



## Money, organization and the state: The partial cartelization of party politics in Slovenia

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### ABSTRACT

A detailed analysis of party organization, party funding and voting behaviour in parliament in Slovenia indicates a partial cartelization of Slovene party politics. In line with the cartel thesis, parties in Slovenia are heavily dependent on the state for their finances and there is evidence that parties have used the resources of the state to limit competition. Nonetheless, there is much less evidence of cartelization in terms of party organization indicating more cartelization in the party system as a whole than within individual parties.

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### Introduction

Studies of political parties in contemporary Europe have been dominated in recent times by reference to Katz and Mair's cartel party (e.g. Katz and Mair, 1995, 2009; Koole, 1996; Kitschelt, 2000; Blyth and Katz, 2005; Detterbeck, 2005; Bottom, 2007; Bolleyer, 2009; Birnir, 2010). Katz and Mair argued that in contrast to previous time periods when other models (elite caucus or cadre party, mass party, catch-all or electoralist party) were prevalent, the late twentieth century had seen the emergence of the cartel party. While recognizing that such party models are ideal types (Katz and Mair, 2009: 759), they maintained that political parties in Western democracies increasingly functioned like cartels, employing the resources of the state to limit political competition and ensure their own electoral success as well as ensuring the party in public office had the upper hand over the party on the ground and the party central office.

Although the cartel party has provoked a wealth of scholarly enquiry<sup>1</sup>, the focus has been primarily on Western established democracies. There have been some investigations into other countries in Central and Eastern Europe (Lewis, 1998; Szczerbiak, 2001; Sikk, 2003; van Biezen, 2003), but there has been hitherto only a partial assessment of the Slovene case (Krašovec, 2000, 2001). Based on a detailed analysis of party organization, party funding and voting behaviour in parliament in Slovenia, this article seeks to fill the lacuna in the literature, but also to draw out some of the broader lessons from the Slovene case.

This article demonstrates that we can observe a partial cartelization of Slovene party politics. In line with the cartel thesis, parties in Slovenia are heavily dependent on the state for their finances and there is evidence that parties have used the resources of the state to limit competition. Nonetheless, there is much less evidence of cartelization in terms of party

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<sup>1</sup> Katz and Mair's original article has been cited no fewer than 1023 times (Google scholar, 11 November 2010).

organization where the party in central office appears to be stronger than the party in public office. In that sense, we can identify more evidence of cartelization in the party system as a whole than within individual parties.

### The cartel party model and some of its indicators

Two important planks were central to the building of Katz and Mair's model. Firstly they argued that whereas previous models had focused mainly on parties' relationships with civil society what was just as important were parties' relationships with the state. Parties, they maintained, had become less the agents of civil society acting on and penetrating the state and had instead become agents of the state (Katz and Mair, 1995:18). Thanks to their privileged access to state resources, parties of different political colours co-operated in parliament in a manner akin to a cartel to exclude other parties from getting their hands on state resources. The proximity of parties to the state – indeed they can increasingly be seen as part of the state – and being further removed from society 'encourages them, or even forces them, to co-operate with one another' (Katz and Mair, 2009:757).

Secondly, Katz and Mair used their tripartite division of the faces of parties: the party in public office – that is in parliament or government – the party on the ground – party members and activists – and the party central office – national leadership of the party organisation. Although recognizing it can be hard to distinguish clearly and easily among these party faces in practice, they suggested the party in public office had started to prevail over the party on the ground and the party's central office. Moreover, 'as the party in public office gains ascendancy within the party as a whole, its particular interests will be treated as being the interests of the party writ large' (Katz and Mair, 2009:756).

In order to assess whether and to what degree there has been a cartelization of political parties in Slovenia, we explore three characteristics. Firstly, at the organizational level we assess whether – as the cartel thesis predicts – the party in public office has been predominant over the party in central office by examining policy-making in the party, candidate selection and the composition of the party's central office. Secondly, to assess the relationship between parties and the state we examine the size and extent of (mostly financial) resources received from the state. Thirdly, we examine whether parties have formed a cartel to channel state resources to themselves by analyzing the voting behaviour of MPs on laws and other acts pertaining to state funding.

### Political parties and the party system in Slovenia

Slovene party politics can be a confusing alphabet soup of acronyms and is complicated by periodic mergers and name-changes on the part of the main parties, hence we provide a brief introduction to the parties (see also Table 1 for a summary).

