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Givers and takers: Parties, state resources and civil society in Portugal

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Abstract
This article assesses the relationship between parties and civil society in Portugal between 1999 and 2009, examining the mediating role of parties in patterns of state funding to civil society organizations. We find evidence of a relationship between parties and organized civil society – albeit an instrumental one, largely based on reward-motivated linkages. The analysis of state grants indicates that parties act as brokers between the state and civil society groups, instrumentally using patronage resources. Three distinct dimensions of party influence on funding emerge. The first pertains to party organization: our evidence is consistent with the use of state funding to shore up party organizations and compensate for weak social roots. Second, electoral gains: funding is particularly visible around election periods, with legislative elections significantly more relevant than others. Third, the potential role of ideology: the ideological position of governing parties is also a significant predictor of civil society funding.

Keywords
cartel party, civil society, patronage, political parties

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Introduction

The fortunes of political parties and civil society have seemingly followed starkly divergent paths over the past 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 and Wattenberg, 2000: 16). Parties’ apparent misery contrasts with the buoyancy associated with 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; quality of democracy; political participation and civic engagement; or social capital. Crucially, the expansion of civil society groups – at both a normative and a positive level – occurs in much the same terrain that parties are abandoning, as parties lose their capacity to mobilize citizens.

While widely expounded, this rather linear description may not be entirely accurate. In Katz and Mair’s (1995) influential analysis, it is parties’ links with the electorate that are weakening, a pattern redressed organizationally through an entrenchment in the state and its resources to maintain their position. Likewise, civil society groups do not operate in a political vacuum; they will generally have policy preferences and thus (even if implicitly) political outlooks. Moreover, since these groups interact with the state, they are also obliged to deal with political parties, given the latter’s continued stake and role in political representation and decision-making within the state in contemporary democracies.

This article seeks to examine the relationship between parties and organized civil society. Given that this relationship can be measured through a wide range of indicators (e.g. Allem, 2010; Kopecky and Mudde, 2003), this article analyses the intermediary role of political parties between the state and civil society organizations (CSOs) within the framework of the party government model. Specifically, we are interested in assessing parties’ use of state resources in the relationship with civil society, and the extent to which this reflects partisan influences. Empirically, we examine the patterns of government allocation of financial subsidies to CSOs in the Portuguese case, and assess to what extent government funding is mediated by (and reflects) three inter-related partisan dimensions: the ideological orientation of governing parties, parties’ organizational strength, and an instrumental use of funds according to electoral cycles. The focus of this article is then primarily on the role of parties in the relationship between parties and groups, even if we acknowledge that this relationship is a bidirectional one.

We begin by reviewing the literature on the changing relationships between parties and civil society and then highlight the dynamics that have shaped this relationship in Portugal. In sections 3 and 4 we present the study’s main hypotheses and our data sources and methodology, before presenting descriptive and multivariate analyses of the data and discussing the results.

Overall, we find evidence of partisan influence on funding, with parties serving at least in part as mediators between the state and CSOs, even when controlling for general economic development. Funding is significantly influenced by party organizational
dimensions and electoral motivations, suggesting an instrumental use of state resources to compensate for parties’ weak social linkages. Additionally, ideology emerges as a potentially important explanatory variable in this mediating role.

**Parties and civil society**

The comparative politics literature has focused on a perceived weakening of political parties. These are seen as increasingly incapable of serving their function as intermediaries between society and the state, playing an increasingly less decisive role in political socialization and progressively less able to mobilize and integrate the mass public into the democratic process (Dalton and Wattenberg, 2000). This pattern contrasts with the fortunes of civil society, increasingly central in contemporary understandings of democratic politics (Edwards, 2004; Purdue, 2007). To the extent that civil society represents ‘a more complex social fabric, consisting of a diverse set of organisations, with more active participation by a greater number of citizens’ (Purdue, 2007: 2), it can also be seen as a (potentially alternative) framework for democracy. Indeed, 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’.

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, parties have been able to compensate for this loss through an entrenchment in the state and increasing reliance on its resources. As such, the emphasis on decline of parties is, according to Katz and Mair (1995: 28), ‘largely misconceived’.

Katz and Mair’s cartel model derives from a perception that dominant parties employ the resources of the state for their survival (1995: 5), for instance via the state subvention of parties; or the placing of party cadres in state and para-statal employment. In a sense, this capacity derives from parties’ ability to use patronage – to employ ‘public resources in a particularistic manner for political goals’ (Müller, 2000: 141), so as to guarantee their place in public and political spheres (Piattoni, 2001).

This analysis has potential implications for parties’ relationship with civil society. As Blondel (2002) highlights, patronage can serve as the ‘oil’ that facilitates the interaction between governments and representative institutions. While Blondel’s analysis primarily defines the latter as being political parties, it is not unreasonable to see CSOs as (also) representatives of societal interests. Hence, one might (also) expect governments to use patronage in their interaction with CSOs.

