 22.8% No = 61.1% NA = 16.1%	Yes = 22.8% No = 77.2%
35. Do political parties have to report regularly on their finances?	Yes = 77.2% No = 18.3% NA = 4.4%	Yes = 80.6% No = 19.4%
36. Do political parties have to report on their finances in relation to election campaigns?	Yes = 61.1% No = 36.7% NA = 2.2%	Yes = 62.2% No = 37.8%
37. Do candidates have to report on their campaign finances?	Yes = 68.9% No = 26.7% NA = 4.4%	Yes = 71.7% No = 28.3%

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Variable	Pre-Imputation	Post-Imputation
38. Is information in reports from political parties and/or candidates to be made public?	Yes = 62.8% Sometimes = 4.4% No = 26.7% NA = 6.1%	Yes = 66.1% Sometimes = 4.4% No = 29.4%
39. Must reports from political parties and/or candidates reveal the identity of donors?	Yes = 52.2% Sometimes = 19.4% No = 22.2% NA = 6.1%	Yes = 55.0% Sometimes = 20.0% No = 25.0%
40. Must reports from political parties and candidates include itemized income?	Yes = 51.7% Sometimes = 7.8% No = 28.9% NA = 11.7%	Yes = 58.9% Sometimes = 7.8% No = 33.3%
41. Must reports from political parties and candidates include information on itemized spending?	Yes = 51.7% Sometimes = 7.2% No = 30.6% NA = 10.6%	Yes = 57.2% Sometimes = 7.2% No = 35.6%
42. Is it specified that a particular institution(s) is responsible for examining financial reports and/or investigating violations?	Yes = 83.3% No = 10.0% NA = 6.7%	Yes = 88.9% No = 11.1%
43. Is there an institution that receives financial reports from political parties and/or candidates?	Yes = 86.7% No = 10.0% NA = 3.3%	Yes = 90% No = 10%

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Variable	Pre-Imputation	Post-Imputation
44. Do any other institutions have a formal role in political finance oversight?	Yes = 57.8% No = 32.2% NA = 10.0%	Yes = 65% No = 35%
45. Are sanctions provided for political finance infractions?	Yes = 95.0% No = 3.3% NA = 1.7%	Yes = 96.7% No = 3.3%

Appendix C

Table of MCA Modality Coordinates

Variable	Modalities	Dim 1	Dim 2
1. Is there a ban on donations from foreign interests to political parties?	Yes	0.417	-0.009
	No	-0.923	0.019
2. Is there a ban on donations from foreign interests to candidates?	Yes	0.595	-0.011
	No	-0.832	0.015
3. Is there a ban on corporate donations to political parties?	Yes	0.797	0.742
	No	-0.290	-0.270
4. Is there a ban on corporate donations to candidates?	Yes	1.020	0.895
	No	-0.320	-0.281
5. Is there a ban on donations from Trade Unions to political parties?	Yes	0.956	0.820
	No	-0.347	-0.298
6. Is there a ban on donations from Trade Unions to candidates?	Yes	0.983	0.752
	No	-0.410	-0.314
7. Is there a ban on anonymous donations to political parties?	Yes	0.541	-0.036
	No, but limit	0.299	-0.562
	No	-1.054	0.257

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Variable	Modalities	Dim 1	Dim 2
8. Is there a ban on anonymous donations to candidates?	Yes	0.649	-0.055
	No, but limit	0.373	-0.486
	No	-0.811	0.163
9. Is there a ban on donations from corporations with government contracts to political parties?	Yes	0.814	0.410
	No	-0.483	-0.243
10. Is there a ban on donations from corporations with government contracts to candidates?	Yes	0.944	0.623
	No	-0.449	-0.296
11. Is there a ban on donations from corporations with partial government ownership to political parties?	Yes	0.719	0.093
	No	-0.822	-0.106
12. Is there a ban on donations from corporations with partial government ownership to candidates?	Yes	0.858	0.197
	No	-0.734	-0.168
13. Is there a ban on donations from any other source?	Yes	0.550	0.094
	No	-0.788	-0.135
14. Are there bans on state resources being used in favour or against a political party or candidate?	Yes	0.152	-0.042
	No	-0.517	0.142
15. Is there a limit on the amount a donor can contribute to a political party over a time period	Yes	0.740	0.073
(not election specific)?	No	-0.677	-0.067
16. Is there a limit on the amount a donor can contribute to a political party in relation to an election?	Yes	0.950	0.331
	No	-0.524	-0.183
17. Is there a limit on the amount a donor can contribute to a candidate?	Yes	0.898	0.233
	No	-0.585	-0.152
18. Is there a limit on the amount a candidate can contribute to their own election campaign?	Yes	0.900	0.135
	No	-0.376	-0.056
19. Is there a limit on in-kind donations to political parties?	Yes	0.828	0.106
	No	-0.605	-0.078
20. Is there a limit on in-kind donations to candidates?	Yes	0.920	0.158
	Sometimes	0.663	0.716
	No	-0.501	-0.101
21. Are there provisions regarding political parties engaging in commercial enterprises?	Yes	0.697	0.218
	Sometimes	0.821	-0.096

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Variable	Modalities	Dim 1	Dim 2
	No	-0.406	-0.093
22. Are there restrictions regarding political parties taking loans in relation to election campaigns?	Yes	0.869	-0.092
	Sometimes	0.911	0.399
	No	-0.213	-0.015
23. Are there provisions requiring donations to go through the banking system?	Yes	0.754	-0.031
	Sometimes	0.759	0.080
	No	-0.632	0.002
24. Are there provisions for direct public funding to political parties?	Yes	0.308	-0.077
	No	-0.801	0.201
25. If there are provisions for direct public funding to political parties, are there provisions for how it should be used ('ear marking')?	Yes	0.559	-0.132
	No	-0.390	0.092
26. Are there provisions for free or subsidized access to media for political parties?	Yes	0.221	-0.144
	No	-0.625	0.406
27. Are there provisions for free or subsidized access to media for candidates?	Yes	0.228	-0.154
	No	-0.384	0.259
28. Are there provisions for any other form of indirect public funding?	Yes	0.202	-0.081
	No	-0.403	0.163
29. Is the provision of direct public funding to political parties related to gender equality among candidates?	Yes	0.799	-0.149
	No	-0.153	0.029
30. Are there provisions for other financial advantages to encourage gender equality in political parties?	Yes	0.698	-0.162
	No	-0.082	0.019
31. Is there a ban on vote buying?	Yes	0.004	0.014
	No	-0.113	-0.417
32. Are there limits on the amount a political party can spend?	Yes	0.741	-0.183
	No	-0.429	0.106
33. Are there limits on the amount a candidate can spend?	Yes	0.520	-0.274
	No	-0.543	0.287
34. Are there limits on traditional media advertising spending in relation to election campaigns?	Yes	0.587	-0.036
	No	-0.173	0.010
35. Do political parties have to report regularly on their finances?	Yes	0.303	-0.164

