Abstract

The aim of this paper is to analyse the relationship between parties and civil society by assessing the patterns of discretionary funding to civil society groups, and to what extent these reflect partisan interests and concerns. Three inter-related dimensions of party influence on the funding of civil society groups are tested: ideology, party organisation and electoral mobilisation. In the first dimension, we examine to what extent ideology accounts for different levels and patterns of support. In the second, we assess to what extent parties’ different levels of social rootedness is associated to levels of financing to civil society groups. Third, to what extent parties grant these discretionary financial benefits for electoral gain and to reward support, be it by funding associations located in municipalities controlled by the party in power, be it by granting these funds immediately after and before elections.

Empirical data suggests that ideology is relevant in explaining the amounts of subsidies granted. Although not significant in explaining parties’ benefits to different types of associations, it does generate significant differences in terms of the specific organisations are funded. The data is also consistent with greater use of government resources to compensate for weaker bases and linkages between parties and civil society, and points to an instrumental use of discretionary funding for mobilising electoral support, with funding particularly visible around election periods and to associations based in municipalities also controlled by the party in power.
Introduction

The fortunes of political parties and civil society have seemingly followed starkly divergent paths over the last few decades. Parties have been increasingly described as weakening and losing relevance in advanced capitalist democracies, a perceived ‘party decline’ that has led some to provocatively ask if we should start ‘thinking the unthinkable’: democracy without political parties (Dalton & Wattenberg, 2000). This is not a consensual position. Yet there is a general acceptance of a weakening of parties in some dimensions, even if compensated by a strengthening in others (Daalder, 2002). In Katz and Mair’s (1995) influential analysis, it is parties’ links with the electorate that are weakening, a pattern redressed organisationally through a retrenchment in the state and an increasing reliance on its resources.

Parties’ (at best partial) misery contrasts with the buoyancy associated to civil society, increasingly seen as the “big idea” for a series of social, economic and political dilemmas (Edwards, 2004: 2). Despite the definitional problems that remain with the concept, civil society is associated with a number of positive (and interrelated) outcomes, including successful democratic transitions and consolidations (Diamond, 1999); improved quality of democracy (Morlino, 2004); new patterns of governance and of public policy production and provision (Kooiman, 2003); greater political participation and civic engagement (Norris, 2002); and a fostering of social capital (Purdue, 2007). Crucially, the expansion of civil society – at both a normative and positive level – occurs in much the same terrain that parties are abandoning, as parties lose their capacity to mobilise citizens. Yet, at the same time, to the extent that civil society interacts with the state, civil society organisations are obliged to deal with political parties.

Given that the relationship between political parties and civil society can be measured through a wide range of indicators (LaPalombara, 2007; Kopecký & Mudde, 2003; Ware, 1996; Allern, 2007), this article analyses the intermediary role of political parties between the state and civil society groups in the Portuguese case, within the framework of the party government model. In the context of party-civil society relations, the Portuguese case is an interesting one. Party government is seen as a feature of Southern
European democracies, with Portugal not diverging from this general pattern (Morlino, 1995, Jalali, 2007, Lobo 2000). Yet, while its parties remain central actors in the political system, with little party system change since democratisation in 1974, they have weak social linkages – a pattern that is also evident since 1974 – and have entrenched their position largely through their access to state resources (Jalali, 2007). At the same time, a number of social and historical constraints has meant that civil society organisations – which have seen a relative expansion since the 1990s – remain largely dependent on the state for furthering their goals (Santos & Nunes, 2006; Barreto, 1995, Hamann & Manuel, 1999; Melo, 2007).

This paper examines the relationship between parties and civil society by empirically examining the patterns of government allocation of discretionary financial subsidies to civil society organisations. This allows us to infer about the way parties and civil society groups interact, and to what extent these relationships are mediated by (and reflect) partisan dimensions. Therefore, we are interested in an analysis of parties’ use of state resources, and to what extent these reflect partisan goals (Piattoni, 2001).

More specifically, we examine three inter-related dimensions of party influence on the funding of civil society groups. First, ideology – to what extent the discretionary funding reflects the ideological orientation of government parties. While much of the literature on parties has pointed to a diminishing role of ideology for parties over recent decades, there is little evidence of its demise. As such, we may expect to find variation in the level and profile of civil society funding according to the ideological orientations of the parties in government. Second, party organisation: as postulated above, the literature on parties suggests that parties compensate for weakening social ties by resorting to state resources. As such, we should expect to find variations in the discretionary funding according to the degree of social rootedness of the parties in government. Third, and related, electoral gains: as parties’ ties to the electorate weaken, an instrumental use of these funds might be expected according to the degree of openness of the electoral market, and to the electoral cycle, with discretionary subsidies granted in the run-up to elections in order to activate ties with civil society groups that might then translate into electoral mobilisation and support.
This paper is structured as follows: in the first section we review the literature on the changing relationships between parties and civil society. In the second section, we outline a set of political, socioeconomic and cultural factors that have historically shaped the relationship between parties and civil society in Portugal. Then, the research methodology is presented, as well as the study’s main hypotheses. In section 4 we present some descriptive analysis of the data, in order to explore to what extent changes in party government have an impact on the discretionary funding to civil society groups. Our hypotheses are then tested through bivariate and multivariate analyses. We end by discussing the findings and assess their implications for theories of parties-civil society relationship.