In this context, parties are described as attempting to penetrate (Schmitter, 1993: 6), coalesce (Yishai, 2001: 672) or even raid and occupy (Ignazi et al., 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 mobilizing and maintaining support – nature. Rather, the linkages may
become increasingly based on ‘linkage by reward’, with the social rootedness of CSOs – and ensuing electoral benefits – serving as the instrumental motivation for the linkage (Ignazi et al., 2005), as opposed to the more organic ‘participatory linkage’ of the mass party ideal-type (Lawson, 1980). Civil society organizations may also be open to such penetration, since 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 between parties and civil society becomes all the more relevant (Kopecký and Mudde, 2003: 6).

While the literature suggests a relationship between parties and CSOs – one based on reward and largely sustained through patronage resources – there is little empirical assessment of its exact nature. As Kopecký and Mudde (2003: 8) highlight, the existing literature has so far insufficiently accounted for the ‘many overlaps between CSOs and the state, be they direct (financial, personnel) or indirect (through political parties)’. This article seeks to empirically assess the validity of these constructs, examining a case that neatly fits the theoretical description.

**Portugal**

Portuguese political parties are a good example of state resources serving to shore up party organizations. Overall, parties – especially those that have monopolized Portuguese government, 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 and have entrenched their position largely through their access to state resources (Jalali, 2007). Parties 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. As with other Southern European countries, patronage is seen as being rife in Portugal (Diamandouros et al., 2006). Portuguese parties seem to have followed a pattern of ‘invasion of the state’ (Blondel, 2002: 235), and have always acted more as ‘institutional than as social [actors]’ (Pridham, 1990: 113). With weak social roots, the linkages generated by the usage of state resources potentially become all the more necessary.

Portugal has also lacked a strong and consistent history of associative movements and independent organizations (Hamann and Manuel, 1999: 73), and its authoritarian past and transition through rupture meant there was at best a weak civil society at the time of democratization in 1974. While the revolutionary period of 1974–75 saw an extraordinary expansion of civil society, the gradual normalization of political life afterwards also saw a decline in associative activity (Santos and Nunes, 2006: 11).

Overall, Portuguese organized civil society remains relatively weak and incipient (Santos and Nunes, 2006). Indeed, the membership of the Portuguese in voluntary organizations was, in 2004, well below the European Union average, only exceeding (marginally) two new member states – Romania and Bulgaria (Rose, 2006: 16). When it came to active participation and voluntary work, Portugal had the lowest levels in the EU (Special Eurobarometer on Social Capital, 2005).
There are pockets of relative CSO strength – notably trade unions and confederations, business confederations and some professional groups. These have comparatively greater resources, more effective structures for the representation of interests, and can have considerable say in policy-making in their fields, through both formal and informal channels. Yet these remain exceptions 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 employees – 11.1 percent, comparable only to (albeit lower than) its third-wave southern European counterparts, Spain and Greece (Schnabel and Wagner, 2005: 19).

The incipience of the country’s civil society is reflected in its dependence on state funding. Like Italy and Spain, Portuguese civil society is ‘moderate in size, substantially funded by government and heavily oriented towards service provision’ (Franco et al., 2005: 21). Yet, the dependence on government funding is higher in Portugal, placing it close to (albeit lower than) countries characterized by Salamon et al. (2003: 31) as ‘welfare partnership’ countries, such as the United Kingdom, Austria, Japan or Germany. Unlike these countries, however, government funding in Portugal is likely to be more discretionary and ad hoc in nature, accentuating power asymmetries between givers and takers. Such a pattern is perceived inter alia in welfare provision, characterized by a particularistic and selective distribution of benefits to supporters (Ferrera, 1996). This logic can be expected to apply as well to state funding of CSOs. In a country where the main governing parties have always presented weak social roots, the pressures for a politicization of funding from the ‘supply’ side are likely to be considerable. But these pressures are likely to occur also on the ‘demand’ side, with CSOs historically presenting a considerable dependence on state largesse.

Testing the relationship between parties and civil society organizations

This article assesses the relationship between parties and civil society by examining patterns of funding to CSOs across different governments through subsidies. These, as Müller (2000: 142–3) posits, constitute one of the forms of patronage. As outlined above, we expect parties in government to use their patronage resources in their interaction with CSOs; and, following Müller (2000), we expect these to be employed in a particularistic form to further political objectives.

Three broad types of partisan objectives are conceived here: ideological, organizational and electoral. These are consistent with the triad of policy, office and vote-seeking party objectives defined by Strøm and Müller (1999), as well as linking with the literature on party change articulated earlier. As such, we examine these as inter-related dimensions of party influence on the funding of CSOs.

