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AKIRA PINTO MEDEIROS

Money inside multi-level political organisations: the case of Brazil

São Paulo
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Versão Corrigida

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Dissertação de autoria de Akira Pinto Medeiros, sob o título **"Money inside multi-level political organisations: the case of Brazil"**, apresentada à Faculdade de Filosofia, Letras e Ciências Humanas da Universidade de São Paulo, para obtenção do título de Mestre em Ciências pelo Programa de Pós-graduação em Ciência Política, na área de concentração Política Brasileira e Política Comparada, aprovada em 18 de outubro de 2021 pela comissão julgadora constituída pelos doutores:

Prof. Dr. Bruno Wilhelm Speck

Departamento de Ciência Política da Universidade de São Paulo

Presidente

Prof. Dr. Pedro José Floriano Ribeiro

Departamento de Ciências Sociais da Universidade Federal de São Carlos

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Prof. Dr. Fernando Henrique Eduardo Guarnieri

Instituto de Estudos Sociais e Políticos da Universidade do Estado do Rio de Janeiro

Por mais piegas que seja: aos meus pais, Valéria e Décio, que me ensinaram a importância do estudo, que sempre me estimularam e me cobraram insatisfeitos quando eu malandramente não ligava a primeira marcha, que sentaram ao meu lado para estudar nos primeiros anos do ensino fundamental, e que mantiveram verdadeiras bibliotecas em nossas casas. Vocês fizeram a diferença.

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Começo agradecendo ao meu orientador, Professor Bruno, pela sua generosidade e pelo seu "republicanismo" neste universo chamado "pós-graduação". Devo dizer que toda e qualquer originalidade deste trabalho devo ao Bruno, pois ele, experiente, com muitos mais anos de estrada do que eu, referência no campo de estudos de financiamento político no Brasil, me deu uma dica ainda em 2019 como quem não queria nada: "Você poderia estudar algo como financiamento intra-partidário e ver como os partidos dividem internamente os recursos não? Esse é um tema 'quente'". Confesso que duvidei um pouco, é verdade, afinal, era um alemão falando que algo era "quente". Mas como sabemos, não é um alemão qualquer, ele "só" está por essas terras há mais tempo do que toda a minha existência, ele sabia como poucos o que estava sugerindo. Espero que o resultado aqui apresentado esteja de acordo com as expectivas alemãs, caso contrário será preciso tomar uma providência. [1] A verdade é que seu rígor científico contrasta com uma sinceridade e humildade rara. Obrigado pelas reuniões, pelos direcionamentos, pelas críticas e pelo apoio contínuo nesta trajetória. Obrigado pela confiança depositada em mim desde nossos primeiros encontros, certamente sem esta confiança e abertura eu provavelmente não estaria escrevendo estas linhas em pleno 2021.

[1] Aguardente artesanal de Buenópolis - MG. Reza a lenda que o nome do destilado é uma homenagem a um político importante da cidade de Buenópolis. Toda vez que alguém pedia um favor, ele dizia: 'Vou tomar uma providência' e, literalmente, saía para seu escritório para tomar uma dose da cachaça.

Agradeço cada um dos professores que me tiveram como aluno do Departamento, em suas respectivas disciplinas. Desde o generoso Glauco Peres, que me abriu as portas aos métodos quantitativos e técnicas de pesquisa em Ciência Política nos idos de 2018, ainda como aluno especial, e posteriormente me aceitou como seu monitor voluntário; até o Professor Jonathan Phillips que ousou apresentar-me à preocupações de causalidade em Ciência Política com rigor e paciência. Fizeram parte desta trajetória ainda: Leonardo Barone, incrível professor, crucial no desenvolvimento deste trabalho ao me ensinar a importância de se trabalhar com pesquisa reproduzível, programação computacional para o manuseio e análise de dados e, não menos importante, a relevância, inclusive política, do uso de softwares livres; Fernando Limongi, um verdadeiro gigante da Ciência Política brasileira, que nos empresta suas costas constamente para que vejamos mais longe, generoso e aberto, ele é capaz de transformar a forma como lemos um texto ou discutimos um problema; Wagner Mancuso; Sara Bruch, docente naquele momento da University of Iowa, que ofereceu um rápido curso sobre análises comparativas a nível subnacional que certamente, inconscientemente, me ajudou a abraçar a ideia dada pelo meu orientador de estudar partidos a nível subnacional; Jean Tible, fino intelectual tropical paciente e respeitoso como poucos; e por fim, Lorena Barberia, entusiasta desta rica profissão e dedicada professora que viabiliza ano a ano a IPSA-USP Summer School, comentadora frequente dos meus trabalhos por fortuna ou por azar.

Não poderia deixar de mencionar ainda aqueles professores e professoras com os quais trabalhei como estagiário docente, através do Programa de Aperfeiçoamento de Ensino (PAE), e das Oficinas de Prática de Leitura e Escrita Acadêmicas (PLEA) da FFLCH. Daniela Mussi, Patrício Tierno, Cícero Araújo e Adrian Lavalle, formaram um time de peso com o qual pude reler clássicos da Ciência Política, agora na posição de monitor das disciplinas "Pensamento Político Moderno (FLP0101)" e "Teoria Política Moderna e Contemporânea (FLP0102)" do curso de graduação em Ciências Sociais. Esta posição no entanto, que fique registrado, provavelmente serviu mais para meu aprendizado do que qualquer outra coisa, as leituras e perspectivas deste time sobre os textos discutidos me apresentaram novos olhares sobre a Teoria Política Clássica, reforçando minha convicção (com provas) de ter acertadamente escolhido a Ciência Política como morada nas Ciências Sociais.