A product of the transformation of the former Socialist Youth Organisation of Slovenia and bolstered by the absorption of smaller parties in 1994, Liberal Democracy of Slovenia (LDS) was the biggest governmental party in the 1992 to 2004 period (with a short interruption of six months in 2000) pursuing moderately liberal policies in both social and economic terms. After four years in opposition during which time a number of MPs and party members left the party, the party returned to government after 2008 although with a much diminished parliamentary group. Liberal Democracy was replaced as the main governing party in 2004 by the Slovenian Democratic Party (SDS) which began life as the Slovenian Social Democratic Party espousing social democratic policies, but became increasingly located on the centre-right of the spectrum becoming

**Table 1**  
The main slovene political parties in the post-socialist period.

Names in english	Slovenian names	Year created	Years in parliament	Years in Government
Liberal Democracy of Slovenia	<i>Liberalna demokracija Slovenije (LDS)</i>	1989 (as the Liberal Democratic Party)	from 1990 on	14
Slovenian Democratic Party	<i>Slovenska demokratska stranka (SDS)</i>	1989 (as the Social Democratic Party of Slovenia)	from 1990 on	8
Social Democrats	<i>Socialni demokrati (SD)</i>	1989 (as the Party of Democratic Renewal)	from 1990 on	9
Slovenian People's Party	<i>Slovenska ljudska stranka (SLS)</i>	1988 (as the Slovene Farmers' Party)	from 1990 on	14
New Slovenia – Christian People's Party	<i>Nova Slovenija – Krščansko ljudska stranka (NSi)</i>	2000	2000–2008	4
Slovenian National Party	<i>Slovenska nacionalna stranka (SNS)</i>	1991	from 1992 on	0
Democratic Party of Retired Persons of Slovenia	<i>Demokratska stranka upokojenecv Slovenije (DeSUS)</i>	1991 (but only became an independent political actor in 1994)	from 1996 on	12
Youth Party of Slovenia	<i>Stranka mladih Slovenije (SMS)</i>	2000	2000–2004	0 (in 2000 signed a separate agreement with PM on a support of government)
Zares – New politics	<i>Zares – Nova politika (Zares)</i>	2007	from 2008 on	2
Slovenian Christian democrats	<i>Slovenski krščanski demokrati (SKD)</i>	1989	1990–2000	6

**Table 2**

Candidate selection for national parliament elections in 1996 and 2004.

	1996 Elections							2004 Elections							
	LDS	SDS	SD	SKD	SLS	SNS	DeSUS	LDS	SDS	SD	NSi	SLS	SNS	SMS	DeSUS
	Who determined formal rules of candidate selection?							Who determined formal rules of candidate selection?							
Council	X	X		X			X	X			X	X		X	X
Presidency						X				X			X		
main committee					X										
Conference			X												
	Who could propose candidates?							Who could propose candidates?							
individual members		X	X		Op.				X	X				X	
territorial organisations	X	X	X	X	Op.		X	X	X	X		X	X	X	X
interest organisations/sections	X	X	X		Op.			X	X	X				X	
parliamentary party group					Op.			X						X	
party bodies <sup>c</sup>			X		Op.			X	X	X	X <sup>b</sup>			X	
executive committee	X	X			Op.							X			
expert committee/forum					Op.			X	X						
MPs					Op.								X		
President					Op.	X							X		
assembly of members					Op.								X		
Council	X	X	X		Op.								X		
members of council					Op.			X							
Presidency			X		Op.										
	Who made the decision?							Who made the decision?							
executive committee											X				
Presidency			X <sup>a</sup>			X							X		
Council	X	X		X	X		X	X	X			X		X	
Convention										X					
(electoral) conference															X

Op. It was not possible to determine who could indeed propose candidates

Party bodies in the SDS are: congress, council, executive committee, president, council of experts, supervisory committee, parliamentary party group.

Party bodies in the SD are: congress, conference, presidency, president, vice-president, general secretary, supervisory committee.

Party bodies in the NSi are: congress, council, conference, executive committee, president, supervisory committee, party court of arbitration, regional organisation, municipal organisation, city organisation.

Party bodies in the SMS are: congress, council, executive committee, president, supervisory committee, party court of arbitration.

<sup>a</sup> The presidency was in fact bound by the results of membership ballots.

<sup>b</sup> Party members can propose individual candidates to party bodies.

<sup>c</sup> Party bodies in the LDS are: congress, conference, council, executive committee, president, vice-presidents, general secretary, supervisory committee, commission for questions over statutes and complaints, co-ordination of local organisations, committees and forums.

a member of the European People's Party in 2004. Following the 2008 elections the Social Democrats (SD) became the main governing party. A successor to the League of Communists of Slovenia, the party firmly positioned itself as a moderate social democratic party from the late 1990s.

A junior coalition partner in governments between 1996 and 2008, the Slovenian People's Party (SLS) emerged out of the Farmer's Association. In addition to stressing the importance of farmers and their interests, it has advocated traditional social values and some state intervention in the economy. A similar stance on social values was taken by the Slovenian Christian Democrats which was the main pillar of the Catholic-conservative ideological spectrum in Slovenia in the first decade after independence. The Party merged with the Slovenian Peoples Party in spring 2000, but due to deep divisions some members of the new SLS broke away a few months later to form New Slovenia.

Four other parties are worthy of mentioning. The Democratic Party of Retired Persons of Slovenia (DeSUS) was an independent political actor created in 1990, but entered parliament in 1996 and subsequently participated in government coalitions, slowly broadening its appeal beyond pensioners. The Slovene National Party (SNS) represents an eclectic combination of left and right political values and policies<sup>2</sup>, but is nonetheless mainly characterised as a right-wing nationalist party closely associated with its leader Zmago Jelinčič Plemeniti. The Youth Party of Slovenia was formed in 2000 entering parliament months later, only for it to lose its seats in parliament four years later. One of the rare successful new entrants into the party arena was Zares. It was formed in October 2007 after the split in LDS, but due to its late establishment has not been included in our empirical research.