The first considers the extent to which funding is influenced by the ideological orientation of government parties. While the literature on parties has pointed to the role of ideology diminishing in party functioning over recent decades (Mair, 2003), confident predictions of its ultimate demise appear to be exaggerated. Parties do present different profiles, and these have an impact on public policy and electoral behaviour (Huber and Inglehart, 1995).
We assess two possible effects of ideology on the interaction with civil society. One pertains to its impact on overall levels of funding to CSOs. Left and right are interpreted commonly as referring (even if inter alia) to a defence of greater versus lesser state intervention (Benoit and Laver, 2006: 132). As such, we might expect left-wing governments to provide greater financial support to CSOs, even if this is not an entirely consensual view (viz. Peters, 1997). Therefore, our hypothesis is that:

**Hypothesis 1:** State funding to CSOs is higher during left-wing governments.

Ideology can also be a powerful indicator of government spending priorities (Castles, 1982). We expect different governments to support different types of CSOs, with left and right-wing governments more inclined to support organizations closer to their respective values. Hence, we would expect CSOs whose activities put an emphasis on social services, education, pro-labour (Klingemann et al., 1994), culture (Melo, 2007) and on the defence of minority groups (McDonald and Mendes, 2001) to be benefited more by leftist parties than by right-wing parties. Our hypothesis is thus:

**Hypothesis 2:** Left and right-wing parties will fund substantially different types of CSOs when in office.

The second dimension has to do with state funding reflecting party organization. Parties’ disentanglement from society may be compensated for by an entrenchment in government and an instrumental use of state resources, in a sense transforming parties into a unique type of ‘public utilities’ (Epstein, 1989). This is particularly evident in newer democracies, where dependence on such resources tends to emerge at the early stages of party formation (van Biezen, 2004: 711). We thus consider to what extent the funding of CSOs can be explained by the strength of party organization, which we will measure through the number of party members and through parties’ annual reported expenditure.

Party membership is a frequent indicator of party organizational vitality and social anchoring. As postulated above, the literature on parties suggests that parties compensate for weakening social ties by resorting to state resources. Therefore, we expect lower party membership to generate higher CSO funding, and vice-versa:

**Hypothesis 3:** State funding to CSOs is inversely related to the membership level of the parties in government.

The literature on party change also posits that parties will compensate for declining party membership by finding alternative means of organizing and of reaching the electorate. One salient alternative is the use of professional staff and commercial forms of communication, in order to function and communicate with voters, which is also reflected in greater financing needs (Katz and Mair, 1995). As such, parties’ annual expenditure can serve as a proxy of parties’ capacity to access such forms of communication. Higher levels of spending are perceived as providing parties with a larger set of ‘opportunities to promote themselves to voters’ (Fisher, 1999), thus reducing their need for alternative (and potentially less reliable) means of reaching voters such as CSOs. Thus, we hypothesize that:

**Hypothesis 4:** State funding to CSOs is inversely related to the expenditure levels of the parties in government.

We also examine the extent to which governments tend to give more funds to groups located in municipalities controlled by the same parties that hold national government.
Control of local power is an important element in organizational 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 transmission belt for parties (Jalali, 2007). Consequently, we hypothesize that:

\textit{Hypothesis 5:} Greater funding is granted to CSOs located in municipalities controlled by the parties that are also in national government.

Finally, following the patronage literature, we expect to find a selective and particularistic distribution of funding. We expect this to be reflected in the specific CSOs that are funded, with different parties having their own set of civil society ‘clients’. Our hypothesis is then:

\textit{Hypothesis 6:} Different parties in government fund different sets of CSOs.

The final dimension has to do with the manipulation of funding to mobilize electoral support. On the one hand, we expect 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 expected to be positively associated with funding of CSOs, as governing parties seek to shore up (if not increase) their electoral support. A typical proxy for the degree of voter availability in the ‘electoral support market’ is electoral volatility (Mair, 1997), which is likely to shape parties’ perceptions of voter availability. Accordingly, we expect that:

\textit{Hypothesis 7:} State funding to CSOs will be positively related to levels of electoral volatility in the preceding legislative elections.

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 (e.g. Alt and Lassen, 2006), there is some evidence of these budget cycle effects in the Portuguese context, at least at the local level (Veiga and Veiga, 2007). Moreover, there is a burgeoning body of research that points to opportunistic effects of elections on specific budget items (e.g. Levitt, 1997). A similar effect is thus expected in terms of funds granted to CSOs, be it prior to elections, to activate ties that might then translate into electoral mobilization; or even immediately after, to reward supporters. Our final hypothesis is then:

\textit{Hypothesis 8:} State funding to CSOs is higher during electoral periods.

The next section clarifies how these hypotheses are tested and details the operationalization of the explanatory variables.