Agradeço ainda aos professores envolvidos na organização da IPSA-USP Summer School, Glauco Peres, Lorena Barberia, e Jonathan Phillips. Agradeço pela dedicação que tiveram e seguem tendo em construir uma escola de verão em métodos de pesquisa que é referência hoje em nossa área. Devo mencionar ainda que o apoio do Departamento de Ciência Política foi fundamental para que eu pudesse participar integralmente de duas edições da Summer School, em 2020 e em 2021, já de forma virtual. Agradeço aos professores que ofereceram cursos dos quais aprendi muito, precisamente: Florian Foos, da London School of Economics and Political Science, que gentilmente ofereceu um curso em 2020 e já em 2021 teceu generosos comentários sobre este trabalho na edição virtual da escola; e Jason Seawright, da Northwestern University, entusiasta do uso de metodologias mistas nas pesquisas em Ciências Sociais. Devo agradecer ainda a oportunidade que tive de participar da 6ª Escuela de Invierno en Métodos y Análisis de Datos da Universidad Católica del Uruguay (UCU), onde fui calorosamente recebido pelos colegas uruguaios no inverno azul de 2019. Agradeço especialmente aos professores Juan Bogliaccini, Laura Ganz e Patricia Cerizola, pelas aulas durante as duas semanas que estive na capital uruguaia, além do gentil e atencioso Santiago López Cariboni, pela orientação para minha chegada e pela calorosa recepção. Do país azul trouxe, além de alguns pacotes de mate, potes de doce de leite, caixas de alfajores e garrafas de vinho *Tannat*; um enorme carinho ao ver este país irmão tão sensível e receptível hoje quanto fora em 1964 para Jango e sua família. *¡Gracias Uruguay!*

Devo especiais agradecimentos aos Professores Jonathan Phillips e Pedro José Floriano Ribeiro pelos excepcionais comentários e críticas apresentados na oportunidade da qualificação deste trabalho. Seguramente o trabalho não teria crescido o suficiente se não fosse pela leitura atenta destes exemplares pesquisadores capazes de entender até o inteligível e apontar os caminhos possíveis a serem seguidos. Meus sinceros agradecimentos à generosidade e atenção que dedicaram a este trabalho àquela época onde este texto era meramente um projeto de pesquisa pouco claro e com poucos resultados. Não menos importante naquele momento foi a figura do meu orientador, o generoso Bruno Speck, que me estimulou a seguir o trabalho apontando eventuais saídas às dúvidas que eu tinha no momento.

Ainda na esteira dos comentários recebidos ao longo da elaboração deste trabalho, agradeço novamente ao Prof. Pedro Floriano por ter aceito participar da mesa “Partidos Políticos: Dinâmicas de organização e representação” na ocasião do X Seminário Discente do Programa de Pós-Graduação em Ciência Política da USP. As generosas contribuições do Pedro, naquele momento não foram dirigidas apenas a este trabalho, mas também ao trabalho de valorosos colegas que dividiram comigo ao longo destes dois anos e meio, o objeto de estudos de Partidos Políticos brasileiros no Departamento de Ciência Política da USP. Lucas Mingardi, Larissa Macedo, Anílsa Gonçalves e Perla Sachs, dividiram comigo aquele espaço do seminário. Além deles, formaram parte de um grupo de pesquisa em instituições políticas brasileiras, pouco institucionalizado é verdade, Camila Bezerra, Gabriela Netto, Barbara Santos Meyer, e, mais tardiamente, Helena Funari. Todas estas colegas me ajudaram durante minha trajetória até a conclusão deste trabalho, seja por discutirem este trabalho em questão, seja por discutirem outros trabalhos, por apresentarem suas pesquisas, ou mesmo por oferecerem conselhos singelos ou e até mesmo ajudas em códigos de programação quaisquer.

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Agradeço aos colegas de “turma” que fizeram do pântano frio do Butantã um ambiente um pouco mais familiar e acolhedor para mim. Yuri Lucatelli Taba, sempre disponível para discutir as angústias da profissão, atento até mesmo a esta dissertação, teve a humildade de discutir comigo alguns aspectos deste texto que me afligiam. Talvez nossa conversa não tenha solucionado todos os meus questionamentos, mas certamente me deixou mais tranquilo. Paulo Rodrigo Campos, personalidade cinematográfica que sempre deixou nosso ambiente mais alegre ao mesmo tempo que mais revolucionário. Gabriel Nunes de Oliveira, chef maior a quem devo não apenas a admiração intelectual pela sua dedicação a compreender a política brasileira dos últimos anos, mas também aos incentivos contínuos para que eu trabalhasse pães de fermentação natural durante a quarentena; obrigado Gabriel! Fernando Cymbaluk, companheiro bolchevique presente nos passos da vida, dono de uma generosidade ímpar a qual devo grandes realizações e parcerias. Devo ao Fernando a experiência de participar do Programa Agentes de Governo Aberto da Prefeitura de São Paulo. Foi dele o estímulo e a visão de que meu objeto de estudo poderia se transformar em algumas oficinas por aí, no fim se transformou em muito mais. Larissa Kerber, colega que não apenas dividiu comigo um objeto de estudo e um orientador, mas também algumas discussões gostosas sobre a política brasileira, a terceira via inexistente pra mim, possível pra ela, entre outros temas controversos. Ana Laura Ferrari, pelas ótimas discussões também controvérsas sobre política brasileira e, mais ainda, sobre o não menos disputado termo *"populismo"*. Rodrigo Mahlmeinster, pela dedicação durante a gestão da Representação Discente de 2020 e na realização do X Seminário Discente, em formato online. Agradeço novamente à Helena Funari, também pela dedicação durante a gestão da Representação Discente, mas também pelos momentos de diálogo acerca das angústias da vida acadêmica.

Não poderia jamais esquecer dos camaradas cuja amizade precedeu minha admissão no mestrado, e que talvez tenha sido meu "às de paus" na própria trajetória pela admissão ao mestrado do departamento. Obrigado pelas dicas, leituras atentas do meu projeto de pesquisa não realizado, sugestões das mais variadas. Mas obrigado mais ainda pelas risadas que fizeram esses três anos de convivência mais leves. Os Товарищи против фашизма mostraram-me não apenas um caminho na pós-graduação, como também a importância da resiliência num momento de ataque às humanidades e escalada do autoritarismo no país. Entre conversas intermináveis e teses de butiquim, a amizade de vocês foi essencial para que eu chegasse até aqui.