Although we can identify two groups of parties in the period of political transformation and democratisation at the end of the 1980s and beginning of the 1990s: newly established and transformed ones, for both groups entrance to parliament after the first democratic and multi-party elections was crucial in terms of their further existence and development, not least in

<sup>2</sup> SNS's stance on Church-state relations and its evaluation of World War Two (particularly the role of partisans) accord with positions normally associated with the left side of the political spectrum.

**Table 3**

Percentage of MPs in the Membership of Narrow and the Narrowest Party Bodies (in %).

	1999		2006	
	Narrow bodies	The narrowest bodies	Narrow bodies	The narrowest bodies
DeSUS	8.2	5.9	6.8	6.7
LDS	24.7	16.7	16.2	28.7
SKD	0	7.7	/	/
NSi	/	/	1.6	5.3
SD	6.6	9.4	9.5	11.4
SDS	10.4	35.7	10.3	14.8
SLS	n.a.	n.a.	1.9	14.3
SNS	n.a.	n.a.	n.a.	n.a.

Sources: party statutes and party data.

terms of receiving state subventions which helped them to develop their organisational structure (Fink-Hafner, 1997: 142), although it was especially important for the new parties. The new parties initially faced a lack of various resources (human, organisational and mainly financial) and were particularly dependent on the state, whereas the transformed parties, most notably Liberal Democracy of Slovenia and the (United List of) Social Democrats, had far fewer problems preserving their resources and developing/maintaining their organisational network, including some financial resources, buildings and equipment (Vehovar, 1994).

Thanks to its list based PR electoral system which has operated from 2000 with a 4% threshold (in the period 1990–2000 a party needed to win three seats, in effect around 3.3% of the vote) and the low barriers to entry for new parties (only 200 signatures are required to establish a new party), the Slovenian party system is relatively open in formal terms (Fink-Hafner, 2006). Nevertheless, despite its openness, only a moderate number of new entrants to the parliament can be recorded while, on the other hand, the percentage of wasted votes is relatively low (Fink-Hafner et al., 2005; Krašovec, 2007).

### Organisational level

#### *Policy-making in the party*

Although according to party statutes in most democratic systems party congresses are the *de jure* highest authority in parties, they tend to enjoy *de facto* limited power regarding policy-making, with much smaller party bodies – technically delegated by the party congresses – as the real centres of power (Katz and Mair, 1994). Slovenia conforms to this trend. To deal with day-to-day matters between the party congresses, all Slovenian parliamentary parties established smaller party bodies (known as the ‘council’ or ‘conference’) involving representatives of territorial organisations, members of parliamentary party groups, and *ex-officio* members of the narrowest party bodies as well as party leaders, and deputy party leaders, numbering between 60 and 140 persons. Parties established even smaller groupings known as ‘executives’ and in some cases ‘the presidency’ where membership is limited to a handful of individuals such as party leaders and their deputies, a few members elected at party congresses, representatives of the parliamentary party groups (usually their leaders) and parties’ secretary-generals (the number of members ranges between 10 and 30).

A short survey of MPs, members of the parties in central office (the narrowest party bodies) and people who are simultaneously members of both, designed to reveal the *de facto* role of parliamentary party groups and the parties in central offices in party policy-making was conducted in 1999 (Krašovec, 2000). Although some parties refused to co-operate in the research and the response rate for some others was so low that they could not be included in the results of the research, we can draw on the results from three parties (LDS, SD and DeSUS). Respondents in all three parties overwhelmingly assessed that the greatest power in party policy-making was held by the narrowest party bodies – although some parliamentarians actually desired a recalibration in favour of the party in public office – indicating that central offices have held the greatest authority (formally and *de facto*) in party policy-making in these three parties at least.

#### *Candidate selection*

Candidate selection is a process with important consequences for parties and can shed light on where power may lie (Ranney, 1968; Gallagher, 1988; Norris, 1997). There are three elements to candidate selection: who makes the formal rules; who can propose candidates; and who decides? In the majority of parties in Western established democracies the central party offices control the three elements (Hazan, 2002; Blomgren, 2005). Although there is sometimes a substantial input from territorial party organizations (Bille, 2001; Lundell, 2004), candidate selection is usually the product of the power of local oligarchs (Rahat and Hazan, 2001).

**Table 4**Total monthly direct public subsidies for parties in 2003 (in SIT)<sup>a</sup> and in 2007 (in EUR).

	2003	2007
LDS	16,852,172	50,733
SDS	7,692,321	64,089
SD	6,017,476	23,888
SLS	4,875,863	16,757
NSi	4,536,678	21,594
DeSUS	2,916,229	10,857
SNS	2,565,024	15,598
SMS	2,542,900	6693
AS	n/a	8579
SJN	n/a	7827

AS – Active Slovenia (Aktivna Slovenija; the party was established after the split in the SMS and lived as an independent political actor for a few years).