\textbf{Data and methodology}

While state funding of CSOs has been a feature of Portuguese democracy since its outset, only recently has it been possible to analyse it empirically. In 1994, a law was approved obliging the disclosure of financial subsidies granted by the state to CSOs (Law 26/94 of 19 August). Here, we examine state funding in the period from October 1999 to July 2009, to avoid picking up data variations that might be the result of the incomplete institutionalization 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 (see Table 1).
We examine funds granted to organized and institutionalized civil society groups (Burstein et al., 1995). This includes interest groups as well as other non-governmental and voluntary organizations. The term civil society organization is, therefore, broadly conceived and embraces the wide range of actors we deal with.

Overall, some 51,340 subsidies were granted in the period analysed here. A sample of these subsidies was constructed, using a stratified all random sampling method, as depicted in Table 1.

A database was compiled using information from legal documents, namely the name of the organization that received the subsidies, the date and the amounts granted—which were adjusted to 1999 constant prices in order to avoid biasing the analysis due to inflation.

The variables outlined in the previous section were operationalized as follows:

- **Ideology**: we use the Comparative Manifestos Project left-right index (‘rile’ variable), which allows us to capture changes in parties’ positioning over time (Budge et al., 2001).
- **CSO type**: CSOs were coded according to the International Classification of Non-Profit Organizations, a system based on areas of activity (Franco, 2003).
- **Party membership**: number of reported party members per year.
- **Party expenditures**: parties’ declared annual expenditure, as reported to Portugal’s Constitutional Court.
- **Congruence between parties at national and local government**: this was operationalized through a dichotomous variable, coded as 0 when there was no congruence; and 1 if there was congruence, with the government funding CSOs located in municipalities that are governed by the party or parties in national government (alone or as the main coalition partner).
- **Electoral volatility**: Pedersen index of total volatility, as the change in the vote-shares obtained by individual parties in two consecutive elections (data from Jalali, 2007).
- **Electoral periods**: defined as those that are within one month of the date of legislative, European, local or referendum elections. This was operationalized through a dichotomous variable (1: electoral period, 0: non-electoral period).

In the next section we present some descriptive analyses of the data in order to explore to what extent changes in party government have an impact on the subsidies to CSOs. Then,

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**Table 1. Total subsidies and sample for each governing period, 1999–2009**

<table>
<thead>
<tr>
<th>Governing period</th>
<th>Government composition</th>
<th>Subsidies</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 October 1999 – 6 April 2002</td>
<td>PS</td>
<td>8,873</td>
<td>653</td>
</tr>
<tr>
<td>6 April 2002 – 17 July 2004</td>
<td>PSD + CDS coalition</td>
<td>13,667</td>
<td>816</td>
</tr>
<tr>
<td>17 July 2004 – 12 March 2005</td>
<td>PSD + CDS coalition</td>
<td>3,407</td>
<td>567</td>
</tr>
<tr>
<td>12 March 2005 – 20 July 2009</td>
<td>PS</td>
<td>25,393</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td>51,340</td>
<td>2,736</td>
</tr>
</tbody>
</table>
through multivariate analysis, we assess the independent effect of each of our variables on funding levels, while taking into account the effects of the other predictors and controlling for the country’s economic conditions.

**Patterns of funding**

The overall values of the subsidies vary quite considerably according to the parties in government (Table 2). On average, the right-wing PSD/CDS coalition governments were more generous than their Socialist counterparts, particularly if we take into account the different duration of governments. They also granted larger individual subsidies, which contributed to a greater variance in the value of subsidies. While this result is consistent with our general expectation of an ideological influence on the levels of funding, it goes against our specific hypothesis of greater funding by left-wing governments (H1).

Despite the variance registered in terms of the values of subsidies, no substantial differences emerge as to the type of CSOs that receive funding. Both leftist and rightist governments tend to support primarily business and professional organizations, development and housing and welfare organizations. The proportion granted to organizational types does not differ much with different parties in government, contra H2, although the differences that do emerge are consistent with our expectations: for instance, the larger share of funding to social organizations granted by the left. This similarity may be due to the catch-all nature of the main Portuguese parties, leading them to appeal to similar civil society sectors. Additionally, the differences might be dampened by the decentralization of funding to local and regional organizations related to sports and cultural activities.

Although differences do not seem to emerge between types of organizations funded, substantial variation emerges in terms of the actual CSOs that were financed, consistent with our expectations of particularistic patterns of funding (H6). Table 4 illustrates a virtually wholesale alternation of the organizations funded when the party in government changes.

Only 11 percent of CSOs included in our sample received subsidies from both Socialist and centre-right governments. While a comparison of the characteristics of the specific groups in each of the cells of the table is beyond the scope of this article, the aggregate results indicate a considerable partisan influence in terms of which groups get funded and when.

As highlighted earlier, local power has historically been used to compensate for parties’ weak societal linkages in Portugal, with local power and patronage an important element in mobilizing support at the grassroots level. Table 5 displays the percentage of total benefits granted to CSOs according to the party controlling the town hall at the moment when the subsidy was granted.