1. Parties and civil society

The comparative politics literature has increasingly focussed on a perceived weakening and growing irrelevance of political parties in advanced capitalist democracies, leading some to ask if we should ‘think the unthinkable’: democracy without political parties (Dalton & Wattenberg, 2000). Parties are seen as increasingly incapable of serving their function as intermediaries between the society and the state, bridging and mediating this relationship in both a bottom-up and a top-down direction; as playing an increasingly less decisive role in political socialisation, both of the political elite and of the general citizenry; and progressively less able to mobilise and integrate the mass public into the democratic process. This pattern contrasts with the fortunes of civil society, increasingly perceived as the “big idea” in democratic politics (Edwards, 2004). As Purdue (2007: 2) puts it, the concept of civil society has seen a renewed interest since the 1990s, being seen as “representing a more complex social fabric, consisting of a diverse set of organisations, with more active participation by a greater number of citizens”, and consequently can constitute a fundamental framework for democracy. It is hard not to read Lawson and Merkl’s (1988: 3) description of party decline as one of (inter alia) civil society rising: “the institution of party is gradually disappearing, slowly being replaced by new political structures more suitable for the economic and technological realities of twenty-first-century politics”.

4
However, as much of the party literature has subsequently highlighted, the evolution in modern political parties is perhaps better described as one of change than one of absolute decline (Daalder, 2002). Katz and Mair’s (1995) description of the cartel party is a good example, suggesting that while decline may have occurred at the level of societal links and rootedness, parties have been able to compensate this loss through a retrenchment in the state and increasing reliance on its resources. As such, the emphasis on decline or failure of parties is, according to Katz and Mair (1995: 28), “largely misconceived”.

Katz and Mair’s cartel model derives from a perception that the dominant parties tacitly or explicitly collude in employing the resources of the state for their survival (Katz & Mair 1995: 5), for instance via the state subvention of parties, which restricts entry to the political party market by being proportional to previous electoral results; or the placing of party cadres in state, municipal and para-statal employment. Yet this model also has implications on parties’ relationship with civil society. Parties are seen as attempting to penetrate (Schmitter, 1993), coalesce (Yishai 2001) or even raid and occupy (Ignazi, Farrell & Römmele, 2005: 26) civil society. However, this penetration does not have as its goal, for the parties, linkages of a ‘participatory’, ‘policy-responsive’ or even a democratic variation of a ‘directive’ – aimed at mobilising and maintaining support – nature. Rather, the linkages become increasingly based on ‘linkage by reward’, with the social rootedness of civil society organisations – and electoral benefits this can generate – serving as the instrumental motivation for the linkage (Ignazi, Farrell & Römmele, 2005), as opposed to the more organic ‘participatory linkage’ of the mass party ideal-type (Lawson, 1980). At the same time, civil society organisations may be pliant to such penetration, to the extent that it allows access to state resources and furthers the representation of their interests in policy-making – a pattern that would neatly fit the ‘by reward’ type of linkage. In this context, the notion of a “blurred” boundary – albeit with a boundary – between parties and civil society becomes all the more relevant (Kopecký & Mudde, 2003).

2. Testing the relationship between parties and civil society in the Portuguese context

Portugal is an interesting case study of the relation between parties and civil society. Portugal has lacked a strong and consistent history of associative movements and independent organisations (Hamann & Manuel, 1999:73), and its authoritarian past and
transicion por ruptura meant there was at best a weak civil society at the time of
democratisation in 1974. While the revolutionary period of 1974-75 saw an extraordinary
expansion and renovation of the civil society, with a “true swarming of autonomous
associative activity, voluntaristic, competitive, non-hierarchical and with mutual
overlapping” (Schmitter, 1975, cited in Lobo, 2000: 151), the gradual normalisation of
political life from 1976 on also saw a decline in the this activity and a “fading away of
many of its organisational achievements” (Santos & Nunes, 2006: 11).

Overall, then, Portuguese civil society remains relatively weak and incipient, with
“[little] citizen participation in public life and in organized civil society” (Santos & Nunes,
2006: 9). Indeed, data from 2004 indicates that the membership of the Portuguese in
voluntary organisations was well below the European Union average, being one of the
lowest in the EU as a whole. It had the lowest level of membership of the EU-15, and only
exceeded (marginally) two new member-states – Romania and Bulgaria. When it came to
active participation and voluntary work, Portugal presented the lowest levels of the EU.¹

There are pockets of relative civil society strength – notably trade unions and
confederations, business confederations, and some professional associations (notably
professional guilds, such as the medical and pharmaceutical guilds). These have
comparatively greater resources, more effective structures for the representation of
interests, and can have considerable say in policy-making in their fields, both through
formal and informal channels. In terms of the former, there is a constitutionally enshrined
Economic and Social Council, which includes a social concertation committee (the
Permanent Committee for Social Dialogue, Comissão Permanente de Concertação Social)
involving labour union and business confederations; and guilds – notably in the health
sector – are widely consulted and enjoy considerable influence in policy-making. Yet it
must be emphasised that these remain pockets of relative strength and insider access, and
do not necessarily translate into citizen involvement. Indeed, in a recent study of 18
European countries, Portugal presented the lowest proportion of union members among

---

¹ In 2004, on average, the Portuguese were members of 0.3 voluntary organisations, as against an EU
average of 0.9, and, for the EU-15 countries, an average of 1.3 (Rose, 2006: 16). In the same year, 11 percent
of the Portuguese actively participated or did voluntary work in voluntary organisations, against an EU
average of 29 percent (Special Eurobarometer on Social Capital, 2005).
employees – 11.1 percent, comparable only to (albeit lower than) its third-wave southern European democratic counterparts of Spain and Greece (Schnabel & Wagner, 2005: 19).