SJN - Slovenia is Ours (Slovenija je naša; the party was established by Koper's mayor after his success on local elections in 2002 where he won elections, but it did not compete on parliamentary elections 2008).

<sup>a</sup> €1.00 = 239.64 SIT. Slovenia joined the eurozone in 2007. Sources: Official Gazette of the Republic of Slovenia 11/2002; Official Gazette of the Republic of Slovenia 21/2007.

Slovenian law shapes, but does not determine candidate selection. The Law on Elections to the National Assembly gives a free hand to parties in regulating their candidate selection merely requiring that a list of candidates has to be confirmed by a secret ballot.<sup>3</sup>

As Table 2 shows, an analysis of candidate selection in the 1996 and 2004 elections indicates the formal rules of candidate selection are determined in all parties by narrow or the narrowest party bodies. Almost all parties are granted the possibility to propose candidates to parties' territorial and interest organisations (in this regard we can speak of territorial and functional decentralisation). Often party bodies can also propose candidates, while in two parties (SD and SDS) an individual party member can propose candidates (in 2004 the SMS also opted for this solution). In contrast, in 1996 only the party leader in SNS could propose its candidates. In all parties the central offices make decisions on candidate lists, although in some cases an electoral convention/conference formally confirmed the lists.<sup>4</sup> In SNS at both investigated points in time the decision on the candidate list was made by the presidency, but the party leader had a veto power on all decisions it made (Krašovec, 2000). SD experimented with membership ballots in 1996, but the formal final decision was taken by the presidency.

The data reveal that in the investigated parties most power regarding candidate selection was held by the respective party central bodies, although there was a somewhat higher level of internal democracy in 2004 vis-a-vis 1996. Significantly, in terms of the cartel thesis parliamentary party groups have as a rule been excluded from the process – they have played neither a significant nor a direct role.

The design of the electoral system used for parliamentary elections may have played some role in encouraging similar candidate selection process in Slovene parties as the comparative work of Gallagher (1988), Norris (1997) and Lundell (2004) would suggest, but comparing the 2004 parliamentary with the European Parliament elections in the same year (where there were important variants in the configuration of party lists, district magnitude and preference voting) there were only minor differences in the formal rules on candidate selection for the two elections (Krašovec and Štremfel, 2007).

#### *Composition of the parties' central offices*

According to the Katz and Mair thesis on cartel parties, parties in public offices should prevail over the other two party faces/elements. The preceding sections, however, indicate that in terms of policy-making competencies and candidate selection the party central office seems to be the locus of power. Nonetheless, as van Biezen (2003:167) observed from her study of parties in new democracies, 'it sometimes becomes difficult, if not impossible, to distinguish between different faces of the party organization' not least because of personnel overlap (Haughton, 2004). MPs may be included in a party's central office *ex-officio* or as representatives of territorial or interest organisations elected at the party congresses. Nevertheless, it can happen that parties in central offices are formally and *de facto* granted the greatest power in parties, but it is obvious then that the question of the composition of a party's central office also matters.

As representatives of parties in public office MPs can have an important share of positions in the party bodies: councils, executive and others. If this happens, MPs hold a dual-level position – they are simultaneously members of two party faces – and the question of the prevalent party element in a particular party body depends on an MP's interpretation of his/her roles.

<sup>3</sup> The Law on Elections to the European Parliament adopted in 2004, the Law on Local Elections (changed in 2005) as well as with the Law on Elections to the National Assembly (changed in 2007) all introduced a gender quota and in some respects affect candidate selection in parties.

<sup>4</sup> In these cases the party central offices have never made any changes to the candidate lists.

**Table 5**  
Percentage of Public Subsidies within Parties' Annual Budget (in %).

	1996	2001	2004	2007
LDS	77	84	71	83
SDS	45	73	69	87
SD	61	43	53	62
SLS	55	81	47	67
NSi	/	61	58	75
SKD	58	/	/	/
SNS	73	98	94	95
DeSUS	46	64	60	86

Sources: Annual financial reports.

Dual membership and changing the relative balance of types of members within the party central office may reflect a changing balance of power in parties, a desire to keep a closer eye on the party in public office or simply a desire to prevent the possibility of conflict and improve co-ordination (Deschouwer, 1994; Svásand et al., 1997).

An analysis of the party statutes reveals that a connection between both party faces also exists in Slovenian parties. Partly it is assured by the *ex-officio* inclusion of MPs and partly because some MPs have been elected to party bodies at the party congresses – mainly as representatives of territorial organisations. In both analysed periods a majority of Slovenian parties have *ex-officio* ensured the inclusion of all MPs in narrow party bodies. Exceptions are the SLS, SKD and NSi, where MPs have only been *ex-officio* invited to their meetings, although some MPs' membership of narrow party bodies are not due to *ex-officio* status albeit only to a very limited extent. In the case of membership in the narrowest party bodies, the picture is not very different among the parties. Almost all parties have *ex-officio* included the leader of the parliamentary party group. Once again the exceptions are the SLS, SKD and NSi, where the leader of the parliamentary party group has been regularly and formally invited to meetings of the party's bodies, but not as full members with voting rights. Again, some MPs have been members of the narrowest party bodies for reasons other than their *ex officio* status. None of the analysed parties have in their statutes inserted a prohibition or restriction over simultaneous membership of MPs in both party faces.