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Variable	Modalities	Dim 1	Dim 2
	No	-1.254	0.679
36. Do political parties have to report on their finances in relation to election campaigns?	Yes	0.466	-0.169
	No	-0.767	0.278
37. Do candidates have to report on their campaign finances?	Yes	0.392	-0.134
	No	-0.993	0.340
38. Is information in reports from political parties and/or candidates to be made public?	Yes	0.428	-0.113
	Sometimes	-0.282	-1.142
	No	-0.918	0.427
39. Must reports from political parties and/or candidates reveal the identity of donors?	Yes	0.491	-0.015
	Sometimes	-0.024	-0.906
	No	-1.060	0.759
40. Must reports from political parties and candidates include itemized income?	Yes	0.550	-0.065
	Sometimes	-0.362	-1.231
	No	-0.887	0.402
41. Must reports from political parties and candidates include information on itemized spending?	Yes	0.570	-0.072
	Sometimes	-0.046	-0.909
	No	-0.908	0.301
42. Is it specified that a particular institution(s) is responsible for examining financial reports and/or investigating violations?	Yes	0.189	-0.151
	No	-1.511	1.205
43. Is there an institution that receives financial reports from political parties and/or candidates?	Yes	0.184	-0.173
	No	-1.657	1.557
44. Do any other institutions have a formal role in political finance oversight?	Yes	0.279	-0.132
	No	-0.518	0.246
45. Are sanctions provided for political finance infractions?	Yes	0.060	-0.053
	No	-1.733	1.551

Appendix D

RoPFI Classification Table

Each case is accompanied with a P-value, which measures the level of uncertainty associated with its classification. These figures are displayed in parentheses.

Strongly Regulated	Afghanistan	Albania	Algeria	Andorra
	(0.03)	(0.00)	(0.15)	(0.00)
	Argentina	Armenia	Azerbaijan	Bahrain
	(0.00)	(0.00)	(0.00)	(0.07)
	Belgium	Bhutan	Bolivia	Bosnia & Herzegovina
	(0.00)	(0.00)	(0.04)	(0.00)
	Brazil	Cabo Verde	Canada	Chile
	(0.00)	(0.05)	(0.00)	(0.00)
	Colombia	Costa Rica	Croatia	Cyprus
	(0.00)	(0.00)	(0.00)	(0.29)
	Czech Republic	Dominican Republic	Ecuador	Egypt
	(0.11)	(0.04)	(0.00)	(0.00)
	Estonia	Fiji	Finland	France
	(0.00)	(0.00)	(0.19)	(0.00)

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	Georgia	Greece	Guatemala	Haiti
	(0.00)	(0.00)	(0.00)	(0.04)
	Honduras	Hungary	Iceland	India
	(0.01)	(0.01)	(0.02)	(0.25)
	Indonesia	Iraq	Israel	Jamaica
	(0.45)	(0.02)	(0.00)	(0.09)
	Japan	Jordan	Kenya	Korea, Republic of
	(0.00)	(0.01)	(0.03)	(0.00)
	Kyrgyzstan	Latvia	Liberia	Libya
	(0.12)	(0.00)	(0.00)	(0.12)
	Lithuania	Luxembourg	Mexico	Moldova
	(0.00)	(0.06)	(0.00)	(0.00)
	Mongolia	Montenegro	Morocco	North Macedonia
	(0.00)	(0.00)	(0.38)	(0.01)
	Panama	Papua New Guinea	Paraguay	Peru
	(0.00)	(0.42)	(0.00)	(0.00)
	Poland	Portugal	Romania	Russian Federation
	(0.00)	(0.00)	(0.00)	(0.00)
	Sao Tome & Principe	Serbia	Slovakia	Slovenia
	(0.00)	(0.00)	(0.39)	(0.00)
	South Africa	Taiwan	Tajikistan	Timor-Leste
	(0.29)	(0.01)	(0.12)	(0.01)
	Tunisia	Turkey	Ukraine	United States
	(0.00)	(0.00)	(0.00)	(0.00)
	Uruguay	Uzbekistan		
	(0.00)	(0.01)		
Partially Regulated	Angola	Antigua & Barbuda	Australia	Austria
	(0.18)	(0.00)	(0.04)	(0.00)
	Bangladesh	Barbados	Belarus	Benin
	(0.02)	(0.00)	(0.38)	(0.04)
	Botswana	Bulgaria	Burkina Faso	Burundi

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(0.00)	(0.45)	(0.00)	(0.00)
Cambodia	Cameroon	Chad	Comoros
(0.00)	(0.00)	(0.00)	(0.00)
Congo, Democratic Republic of	Cote d'Ivoire	Denmark	Djibouti
(0.00)	(0.00)	(0.00)	(0.00)
El Salvador	Equatorial Guinea	Eswatini	Ethiopia
(0.00)	(0.11)	(0.00)	(0.12)
Gabon	Gambia	Germany	Ghana
(0.00)	(0.00)	(0.01)	(0.05)
Guinea	Guinea-Bissau	Guyana	Iran
(0.01)	(0.00)	(0.00)	(0.01)
Ireland	Italy	Kazakhstan	Lebanon
(0.23)	(0.18)	(0.09)	(0.14)
Lesotho	Madagascar	Malawi	Malaysia
(0.00)	(0.00)	(0.00)	(0.00)
Maldives	Mali	Malta	Mauritania
(0.24)	(0.00)	(0.32)	(0.21)
Mauritius	Monaco	Mozambique	Myanmar
(0.07)	(0.00)	(0.01)	(0.09)
Namibia	Nepal	Netherlands	New Zealand
(0.00)	(0.25)	(0.00)	(0.03)
Nicaragua	Niger	Nigeria	Norway
(0.04)	(0.00)	(0.13)	(0.01)
Pakistan	Palau	Philippines	Republic of The Congo
(0.01)	(0.00)	(0.07)	(0.00)
Rwanda	San Marino	Senegal	Seychelles
(0.00)	(0.02)	(0.03)	(0.03)
Sierra Leone	Singapore	Solomon Islands	Spain
(0.29)	(0.01)	(0.00)	(0.36)
Sri Lanka	Sudan	Sweden	Syrian Arab Republic
(0.00)	(0.10)	(0.00)	(0.05)

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	Tanzania	Thailand	Togo	Trinidad & Tobago
	(0.50)	(0.34)	(0.14)	(0.00)
	Turkmenistan	Uganda	United Kingdom	Venezuela
	(0.00)	(0.01)	(0.27)	(0.08)
	Yemen	Zambia	Zimbabwe	
	(0.05)	(0.00)	(0.00)	
Unregulated	Bahamas	Belize	Central African Republic	Dominica
	(0.00)	(0.00)	(0.19)	(0.02)
	Grenada	Kiribati	Liechtenstein	Marshall Islands
	(0.00)	(0.02)	(0.17)	(0.35)
	Micronesia, Federated States of	Nauru	Saint Kitts & Nevis	Saint Lucia
	(0.03)	(0.00)	(0.00)	(0.00)
	Saint Vincent & The Grenadines	Samoa	Suriname	Switzerland
	(0.00)	(0.00)	(0.28)	(0.00)
	Tonga	Tuvalu	Vanuatu	
	(0.11)	(0.35)	(0.00)	