The incipience of civil society is reflected in its dependence on state funding. Like its southern European counterparts of Italy and Spain, the Portuguese civil society is “moderate in size, substantially funded by government and heavily oriented towards service provision” (Franco et al, 2005: 21). Yet, as figure 1 below indicates, the dependence on government funding is higher in Portugal, placing it close to (albeit lower than) countries characterised by Salamon et al (2003) as “welfare partnership” countries. Unlike these countries, however, the government funding in Portugal is considerably more discretionary and ad hoc, accentuating power asymmetries between givers and takers.

Figure 1 - Civil society funding by government, including volunteers, in percentage


2 These are predominantly Western European countries, with a welfare partnership whereby the “state finances welfare services but relies heavily on private civil society organisations for their delivery.” (Salamon et al, 2003: 31).
On the party side, Portuguese political parties are a good example of state resources serving to shore up party organisations. Overall, Portuguese parties – especially those that have monopolised Portuguese constitutional governments since 1976, the centre-left Socialist Party (PS), the centre-right Social Democratic Party (PSD), and their occasional coalition partner, the party of the Democratic Social Centre (CDS) – have relatively weak societal roots (Jalali, 2007), not least a consequence of the revolutionary context in which they emerged. However, despite their weak social and organisational bases, parties in Portugal remain “the key political institutions” (Bruneau, 1997: 19), in no small part thanks to their monopoly of political representation in parliament and their capacity to tap and distribute state resources at national and local level. Parties’ “operational control of government” (Rose, 1969: 413), often referred to as party-government, can be visible either in terms of the control over decision-making processes, or in terms of the selection of the government’s highest officials (Katz, 1986: 43) and distribution of patronage (Blondel, 2002). Portuguese parties seem to have followed this pattern of “invasion of the state” (Blondel, 2002; Morlino, 1995). As such, parties have always acted more as “institutional than as social [actors]” (Pridham, 1990: 113), due to a combination of factors. First, as a consequence of parties’ central role in the processes of democratic transition and consolidation; second, because institutional rules favour the incumbent party (Morlino, 1995), either in terms of supremacy of parties in the written constitution (Jalali, 2007; Lobo, 2000; Morlino, 1995b) and the electoral system –d’Hondt PR with levels of disproportionality – which favour some parties more than others (Lane & Ersson, 1999; Morlino, 1995b), and potentially allows for a compensation of weak societal roots.

Within this context, we might expect to find considerable party influence on the discretionary funding of civil society. As Piattoni (2001) suggests, parties can use their discretionary power in distributing public resources so as to guarantee their place in public and political spheres. In the Portuguese context, where parties have weak social roots, the linkages generated by discretionary usage of state resources become all the more necessary.

In this paper, we examine the relationship between parties and civil society by examining patterns of discretionary funding to civil society organisations across different governments. Three inter-related dimensions of party influence on the funding of civil society are examined. The first has to do with ideology, and considers to what extent
discretionary funding is influenced by the ideological orientation of government parties. While much of the literature on parties has pointed to a diminishing role of ideology in party operation over recent decades (Mair, 2003), the proclamations of its ultimate demise (not least by some politicians) appear to be exaggerated. Be it through voters’ perception, expert analysis or manifesto pledges, parties do present different profiles, and these have a substantial impact public policy and electoral behaviour (Huber & Inglehart, 1995; Freire, 2006). Within this context, we expect to find greater funding of civil society organisations by right-wing governments than their left-wing counterparts; and we expect to find a different profile of funding also, with left-wing governments being more generous to associations connected to culture, social solidarity, education and ethnic issues and interests.

Left and right are interpreted commonly as referring (even if inter alia) to a defence of greater versus lesser state intervention (Benoit & Laver, 2006: 132). In more recent times, the defence of civil society has been taken up by neo-liberalism and the right (Beckman 1993; for a review see Powell, 2007), a pattern that is evident in Portugal also. As such, we might expect left-wing governments to seek greater direct state provision of goods, whereas right-wing parties will want to reduce state intervention and thus devolve this responsibility to non-state actors, even if at the taxpayers’ expense.

Party position can also be a powerful indicator of government spending priorities (Castels, 1982). In this sense, then, we expect different governments to support different types of civil society organisations, with left-wing and right-wing governments more inclined to support associations closer to their respect values. As such, we would expect civil society associations whose activities put an emphasis on social services, education, pro-labour (Klingemann, Hofferbert, & Budge, 1994), culture (Melo, 2007) and on the defense of minority groups (McDonald & Mendes, 2001) to be more benefited by leftist parties than by right wing parties.

The second dimension has to do with state funding reflecting party organisation. As highlighted above, parties have compensated for weakening social ties through access (and distribution) of state resources, a pattern evident since the outset of democracy in Portugal.

---

3 Viz. Blair’s pronouncement that “There is no left or right in economic management today, only good and bad” (“Six months of the best - and worst - of President Blair”, The Independent, 15 June 1998).
In specific, we consider to what extent discretionary funding is correlated to the strength of party organisation, which we will measure here through the number of party members and through the parties’ annual expenditure. At the same time, we also examine to what extent governments tend to give more funds to associations located in municipalities controlled by the same parties as in the national government. Control of local power is an important element in organisational strength for Portuguese parties, notably those that have dominated government. While parties’ local implantation varies between parties and regions, party functioning generally has little impact on social life. Local power thus serves to compensate for this weak societal role, acting as a crucial transmission belt for the parties (Jalali, 2007). As such, we expect to find greater funding to associations that are located in municipalities controlled by the parties that are also in government.