In Table 3 the shares of MPs included in party bodies are shown (not only MPs included into party bodies via the *ex-officio* principle).

The share of MPs in the membership of party bodies has been relatively low in Slovenian parties, although there have been differences between parties as well as changes within parties over time. In consequence, in both formal and *de facto* terms it is hard to say that the party in public office has prevailed over its respective party's central bodies.<sup>5</sup> Moreover, it is unlikely to expect parliamentary party groups with a relatively low share of members in their parties' central offices to have *de facto* played a decisive role.<sup>6</sup>

## Party finance

We can identify three main sources of finance for political parties: membership fees, donations (from either companies or individuals) and state subventions (Alexander, 1989). Public subsidy has become an increasingly important source of funding for parties in many democracies (Nassmacher, 1989). Indeed for the overwhelming majority of parties in Europe public subsidies represent the biggest individual financial source (Mair, 1994; Van Biezen, 2003; Van Biezen and Kopecky, 2007). This dependence of parties on public subsidies, according to Katz and Mair, is a clear hallmark of the cartel party model because parties are obviously more part of the state than part of civil society.

To qualify for public subsidies parties usually have to meet particular criteria most notably a level of electoral success – often but not always the level of success required to enter parliament – hence privileging parliamentary parties and providing an additional barrier to new parties seeking to break through. It is helpful to differentiate two forms of public subsidy (Alexander, 1989; Nassmacher, 1989): direct public subsidies, for example, monthly public subsidies, (partial) single reimbursement of the costs of electoral campaigns, public subsidies for the employment of experts or assistants, public subsidies for the purpose of an MP's electoral constituency offices; and indirect public subsidies, for example, public subsidies for founding a party foundation, free access to public TV, especially during electoral campaigns, free postal deliveries, free distribution of electoral propaganda, payment of experts and administrative employees of parliamentary party groups (Mendilow, 1992; Pierre et al., 2000; van Biezen, 2003).

Last but not least, another important question is which party faces/elements are the recipients of public subsidies and who in the parties is responsible for decisions over financial distribution. Recipients of public subsidies from the state budget are as

<sup>5</sup> The prevailing power of party bodies over public office was clearly demonstrated in DeSUS in November 2009, for example, when two MPs left the parliamentary party group because the group was not consulted over the nomination of a new minister from DeSUS.

<sup>6</sup> In any case, although MPs are outnumbered by other party representatives their reputation and authority can still be important determinants of their (greater) role.

**Table 6**

Voting behaviour in the case of the law on political parties.

	Law on political parties 1994	Modifications 2000	Modifications 2002	Modifications 2005	Modifications 2007
	for/against	for/against	for/against	for/against	for/against
LDS	<b>20/1</b>	19/0	<b>23/1</b>	18/0	5/0
SD	<b>13/0</b>	7/0	<b>7/0</b>	8/0	7/0
SDS	absent/did not vote	<b>6/0</b>	absent/did not vote	<b>27/0</b>	<b>26/0</b>
SLS	0/6	not in the parliament	<b>3/2</b>	<b>6/0</b>	<b>6/0</b>
SKD	<b>11/0</b>	not in the parliament	not in the parliament	not in the parliament	not in the parliament
NSi	not in the parliament	not in the parliament	3/1	<b>10/0</b>	<b>7/0</b>
DeSUS	not in the parliament	3/0	<b>2/0</b>	<b>4/0</b>	<b>4/0</b>
SNS	2/0	3/0	0/4	absent/did not vote	4/0
SLS + SKD	not in the parliament	<b>15/0</b>	not in the parliament	not in the parliament	not in the parliament
Zares	not in the parliament	not in the parliament	not in the parliament	not in the parliament	3/0
SMS	not in the parliament	not in the parliament	0/1	not in the parliament	not in the parliament
Z-ESS	4/0	not in the parliament	not in the parliament	not in the parliament	not in the parliament
SND	1/1	not in the parliament	not in the parliament	not in the parliament	not in the parliament
DS	2/0	not in the parliament	not in the parliament	not in the parliament	not in the parliament
independent	0/1	not in the parliament	not in the parliament	not in the parliament	not in the parliament
minorities	2/0	absent/did not vote	1/0	2/0	1/0
together	55/9	53/0	39/9	75/0	63/0

In bold – parties of government coalition.

Zares – Nova politika (Zares – Nova politika; the party was established in 2007; among its founding fathers were former prominent politicians from LDS).  
 SND – Slovenian National Right (Slovenska nacionalna desnica; the party was established in parliament after a split occurred in the SNS in mid 1990s, it did not cross the parliamentary threshold in the 1996 elections).

DS – Democratic Party (Demokratska stranka; the party underwent several splits in the 1990s and entered parliament for the last time in 1996).