Both the Socialist and the PSD-CDS governments gave more subsidies to groups based in municipalities they also controlled (H5). This is perceptible not only in the mean value of subsidies, but also in the proportion of subsidies granted. Indeed, the proportion of subsidies granted to congruent town halls exceeded the proportion of congruent town halls for both PS and PSD-CDS governments.

These differences in the distribution of subsidies to groups in politically congruent and incongruent municipalities are statistically significant (independent samples t-test,
Table 2. Government subsidies to CSOs, 1999–2009 (euros)

<table>
<thead>
<tr>
<th>Period</th>
<th>Party in government</th>
<th>Total amount</th>
<th>Average funding per month in government</th>
<th>Mean</th>
<th>Median</th>
<th>Std. dev.</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999–2002</td>
<td>PS</td>
<td>€31,004,633.72</td>
<td>€1,107,308.35</td>
<td>€47,480.30</td>
<td>€11,154.00</td>
<td>€195,970.71</td>
<td>€3,196,550.00</td>
</tr>
<tr>
<td>2002–2004</td>
<td>PSD + CDS</td>
<td>€66,134,806.67</td>
<td>€2,449,437.28</td>
<td>€81,047.56</td>
<td>€20,513.97</td>
<td>€348,718.74</td>
<td>€8,857,766.51</td>
</tr>
<tr>
<td>2004–2005</td>
<td>PSD + CDS</td>
<td>€55,656,846.50</td>
<td>€6,957,105.81</td>
<td>€98,160.22</td>
<td>€17,749.20</td>
<td>€389,206.30</td>
<td>€6,532,810.10</td>
</tr>
<tr>
<td>2005–2009</td>
<td>PS</td>
<td>€75,662,786.81</td>
<td>€1,363,293.46</td>
<td>€108,089.70</td>
<td>€31,634.83</td>
<td>€262,793.48</td>
<td>€3,317,337.18</td>
</tr>
</tbody>
</table>

Values adjusted for inflation, at 1999 constant prices.
confirming the impact of congruence between national and local government on the amounts granted. Local power appears to serve at least to some extent as an intermediary in the relationship between civil society and central government, with the party network activated to mobilize funding for specific CSOs. For the national-level party, this bargain serves as a form of rewarding local party structures and ensuring their mobilization.

As reported above, parties seem to increasingly depend on state resources to compensate for weakening social roots. This may be particularly evident in Portugal, where party membership is historically low (Mair and van Biezen, 2001). Table 6 presents the levels of party membership for the leading parties in government during the period under analysis, as well as their annual expenditures and the average amount of subsidies granted to CSOs per year.

The overall pattern is fairly consistent with the notion of CSO funding being associated with party organizational dimensions. Subsidies tend to increase when either party membership or party expenditures decline; and, conversely, subsidies decline when membership or expenditures rise (H3 and H4). The average amount of subsidies (within governing periods of the same parties) rises in 2000, 2004, 2007 and 2009. In two of these years (2000 and 2004), the rising amount of subsidies granted coincide with declining annual expenditures; in a third (2009), it coincides with a decline in party membership. A similar pattern emerges when we examine years when the average amount of subsidies declines (2001, 2003, 2006 and 2008). In two of these years (2003 and 2006), the decline in subsidies to CSOs coincides with rising levels of party membership; and, in 2001, with a substantial rise in the governing party’s annual expenditure, with membership largely constant.

Table 3. Subsidies granted to CSOs by type, 1999–2009 (%)

<table>
<thead>
<tr>
<th>Types of organization</th>
<th>Socialist Party</th>
<th>Coalition PSD/CDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Social services</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>Professional</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Development and housing</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>Education and research</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

Percentages were calculated based on total amounts granted by PS or PSD-CDS governments to each group type. Thus, for example, 22 percent of the total subsidies granted by Socialist governments were granted to business groups, against 23 percent for the PSD/CDS coalitions.

Table 4. Percentage of funding granted to individual CSOs by party in government, 1999–2009

<table>
<thead>
<tr>
<th>CSOs funded only by Socialist governments</th>
<th>CSOs funded by both Socialist and PSD/CDS governments</th>
<th>CSOs funded only by PSD/CDS governments</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>11%</td>
<td>49%</td>
</tr>
</tbody>
</table>

\( p = 0.006 \), confirming the impact of congruence between national and local government on the amounts granted. Local power appears to serve at least to some extent as an intermediary in the relationship between civil society and central government, with the party network activated to mobilize funding for specific CSOs. For the national-level party, this bargain serves as a form of rewarding local party structures and ensuring their mobilization.

As reported above, parties seem to increasingly depend on state resources to compensate for weakening social roots. This may be particularly evident in Portugal, where party membership is historically low (Mair and van Biezen, 2001). Table 6 presents the levels of party membership for the leading parties in government during the period under analysis, as well as their annual expenditures and the average amount of subsidies granted to CSOs per year.