Appendix E

Missing Data Robustness Test

Replication Stage	Step	Findings
Data Selection	Select variables of interest from PFD	Identified the same set of **45 nominally coded variables as used in original analyses**
Listwise Deletion	Remove all cases with missing data	Sample reduced to **82 cases**
Multiple Correspondence Analysis	Analysis of scree plot	Dimension 1 explains 90.1 percent of variance, Dimension 2 explains 1.6 percent. Following steps taken in original analysis **supports use of a mono-dimensional construct**
Multiple Correspondence Analysis	Analysis of modality plot	Dimension 1 clusters all 'no' responses to one side and all 'yes' responses to the other. All 'sometimes' and 'no, but limit' modalities lie toward the centre. The most highly weighted modalities in both directions remain consistent with original analyses. This supports the claim that **missing values imputed by RiMCA do not impact the structure of the MCA output (Josse et al., 2012)**
Multiple Correspondence Analysis	Analysis of case plot	Analysing cases, Mexico remains the most highly regulated country, and Saint Kitts & Nevis is the least regulated. This is influenced by the absence of Belize due to missing data. **Correlation between imputed MCA output and compete case MCA output is 0.99, again showing that the RiMCA algorithm does not skew the findings of MCA.**

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Replication Stage	Step	Findings
Model Based Clustering	Analysis of BIC and validation tests	Findings suggest the following number of clusters: • BIC: 4 • Connectivity: 3 • Dunn Index: 6 • Average Silhouette Width: 3 **Though findings vary, tests provide some support for a 3 cluster solution**
Model Based Clustering	Comparison of Findings	To compare findings, overall proportions of cases across the three cases are calculated. 180 countries are classified in the following manner via the RiMCA imputed MCA scales: • Unregulated: 11% • Partially Regulated: 46% • Strongly Regulated: 43% When employing listwise deletion, 82 countries are distributed as follows: • Unregulated: 18% • Partially Regulated: 42% • Strongly Regulated: 40% In both instances, the Unregulated cluster is the smallest, with the Partially and Strongly Regulated groups being similar in size. Looking at specific cases shows the following: • Seven cases were classified as Strongly Regulated in the original analysis, while under the robustness check are classified as Partially Regulated • Five cases were classified as Partially Regulated in the original analysis, while under the robustness check are classified as Unregulated Though this is the case, **no countries move across more than one category, and 86 percent of remaining cases are classified in the same group across both analyses.**

As a further comparison, Figures 1 and 2 show the classification and uncertainty plots of the original analysis and robustness testing. Both classification plots show large clusters toward

the centre and right, with a smaller cluster to the left. Two main differences can be seen across the plots. Firstly, the leftmost cluster in Figure 2 spreads across a wider area of the plot than in Figure 1. This observation explains the slightly larger proportion of Unregulated nations within the robustness test findings. The second observation concerns the uncertainty plots. In the original findings, a large proportion of cases are positioned between the Partially and Strongly Regulated clusters. As they are difficult to classify, they come with high levels of uncertainty. In Figure 2, there are much fewer uncertain points. As suggested in Chapter 2, researchers should consider whether statistically uncertain cases should be included in any subsequent analyses.

Figure 1: MBC Plots from Original Analysis

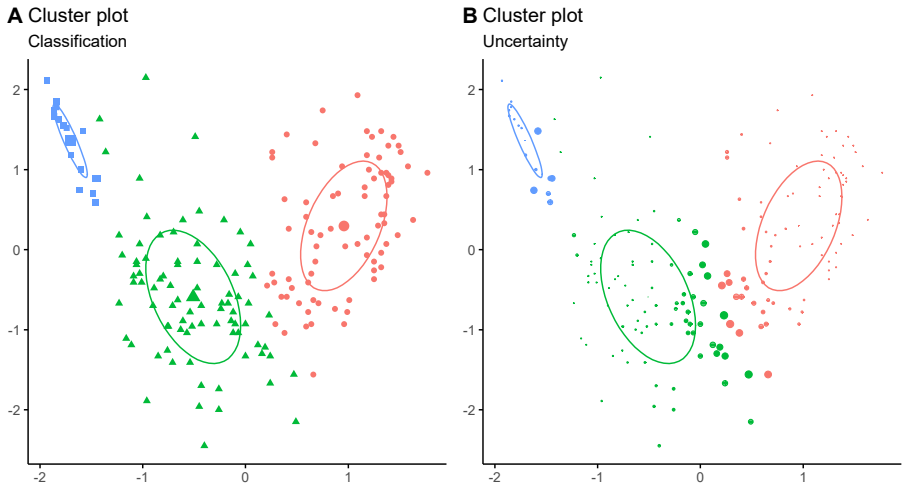
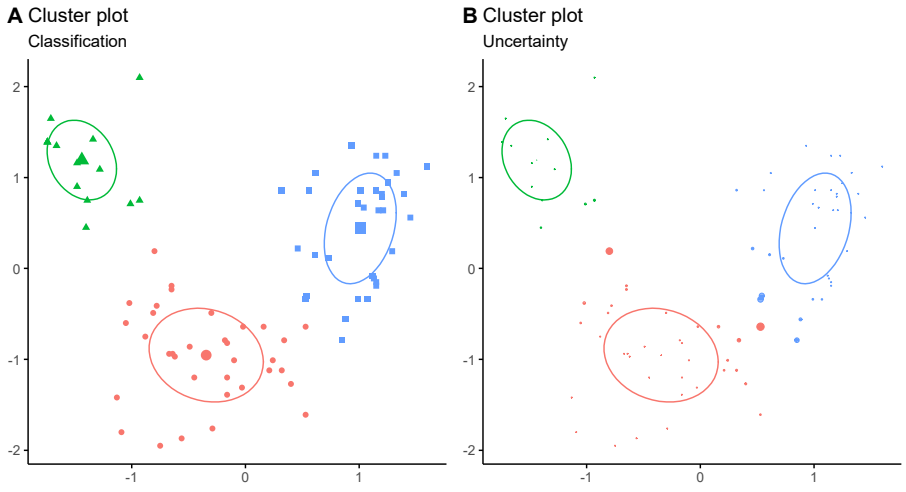


Figure 2: MBC Plots for Robustness Testing



Appendix F

Qualitative Data used in Case Studies

F.1 Canada

Commission, Committee, and Government Reports

Committee on Election Expenses (1966). *Report of the Committee on Election Expenses.* Ottawa: Queen's Printer.

Royal Commission on Electoral Reform and Party Financing (1991). *Reforming Electoral Democracy: Final Report.* Ottawa: Minister of Supply and Services Canada.

Special Committee on Electoral Reform (2016). *Strengthening Democracy in Canada: Principles, Process and Public Engagement for Electoral Reform.* Ottawa: House of Commons.

Office of the Prime Minister (2017). *Minister of Democratic Institutions Mandate Letter.* Available at: https://pm.gc.ca/en/mandate-letters/2017/02/01/archived-minister-democratic-institutions-mandate-letter.