Lembro ainda dos queridos colegas que conheci por meio de um amigo de longa data. O Rodolfo Lima, amigo desde os tempos da gestão “CARI com Cara” do Centro Acadêmico de Relações Internacionais da PUC-SP (CARI - Barão), me apresentou quase que involuntariamente alguns amigos que já estavam na trajetória do doutorado no departamento, Bruno Pessoa e Thiago Nascimento. Deste encontro involuntário na defesa de doutorado do Rodolfo, nasceu um grupo de não apenas colegas, mas amigos, que se reúnem com certa frequência para comer, beber, e festejar passagens de ano. Junto da presença deles ainda tivemos participações mais do que especiais de Patrícia Ungari e Maria Fernanda Froner. Devo agradecer à todos pelas dicas que foram me dando ao longo desses quase 3 anos de amizade. Ao Rodolfo, amigo mais antigo, devo a inspiração pela minha insistência em seguir carreira na Ciência Política, não posso dizer que ele não me alertou dos problemas e não tentou me demover da ideia, mas no fim cá estamos. Também não posso deixar de lembrar que fora o Bruno Pessoa que, ao olhar para a minha angústia na elaboração do trabalho final da disciplina “Quantitative Methods III: Explanation and Causation (FLS6441)”, disse: “Cara, se o seu DAG estiver certo, você só precisa controlar por 2 variáveis”. O DAG se manteve e o modelo desenhado resistiu a inúmeras apresentações. Por virtude ou por falta de atenção de quem o viu? Nunca saberei, só sei que o Bruno foi crucial para ele estar de pé. Obrigado Bruno! Ao Thiago devo agradecimentos pelas nossas conversas aos sábados, com seus sábios conselhos de alguém em fins de doutorado nossas conversas foram um divã dos desalentados em plena pandemia de um Brasil apocalíptico. Aproveito essa oportunidade para saudar os momentos de troca que tive com colegas mais avançados na carreira. São momentos bobos, conversas de corredor, que fazem toda a diferença nos nossos trabalhos. Obrigado pela conversas.

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Agradeço a outro amigo que esteve presente nesta jornada não apenas como espectador, mas também como partícipe, Felipe Barros, genuíno e delicado questionador. De discussões sobre um avanço neoliberal no nosso esporte querido, até a troca de receitas e dicas gastrônomicas, a presença do Felipe se fez por insistência. Sou grato a ele por ter sempre me lembrado do valor estético que podemos e merecemos ter enquanto sociedade.

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À Coordenação de Aperfeiçoamento de Pessoal de Nível Superior (CAPES) agradeço ao auxílio financeiro recebido durante 25 meses para a realização do meu mestrado. [2] Seguramente o auxílio fora fundamental para que eu pudesse me dedicar integralmente ao

[2] Número do processo: 88887.342094/2019-00

mestrado, de modo que o produto final teria sido outro não fosse pelo auxílio disponibilizado pela CAPES. Aproveito esta oportunidade para agradecer aos que desenharam e se dedicaram a construir um sistema de fomento à pós-graduação tão importante quanto o que temos (ou tivemos) no Brasil por tanto tempo. Se nossas universidades possuem níveis de excelência em pesquisa, seguramente devemos parte deste feito ao financiamento oferecido por agências como CAPES, CNPq e FAPESP.

Entendo porém que não basta agradecer às agências de fomento pelos recursos diretos recebidos para o desenvolvimento deste trabalho. Se hoje fazemos ciência de qualidade sem muitas vezes termos as mesmas ferramentas e a mesma estrutura que outros países, é porque acedemos a conhecimentos e recursos de forma indireta também. Devo destacar a importância da extensa rede que faz da internet um espaço de livre circulação de conhecimento. Esta pesquisa, como verão aqueles que se eventurarem para além das páginas de introdução e conclusão, foi feita em tempos pandêmicos e obviamente por isso contou mais ainda com a internet como fonte de recursos. Os dados aqui trabalhados foram obtidos junto ao TSE, através de seu especial repositório de dados, que traz aos pesquisadores e pesquisadoras brasileiros, a oportunidade de trabalhar dados eleitorais e partidários com autonomia. Livros e capítulos de livros foram muitas vezes obtidos através da mais famosa biblioteca russa do mundo, a quase infalível LibGen. Quando a VPN da USP não me garantia acesso a um ou outro artigo científico, de alguma revista gringa, o Sci-Hub não falhava (obrigado Alexandra Elbakyan, você contribui imensamente para a ciência dos países do sul). Quando meus códigos de programação não funcionavam, ou quando surgia alguma dúvida pontual sobre programação, as comunidades do StackOverflow e do R-Bloggers me socorriam. Por fim, quando o computador falhava, a comunidade Linux me socorria. Obrigado Linus Torvalds por ter insistido em desenvolver não apenas uma plataforma de software livre, como também o sistema de controle de versões (Git) utilizado durante a elaboração desta dissertação. Não posso deixar de mencionar os desenvolvedores do R e de seus inúmeros pacotes, ferramentas essenciais para a elaboração deste trabalho. Obrigado aos que ainda lutam por uma internet livre, e também por softwares livres e alternativas a softwares pagos.

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linhas, o faço por ter sobrevivido a uma pandemia de levou precocemente mais de 600 mil vidas apenas no Brasil. Perdemos amigos, colegas, familiares. Poderíamos ter sido transformados em estatística, mas seguimos para contar a história dos que se foram, e seguimos porque tivemos a ciência e o SUS ao nosso lado neste longo inverno.