The overall pattern is fairly consistent with the notion of CSO funding being associated with party organizational dimensions. Subsidies tend to increase when either party membership or party expenditures decline; and, conversely, subsidies decline when membership or expenditures rise (H3 and H4). The average amount of subsidies (within governing periods of the same parties) rises in 2000, 2004, 2007 and 2009. In two of these years (2000 and 2004), the rising amount of subsidies granted coincide with declining annual expenditures; in a third (2009), it coincides with a decline in party membership. A similar pattern emerges when we examine years when the average amount of subsidies declines (2001, 2003, 2006 and 2008). In two of these years (2003 and 2006), the decline in subsidies to CSOs coincides with rising levels of party membership; and, in 2001, with a substantial rise in the governing party’s annual expenditure, with membership largely constant.
<table>
<thead>
<tr>
<th>Party in national government</th>
<th>PS or PS-led coalition town halls</th>
<th>PSD and/or PSD/CDS-led coalition town halls</th>
<th>Other parties or coalitions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean value of subsidies</td>
<td>% of subsidies granted</td>
<td>% of town halls controlled</td>
</tr>
<tr>
<td>PS</td>
<td>€94,655.15</td>
<td>46</td>
<td>38</td>
</tr>
<tr>
<td>PSD/CDS coalition</td>
<td>€69,497.61</td>
<td>30</td>
<td>37</td>
</tr>
</tbody>
</table>
Finally, as Table 7 indicates, the amounts granted to CSOs around election periods (all elections considered) are higher than in non-election periods (H8). However, this general pattern masks the impact of legislative elections, with these coinciding with periods of substantially higher funding of CSOs. The average funding per month during legislative electoral cycles is over four times greater than the funding in non-electoral periods, confirming the importance of legislative elections in Portugal.

**Table 6.** Mean value of subsidies to CSOs, party membership and parties’ annual expenditures, 1999–2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Party in government</th>
<th>Party membership</th>
<th>Parties’ annual expenditures</th>
<th>Mean value of benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>PS</td>
<td>96,107</td>
<td>9,001</td>
<td>€44,474.61</td>
</tr>
<tr>
<td>2000</td>
<td>PS</td>
<td>124,611</td>
<td>4,541</td>
<td>€60,537.11</td>
</tr>
<tr>
<td>2001</td>
<td>PS</td>
<td>122,548</td>
<td>47,060</td>
<td>€26,692.40</td>
</tr>
<tr>
<td>2002</td>
<td>PSD/CDS</td>
<td>87,290</td>
<td>76,124</td>
<td>€75,389.25</td>
</tr>
<tr>
<td>2003</td>
<td>PSD/CDS</td>
<td>115,895</td>
<td>68,870</td>
<td>€50,912.17</td>
</tr>
<tr>
<td>2004</td>
<td>PSD/CDS</td>
<td>121,420</td>
<td>8,580</td>
<td>€82,852.97</td>
</tr>
<tr>
<td>2005</td>
<td>PS</td>
<td>90,629</td>
<td>28,714</td>
<td>€120,926.61</td>
</tr>
<tr>
<td>2006</td>
<td>PS</td>
<td>80,000</td>
<td>7,534</td>
<td>€47,535.67</td>
</tr>
<tr>
<td>2007</td>
<td>PS</td>
<td>91,000</td>
<td>7,982</td>
<td>€98,572.89</td>
</tr>
<tr>
<td>2008</td>
<td>PS</td>
<td>102,000</td>
<td>7,708</td>
<td>€80,767.67</td>
</tr>
<tr>
<td>2009</td>
<td>PS</td>
<td>73,104</td>
<td>11,808</td>
<td>€208,053.37</td>
</tr>
</tbody>
</table>


Data for parties’ annual expenditures (including expenses with electoral campaigns) in thousands of euros. Source: Parties’ declared accounts to Portugal’s Constitutional Court, except for 2009, which is based on a projection of general expenditures of the two previous years plus party’s declared expenditures for the 2009 legislative election campaign. All values are adjusted to 1999 constant prices.

**Table 7.** Mean value of subsidies to CSOs and electoral cycles, 1999–2009

<table>
<thead>
<tr>
<th></th>
<th>Sum</th>
<th>Average funding per month</th>
<th>Mean</th>
<th>Std. dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No elections</td>
<td>€168,199,319.03</td>
<td>€1,681,993.19</td>
<td>€77,834.02</td>
<td>€254,872.37</td>
</tr>
<tr>
<td>Electoral cycles:</td>
<td>€60,259,754.68</td>
<td>€3,012,987.73</td>
<td>€104,799.57</td>
<td>€455,154.34</td>
</tr>
<tr>
<td>All electoral periods</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electoral cycles:</td>
<td>€27,236,363.21</td>
<td>€6,809,090.80</td>
<td>€102,392.34</td>
<td>€314,762.71</td>
</tr>
<tr>
<td>Legislative elections</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electoral cycles: Local, presidential, European and referendum elections</td>
<td>€33,023,391.47</td>
<td>€2,063,961.97</td>
<td>€106,871.81</td>
<td>€548,478.08</td>
</tr>
</tbody>
</table>