Z-ESS – The Greens - Ecological-Social Party (Zeleni – Ekološko-socialna stranka; the party had a short life: it was established as a consequence of a split in the Greens after the 1992 elections and merged with LDS at the beginning of 1994).

Source: Data obtained from the National Assembly.

a rule parties represented in central offices, but when public subsidies are also established at the local level and finance comes from the budget of municipalities the recipients are usually the parties on the ground (territorial organisations). On the other hand, the decision on the distribution of finances within parties is usually a competence of central party bodies. This competence is important and gives the organ which holds the purse strings substantial power and influence over the activities of the other parts of the party.

In Slovenia, the Law on Political Association was passed in December 1989 and legitimated three basic forms of party funding: public subsidies, membership fees and donations from individuals and companies. Parties which were members of the Socio-political Chamber<sup>7</sup> at the national and local levels were entitled to receive monthly public subsidies. Pursuant to this law, two parties, which had developed from old socio-political organisations (the SD and the LDS) were privileged because they already had representatives in the Socio-political Chamber. This privilege lasted up until 1990 when the first free democratic elections were held.<sup>8</sup> The law remained in force until 1994, when it was replaced by the Law on Political Parties.

The new law continued to state that only parliamentary parties could receive public subsidies. Nonetheless, in 1999 the Constitutional Court found that limiting public subsidies to parliamentary parties was not in line with the Constitution, hence parliament in 2000 passed amendments to the Law on Political Parties which accorded public subsidies to all parties which had at the last elections received at least 1% of votes and had candidates in three-quarters of constituencies. In 2002, however, the Constitutional Court ruled that this latter criterion was not in accordance with the Constitution, ensuring that the 1% level of support was the only requirement for a party to be entitled to public subsidies. Between 1994 and 2000 the exact amount was dependent on the number of votes received at elections with each vote counting for 30 Slovenian tolar (SIT).<sup>9</sup> The formula, however, was changed in 2000. From the amount of finance set aside for public subsidies (which must not exceed 0.017% of GDP), 10% is allocated to all eligible parties in equal shares, whilst 90% is distributed according to their electoral success (see Table 4).

Data drawn from the annual reports submitted by parties to the Court of Auditors shows that Slovenian parties have - in general and officially - been largely dependent on public subsidies (see Table 5). In all parties, public subsidies have been the largest individual financial source, while in some parties they have been almost the exclusive financial source, a finding which bolsters the cartelization argument.

Monthly direct public subsidies have not been the only way for parties to acquire money from the budget. Both the 1989 Law on Elections and the 1994 Law on Election Campaigns permitted the (partial) reimbursement of the costs of electoral

<sup>7</sup> Before 1992 there were three Chambers of the Slovenian Parliament. The other two were the Chamber of Municipalities and the Chamber of Associated Work.

<sup>8</sup> According to this Law, new and non-parliamentary parties were entitled only to some temporary public subsidies (from December 1989 to April 1990). However, the amounts of temporary public subsidies were very low.

<sup>9</sup> €1.00 = 239.64 SIT. This figure was index-linked.

**Table 7**

Voting behaviour in the case of the law on election campaigns.

	Law on election campaign 1994	Modifications (suspensive veto) 1996	Modifications 1997	Law on electoral and referendum campaign 2007
	for/against	for/against	for/against	for/against
LDS	<b>12/0</b>	<b>14/0</b>	<b>21/0</b>	2/0
SD	<b>13/0</b>	2/5	4/0	6/0
SDS	1/0	0/1	0/15	<b>26/0</b>
	1/0	absent/did not vote	<b>19/0</b>	<b>5/0</b>
SKD	<b>4/0</b>	<b>7/0</b>	0/7	not in the parliament
NSi	not in the parliament	not in the parliament	not in the parliament	<b>7/0</b>
DeSUS	not in the parliament	not in the parliament	<b>5/0</b>	<b>4/0</b>
SNS	2/0	2/1	1/0	absent/did not vote
Z-ESS	3/0	absent/did not vote	not in the parliament	not in the parliament
SND	1/1	absent/did not vote	not in the parliament	not in the parliament
DS	1/1	3/0	not in the parliament	not in the parliament
independent	2/0	absent/did not vote	not in the parliament	not in the parliament
minorities	2/0	absent/did not vote	0/2	absent/did not vote
together	42/0	28/7	50/24	50/0

In bold – parties of government coalition.

Source: Data obtained from the National Assembly.

campaigns. Although the latter law capped the total amount of money particular parties are allowed to spend in election campaigns, parties or candidates who entered parliament, or received at least 2% of all votes at the national level, or 6% within one constituency, are entitled to the (partial) reimbursement of their expenditure in electoral campaigns.

Just one week before the elections in 1996 a Law on Modifications and Amendments to the Law on Election Campaigns was passed in the National Assembly which increased the limit on electoral campaign expenditure from SIT 30 to SIT 60 per voter. The same increase also applied to the (partial) reimbursement of electoral campaign expenditure for parliamentary parties. Non-parliamentary parties could still only receive SIT 30 (if they received the aforementioned percentage of votes at the national level or at the level of a constituency). The Upper House of Parliament, the National Council, however, issued a “suspensive veto” which ensured the law would not be in force for the 1996 elections, only for the subsequent elections.<sup>10</sup> Nevertheless, in 2007 a new law regulating election campaigns was passed (the Law on Electoral and Referendum Campaign) with very similar provisions. Parliamentary parties are entitled to €0.33 per vote received, while other parties are entitled to a reimbursement of €0.17 per vote received.