The final dimension has to do with the manipulation of funding for mobilising electoral support, which can also act as a determinant of variations in the distribution of financial benefits. On the one hand, we expect to find the level of subsidies to be related to the degree of voter availability and mobility. Greater electoral mobility, and the more open electoral market it implies, is thus expected to be positively associated with discretionary funding of civil society groups, as governing parties seek to shore up (if not increase) their electoral support.

We also expect a peak of subsidies in the run up to elections. While the overall evidence on the electoral budget cycle thesis is mixed (for different perspectives, see Alt & Chrystal, 1981; Blais & Nadeau, 1992; Alt & Lassen, 2006; Shi & Svensson, 2006), there is some evidence of these budget cycle effects in the Portuguese context, at least at the local level (Veiga & Veiga, 2007). Moreover, there is a burgeoning body of research that points to opportunistic effects of elections on specific budget items, such as police hiring (Levitt, 1997); or on policy (e.g. the decision to prosecute felonies – Dyke, 2007). A similar effect might thus be expected in terms of discretionary funds to civil society organisations, for instance to activate ties that might then translate into electoral mobilisation and support. As such, we expect to find greater discretionary subsidies granted in the run-up to elections than in non-electoral periods.

3. Data and methodology
While state funding of civil society organisations has been a feature of Portuguese democracy since its outset, only recently are we able to analyse it empirically. In 1994, a law was approved that obliges the disclosure of the financial subsidies granted by the state to civil society groups (Law 26/94 of August 19th). Here we examine state funding in the period from October 1999 to April 2008, in order to avoid picking up data variations that might be the result of the incomplete institutionalisation of this new legal framework in the period immediately after its approval. This period allows us to examine four distinct governing periods, which include instances of a complete change of the parties in government.

<table>
<thead>
<tr>
<th>Governing periods</th>
<th>Party in Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2002</td>
<td>PS</td>
</tr>
<tr>
<td>2002-2004</td>
<td>PSD + CDS coalition</td>
</tr>
<tr>
<td>2004-2005</td>
<td>PSD + CDS coalition</td>
</tr>
<tr>
<td>2005-2008</td>
<td>PS</td>
</tr>
</tbody>
</table>

In terms of civil society associations and interest groups, we examine discretionary funds granted to promotional or cause groups; and also funds granted to the majority of sectional groups. In terms of these sectional groups, we exclude those that have clearly defined channels of formal representation inside parties and/or the state. As such, we exclude trade unions and confederations; national business confederations; and professional guilds which, although a type of professional association, are regulated by a different legal framework that grants them greater influence in policy-making. The sectional groups thus include regional business groups; and professional associations, which – unlike guilds do not have – both de jure and de facto – substantial influence in policy making, and represent less relevant and prominent sections of the professional cohort. These groups thus represent the vast majority of civil society organisations in Portugal, and will tend to have a

---

4 Currently, there are 13 guilds, whose associated professionals are required to have a higher degree, contrarily to other professional associations. Recently, a new legislation has been approved and it regulates the creation and access to these guilds, which are subject to governmental approval. Law 6/2008 (13th February 2008) determines that the creation of professional guilds can only be done if the “regulation of the profession involves a special public interest that the State cannot pursue” (Article 2).

5 For example, the Association of Cooks and Pastry Chefs of Portugal (Associação de Cozinheiros e Pasteleiros de Portugal) or the Association of Tourism Technicians (Associação de Técnicos de Turismo).
greater degree of dependence on state funding than those that were excluded from the analysis here.

Overall, some 20,000 subsidies were granted to these civil society groups in the period here analysed. In order to make the analysis manageable, a sample of these subsidies was constructed, using a stratified random sampling method. Table 2 shows the composition of the universe and of the sample in each governing period.

Table 2 - Composition of the universe and of the sample in each governing period, 1999-2008

<table>
<thead>
<tr>
<th>Governing Period</th>
<th>Government composed by</th>
<th>Universe</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>20019</td>
<td>1387</td>
</tr>
</tbody>
</table>

This sample results in a margin-of-error (with 95% confidence) of ±5 percent. To guarantee the randomness of the sample, the selection of the cases was undertaken through a random number generator. As such, a set of numbers was generated randomly, with no repetitions, in order to define the subsidies that would constitute the sample. Each legal diploma granting a subsidy was then codified according to the information it contained, such as name of the group that received the subsidy; the government body granting the subsidy; the date in which the subsidy was granted; and the amount of the benefit. Some of these variables were recoded – notably, the amount granted\(^6\) – or coded with the use of

---

\(^6\) The category of the amount granted is related to the amount of the financial benefit granted by category. It may vary between 1 and 10, where 1 means “less than 1000€”, 2 “between 1001€ and 5000€”, 3 “between 5001€ and 10000€”, 4 “between 10001€ and 20000€”, 5 “between 20001€ and 30000€”, 6 “between 30001€ and 50000€”, 7 “between 50001€ and 100000€”, 8 “between 100001€ and 200000€”, 9 “between 200001€ and 500000€” and 10 “more than 500001€”.