Court Cases

'National Citizens' Coalition v. Canada (A.G.)' (1984). Alberta Court of Queen's Bench, case 1181. *CanLII*. Available at: https://www.canlii.org/en/ab/abqb/doc/1984/1984canlii1181/1984canlii1181.html

'Somerville v. Canada (A.G.)' (1996). Alberta Court of Appeal, case 14396. *vlex*. Available at: https://ca.vlex.com/vid/somerville-v-can-g-680739649

‘Harper v. Canada (A.G.)’ (2004). Supreme Court of Canada, case 29618. *LexUM*. Available at: https://scc-csc.lexum.com/scc-csc/scc-csc/en/item/2146/index.do

Parliamentary Debates, Committee Reports, and Submissions

The following tables show the repositories from which qualitative data was collected, as well as a breakdown of all resources used to examine each reform.

Data Repositories for Canada Case Study

Reforms	Source Type	Details
20th Century Legislation (reforms in 1974, 1983, and 1993)	House Debates	https://parl.canadiana.ca/
	House Committee Documents	https://parl.canadiana.ca/
	Senate Debates	https://parl.canadiana.ca/
	Senate Committee Documents	https://parl.canadiana.ca/
21st Century Legislation (reforms in 2000, 2003, 2006, 2011, 2014, and 2019)	House Debates	https://www.ourcommons.ca/PublicationSearch/en/?PubType=37
	House Committee Documents	https://www.ourcommons.ca/PublicationSearch/en/?PubType=40017
	Senate Debates	https://sencanada.ca/en/in-the-chamber/debates/
	Senate Committee Documents	https://sencanada.ca/en/committees/reports/

Qualitative Data for Canada Case Study

Legislation	Source Type	Details
1974 Election Expenses Act	House of Commons Debates	HC Deb 22 June 1973, Vol 5. HC Deb 10 July 1973, Vol. 5. HC Deb 11 July 1973, Vol. 5. HC Deb 12 July 1973, Vol. 5.
	House of Commons Committee Report	Special Committee on Election Expenses (1971) *Second Report respecting the Limitation and Control of Election Expenses in Canada*, 1 June, Issue No. 13.
	House of Commons Committee Transcripts	8 September 1970, No. 1. 9 September 1970, No. 2. 26 November 1970, No. 2. 1st December 1970, No. 3. 4 December 1970, No. 4. 8 December 1970, No. 5. 10 December 1970, No. 6. 15 December 1970, No. 7. 14 January 1971, No. 8. 19 January 1971, No. 9. 21st January 1971, No. 10. 11 February 1972, No. 11. 12 March 1972, No. 12.
	Senate Debates	Sen Deb 9 January 1974, Vol. 2. Sen Deb 10 January 1974, Vol. 2. Sen Deb 11 January 1974, Vol. 2.
	Senate Committee Report	None

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Legislation	Source Type	Details
	Senate Committee Transcripts	None
1983 Canada Elections Amendment Act	House of Commons Debates	HC Deb 17 October 1983, Vol. 24. HC Deb 25 October 1983, Vol. 25.
	House of Commons Committee Report	None
	House of Commons Committee Transcripts	None
	Senate Debates	Sen Deb 25 October 1983, Vol. 5. Sen Deb 27 October 1983, Vol. 5. Sen Deb 1 November 1983, Vol. 5.
	Senate Committee Report	None
	Senate Committee Transcripts	None
1993 Canada Elections Amendment Act	House of Commons Debates	HC Deb 22 February 1993, Vol. 13. HC Deb 8 March 1993, Vol. 13. HC Deb 19 March 1993, Vol. 13. HC Deb 2 April 1993, Vol. 14.
	House of Commons Committee Report	Legislative Committee on Bill C-114 (1993) *An Act to amend the Canada Elections Act*, 19 March 1993, No. 1.
	House of Commons Committee Transcripts	23 February 1993, No. 10. 25 February 1993, No. 12. 8 March 1993, No. 12. 9 March 1993, No. 12. 11 March 1993, No. 15. 12 March 1993, No. 15.

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Legislation	Source Type	Details
		15 March 1993, No. 15.
	Senate Debates	Sen Deb 27 April 1993, Vol. 4. Sen Deb 29 April 1993, Vol. 4. Sen Deb 3 May 1993, Vol. 4. Sen Deb 4 May 1993, Vol. 4. Sen Deb 6 May 1993, Vol. 4.
	Senate Committee Report	None
	Senate Committee Transcripts	5 May 1993, No. 40. 6 May 1993, No. 41.
2000 Canada Elections Act	House of Commons Debates	HC Deb 3 December 1999, Vol. 136. HC Deb 22 February 2000, Vol. 136.
	House of Commons Committee Report	Standing Committee on Procedure and House Affairs (1999) *Bill C-2, An Act respecting the election of members to the House of Commons, repealing other Acts relating to elections and making consequential amendments to other Acts*, 1 December, No. 13.
	House of Commons Committee Transcripts	26 October 1999, No. 3. 28 October 1999, No. 4. 2 November 1999, No. 5. 3 November 1999, No. 6–7. 15 November 1999, No. 9. 17 November 1999, No. 10–1. 18 November 1999, No. 12. 22 November 1999, No. 13–4. 23 November 1999, No. 15.

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Legislation	Source Type	Details
		24 November 1999, No. 16. 25 November 1999, No. 17–8. 29 November 1999, No. 19. 30 November 1999, No. 20–1. 1 December 1999, No. 22.
	Senate Debates	Sen Deb 28 March 2000, Vol. 138
	Senate Committee Report	Standing Senate Committee on Legal and Constitutional Affairs (2000) *Bill C-2, An Act respecting the election of members to the House of Commons, repealing other Acts relating to elections and making consequential amendments to other Acts*, 13 April, No. 5.
	Senate Committee Transcripts	29 March 2000, No. 12. 30 March 2000, No. 12. 5 April 2000, No. 13. 6 April 2000, No. 13. 12 April 2000, No. 14. 13 April 2000, No. 14.
2003 Political Finance Act	House of Commons Debates	HC Deb 11 February 2003, Vol. 138. HC Deb 12 February 2003, Vol. 138. HC Deb 17 February 2003, Vol. 138. HC Deb 18 February 2003, Vol. 138. HC Deb 20 February 2003, Vol. 138. HC Deb 25 February 2003, Vol. 138. HC Deb 18 March 2003, Vol. 138.