#### *Other state resources*

During election campaigns, parties have also had the possibility of accessing the mass media especially television. The Law on the Radio and Television of Slovenia states that candidates and parties have the right to air time. Hence, payment-free access to public TV is provided to all candidates and parties running for seats in the parliament. There are two forms of payment-free access: self-presentations of candidates or parties and their programmes; and debates among candidates or party representatives. In this case, and according to the law, non-parliamentary parties have had the right to a third of the total time for the free election programme thus non-parliamentary parties and candidates have had at least some chances to receive this kind of public subsidy.

Parliamentary parties have also been entitled to receive a monthly subsidy to ensure the work of MPs in their electoral constituencies. In 1999, parties received SIT 33,000 per month for each MP, while in 2008 this amount was €200.

Moreover, parliamentary parties have also received certain amounts (on a monthly basis) for so-called additional professional help. In 1997, when such support was introduced for the first time, each parliamentary party group was entitled to a third of the monthly salary of a parliamentary assistant for each MP, this was raised to cover the cost of the entire salary in 2002. Furthermore, parliamentary parties have benefitted from funding to cover the cost of secretaries, experts and administrative staff working in parliamentary party groups. In 1997 each parliamentary party group was entitled to secretarial, expert and administrative staff with an extra administrator staff allocated for each additional eight MPs. Since 2000 MPs have also been entitled to use the expertise of civil servants who work in parliament, such as the research and documentation section.<sup>11</sup>

<sup>10</sup> The National Council is an upper house of the Slovenian Parliament. It was established by the new Constitution adopted in 1991. The National Council is defined as the representative body of social, economic, professional and local interests.

<sup>11</sup> According to data from the Research and Documentation section of the parliament, the biggest share of commissioned tasks to prepare analyses have consistently come from opposition MPs and their parliamentary party groups.

**Table 8**

Voting behaviour in the case of the decree on the organisation and work of departments of the national assembly.

	Decree on the organisation and work of departments of the national assembly 1997	Modifications 2000	Modifications 2002
	for/against	for/against	for/against
LDS	<b>17/1</b>	<b>20/0</b>	<b>19/0</b>
SD	5/0	<b>6/0</b>	<b>5/0</b>
SDS	7/1	1/0	2/1
SLS	9/0	<b>1/2</b>	<b>8/0</b>
SKD	<b>3/1</b>	not in the parliament	not in the parliament
NSi	not in the parliament	2/0	4/0
DeSUS	3/0	<b>4/0</b>	<b>3/0</b>
SNS	absent/did not vote	3/0	absent/did not vote
SMS	not in the parliament	4/0	1/0
minorities	2/0	2/0	absent/did not vote
together	46/3	43/2	42/1

In bold – parties of government coalition.

Source: Data obtained from the National Assembly.

### Patterns of inter-party competition

Katz and Mair (1995) place an important emphasis in their cartel party model thesis on parties' behaviour. According to them, cartel parties try to retain access to state resources by building different kinds of barriers to other parties. Moreover, despite differences between these parties, they co-operate closely like a cartel to exclude other parties from the distribution of state resources and use their privileged position to benefit themselves when shaping party funding legislation.

In order to analyse this dimension of the cartel party model, we assessed the voting behaviour of MPs when passing laws or other legal acts which have ensured parliamentary parties access to public subsidies or increased them. Three groups of such decisions were analysed:

- Voting behaviour on the Law of Political Parties as well as its amendments. In combination with other legislation, this law has assured monthly public subsidies for parties.
- Voting behaviour on the Law on Election Campaigns and its amendments which have assured parties also the (partial) single reimbursement of the costs of electoral campaigns.
- Voting behaviour on the Decree on the Organisation and Work of Departments of the National Assembly and its amendments. The decree has assured parliamentary party groups sources for additional professional help and secretaries, experts and administrative staff who work in the parliamentary groups.

As the data in Table 6 show, for the first of these irrespective of party affiliation or governmental/opposition status MPs voted almost as a homogenous bloc in favour of the laws and amendments.

In contrast, voting on the Law on Modification and Amendments to the Law on Election Campaigns (one week before the 1996 elections) showed greater tactical behaviour (see Table 7). Although the law brought a raft of changes, public debate focused on increasing the limit on campaign expenditure. Aware of the public reaction to this provision several MPs from different parties abstained and only a limited number of MPs from different parties voted and supported the changes. When the law was put before parliament again in February 1997 other proposed changes came to the public's attention including the definition of electoral campaign expenses, where campaigns can be conducted, a shorter period to file to the Court of Auditors a financial report on electoral campaigns and increasing the competences of the Court of Auditors. In the vote, a government/opposition division was in evidence for the first time. MPs from the governing parties (LDS, SLS, DeSUS) plus the majority of SD (then in opposition) voted for the law, but MPs from two opposition parties (SDS and SKD) voted against.