12
additional information, such variables including type of group that received the subsidy and the municipality in which the recipient group is based.

As mentioned, we are interested in assessing different dimensions of party influence on the funding of civil society organisations. Therefore, a set of variables were included so as to test the impact of ideology, of party organisation and of electoral mobilisation and gains on discretionary funding. As to the first, a variable on parties’ ideological positioning on the left-right spectrum was included. This variable presents Portuguese experts’ opinion on parties’ ideological position on a scale from 0 to 20, with 0 meaning left and 20 meaning right (Benoit & Laver, 2006). Taking into account ideological differences as to government intervention in society and parties’ different areas of concern, a positive association between right wing parties and the amounts granted to civil society organisations is expected.

As to the impact of party organisation, we included variables that measure parties’ social ties, so as to test the hypothesis that weak and weakening social ties are compensated by state resources. As such, we included variables that measure party membership throughout the years under analysis. The declining party membership pattern observed in Portugal gives us an indication of parties’ disentanglement from society, which is expected to result in higher volumes of financing to compensate for such weak social roots. Additionally, taking into account the importance that local power has for parties at central level, not least due to this level’s greater proximity to voters, we included a dichotomous variable on party congruence between national and local governments, which reflects whether or not a government grants funds to groups based in municipalities governed, at that time, by the same party or parties which controlled the national government.9 Finally,

---

7 Associations were coded according to their main functions and areas of activity, namely, professional; religious; educational; environmental; social solidarity; sports; women’s; local and regional development; victim and trauma support; ethnic; consumers’; health and safety; family planning; local and regional business; persons with disabilities, and artistic and cultural groups and associations. One final category was created to include other associations that did not fit in any of these types of associations.

8 The variable related to where the beneficiary entity is located is based on the municipalities in Portugal, with a total of 308 municipalities.

9 Coded as 0 if there is no congruence, when the government funds associations located in municipalities that are governed by parties not in national government; and 1 if there is congruence - the government funds associations located in municipalities that are governed by the party or parties in national government (alone or in coalition with others). All coalitions at the local level between relevant parties are within block coalitions.
we also included a variable on parties’ annual expenditures. One of the expectations derived from the party change literature is that parties will compensate for declining party membership and activism through greater financing needs (Katz and Mair, 1995; Scarro, 2007: 204-5). As such, greater annual expenditures are likely to reflect party organisations that are more dependent on professional staff and commercial forms of communication in order to both function and communicate with voters.\(^{10}\)

As to the electoral gains, we were interested in capturing the instrumental use of funds for electoral purposes. One part of this has to do with the prevalence of greater funding during electoral periods. As such, we included two dichotomous variables: one for legislative elections and the other for local elections. These variables were coded as 0 when no such elections occurred, and one in electoral periods.\(^{11}\) This dimension was also assessed thought the inclusion of a variable on the electoral volatility registered in the preceding legislative elections. With the decreasing importance of partisanship in voter orientations in Portugal (Jalali, 2007), we might expect funds to be instrumentally used to persuade unattached voters. The electoral volatility at the previous election may serve as a proxy for parties of the degree of voter availability in the ‘electoral support market’ (Mair, 1997: 184). Electoral volatility was measured through the Pedersen index of total volatility, as the change in the vote shares obtained by individual parties in two consecutive elections (data from Jalali, 2007).

4. Patterns of funding

In this section we present some descriptive analysis of the data, in order to explore to what extent changes in party government have an impact on the subsidies to civil society groups, before testing our hypotheses through bivariate and multivariate analyses. Empirical data collected for the period from 1999 to 2008 is presented in Table 3. As can

---

\(^{10}\) For the annual expenditures, we analysed the Constitutional Court’s legal analysis of parties’ finances for the period 1999 to 2003. As there is a lag between the date when parties present their accounts and their public advertising in Portuguese Official Gazette, we used data from Jalali (2007) for 2004 and 2005.

\(^{11}\) We coded as electoral periods those that are within one month of the date of elections. The inclusion of the period subsequent to elections is due to the relatively common practice, in Portugal, of announcing funding prior to the actual publication of the decree that grants that funding. As such, this time period is likely to capture subsidies that were, for all effects, decided prior to election, even if formalised shortly after.
be seen, the overall values of the subsidies vary quite considerably according to the parties in government, with the right-wing PSD/CDS coalition governments considerably more generous than their Socialist counterparts. Not only did the coalition generally give more overall, it gave considerably more if we take into account the different duration of the governments, and it granted larger individual subsidies, which contributed to a greater variance in the value of its subsidies also. This is consistent with our expectation of an ideological influence on the levels of funding, outlined above.