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Legislation	Source Type	Details
	House of Commons Committee Report	Standing Committee on Procedure and House Affairs (2003) *Bill C-24, An Act to amend the Canada Elections Act and the Income Tax Act (political financing)*, 3 June, No. 35.
	House of Commons Committee Transcripts	3 April 2003, No. 31. 8 April 2003, No. 32. 10 April 2003, No. 34. 29 April 2003, No. 35. 30 April 2003, No. 36. 1 May 2003, No. 37. 6 May 2003, No. 38. 7 May 2003, No. 39. 8 May 2003, No. 40. 13 May 2003, No. 41. 14 May 2003, No. 42. 15 May 2003, No. 43. 27 May 2003, No. 44. 28 May 2003, No. 45. 29 May 2003, No. 46–7. 3 June 2003, No. 48–9.
	Senate Debates	Sen Deb 16 June 2003, Vol. 140. Sen Deb 12 June 2003, Vol. 140.
	Senate Committee Report	Standing Senate Committee on Legal and Constitutional Affairs, report presented without amendment.
	Senate Committee Transcripts	17 June 2003, No. 30. 18 June 2003, No. 31.
2006 Federal Accountability Act	House of Commons Debates	HC Deb 25 April 2006, Vol. 141.

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Legislation	Source Type	Details
		HC Deb 26 April 2006, Vol. 141.
		HC Deb 27 April 2006, Vol. 141.
	House of Commons Committee Report	Legislative Committee on Bill C-2 (2006) *Bill C-2, An Act providing for conflict of interest rules, restrictions on election financing and measures respecting administrative transparency, oversight and accountability*, 14 June, No. 1.
	House of Commons Committee Transcripts	3 May 2006, No. 1.
		4 May 2006, No. 2.
		9 May 2006, No. 3–4.
		10 May 2006, No. 5.
		11 May 2006, No. 6.
		16 May 2006, No. 7–8.
		17 May 2006, No. 9.
		18 May 2006, No. 10.
		29 May 2006, No. 11–2.
		30 May 2006, No. 13–5.
		31 May 2006, No. 16–7.
		1 June 2006, No. 18.
		5 June 2006, No. 19.
		7 June 2006, No. 20.
		8 June 2006, No. 21.
		12 June 2006, No. 22–3.
		13 June 2006, No. 24–6.
		14 June 2006, No. 27–8.
	Senate Debates	Sen Deb 22 June 2006, Vol. 143.
		Sen Deb 27 June 2006, Vol. 143.

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Legislation	Source Type	Details
	Senate Committee Report	Standing Senate Committee on Legal and Constitutional Affairs (2006) *Bill C-2, An Act providing for conflict of interest rules, restrictions on election financing and measures respecting administrative transparency, oversight and accountability*, 26 October, No. 4.
	Senate Committee Transcripts	22 June 2006, No. 3. 27 June 2006, No. 3. 28 June 2006, No. 3. 29 June 2006, No. 3. 5 September 2006, No. 4–5. 6 September 2006, No. 6. 7 September 2006, No. 6. 8 September 2006, No. 6. 18 September 2006, No. 7 19 September 2006, No. 7. 20 September 2006, No. 8. 21 September 2006, No. 8. 25 September 2006, No. 9. 27 September 2006, No. 10. 28 September 2006, No. 10. 4 October 2006, No. 11. 5 October 2006, No. 11. 18 October 2006, No. 12. 19 October 2006, No. 12. 23 October 2006, No. 13. 24 October 2006, No. 14. 25 October 2006, No. 14.
2011 Repeal of Quarterly Allowance	House of Commons Debates	4 October 2011, Vol. 146. 5 October 2011, Vol. 146.

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Legislation	Source Type	Details
		6 October 2011, Vol. 146. 7 October 2011, Vol. 146. 17 October 2011, Vol. 146. 4 November 2011, Vol. 146. 15 November 2011, Vol. 146. 16 November 2011, Vol. 146. 21 November 2011, Vol. 146.
	House of Commons Committee Report	Standing Committee on Finance, report presented without amendment.
	House of Commons Committee Transcripts	1 November 2011, No. 24. 2 November 2011, No. 26. 3 November 2011, No. 28.
	Senate Debates	22 November 2011, Vol. 150. 24 November 2011, Vol. 150. 8 December 2011, Vol. 150. 12 December 2011, Vol. 150. 13 December 2011, Vol. 150.
	Senate Committee Report	Standing Senate Committee on National Finance, report presented without amendment.
	Senate Committee Transcripts	29 November 2011, No. 19. 30 November 2011, No. 20. 6 December 2011, No. 21. 7 December 2011, No. 22.
2014 Fair Elections Act	House of Commons Debates	HC Deb 5 February 2014, Vol. 147. HC Deb 6 February 2014, Vol. 147.

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Legislation	Source Type	Details
		HC Deb 7 February 2014, Vol. 147.
		HC Deb 10 February 2014, Vol. 147.
	House of Commons Committee Report	Standing Committee on Procedure and House Affairs (2014) *Bill C-23, An Act to amend the Canada Elections Act and other Acts and to make consequential amendments to certain Acts*, 1 May, No. 11.
	House of Commons Committee Transcripts	13 February 2014, No. 16.
		6 March 2014, No. 20.
		25 March 2014, No. 21.
		27 March 2014, No. 22.
		31 March 2014, No. 23.
		1 April 2014, No. 24–5.
		2 April 2014, No. 26.
		3 April 2014, No. 27.
		7 April 2014, No. 28.
		8 April 2014, No. 29–30.
		9 April 2014, No. 31.
		10 April 2014, No. 32.
		28 April 2014, No. 33.
		29 April 2014, No. 34–5.
		30 April 2014, No. 36.
		1 May 2014, No. 37.
	Senate Debates	Sen Deb 27 May 2014, Vol. 149.
		Sen Deb 28 May 2014, Vol. 149.
		Sen Deb 29 May 2014, Vol. 149.

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Legislation	Source Type	Details
	Senate Committee Report	Standing Senate Committee on Legal and Constitutional Affairs (2014) *Bill C-23, An Act to amend the Canada Elections Act and other Acts and to make consequential amendments to certain Acts*, 15 April, No. 6.
	Senate Committee Transcripts	8 April 2014, No. 7. 9 April 2014, No. 7. 10 April 2014, No. 7. 30 April 2014, No. 8. 1 May 2014, No. 8. 4 June 2014, No. 12. 5 June 2014, No. 12.
2019 Elections Modernization Act	House of Commons Debates	HC Deb 10 May 2018, Vol. 148. HC Deb 11 May 2018, Vol. 148. HC Deb 22 May 2018, Vol. 148. HC Deb 23 May 2018, Vol. 148. HC Deb 24 October 2018, Vol. 148. HC Deb 26 October 2018, Vol. 148. HC Deb 29 October 2018, Vol. 148.
	House of Commons Committee Report	Standing Committee on Procedure and House Affairs (2018) *Bill C-76, An Act to amend the Canada Elections Act and other Acts and to make certain consequential amendments*, 18 October, No. 72.
	House of Commons Committee Transcripts	28 May 2018, Issue No. 106. 4 June 2018, Issue No. 109. 5 June 2018, Issue No. 110–1. 6 June 2018, Issue No. 112. 7 June 2018, Issue No. 113–4.