An analysis of MPs' voting behaviour on the Decree on the Organisation and Work of Departments of the National Assembly and its amendments (Table 8) also shows MPs acting as a virtually homogenous bloc with only three MPs not supporting the decree in 1997. Both amendments to the decree increased the allocation of resources to parties with only a minimal number of MPs not supporting the changes. Slovenian parties in these three respects, therefore, have acted relatively homogeneously when public subsidies and their extent have been at stake, despite larger differences between them otherwise. In this aspect we can, therefore, describe Slovenian parties as parties heavily approaching the cartel party model.

### Conclusion

In Slovenia we can observe only a partial cartelization of party politics. According to the cartel party model, parties should be heavily dependent on the state in terms of their financial and other resources needed for their activities, an argument

which is born out in the Slovenian case. Moreover, in terms of parliamentary parties using their position in the legislature to channel state resources to advantage themselves at the expense of those outside the legislature<sup>12</sup>, evidence suggest Slovenian parliamentary parties have acted as a relatively homogeneous bloc in a cartel like manner. But there is one important difference here between West European and Slovenian parties (and parties from post-communist/post-socialist countries). In terms of their resources, these parties have actually never been anything other than cartel parties (while parties in West European countries have developed to become cartel parties in this regard via changes that have happened during the last 30 years). In contrast to the cartel model, however, empirical evidence indicates that in Slovenia the party central offices rather than the party in public office is predominant in policy-making as well as in candidate selection.

Acknowledging the dangers in drawing too many conclusions from the study of one particular case, we suggest the study of the extent of cartelization of parties in Slovenia raises several avenues for future research. Firstly, in terms of funding, Slovene parties are clearly like cartel parties. There is not much appetite for a movement away from public funding given the corruption scandals which are a perennial theme of politics in CEE (Haughton, 2008). Indeed in 2009 there were some public discussions in Slovenia over subsidies, but the consensus of opinion among parties was the elimination of public subsidies would increase the potential for corruption. Thanks to the limitations on donations from individuals and firms, a removal of public subsidies might increase the temptation to use illegal sources fuelling yet more corruption allegations. These factors point in the direction of a continuation of parties' cartel behaviour and dependency on the state, an argument which merits testing on a wider set of cases.

Secondly, recent work on the cartel model in Western Europe (Katz and Mair, 2009) suggests that cartelization has clearly contributed to the rise of populist anti-party system parties which can play on the argument that mainstream parties are indifferent to the desires of ordinary citizens and can point to the growing perception of distance between parties in the cartel and ordinary voters which creates fertile ground for the far right (Pelizzo, 2007). Slovenia, however, does not seem to support this argument. Part of the reason stems from the fact that SNS, which is the only parliamentary party frequently described as far-right (although, as mentioned above it represents an eclectic combination of left and right), is part of the cartel (there have been other rivals for the far-right vote, but they have proved to be unsuccessful), suggesting the benefits of an inclusive cartel.

Thirdly, the global credit crunch, resultant economic downturn and eurozone crisis have cast a long shadow over European politics in recent years affecting political behaviour and policy choice. In these more austere times when the streets of Athens and Madrid have seen citizens expressing their indignation with their political leaders' keenness to appease international financial institutions whilst inflicting harsh budgetary measures on ordinary voters may provoke a broader backlash against the political elite and cartel measures used to fund political parties. So far, however, there is little or no evidence of this in Slovenia.

Fourthly, discussion of the cartel model also raises broader questions of party system (in)stability in Slovenia and across the region. One of the more striking aspects of Slovene party politics is that it is much less volatile than some of the other states in Central and Eastern Europe (Mainwaring et al., 2009; Powell and Tucker, 2009). To what extent is this stability linked to public money being channelled to the established parties to the detriment of new parties? It is noticeable that if we take Sikk's (2005) definition of 'genuinely new parties' which are 'not successors of any previous parliamentary parties, have a novel name as well as a structure and do not have any important figures from past democratic politics among its major members', we can identify just two successful genuinely new parties in Slovenia, DeSUS and SMS, which crucially during their infancy received significant resources from pensioners and student organizations respectively. Indeed, thanks to low levels of membership and limits on donations from companies and individuals existing parties in Slovenia are heavily dependent on public subsidy and are keen not to risk reducing their slice of the cake by providing financial support to new parties. The linkages between financing and party stability merit investigation in a region-wide study. However significant those links are found to be, the interaction between money, organization and the state look set to remain rich areas to explore for scholars of political parties in Central and Eastern Europe.

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<sup>12</sup> Since 2000 there have been only a few non-parliamentary parties which have been entitled to receive finances from the budget despite not having passed the threshold: SMS (2004–2008); Aktivna Slovenija - Active Slovenia, established when SMS was divided (in the 2004–2008 period); Slovenija je naša - Slovenia is Ours (in the 2004–2008 period); NSi (in the 2008 - period) as well as Lipa, established when several SNS MPs left the party (in the period 2008–).

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