Table 3 - Government subsidies to civil society organisations, 1999-2008 (in euros)

<table>
<thead>
<tr>
<th>Period</th>
<th>Party in Government</th>
<th>Total amount</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Average funding per month in govt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2002</td>
<td>PS</td>
<td>11.455.578,20 €</td>
<td>33398,19</td>
<td>93340,07</td>
<td>10,97</td>
<td>822921,67</td>
<td>395.019,94 €</td>
</tr>
<tr>
<td>2002-2004</td>
<td>Coalition PSD and CDS</td>
<td>29.675.047,00 €</td>
<td>81975,27</td>
<td>222523,98</td>
<td>21,23</td>
<td>2556686,14</td>
<td>1.079.092,62 €</td>
</tr>
<tr>
<td>2004-2005</td>
<td>Coalition PSD and CDS</td>
<td>18.758.249,10 €</td>
<td>59361,55</td>
<td>117662,63</td>
<td>45,45</td>
<td>744078,32</td>
<td>2.344.781,14 €</td>
</tr>
<tr>
<td>2005-2008</td>
<td>PS</td>
<td>25.506.474,60 €</td>
<td>69689,82</td>
<td>126021,50</td>
<td>195,50</td>
<td>1071283,57</td>
<td>689.364,18 €</td>
</tr>
</tbody>
</table>

Note: Values adjusted for inflation, at 1999 constant prices

Does the party in government influence the type of civil society groups that receive funding? As Figure 2 depicts, both leftist and rightist governments tend to benefit local and regional groups, artistic and cultural groups, social solidarity groups and professional associations. The proportion of benefits granted to organisational types does not differ significantly with different parties in government. At the same time, the preponderance of funding to local and regional associations is consistent with the importance of the local level for both main parties found elsewhere (Jalali, 2007: 80).
Note: the percentages depicted in this table were calculated based on the total amounts granted by PS or PSD-CDS governments to each group type. Thus, when it indicates that 10% from the PS to professional associations, it means that 10% of the total amount granted to civil society organisations by PS governments was granted to professional associations.

Although significant differences do not seem to emerge between types of organisations benefited by the two parties in government, very stark differences emerge in
terms of the actual groups that were financed. As Figure 3 illustrates, only 14 percent of groups received funding from both sets of parties in government – a result which is consistent with our expectation of a considerable partisan influence in the patterns of funding.

**Figure 3 - Percentage of financial benefits granted to civil society organisations by party in government, 1999-2008**

![Venn diagram showing percentages of financial benefits](image)

We were also interested in analysing to what extent parties these discretionary financial benefits are given to groups located in municipalities that are governed by the same parties that are in national government. Figure 4 displays the percentage of total benefits granted to civil society groups according to the party controlling the town-hall at the moment when the subsidy was granted. As expected, there is a high degree of congruence, with parties in national government granting a substantially higher proportion of funds to groups based in municipalities that they also control.
For example, taking into account the two periods when the Socialist Party was in
government at the national level (1999-2002 and 2005-2008), 55 percent of financing was
given to associations where the Socialist Party was also in local government (alone or in
coalition with other left-wing parties). The same pattern is evident when a PSD/CDS
coalition is in government (2002-2004 and 2004-2005), with 64 percent of financing
attributed to associations where the right wing parties were also in local government, alone
or in coalition.

The question that still remains is whether election periods provide a boost in the total
amounts of benefits granted to civil society organisations. In this sense, we disaggregated
data by government and highlighted the periods when elections occurred. Figures 5 to 7
depict this information. As can be seen, there were strong concentrations of discretionary
funding to civil society groups around the time of five of the eight electoral periods that
took place in the period here analysed\textsuperscript{12}.

\textsuperscript{12} These include two local elections (2001 and 2005); two legislative elections (2002 and 2005); two
presidential elections (2001 and 2006); one European election (2004); and one national referendum (2007).
Figure 5 – Subsidies granted by Socialist Government, 1999-2002

2002 Legislative elections
2001 Presidential Elections
2001 Local Elections

Figure 6 – Subsidies granted by government, PDS/CDS coalition, 2002-2004

2004 European Elections
In the first Socialist government, led by António Guterres, we can observe a concentration of subsidies in the run up to the local elections (16th December 2001), as well as an increase before the 2002 legislative elections. This latter increase is not as high as we might expect. However, it is worth noting that Guterres resigned as a consequence of the bad results the Socialist Party obtained in the local elections and did not contest the 2002 legislative elections, which may have influenced this pattern. In the Barroso-led coalition
government of 2002-2004, we can register two peaks: the first, an increase at the beginning of Barroso’s government, which is consistent with a pattern of rewarding supporters (Hibbs, 1977); the second before Barroso leave the government. The same general pattern emerges in the centre-right government that succeeded the Barroso executive, with a slightly larger peak right at the outset of the government’s term in office; and another prior to the legislative elections of 2005. While it is not possible to entirely assess this question with the Socialist government of José Sócrates that took office in 2005 – legislative and European elections will only be held in 2009 – we can note a peak prior (and also immediately after) the 2007 national referendum, in which the Socialist Party actively campaigned for the liberalisation of abortion. The other, albeit smaller, peaks occur prior to the presidential elections of 2006 and (arguably) before the local elections of 2005. The two notable exceptions to this pattern are the 2001 presidential election and the 2004 European elections, which is consistent with the second-order election model. European elections are widely given as the archetypal second-order election, a pattern that is corroborated in Portugal (Freire, 2005; Nunes, 2005). While (semi) presidential elections are not necessarily second-order ones, those where an incumbent is up for re-election may reproduce second order patterns in terms of electoral competitiveness (Fortes e Magalhães, 2005: 899), and this pattern was certainly in evidence in 2001, with the incumbent president, Jorge Sampaio, running for re-election, and his victory (by a large margin) never in any doubt.

5. Bivariate and multivariate analysis

In this section we test the hypotheses outlined at the outset through bivariate and multivariate analysis. For this we used the amounts granted to civil society associations (which were coded, as aforementioned, in a scale from 1 to 10, in which 1 means less than 1,000€ and 10 means more than 500,001€) as our dependent variable. Independent variables included are related to the three main dimensions used in this article: parties’ ideology, party organisation and electoral mobilisation and gains.