"siamo come nani sulle spalle dei giganti, così che possiamo vedere un maggior numero di cose e più lontano di loro, tuttavia non per l'acutezza della vista o la possanza del corpo, ma perché sediamo più in alto e ci eleviamo proprio grazie alla grandezza dei giganti"

(Bernardo di Chartres)

"Você quer ver um quadro típico que dessa mentalidade que faz degenerar a história de uma cidade? A Caetano de Campos era uma escola para crianças. [...] Um dos grandes problemas, como sempre, de uma escola, é a condução [transporte]. Veio o metrô, na porta da escola. [Agora] Não é mais escola, é sede burocrática da Secretaria de Educação. São estúpidos ou não? Os meninos tem que usar o metrô, não ir pra escola com chofer e carro blindado. Vai ficar um imbecíl! O que mais educa uma criança é o caminho da escola, não é a escola. Você tem que ir pra escola, vai encontrando os coleguinhas no meio do caminho, faz grupo, vai e volta. [Isso] Só pode dar pra trás, só pode educar e criar um homem deformado. Esses filhos do condomínio fechado vão ser um desastre. [...] e vão ser nossos patrões."

(Paulo Mendes da Rocha, 1928-2021)

Resumo

PINTO MEDEIROS, Akira. **Dinheiro dentro de organizações políticas multi-nível: o caso do Brasil** 2021. 132 f. Dissertação (Mestrado em Ciências) – Faculdade de Filosofia, Letras e Ciências Humanas, Universidade de São Paulo, São Paulo, 2021.

Esta dissertação de mestrado explora o financiamento de partidos políticos em sistemas multi-nível, usando o Brasil como um caso. Antes de mergulhar em nosso caso, fazemos uma profunda revisão da literatura sobre modelos de partidos políticos e sua organização, e sobre o financiamento dos partidos políticos. Posteriormente, voltamos nossos olhares para o financiamento dos diretórios regionais dos partidos políticos brasileiros entre 2015 e 2018, a fim de explorar nosso caso. Aproveitando o fato dos partidos brasileiros terem se tornado mais dependentes de financiamento público, as transferências de dinheiro entre as Comissões Executivas Nacionais (CENs) e suas unidades hierarquicamente inferiores (diretórios regionais) foram rastreadas para avaliar se filiais regionais com representação na CEN, acabam recebendo mais dinheiro. Este movimento lança luz sobre a política interna dos partidos políticos brasileiros e a influência dos diretórios regionais sobre sua CEN, sugerindo que não apenas mecanismos formais, mas também informais, são importantes para explicar como o dinheiro é dividido internamente. Nossas hipóteses podem ser descritas como: (I) diretórios regionais com presença dentro de sua unidade hierarquicamente superior (CEN), têm mais influência nas decisões políticas e estratégicas do partido (THORLAKSON, 2009; DETTERBECK, 2012; PANEBIANCO, 1995), e consequentemente acabam recebendo mais dinheiro; e (2) a distribuição do Fundo Partidário (FP) dentro de cada partido brasileiro depende (a) do tamanho do colégio eleitoral, (b) da porcentagem de Deputados Federais eleitos no estado pelo partido; e, (c) da presença de diretores regionais na CEN do partido. Nossos resultados sugerem que o efeito do tratamento (ter um atual ou ex-diretor regional na CEN do seu partido) sobre o montante do Fundo Partidário recebido da CEN, é particularmente forte em Partidos que não disputam o Gabinete Nacional (Presidência). Esses resultados fornecem mais evidências de que os partidos políticos brasileiros se diferenciam não só em suas estratégias eleitorais, mas também em relação a sua organização interna.

Palavras-chaves: Organizações Políticas Multi-níveis; Financiamento de Partidos Políticos; Partidos Políticos brasileiros; Integração vertical; Autonomia; Influência;

Abstract

PINTO MEDEIROS, Akira. **Money inside multi-level political organisations: the case of Brazil**. 2021. 132 p. Master's Thesis (Master of Science) – Faculty of Philosophy, Literature and Human Sciences, University of São Paulo, São Paulo, 2021.

This Master's Thesis explores political parties financing in multi-level systems, using Brazil as a case. Before diving into our case, we perform a deep literature review on Political Parties and its' organisation, and on political parties financing. Later on, we move our eyes to Brazilian Political Parties' regional branches financing between 2015 and 2018, in order to explore our case. By taking advantage of the fact that Brazilian parties became more dependent on Public financing, money transfers between National Executive Committees (NECs) and their hierarchically inferior units (regional branches) were tracked in order to assess if regional branches with representation on its' NEC, end up receiving more money. This movement sheds light on Brazilian Political Parties' internal politics and the regional branches' influence over its' NEC, suggesting that not only formal but also informal mechanisms are important to explain how money is divided internally. Our hypotheses can be described as: (I) Regional branches with a presence inside its' hierarchically superior unit, have more influence on the party's political and strategic decisions (THORLAKSON, 2009; DETTERBECK, 2012; PANEBIANCO, 1995), and will consequently end up receiving more money from their NEC; and (2) The Annual Public Fund (APF) distribution inside each Brazilian party depends on (a) the size of the electoral district, (b) the percentage of Federal Deputies elected in each state by the party; and, (c) the presence of regional directors in the Party's NEC. Our results suggest that the treatment's effect (having a current or former regional director into its' party's NEC) on the amount of Annual Public Fund received from its' NEC, is particularly strong in Parties that do not compete for the National Office. These results provide more evidence that Brazilian political parties differentiate themselves not only regarding their electoral strategies, but also regarding their internal organisation.

Keywords: Multilevel Political Organisations; Political Parties' Financing; Brazilian Political Parties; Vertical Integration; Autonomy; Influence;

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List of abbreviations and acronyms

TSE	Tribunal Superior Eleitoral (Electoral Superior Court)
OAB	Ordem dos Advogados do Brasil (Brazilian Bar Association)
STF	Supremo Tribunal Federal (Brazilian Supreme Court)
FP	Fundo Partidário (Annual Public Fund)
FEFC	Fundo Especial de Financiamento de Campanha (Electoral Fund)
NEC	National Executive Committee
PT	Partido dos Trabalhadores (Workers' Party)
PMDB	Partido da Movimento Democrático Brasileiro (Brazilian Democratic Movement Party)
PSDB	Partido da Social Democracia Brasileira (Brazilian Social Democracy Party)
DEM	Democratas (Democrats)
PP	Progressistas (Progressives)
PSD	Partido Social Democrático (Social Democratic Party)
PDT	Partido Democrático Trabalhista (Democratic Labour Party)