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Legislation	Source Type	Details
		25 September 2018, Issue No. 118.
		27 September 2018, Issue No. 120.
		2 October 2018, Issue No. 121.
		15 October 2018, Issue No. 123.
		16 October 2018, Issue No. 124–5.
		17 October 2018, Issue No. 126.
		18 October 2018, Issue No. 127.
	Senate Debates	Sen Deb 31 October 2018, Vol. 150.
		Sen Deb 7 November 2018, Vol. 150.
		Sen Deb 7 December 2018, Vol. 150.
		Sen Deb 10 December 2018, Vol. 150.
	Senate Committee Report	Standing Senate Committee on Legal and Constitutional Affairs, report presented without amendment.
	Senate Committee Transcripts	21 November 2018, Issue No. 53.
		22 November 2018, Issue No. 53.
		28 November 2018, Issue No. 54.
		29 November 2018, Issue No. 54.
		5 December 2018, Issue No. 54.

F.2 New Zealand

Commission Reports

Royal Commission on the Electoral System (1986). *Report of the Royal Commission on the Electoral System: Towards a Better Democracy.* Wellington, NZ: Government Printer.

Parliamentary Debates, Committee Reports, and Submissions

The following tables show the repositories from which qualitative data was collected, as well as a breakdown of all resources used to examine each reform.

Data Repositories for New Zealand Case Study

Reforms	Source Type	Details
20th Century Legislation (reforms in 1989, 1993, and 1995)	Parliamentary Debates	https://www.parliament.nz/en/pb/hansard-debates/historical-hansard/
	Committee Reports	Directly from Parliamentary Information Service
	Committee Submissions	Directly from Parliamentary Information Service
21st Century Legislation (reforms in 2007, 2009, 2010, and 2019)	Parliamentary Debates	https://www.parliament.nz/en/pb/hansard-debates/rhr/
	Committee Reports	https://www.parliament.nz/en/pb/sc/reports/
	Committee Submissions	ttps://www.parliament.nz/en/pb/sc/submissions-and-advice/

Qualitative Data for New Zealand Case Study

Legislation	Source Type	Details
1989 Broadcasting Act	Parliamentary Debates	HR Deb 13 December 1988, Vol. 495. HR Deb 9 March 1989, Vol. 496. HR Deb 4 May 1989, Vol. 497. HR Deb 16 May 1989, Vol. 498.
	Committee Report	Planning and Development Committee (1989) *Report on Broadcasting Bill* 4 May 1989, No. 118–2.
	Report Submissions	77W: Lawrence Timberlake (President of the New Zealand Party) 108W: Andrew Beyer (Auckland Regional Organizer of the NZLP)
1993 Electoral Act	Parliamentary Debates	HR Deb 15 December 1992, Vol. 532. HR Deb 22 July 1993, Vol. 537. HR Deb 29 July 1993, Vol. 537. HR Deb 3 August 1993, Vol. 537. HR Deb 5 August 1993, Vol. 537. HR Deb 19 August 1993, Vol. 537. HR Deb 20 August 1993, Vol. 537.
	Committee Report	Electoral Law Committee (1993) *Report of the Electoral Law Committee on the Electoral Reform Bill*, 22 July, No. I. 17c.
	Report Submissions	19: NZ Democratic Party 54: Green Party 83: National Party 111: Christian Heritage Party of New Zealand 122: Michael Laws (National Party MP) 131: Members of the Royal Commission on the Electoral System 132: Nick Smith (National Party MP)

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Legislation	Source Type	Details
		139: Alliance Working Group on Electoral & Parliamentary Reform
		146: NZLP
		164: Richard Northey (Former NZLP MP)
		261w: New Labour Party
		262w: National Party Electoral Reform Committee
1995 Electoral Amendment Act	Parliamentary Debates	HR Deb 4 April 1995, Vol. 547.
		HR Deb 17 October 1995, Vol. 551.
		HR Deb 18 October 1995, Vol. 551.
		HR Deb 19 October 1995, Vol. 551.
		HR Deb 22 November 1995, Vol. 551.
		HR Deb 23 November 1995, Vol. 551.
		HR Deb 28 November 1995, Vol. 551.
		HR Deb 29 November 1995, Vol. 551.
		HR Deb 30 November 1995, Vol. 551.
	Committee Report	Electoral Law Committee (1995) *Report on the Electoral Reform Bill*, 19 November, No. 81–2.
	Report Submissions	15: NZLP Women's Council
		17w: NZLP Women's Branch
		19: Electoral Commission
		22: ACT NZ
		22a: ACT NZ
		24: NZ First
		25: Progressive Green Party
		26: The Alliance
		26a: The Alliance
2007 Electoral Finance Act	Parliamentary Debate	HR Deb 26 July 2007, Vol. 640.
		HR Deb 24 October 2007, Vol. 643.

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Legislation	Source Type	Details
		HR Deb 25 October 2007, Vol. 643.
		HR Deb 6 November 2007, Vol. 643.
		HR Deb 8 November 2007, Vol. 643.
		HR Deb 13 November 2007, Vol. 643.
		HR Deb 14 November 2007, Vol. 643.
		HR Deb 15 November 2007, Vol. 643.
		HR Deb 20 November 2007, Vol. 643.
		HR Deb 21 November 2007, Vol. 643.
		HR Deb 22 November 2007, Vol. 643.
		HR Deb 18 December 2007, Vol. 644.
	Committee Report	Justice and Electoral Committee (2007) *Report on the Electoral Finance Bill*, 19 November. No. 130–2. Available at: https://www.parliament.nz/en/pb/sc/reports/document/48DBSCH_SCR3906_1/electoral-finance-bill-130-2
	Report Submissions [63]	ACT NZ
		The Alliance
		Coalition for Open Government
		Family First NZ
		Greenpeace NZ
		Human Rights Commission
		Local Government NZ
		Ministry of Justice
		Nicky Hager (Investigative Journalist)
		NZLP
		Transparency International
2009 Electoral Amendment Act	Parliamentary Debate	HR Deb 12 February 2009, Vol. 652.
		HR Deb 17 February 2009, Vol. 652.

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[63] Submissions in the 21st Century are unnumbered.

Legislation	Source Type	Details
	Committee Report	None
	Report Submissions	None
2010 Electoral Amendment Act	Parliamentary Debate	HR Deb 4 May 2010, Vol. 662. HR Deb 6 May 2010, Vol. 662. HR Deb 7 December 2010, Vol. 669. HR Deb 14 December 2010, Vol. 669. HR Deb 15 December 2010, Vol. 669.
	Committee Report	Electoral Legislation Committee (2010) *Report on the Electoral (Finance Reform and Advance Voting) Amendment Bill*, 22 November. No. 146–2. Available at: https://www.parliament.nz/resource/en-NZ/49DBSCH_SCR4919_1/20ad81c271855b22b7595ddb16fd0a52faac599b
	Report Submissions	Human Rights Commission Aotearoa Legalise Cannabis Party NZLP National Party
2019 Electoral Amendment Act	Parliamentary Debate	HR Deb 3 December 2019
	Committee Report	None
	Report Submissions	None

F.3 Saint Lucia

Commission Reports

Saint Lucia Constitutional Reform Commission (2011). *Report of the Saint Lucia Constitutional Reform Commission.* Castries: Saint Lucia.

External Organization Reports

Organization of American States (2007). *Final Report of the OAS Electoral Observation Mission in Saint Lucia, General Election 2006.* Washington DC: Organization of American States.