As to the first, we used parties’ ideological position in the political spectrum, ranging from 1 to 20, where 1 means left and 20 means right, using the expert assessment
in Benoit & Laver (2006). When parties enter in coalition government we considered a weighted average positioning according to the number of each party’s elected deputies. Parties’ ideological position was included so as to test whether discretionary funding reflects the ideological orientations of parties in government.

The impact of party organisation was tested through three variables: party membership (number of party members for the leading party in government\(^{13}\)); the congruence between parties at national and local government at the moment when the benefits were granted; and parties’ annual expenditures. Party membership can provide us with information on parties’ social roots. Decreasing party membership may impact on the amounts granted so as to compensate for parties’ weak social roots. Party congruence at central and local level is also expected to have a strong impact on the subsidies granted, since it is expected that parties at central government tend to distribute government resources to civil society associations located in municipalities where the same party had been elected.

As for electoral gains, we considered electoral volatility from the preceding legislative elections; and the importance of electoral cycles either at local and legislative levels. The argument for the former is that the higher the levels of electoral volatility in the preceding legislative elections, the more parties will perceive an open electoral support market, and thus may tend to provide more funds to promotional associations in order to mobilise electors. The proximity of elections is expected to have a positive impact on subsidies granted, reflecting an instrumental use of government funds according to electoral cycles (either in legislative elections and local elections). Accordingly, two dummy variables were built and were coded as 0 if no elections occurred and 1 if legislative or local elections took place. As mentioned previously, all benefits granted within one month of local or legislative election dates were coded as 1, so as to highlight those subsidies granted near the elections considered in this analysis.

Table 4 presents the correlations between these variables and the level of discretionary funding:

\(^{13}\) As we lack data on the CDS for the years 2002, 2003 and 2004 (those that the party entered a coalition government), we considered the PSD’s party membership solely.
Table 4 - Political determinants of government subsidies to civil society organisations: Pearson-product-moment correlation coefficients

<table>
<thead>
<tr>
<th></th>
<th>Correlation coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ideology</strong></td>
<td></td>
</tr>
<tr>
<td>Parties’ ideological position</td>
<td>.154**</td>
</tr>
<tr>
<td>(left ++ right)</td>
<td></td>
</tr>
<tr>
<td><strong>Party organisation</strong></td>
<td></td>
</tr>
<tr>
<td>Party membership</td>
<td>-.213**</td>
</tr>
<tr>
<td>Congruence between parties in</td>
<td>.056*</td>
</tr>
<tr>
<td>national and local government</td>
<td></td>
</tr>
<tr>
<td>(0: no congruence; 1: congruence)</td>
<td></td>
</tr>
<tr>
<td>Parties’ annual expenditure</td>
<td>-.082**</td>
</tr>
<tr>
<td><strong>Electoral gains</strong></td>
<td></td>
</tr>
<tr>
<td>Electoral volatility</td>
<td>-.263**</td>
</tr>
<tr>
<td>Electoral cycle: legislative</td>
<td>.119**</td>
</tr>
<tr>
<td>elections (0: no elections; 1: legislative elections)</td>
<td></td>
</tr>
<tr>
<td>Electoral cycle: local elections (0: no elections; 1: local elections)</td>
<td>.061*</td>
</tr>
</tbody>
</table>

N 1387

Notes: ** p<0.01; *p<0.05

The bivariate analysis, depicted in table 4, demonstrates that all variables are significantly correlated to the amounts granted to civil society groups, with party membership – which is related to party organisation – presenting the highest coefficient, consistent with our hypothesis that parties’ disentanglement from society is compensated by an entrenchment in government and an instrumental use of state resources. This is followed by the ideological dimension, and finally by the electoral gains variables, with the electoral cycles being associated as expected with the funding of civil society organisations. However, the same is not true of electoral volatility which, although presenting a significant correlation, does not go in the expected direction.

Having analysed the subsidies attributed to civil society organisations, we are now interested in testing the relative impact each variable can have in explaining the different amounts of subsidies granted to civil society organisations, which is our dependent variable here. As mentioned above, we are interested in testing the independent effect of three types
of variables: (i) the ideological positioning of political parties on the left-right spectrum\textsuperscript{14}; (ii) party organisation (based on party membership, congruence between parties in national and local government and parties annual expenses); and (iii) electoral gains (based on electoral volatility and election cycles).

The results are presented in Table 5.

Table 5 - Political determinants of government subsidies to civil society organisations: Linear regression coefficients

<table>
<thead>
<tr>
<th></th>
<th>Beta and significance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ideology</strong></td>
<td></td>
</tr>
<tr>
<td>Parties’ ideological position (left ++ right)</td>
<td>.190*</td>
</tr>
<tr>
<td><strong>Party organisation</strong></td>
<td></td>
</tr>
<tr>
<td>Party membership</td>
<td>-.155***</td>
</tr>
<tr>
<td>Congruence between parties in national and local government (0: no congruence; 1: congruence)</td>
<td>.083**</td>
</tr>
<tr>
<td>Parties’ annual expenditure</td>
<td>.160***</td>
</tr>
<tr>
<td><strong>Electoral gains</strong></td>
<td></td>
</tr>
<tr>
<td>Electoral volatility</td>
<td>n.s.</td>
</tr>
<tr>
<td>Electoral cycle: legislative elections (0: no elections; 1: legislative elections)</td>
<td>.129**</td>
</tr>
<tr>
<td>Electoral cycle: local elections (0: no elections; 1: local elections)</td>
<td>.119***</td>
</tr>
</tbody>
</table>