PSB	Partido Socialista Brasileiro (Brazilian Socialist Party)
PTB	Partido Trabalhista Brasileiro (Brazilian Labour Party)
PR	Partido da República (Party of the Republic)
PCdoB	Partido Comunista do Brasil (Communist Party of Brazil)
PPS	Partido Popular Socialista (Popular Socialist Party)
PSL	Partido Social Liberal (Social Liberal Party)
PRTB	Partido Renovador Trabalhista Brasileiro (Brazilian Labour Renewal Party)
PMN	Partido da Mobilização Nacional (Party of the National Mobilization)
PCB	Partido Comunista Brasileiro (Brazilian Communist Party)
PV	Partido Verde (Green Party)
PSTU	Partido Socialista dos Trabalhadores Unificado (Unified Workers' Socialist Party)
PHS	Partido Humanista da Solidariedade (Humanist Party of Solidarity)

Contents

Introduction

This Master's Thesis represents an effort in the direction of better understanding how public resources are divided internally in multi-level political organisations. Scholars from around the world have already pointed for the increasing of public resources into political parties (KATZ; MAIR, 1995; KATZ; MAIR, 2009; KRAUSE; REBELLO; SILVA, 2015; HARBERS, 2014; COLETTO; JANSEN; YOUNG, 2011; NASSMACHER, 2009) caused by a closer linkage between these organisations and the state. Yet, little is known about how these resources are used, especially when regarding non-electoral spending.

Driven by the wish to understand if businesses were able to influence politicians, or how linked the business elite was to politicians, lots of work on political financing has been focused on electoral financing. In the Brazilian case, where business donations were allowed from 1995 to 2015, researchers were able to identify that the majority of the resources from elections in which there are available data, came from business donations during this period (SPECK; MANCUSO, 2015). Another set of studies identified that business donations were massively made to politicians already in office, the so-called *incumbents*, that represented a "safer" investment for those donating (CERVI *et al.*, 2015; PERISSINOTTO; VEIGA, 2014; SPECK; MANCUSO, 2015).

After 2015 though, donations from businesses became prohibited and the Brazilian political system faced itself with only one reasonable source of income: the state. Public financing to politics is constantly seen as a key alternative for politicians and parties in an era where societies simply changed, media became widely available, and parties' membership has declined. Broadly speaking, public financing for political parties is seen as an alternative for sustaining parties when their support in civil society declined (KATZ; MAIR, 1995). As literature shows, most of what characterises ideal political parties' models, is actually related to funding. From the *cadre parties* to the *cartel parties*, passing through the *mass parties* and the *catch-all parties*, financing has always played a role in the discussion over Political Parties organisation (DUVERGER, 1957; KIRCHHEIMER, 1969; NETO, 2009; PANEBIANCO, 1995; KATZ; MAIR, 1995).

Despite the fact that many studies have been performed on the relationship between parties and public financing, little is known how these resources are employed internally. This issue turns to be especially important in federal states with multi-layered political systems, where the pyramidal shape of the state lead parties to reproduce the official territorial division (DUVERGER, 1957), enhancing the necessity of linkages between these layers. In this environment, parties may be forced to develop more than one political strategy (one regional strategy and another national strategy) (DESCHOUWER, 2006).

Brazil is a *functional federal state*, characterised by the share of responsibilities between the central government and states. Additionally, it has a multi-party political system characterised by an enormous number of represented parties in the Deputies Chamber, that frequently bring challenges for the general understanding of its' party system. Some laws force all parties to be nationalised and consequently to have formal representations all over the territory. The question that arise then is properly how integrated these regional units are to their party's central office. Is it possible for regional units to exercise influence over its' central party? Are all Brazilian parties equally nationalised? If no, could this difference affect the influence that regional branches have over its' party central office?

In order to answer these questions we perform several steps in this thesis. Firstly, in the first chapter, we perform a deep literature review on Political Parties and its' organisation, exploring political parties' ideal types, parties' organisation in multi-layered systems, the literature on the Brazilian party system, and on parties' strategies in the Brazilian environment. Secondly, in the second chapter, we explore the literature on political parties financing, by looking at historical examples from democracies' early days, moving to the discussion on the *cartel party*, analysing work on multi-level party finance, and finally working on the Brazilian Political Parties' financing. Lastly, in our third chapter we dive into the Brazilian Political Parties' regional branches financing between 2015 and 2018, in order to verify if regional branches from Brazilian political parties, are able to exercise influence over their party central office (National Executive Committee) in order to get a better share of the amount of Annual Public Fund (APF) that their party central office decided to share between regional branches.

Our findings suggest that as not all Brazilian parties are equally nationalised, neither the influence from regional branches into their party's NEC is equal. In parties that do not frequently run for the National Office (regionally oriented parties), we found a larger influence from regional branches into their party's NEC. The analysis performed on Parties' statute's; alongside with the results presented also supports initial studies conducted by Botassio (2018) and Schaefer (2018) on understanding how Brazilian Parties distribute their public resources internally. After all, this thesis provide more evidence that the Annual Public Fund (APF) distribution depends on the (1) the size of the electoral district, and (2) the percentage of Federal Deputies each party elected in each state (a proxy for previous electoral performance).

1

Political Parties, power and their organisation

This chapter discuss the literature on Political Parties and its' organisation, especially in multi-level systems. Before discussing how Brazilian political parties organise themselves, we review important contributions from classical party models from Duverger (1957), Panebianco (1995), and Katz and Mair (1995, 2009) in the first section. After this, in the second section, we discuss the literature on Political Parties in multi-level systems. In the third section, we discuss the literature on Brazilian Political Parties' organization and structure. Finally, in the fourth section we discuss party strategies in the Brazilian multi-level system.