Finally, as Table 7 indicates, the amounts granted to CSOs around election periods (all elections considered) are higher than in non-election periods (H8). However, this general pattern masks the impact of legislative elections, with these coinciding with periods of substantially higher funding of CSOs. The average funding per month during legislative electoral cycles is over four times greater than the funding in non-electoral periods, confirming the importance of legislative elections in Portugal.
Multivariate analysis

Multiple linear regression analysis was used to test the independent effect of the variables outlined above on the size of the individual grants to CSOs, whose values were logged. In order to account for the effect of different governing periods, we also run a separate regression controlling for their relative impact on the amounts granted (model 2). In this case, dummy variables were included for each governing period (with the first PS government serving as the reference period). In both models, we controlled for the country’s annual Gross Domestic Product (GDP)$^8$ as a proxy for the country’s general economic situation. In general, GDP growth tends to enable greater state largesse, with the opposite effect in economic recessions. This pattern is all the more evident in the case of more discretionary expenditure, such as the one we are examining here. This variable allows us to control for the effect of the economic situation on the funding of CSOs.

Regression coefficients are presented in Table 8. The models were verified with respect to statistical assumptions. No problems of multicollinearity and autocorrelation were detected, nor were any departures from regression assumptions found.

As expected, the economic situation is an important explanatory variable of CSO funding. However, even controlling for this, there remains an important degree of party influence on the subsidies granted. This occurs in terms of the three dimensions tested: ideology, party organization and electoral gains. Parties’ ideological position has a significant and comparatively strong impact on the amounts granted. However, contrary to H1, it is right-wing governments that fund CSOs more generously. The explanation for this may reside in the defence from right-wing sectors of the need to transfer service delivery to non-state actors, in the expectation of better performance if non-governmental actors are ‘permitted greater latitude to get on with the job’ (Peters, 1997: 52–3). What our results suggest is that, in the Portuguese case at least, this support for civil society is achieved at the taxpayers’ expense.

Two of the three variables on party organization have significant impacts on the amounts granted to CSOs, and in the predicted direction. The strongest effect is in terms of party membership (H3). Decreasing party membership leads to significantly higher amounts granted, a pattern that is consistent with the notion of parties’ instrumental use of state resources to compensate for declining social anchoring. Funding also appears to be related to the needs of servicing party organization, with parties in government at national level tending to grant a significantly higher proportion of subsidies to CSOs located in municipalities where the same party is in power (H5). However, while significant, the impact is comparatively small, a potential reflection of the stratarchical nature of Portuguese parties (Jalali, 2007). Finally, parties’ annual expenditure (H4) is not a significant predictor of CSO funding in model 1. However, it becomes a significant (albeit comparatively weak) predictor when we control for different governing periods in model 2, in the expected direction.

The electoral objective that underlies funding is also evident. Electoral volatility is a strong predictor of funding, in the expected direction. This is consistent with our hypothesis (H7) that parties use funding to generate electoral support – particularly when the perceived availability in the electoral market is higher. As for the electoral cycle effect (H8), its impact only occurs with legislative elections. The prevalence of legislative
Table 8. Political determinants of subsidies to CSOs: Linear regression coefficients

<table>
<thead>
<tr>
<th>Country's general economic situation</th>
<th>Beta and significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (logged)</td>
<td>0.157*** 0.239***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ideology</th>
<th>Beta and significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parties' ideological position (left + right)</td>
<td>0.183**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Party organization</th>
<th>Beta and significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party membership</td>
<td>–0.117** –0.117**</td>
</tr>
<tr>
<td>Congruence between parties in national and local government (0: no congruence; 1: congruence)</td>
<td>0.072*** 0.068***</td>
</tr>
<tr>
<td>Parties' annual expenditure</td>
<td>n.s. –0.053**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electoral gains</th>
<th>Beta and significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electoral volatility</td>
<td>0.130** 0.168**</td>
</tr>
<tr>
<td>Electoral cycles: Local, presidential, European and referendum elections (0: no elections; 1: electoral periods)</td>
<td>n.s. n.s.</td>
</tr>
<tr>
<td>Electoral cycle: Legislative elections (0: no elections; 1: legislative elections)</td>
<td>0.083*** 0.100***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governing periods</th>
<th>Beta and significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS (1999–2002)</td>
<td></td>
</tr>
<tr>
<td>PSD-CDS (2002–2004)</td>
<td>0.280***</td>
</tr>
<tr>
<td>PSD-CDS (2004–2005)</td>
<td>0.116*</td>
</tr>
<tr>
<td>PS (2005–2009)</td>
<td>n.s</td>
</tr>
</tbody>
</table>

| N                                      | 2,736 2,736           |
| R                                      | 0.247 0.261           |
| Adjusted R²                            | 0.058 0.065           |

*p<0.1; **p<0.05; ***p<0.001. (Dependent variable: natural log-transformed size of grants to civil society organizations).
elections is not unexpected, given Portugal’s political system. As for other elections, their relative lack of influence may be due to different factors: for European and presidential elections, their second-order nature; and for local elections, the capacity of town halls to fund local CSOs autonomously.