Organization of American States (2012). *Final Report of the OAS Electoral Observation Mission for the General Elections in Saint Lucia, November 28 2011.* Washington DC: Organization of American States.

Throne Speeches

Louisy, C. P. (2000). *Throne Speech 2000 by Her Excellency Dame Dr. C. Pearlette Louisy on the Occasion of the Opening of the Fourth Session of the Seventh Parliament of Saint Lucia, March 28, 2000.* Available at: http://www.caribbeanelections.com/eDocs/articles/lc/lc_Throne_Speech_2000.pdf.

Parliamentary Debates

All data below was collected through direct contact with the Parliament of Saint Lucia.

Qualitative Data for Saint Lucia Case Study

Source Type	Details
House of Assembly	HA Deb 18 August 2015 HA Deb 25 August 2015
Senate	Sen Deb 20 August 2015

Appendix G

Operationalized Contextual Factors

G.1 Canada

	Intra-Party Power Concentration Index (IPPC)							Ideology of Party Manifesto (CMP)								Eff. Parties	
Year	LPC	PC/CPC	NDP	SCC	BQ	Ref	GPC	LPC	PC/CPC	NDP	SCC	BQ	Ref	GPC	ICI	ENEP	ENPP
1968	-	-	-	-	-	-	-	3.3	0.2	18.1	-5.5	-	-	-	96.9	2.97	2.33
1972	-0.81	2.83	-0.57	-2.84	-	-	-	5.2	6.3	13.2	-5.5	-	-	-	99.0	3.25	2.84
1974	-0.81	2.83	-0.57	-4.07	-	-	-	-1.7	-1.1	14.2	-5.5	-	-	-	99.4	2.96	2.38
1979	-0.81	2.31	-0.08	-	-	-	-	2.9	-8.6	9.4	-5.5	-	-	-	88.6	3.09	2.45
1980	-0.81	2.4	-0.08	-	-	-	-	1.2	-7.1	8.0	-	-	-	-	91.8	2.93	2.39
1984	1.42	-0.03	-0.08	-	-	-	-	8.1	-6.2	16.0	-	-	-	-	85.8	2.74	1.69
1988	0.9	-0.03	-0.08	-	-	-	-	9.9	-9.2	20.4	-	-	-	-	81.0	3.04	2.33
1993	0.86	1.9	-0.08	-	-1.10	-0.28	-	-2.0	-12.3	11.5	-	-3.0	-20.2	-	89.7	3.93	2.35
1997	0.86	1.9	0.46	-	-1.10	-0.28	-	-3.2	-5.3	15.9	-	-3.0	-20.2	-	97.9	4.09	2.98
2000	0.41	1.9	0.46	-	-0.59	0.05	-	6.1	2.0	17.5	-	9.8	-5.4	-	95.9	3.77	2.54
2004	0.93	-0.41	-0.96	-	-0.59	-	-	6.0	-7.2	8.8	-	6.2	-	-	86.8	3.78	3.03
2006	0.93	-1.43	-1.42	-	-0.59	-	-	6.0	-8.2	10.8	-	4.6	-	-	85.7	3.75	3.22

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	Intra-Party Power Concentration Index (ICCI)							Ideology of Party Manifesto (CMP)								Eff. Parties	
Year	LPC	PC/CPC	NDP	SCC	BQ	Ref	GPC	LPC	PC/CPC	NDP	SCC	BQ	Ref	GPC	ICI	ENEP	ENPP
2008	0.93	-1.43	-1.94	-	-0.59	-	0.2	-2.6	-4.5	10.3	-	7.7	-	6.9	98.1	3.87	3.15
2011	1.32	-1.43	-1.94	-	-0.02	-	-	3.9	-13.1	14.0	-	-3.4	-	11.9	72.9	3.43	2.41
2015	-0.26	-0.91	-0.93	-	-	-	-	10.3	-14.5	4.8	-	2.8	-	8.8	75.2	3.33	2.5
2019	-0.34	1.71	0.08	-	1.68	-	1.0	10.3	-14.5	4.8	-	2.8	-	8.8	75.2	3.79	2.79

Blank spaces indicate missing data or that the party did not contest the respective election. LPC = Liberal Party of Canada; PC/CPC = Progressive Conservative/Conservative Party of Canada; NDP = New Democratic Party; SCC = Social Credit Party of Canada; BQ = Bloc Québécois; Ref = Reform; GPC = Green Party of Canada; ICI = Ideological Convergence Index; ENEP = Effective Number of Parties at Electoral Level; ENPP = Effective Number of Parties at Legislative Level.

G.2 New Zealand

	Intra-Party Power Concentration Index (IPPC)							Ideology of Party Manifesto (CMP)									Eff. Parties	
Year	NZLP	Nat	NZF	GPNZ	ACT	Prog	SCNZ	NZLP	Nat	NZF	GPNZ	ACT	Prog	SCNZ	United	Māori	ICI	ENEP	ENPP
1984	0.17	-0.15	-	-	-	-	-0.61	4.89	-13.33	-	-	-	-	6.45	-	-	81.8	2.99	1.98
1987	0.15	0.44	-	-	-	-	-0.40	10.99	-11.66	-	-	-	-	8.72	-	-	77.3	2.34	1.94
1990	0.35	0.43	-	2.88	-	-2.33	-	8.66	2.45	-	-	-	-	8.96	-	-	93.8	2.77	1.74
1993	-0.11	0.43	-2.98	-	-	0.86	-	6.50	3.43	1.76	-	-	15.31	-	-	-	96.9	3.52	2.16
1996	0.39	0.31	-2.98	-	0.09	0.86	-	18.82	3.62	12.60	-	-7.54	24.59	-	-	-	84.8	4.39	3.76
1999	0.2	0.31	-	2.79	0.09	0.61	-	11.53	-16.06	3.39	-	-24.32	-3.37	-	-	-	72.4	3.86	3.45
2002	0.02	0.47	-2.93	2.79	0.09	-	-	14.07	-3.41	1.18	5.42	-22.19	13.64	-	-6.00	-	82.5	4.16	3.76
2005	0.02	0.28	-2.96	2.79	-	-	-	14.85	-23.89	-	-0.56	-7.76	8.46	-	-	19.00	61.3	3.04	2.98
2008	0.02	0.16	-	2.83	-	-	-	-1.96	-18.73	-	-6.83	-10.65	-	-	-	9.03	83.2	3.07	2.78
2011	0.4	0.1	-2.99	2.83	-	-	-	4.95	0.63	-3.88	-3.65	-28.16	-	-	3.13	0.99	95.7	3.15	2.98
2014	0.4	0.11	-2.99	2.83	-	-	-	18.72	3.37	9.27	11.76	-27.78	-	-	3.61	2.80	84.7	3.27	2.96
2017	0.56	0.29	-2.99	2.81	-	-	-	11.39	1.90	7.82	8.02	-18.16	-	-	-	10.05	90.5	2.91	2.67

Blank spaces indicate missing data or that the party did not contest the respective election. IPPC data for United and Māori unavailable. NZLP = New Zealand Labour Party; Nat = New Zealand National Party; NZF = New Zealand First; GPNZ = Green Party of Aotearoa New Zealand; ACT = Association of Consumers and Taxpayers New Zealand; Prog = New Labour/Alliance/Progressives; SCNZ = Social Credit Party of New Zealand; ICI = Ideological Convergence Index; ENEP = Effective Number of Parties at Electoral Level; ENPP = Effective Number of Parties at Legislative Level.