1.1 Classical Models

Since the early days of Modern Democracy parties differ themselves by its sociological composition and its organisation structure. If by one hand conservatives and liberal parties were mainly formed by members of the bourgeoisie, and were more decentralised in its' organisation, socialist parties were by the other hand, formed by a large number of organised low-income members, typically workers in the capitalist accumulation process, with a great system of affiliates and financial support. Additionally, driven by a wish to transform society in its foundation, through stirring methods and propaganda, communists and fascists parties were even more centralised and hierarchically driven than socialist parties. Throughout the years, parties had constantly reorganised themselves in order to achieve the desired political success. For instance, cases like the British Labour Party (Labour) shed the light on the importance of individual affiliation in societies with access to universal suffrage (DUVERGER, 1957). Regarding its organisation, as mentioned by Duverger (1957, p. 70), the parties' political organisation tend to emulate the state organisation with its pyramidal shape that reproduces the official territorial divisions; usually each municipality has a party branch, each province then has a regional branch that is hierarchically superior to municipal branches, and it is hierarchically inferior to the party's national committee.

Political Parties also differ themselves by their national and sub-national units connection (linkage) levels. Duverger (1957, p. 74) is clear in differentiating that these linkage levels are not always a proxy for internal democracy. For him, even parties with intense linkage levels may have, or not have, higher levels of internal democracy. Though, indeed, parties with weak linkage levels have lower levels of internal democracy once they enhance the power of oligarchic groups. Linkage levels are commonly seen as a proxy for differentiating parties between *mass parties* and *cadre parties*. *Mass parties* often have intense linkage levels while *cadre parties* have weaker linkage levels. The linkage level, even though in some aspects are similar to notion of party *centralisation* or *decentralisation*, actually refers to the parties' ability to coordinate sub-national units to operate as an unified body; while being *centralised* or *decentralised* refers to the amount of power shared between national and sub-national units (DUVERGER, 1957; PANEBIANCO, 1995). *Centralised* parties hold the power in its hierarchical superior committee, while *decentralised* parties share the power between the its' regional and municipal branches for example. As it should be noticed until here, the Federal structure of a country leads to some level of decentralisation inside political parties. This, obviously, does not mean that in this kind of country sub-national party units necessarily have more power inside its' party structure. After all, parties' organisational structure may be simply *pro forma*. It is because of the misleading that some parties' statutes may provoke that Duverger (1957, p. 86) claims to readers *"not be fooled by the letter of the statutes, but rather analyse their specific application, before reaching a conclusion"*. Panebianco (1995, p. 374), by its turn, alerts for those who believe that large complex parties are necessarily *decentralised*. He argues that it is necessary to differentiate *micro-bureaucratic decisions* and *political and strategic decisions* in order to avoid the tendency of understanding large political parties, with many hierarchical layers, as a synonym of *decentralised* organisations.

Panebianco (1995) made a good point by suggesting that political parties face one special dilemma that is interesting for this thesis. According to him, the dilemma between scenario adaptation and predominance over the scenario is something that drives an important piece of the literature. Some political organisations try to adapt themselves to the political environment in which they are placed; while others aim to transform the environment and in order to do this, they have to dominate it. For Panebianco (1995) however, the dilemma should not be that black and white, and some organisations *"may perfectly develop domination strategies in some areas, and adaptive strategies in others"* (PANEBIANCO, 1995, p. 45). Additionally, as Panebianco (1995) points, parties may develop themselves according to two main methods, the first one is through *territorial penetration* and the second one is through *territorial diffusion*. In some cases obviously, these methods are combined. In a *territorial penetration* the party's central office controls the development of the party's peripheral units (local and regional party branches). In a *territorial diffusion*, local and regional party units comes independently from the party's central office, and in most cases, due to regional and local elites self-organisation. According to Panebianco (1995), a *territorial diffusion* development tends to create a decentralised structure with semi-autonomous units, while the *territorial penetration* development tends to generate a more centralised organisation (PANEBIANCO, 1995, pp. 110-112).

Lastly, another important classical model that will take place in this thesis, came from the significant contribution of Katz and Mair (1995, 2009) in establishing the *cartel party*. This kind of party is, as we will explore latter on the second chapter, closely linked to the state by receiving massive public resources to maintain its activities. Their contribution helped scholars understand that instead of declining, parties in contemporary democracies had shifted their primary supportive linkage from the societies to the state (AMARAL, 2013).

1.2 Political Parties in multi-level systems

Despite the fact that most political parties are active in more than one level of government, most of the study on political parties had focused their attention to a single level, the national level (VAN HOUTEN; HOPKIN, 2009). Across the several dimensions that cover the state-wide parties and their decentralisation in multi-level systems, two are particularly important for this thesis, the (1) multi-level organisation of political parties that can clarify how state-wide parties organise themselves across different levels of government, and (2) the impact of voters behaviour in national and sub-national elections and its reflects in the parties' strategies (VAN HOUTEN; HOPKIN, 2009). As it was already mentioned, it is pretty understandable that multi-level systems may have impacts on Parties' systems. In Federal countries we do expect at least a formal level of decentralisation inside these organisations. According to Chandler and Chandler (1987), federalism may encourage: (1) multipartism, by enhancing the rise of minor parties; (2) the establishment of *catch-all* formations that are able to accommodate divergent regional interests; (3) the partisan conflict to happen on the federal-provincial arena; and (4) the *consensus-seeking* policy-making style of governance, due to the division of authority. Additionally, in *functional federal states* (where not only tasks but also labour are divided between central and sub-national governments) such as Germany or Brazil, parties tend to be integrated into intergovernmental relations process.[1]

Deschouwer (2003) supported the study of political parties in multi-layered systems in a comparative way across parties. The author clearly describes the huge amount of interaction possibilities within parties in multi-layered systems such as federate states, which can be described as: (1) vertical interaction within the same party (between the federal level and the regional level), (2) vertical interaction between parties (actions taken in the federal level by one party, might lead another party to change its strategy in the regional level), (3) horizontal interactions between parties (in the same political level, between two parties

[1] For Chandler and Chandler (1987, p. 94), in this kind of federal state, the essence of the federation is that for most major policy concerns one level of government will be responsible only for certain stages in the policy process and the other level for other stages (i.e.: the central government being primarily concerned with policy initiation, formulation and legislation, while sub-units are strongly oriented towards policy implementation and administration).

in the same party system), (4) horizontal interactions within parties (actions taken by the party in one region might lead the party's strategy to change in another region), and finally (5) horizontal interactions between parties (interactions between parties in one region leading to the change in position from other parties in another region, in different party systems). The author also mentions the importance of detecting the parties' core through looking at election results, party discipline, the selection of candidates, political careers, or even, money and staff (financial and human resources). When looking specifically to federal states, Deschouwer also points the importance of (1) the *interconnectedness* of the system's levels, which means the degree to which things that happen in one level affects another level; the (2) autonomy between levels, indicating if parties can behave differently in different regions and different levels; the (3) asymmetry between regions; and (4) the level of homogeneity in the society.