These results hold when we control for different governing periods in model 2. The ideology variable was excluded from model 2, since our four governments are comprised of wholesale alternations between right and left-wing governments, with ideological differences greater between PS and PSD-CDS governments than within them. However, the other independent variables that were significant in model 1 continue to be significant, with the model remaining stable. Changes in the coefficients are generally small, with the exception of GDP, volatility and parties’ annual expenditure (the latter becoming significant in model 2). Consistent with our earlier results on ideology, both right-wing government periods have a positive and significant impact on the amounts granted. This suggests that the causal effect may be the coalition nature of these governments in addition to ideology.

**Concluding remarks**

The aim of this article was to analyse the mediating impact of political parties in the interaction between the state and civil society groups. Specifically, we examined the patterns of government allocation of financial subsidies to CSOs in Portugal, and analysed the extent to which the use of patronage resources revealed partisan considerations.

Our analysis points to considerable linkages between parties and civil society organizations, with parties acting as intermediaries between the state and CSOs. In terms of the dimensions analysed, all three – ideology, party organization and electoral gains – demonstrate an independent impact on state funding of CSOs, even when controlling for the economic situation.

Ideology has a clear impact not only on which specific organizations receive funding, but also on the levels of funding granted overall. In this case, however, the impact found may be accentuated by the coalitional nature of the more generous right-wing governments. The existing data do not allow a full assessment of the independent effects of coalition governments and ideology, a dimension future research may be able to disentangle. However, the impact of ideology on types of groups funded is clearer, with no substantial differences between left and right-wing parties.

With regard to party organization, our findings are consistent with parties’ instrumental use of government resources to compensate for the weakening presence and linkage between parties and civil society. The role of patronage is also reflected in the seemingly selective funding of specific CSOs. Moreover, the patterns of funding are also consistent with the expectation of electoral returns on the part of parties: funding is more evident in the run-up to legislative elections, and is positively related to electoral volatility. This last result also suggests a more complex dynamic in the relationship between parties and groups. Thus, while parties may act as brokers, since they tend to be key intermediaries between the state and CSOs, the evidence suggests that these groups can also act as intermediaries between parties and citizens, particularly at election times. This may occur both explicitly, in terms of voter mobilization, or implicitly, as parties in
government seek to give the electorate a signal that they are committed and open to civil society demands and to the issues that concern certain CSOs.

While these conclusions help us understand how parties work, and the usage of state resources to service links with CSOs, they also generate questions – not least, the question of how CSOs interact with parties and the extent to which they act endogenously to mobilize state resources. Answering these questions will help further specify the relationship between parties and civil society. Our evidence is not inconsistent with the possibility of deeper linkages between them, and further research could potentially unveil the partisanship of civil society organizations, as well as further elaborate on the bidirectional nature of exchanges. Moreover, it could highlight the attempts not only by parties but also by civil society organizations to influence decisions and control flows of information and trust that are, as Heaney (2010) puts it, ‘scarce commodities in politics’.

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**Acknowledgement**

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**Notes**

2. Parties’ annual expenditures include parties’ declared expenses on the maintenance of parties’ central bureaucracies and hiring of professional staff, routine expenditures and campaigning.
3. For a definition, see Wilson (1990).
4. With Law 26/4, each subsidy granted – which can occur at any time – must be published as a legal diploma in the Portuguese Official Gazette (Diário da República, available at www.dre.pt). Using Boolean search, we collected all the diplomas granting subsidies to civil society groups, taking into account the different governing periods, as reported in Table 1.
5. This scale can range from [—100, 100], where [—100] means left and [+100] means right. When parties entered coalition government we considered a weighted average position, calculated according to the number of each party’s deputies. During the years under analysis, ideological positioning ranged from —17.70 (Socialist Party in 2002) and 2.71 (PSD/CDS in 2002).
6. This comprises one month before or after the date of elections or referenda. 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, granted prior to election, even if formalized shortly after.
7. These, as stipulated by Law 5-A/2002 of 11 January, are funded by town halls. Only the subsidies granted by the central state are published in the Portuguese Official Gazette, making an analysis of municipal funding beyond the scope of this article.
8. This variable considers all data in million Euro at constant 1995 prices, Eurostat (in ec.europa.eu/competition/state_aid/studies_reports/ws2_11.xls).
References


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