Adjusted R\textsuperscript{2} .175

N 1387

Notes: *p<0.1 **p<0.05 ***p<0.001

As expected from our previous analysis, parties’ ideological position on the left-right scale has a significant and comparatively strong impact on the amounts granted, and in the predicted direction. This result is compatible with our hypothesis that left-wing

---

\textsuperscript{14} As to parties ideological position, we used experts’ location on a general left-right dimension, considering all aspects of party policy, as Benoit and Laver (2006) put forward. This left-right dimension ranges from 1 to 20, in which 1 means left and 10 means right.
governments will generate greater direct state provision of goods, with right-wing governments devolving this responsibility to non-state actors – albeit at the taxpayers’ expense in this case.

All variables on party organisation have significant and positive impacts on the amounts granted to civil society organisation. The strongest effect is in terms of variables that reflect the strength of parties’ social anchoring, namely annual expenditure and party membership. Decreasing party membership is associated to higher amounts granted, which suggests that civil society organisations may potentially be regarded as brokers between parties and citizens and the electorate (Heaney, 2009). Parties’ annual expenditures have a positive impact on the amounts granted. As expected, the more parties spend, the higher the amounts given to civil society associations, suggesting that, to a certain degree, parties rely on these associations to perform functions that parties have difficulties in achieving, particularly at the level of the electorate mobilization, if we take into account Katz and Mair’s (1995) hypothesis that parties gradually lose their capacity and desire to fulfil their representative functions in society (Detterbeck, 2005). Congruence between the parties in national government and local government also presents a positive effect on the amounts distributed. This again follows the expected pattern and direction, suggesting that parties in government at central level tend to grant subsidies to civil society organisations located in municipalities where the same party is in power.

The variables on electoral gains present the weakest impacts. The electoral volatility variable is not significant. The electoral cycle variables, on the other hand, are significant, presenting relatively comparable coefficients for both legislative and local elections. Whereas the prevalence of legislative elections was expected, the coefficient for the local elections tends to point to the importance of these for Portuguese parties, as posited above.

**Concluding remarks**

The aim of this paper was to analyse the mediating impact of political parties in the interaction between the state and civil society groups. In specific, within the framework of the party government model, it empirically examined the patterns of government allocation of discretionary financial subsidies to civil society groups in Portugal, and to what extent
these revealed partisan considerations. In a country where the main governing parties have always presented weak social roots, the pressures for such a politicisation of funding from the ‘supply’ side are likely to be considerable. But these pressures are likely to occur also on the ‘demand’ side, with civil society organisations historically presenting a considerable dependence on state largesse.

Three dimensions of party influence were assessed. First, to what extent the discretionary funding patterns – in terms of levels and types of associations funded - reflect the ideological positions of the parties in government. Second, whether the levels and patterns of funding can be explained by the dimension of party organisation, with greater discretionary funding reflecting the weaker social anchorage of parties, and their consequent dependence on patronage. Third, the degree to which parties grant these discretionary financial benefits for electoral gain, by granting these funds around elections and when voter availability is greater.

The empirical data suggests considerable linkages between parties and civil society organisations, with parties tending to exert their role as mediators between state and civil society structures. This effect is perceptible in terms of both the organisations that received subsidies and the levels of funding granted. In terms of the former, the data points to a virtually wholesale alternation of the organisations funded when the party in government changes, with only 14 percent of funded organisations in our sample receiving subsidies from both Socialist and centre-right governments.

In terms of the level of subsidies granted, ideology, party organisation and electoral gains all demonstrate an independent impact on discretionary funding. Thus, the right-wing coalition tends to grant higher amounts of financial subsidies, a pattern reflected in the multivariate analysis, where ideology presents a positive and strong impact on the amounts granted. However, although ideology tends to have a potential impact on the amounts granted, it barely impacts on the types of associations included in this study. No significant differences emerge between left-wing and right-wing parties as to the types (or areas or interest) of associations benefited.

As to party organisation, our analysis suggests a pattern of collaboration between parties and civil society organisations. Our findings are consistent with parties’ instrumental use of government resources so as to compensate for the weakening presence
and linkage between parties and civil society. Decreasing party membership has an impact on the amounts of financial benefits granted. While parties may act as brokers, since they tend to be key intermediaries between the state and civil society organisations, data also suggests that these associations can be intermediaries between parties and citizens, particularly at election times. When approaching to election periods, parties tend to grant higher amounts of money to civil society organisations. Both main parties (or coalition of parties) in government seem to want to give the electorate a sign that parties are committed and open to civil society’s demands and of the issues that concern civil society organisations.

Last, these conclusions should be complemented by future research. Particularly, our understanding of dyadic relationships between parties and civil society’s organisations would benefit from more qualitative research that allows a greater understanding of the nature of the relationship between parties and civil society groups. Such an analysis might suggest deeper linkages between parties and associations and could potentially unveil the partisanship of civil society groups. Moreover, it could highlight parties’ attempts to influence decisions and control flows of information and trust that, as Heaney (2009) puts it, “are scarce commodities in politics”.
References


Law 26/94 (19th August) on the obligation to advertise benefits granted to associations and other entities.

Social Capital, Special Eurobarometer 223/Wave 62.2 – TNS Opinion & Social.