Latter on, Deschouwer (2006, p. 292) makes an effort on categorising different types of parties in multi-level systems. The author points for the existence of: (1) parties that only participates at regional level (e.g. the Parti Québecois in Canada); (2) parties that only participates at the federal level (e.g. the Canadian Bloc Québecois, or, if taken the European Union as a multi-level system, parties that participate only in the European elections but not on any national election); and, also (3) parties that participate in both national and regional elections (a more common type of multi-level party). The author also mentions the difference in parties' *pervasiveness* across regions. In some countries, there are regional parties that cover only one region (e.g. the Scottish Nationalist Party in Scotland, and the Parti Québecois in Canada), in other countries we see parties that cover more than one region but not the entire territory (e.g. the Lega Nord in Italy), and lastly, the most common type of party, those who cover all regions (e.g. the Labour Party and the Conservatives in the UK, the SPD and the CDU in Germany, the Partito Democratico and the Forza Italia in Italy, the Democratic Party and the Republican Party in the United States).

An important aspect of multi-level political parties with presence in regional and national elections is its' level of *vertical integration*. According to Deschouwer (2006, p. 294), these cases force parties to develop more than one political strategy (a regional level strategy and a national level strategy), eventually causing tensions inside the organisation that should be somehow coordinated. In parties that are not limited to one region, parties should also deal with territoriality varying problems in order to "control horizontal for horizontal variation across the regions" (DESCHOUWER, 2006). The level of *vertical integration* may point for the degree of autonomy that the regional organisation have from its hierarchical superior unit. In a high level of *vertical integration* there is limited autonomy for the organisation in its regional level. In a low level of *vertical integration*, regional organisations of the party (regional branches) have more freedom from its superior unit (the national branch). Obviously, the level of *vertical integration* may change across the regions for parties with great levels of *pervasiveness* across the territory.

As already mentioned, federal settings and formal institutions plays a role in the way political parties organise themselves in federal countries. As Chandler and Chandler (1987) mentioned, in *functional federal states* the central government and the regional governments share responsibilities on the policy-making and policy implementation process. This federal setting, also known as *cooperative federalism*, provides a division of competencies between government levels; and ends up *"allowing and pushing parties to have fairly autonomous regional branches"* (DESCHOUWER, 2006). In this scenario Deschouwer (2006, p. 295) argues that *"[...] regional branches then cannot be too autonomous. Regional policy-making and regional elections become relevant for federal policy-making and will be framed in these terms"*. Basically then we have a *top to bottom* line of command inside the parties that is much stimulated by the country's institutional framework.

The federal setting imposes another challenge for political organisations, the electoral game by itself. Once played in two or more arenas, parties may differ in strategies in order to succeed in one specific arena, where the threshold is lower for example. This is specially important in proportional systems (DESCHOUWER, 2006). Additionally, the timing of elections may play a role in the parties' decisions, and parties may prioritise one election but not giving up completely from another election as this could help the party to design their pathway for the primary-order election. Deschouwer (2006, p. 297) supports the idea that if the regional election take place in the same day as the national election, parties' regional branches face a decline in their autonomy levels once the regional political game will be linked to the parties' national strategies (in cases where the party core level is the national level). If the regional election does not take place in the same day (or close) as the national election, regional branches tend to have higher levels of autonomy to *"engage freely in the regional political competition"*. Also, the author mentions that if multiple (or all) regional elections happen in the same day, a case of horizontal simultaneity, regional branches also tend to have less autonomy once "regional elections" asks for coordination. Finally, Deschouwer (2006) also mentions societal heterogeneity as a possible factor that affects political organisations in multi-level environments. Basically, high variations between voters behaviour for regional and national elections can show the necessity for parties to adapt to the region's specific context and perhaps give more autonomy to its' regional branches.

Fabre (2008) makes an effort to understand party's organisation inside the Spanish institutional framework, specially in autonomous regions such as Catalonia, the Basque country and Galícia. According to her, in these regions, the same concern pointed by Deschouwer (2006) is faced regarding the institutional framework once *"one can expect regional party branches to enjoy a certain level of autonomy to reflect the important competences of autonomous communities, but the co-operative aspects of the State of the Autonomies is likely to encourage central control or oversight."* (FABRE, 2008, p. 313). The main expectation is obviously that in regions whit high levels of regionalist feelings and strong autonomist parties (such as Catalonia, the Basque Country and the Canary Islands) regional branches from state-wide parties (such as the Partido Popular - PP, and the Partido Socialista Operario Español - PSOE) will also be more autonomous and empowered in a way to respond to the the electoral challenge posed by autonomist parties. Nonetheless, data shows that the PP and the PSOE barely lost offices in the regional level during the 1993-2007 period. Her analysis on the electoral data, suggests that despite the importance of regionalist parties in the Basque Country (especifically the Partido Nacionalista Vasco - PNV), *"the central levels of the PP and the PSOE have an interest in limiting the autonomy of the regional branches in order to maintain their internal cohesion and make sure that the poor results or policies of one regional branch do not affect the rest of the party"* (FABRE, 2008, p. 316). So, basically, even though regional branches from state-wide parties have slightly more autonomy in regions with an autonomist party challenger, the co-operative federalism (functional federalism) institutional framework and the nationalisation of electoral stakes poses limits for this autonomy.