G.3 Saint Lucia

The table below contains data on Saint Lucia's Effective Number of Parties at each elections. IPPC and CMP data are not available.

	Eff. Parties	
Year	ENEP	ENPP
1974	2.07	1.94
1979	1.97	1.71
1982	2.40	1.44
1987 Apr 6	2.32	1.99
1987 Apr 30	2.21	1.99
1992	1.97	1.84
1997	1.92	1.12
2001	2.18	1.41
2006	2.01	1.84
2011	2.08	1.84
2016	2.02	1.84

ENEP = Effective Number of Parties at Electoral Level; ENPP = Effective Number of Parties at Legislative Level.

Appendix H

Full Party Positions on Political Finance Reform

H.1 Canada

Year	Name	Provisions	Nature of Change	Incumbent	Opposition Support	Parties Supporting	Parties Opposing
1974	Election Expenses Act (C-203)	Introduced party spending limits; candidate spending limits; public subsidies for candidates and parties; disclosure requirements	Competition-enhancing	LPC (minority)	Yes	LPC; NDP; PC; SCC	-
1983	Canada Elections Amendment Act (C-169)	Prohibited third party campaigning (overturned in 1984)	Competition-enhancing	LPC	Yes	LPC; NDP; PC	-
1993	Canada Elections Amendment Act (C-114)	Placed restrictions on third party campaigning (overturned in 1999)	Competition-enhancing	PC	Yes	LPC; NDP; PC	-

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Year	Name	Provisions	Nature of Change	Incumbent	Opposition Support	Parties Supporting	Parties Opposing
2000	Canada Elections Act (C-2)	Introduced registration, spending, and disclosure requirements for third parties (upheld in 2004); prohibited foreign donations to parties and candidates	Competition-enhancing	LPC	No	LPC; NDP	BQ; PC; Ref
2003	Political Finance Act (C-24)	Introduced donation limits; tightened disclosure requirements; prohibited corporate and union donations at national level; greatly increased public funding	Competition-enhancing	LPC	No	BQ; LPC; NDP	CA; PC
2006	Federal Accountability Act (C-2)	Reduced the donation limit; introduced limits on 'cash' donations; extended corporate and union donation ban to local level	Competition-reducing	CPC (minority)	Yes	BQ; CPC; LPC; NDP	-
2011	Repeal of Quarterly Allowance	Significant cuts to public funding system, through removal of the 'quarterly allowance'	Competition-reducing	CPC	No	CPC	BQ; GPC; LPC; NDP
2014	Fair Elections Act (C-23)	Introduced limits on loan contributions; raised the donation limit; introduced limits on self-financed candidates; separated the compliance and administration functions of the Electoral Commission	Competition-reducing	CPC	No	CPC	BQ; GPC; LPC; NDP
2019	Elections Modernization Act (C-76)	Introduced the 'pre-election period'; reversed changes to Electoral Commission mandated by C-23; increased powers of Electoral Commission	Competition-enhancing	LPC	No	LPC	BQ; CPC; GPC; NDP

LPC = Liberal Party of Canada; PC/CPC = Progressive Conservative/Conservative Party of Canada; NDP = New Democratic Party; SCC = Social Credit Party of Canada; BQ = Bloc Québécois; Ref = Reform; GPC = Green Party of Canada.

H.2 New Zealand

Year	Name	Provisions	Nature of Change	Incumbent	Opposition Support	Parties Supporting	Parties Opposing
1989	Broadcasting Act	Public subsidy for electoral broadcasting; prohibited privately funded election broadcasts	Competition-enhancing	NZLP	Yes	Nat; NZLP	Prog
1993	Electoral Act	Introduced the MMP electoral system; established Electoral Commission; third-party campaigning authorization requirements (contributes to spending limit); disclosure requirements for candidates; candidate spending limit	Competition-enhancing	Nat	-	-	-
1995	Electoral Amendment Act	Introduced party spending limit; disclosure requirements for parties; increased candidate spending limit	Competition-enhancing	National (minority)	Yes	Nat; NZLP	Prog; CDNZ; NZF; United
2007	Electoral Finance Act	Extended election period to entire election year; third party registration, spending, and disclosure limits; enhanced disclosure for large donations; foreign third party campaigning prohibited; foreign donation limit	Competition-enhancing	NZLP (Progressive coalition)	No	GPNZ; NZF; NZLP; Prog	ACT NZ; Māori; Nat; United
2009	Electoral Amendment Act	Repealed majority of the Electoral Finance Act	Competition-enhancing	National (minority)	Yes	ACT NZ; Māori; Nat; NZLP; Prog; United	GPNZ

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Year	Name	Provisions	Nature of Change	Incumbent	Opposition Support	Parties Supporting	Parties Opposing
2010	Electoral Amendment Act	Returned election period to three months; Loosened disclosure requirements; indexed spending limits to inflation; introduced third party registration, spending, and disclosure requirements	Competition-enhancing	National (minority)	Yes	GPNZ; Māori; Nat; NZLP; Prog; United	ACT NZ
2019	Electoral Amendment Act	Effectively prohibited foreign donations; prohibited anonymous online campaigning	Competition-enhancing	NZLP (NZ First coalition)	Yes	GPNZ; Nat; NZLP; NZF	ACT NZ

NZLP = New Zealand Labour Party; Nat = New Zealand National Party; NZF = New Zealand First; GPNZ = Green Party of Aotearoa New Zealand; ACT NZ = Association of Consumers and Taxpayers New Zealand; Prog = New Labour/Alliance/Progressives; SCNZ = Social Credit Party of New Zealand; CDNZ = Christian Democratic Party of New Zealand; United = United NZ/United Future.

H.3 Saint Lucia

Year	Name	Proposals	Nature of Change	Incumbent	Opposition Support	Parties Supporting	Parties Opposing
2015	Constitutional Reform Committee Report (recommendations not implemented)	Party registration; Asset and income disclosure requirements for parties; Foreign donation prohibition; Donation limits for individuals and corporations; Public funding for parties; Sanctions for violations of political finance rules	Competition-enhancing	SLP; UWP	Yes	SLP; UWP	-

SLP = Saint Lucia Labour Party; UWP = United Workers Party

Appendix I

RoPFI Classifications and the Political Clientelism Indicator

Figure 3 plots nations on the PCI, rescaled around zero and grouped via their positions within the RoPFI. To simplify findings, all nations lying to the left of the dashed line are considered to employ a programmatic governance structure, with those to the right displaying a level of clientelism.

Figure 3: RoPFI Classifications and the Political Clientelism Indicator