When analysing the relation between the Scottish and the Welsh regional governments, to the Westminster palace and Downing Street, Fabre (2008) has another example of a multi-level system. Once the author mentions that *"[...]Wales is more integrated in central decision making than Scotland."* (FABRE, 2008, p.316), because of the higher levels of nationalism and regional identity in Scotland (verified both in surveys for regional identity and also in the vote share received by autonomist parties [2]), her hypothesis is that in Scotland, regional branches from the UK's state-wide parties, would be more autonomous than in Wales.[3]

Regarding parties' organisation, Fabre (2008, p. 320), mentions that *"Overall [both in Spain and in the UK], all the parties involve their regional branches in central decision making to a limited extent only [...] In most cases, the central party has retained full responsibility over state-wide election processes (candidate selection and policy making) and the regional branches are integrated only weakly in central decision-making organs".* An important factor though, for the autonomy level that regional branches have in these multi-level systems, is how tied the regional an state-wide elections are. The more tied they are, the more centralised parties tend to be, as in Spain. A decisive factor, according to the author, is *incumbency*. When the parties run regional governments, their central organisation tend to have a *"much tighter grip over their regional branches"* (FABRE, 2008, p. 325) and consequently, when they are in opposition in these regions, their party central organisation tend to give more autonomy to their regional branches.

van Houten (2009) proposes a framework for analysing how parties are organised across different levels of government, in a multi-level system. His proposal is *"focused specifically on the relation between the national leadership in a state-wide party and the party branches at the regional level [... and] it conceptualises the interaction between these parts of a party organisation as a 'principal-agent' relation, with the regional branches as agents of the national leadership."* (VAN HOUTEN, 2009, p. 138). As its most basic structure, the *principal actor*, in this case, the party national leadership, authorises the *agent actor* (the

[2] In Wales the main autonomist party is the Plaid Cymru - the Party of Wales, while in Scotland it is the Scottish National Party.

[3] The United Kingdom's state-wide parties are: The Conservative Party (Tories), the Labour Party (Labour) and the Liberal Democrats (Libdems).

party's regional branches) to take actions and activities that can benefit the *principal actor* but for which the *principal actor* has no resources for undertaking by itself (VAN HOUTEN, 2009). Basically, the regional branch, *the agent actor*, *"may have better information and expertise about how to mobilize voters in the region and how to pitch the party's message to the local electorate [... and] may have more credibility than the national party with the electorate in the region"* (VAN HOUTEN, 2009, p. 141). This *principal-agent* relation however does not mean that the *principal actor* is necessarily abdicating or transferring power to the *agent actor*. van Houten (2009) argues that in fact, the *principal actor* still have a variety of mechanisms to control, even imperfectly, its *agents*. [4] The delegation approach is particularly important for political systems that are already 'nationalised' and where the 'top-down' ethos is established. For the author, the national party leadership, the *principal*, in state-wide parties would primarily work to win national elections or getting as close as possible to this objective; while the regional party leadership, the *agent*, main objective is to obtain good results in regional elections and consequently avoid being removed by the *principal*. Though, the more tied regional elections are to the national election, the less we expect the *agent* to have full autonomy as we already seen in Fabre (2008) work.

Perhaps, what the delegation approach contributes the most to the field, is to question the common sense idea that regional branches autonomy means no control from the national party. As the author said *"in a principal-agent framework, agency autonomy can be entirely consistent with control by the principal"* (VAN HOUTEN, 2009, p.148). Additionally, the framework of analysis also points to the importance of institutional features for understanding multi-level party dynamics. These institutional features can be represented as party rules, derived from parties' statutes and rules for example, or even informal tactics used by national party leaders to influence regional branches.

For Thorlakson (2009) the autonomy given to regional branches may maximise the ability of sub-national organisations to represent local interests. while less decentralised parties may better mediate territorial conflicts. Additionally, the author argues that the taxing and spending power at the state-level can catalyse the divergence between sub-national

[4] Examples of controlling mechanisms are: selecting and screening agents, sanctions based on reporting and monitoring, or based on "weak discipline", and institutional checks (VAN HOUTEN, 2009).

party units and the federal party (THORLAKSON, 2009). The proposed mechanism is basically that when the state-level government increase its' taxing and spending power, the prize for taking the office also increases and consequently we might see more autonomy given to regional branches by the national party in order to enhance the party's response to state-level electoral demands. The size of the prize however is closely related to the type of federalism once *functional federal states* have higher levels of shared responsibilities between the central government and the regional governments than in *jurisdictional federal states* where two levels of authority operates semi-autonomously with an entire machine of government duplicated at each level (CHANDLER; CHANDLER, 1987). It is reasonable to suppose that the prize for running the state government is bigger in *jurisdictional federal states* than in *functional federal states*.

By comparing statutes from 27 parties from Canada, the United States, Austria, Germany, Australia, Switzerland, and Spain, Thorlakson (2009) was able to *"identify types of multi-level party design, and investigate whether these organisational patterns are associated with federal institutional design [...], or alternatively whether party patterns of integration, influence and autonomy vary by party family and patterns of government participation."* (THORLAKSON, 2009, p.159). Her research also makes an important effort in differentiating vertical integration, autonomy, and influence, by pointing that:

> Vertical integration refers to the extent and strength of formal and informal linkages between state and federal parties. However, while vertical integration describes the organisational and strategic linkages that connect state and federal parties, it does not describe how power is exercised in an integrated party. Influence refers to the extent to which the state party organisations exercise control in the governance of the federal party, while autonomy tell us whether these integrative linkages result in control over another party level. (THORLAKSON, 2009, p.160)

These vertical linkages between the parties' national level and its' regional branches, are almost always verified in parties statutes once it is common to see shared membership between the regional and federal levels (i.e. members registering themselves at the party's regional level, being already recognised as members of the party in the national level). In parties without these linkages we expect to see two splitted organisations, or *"non-*

integrated" organisations. Parties that just run for one level, are labelled as *"truncated parties"* by Thorlakson (2009). For Detterbeck (2012), studying these linkages between party levels is not only a way of understanding the coordination level within a multi-level party organisation, but also a way to look at inside power relations in these organisations. Regarding regional branches' level of influence, Thorlakson (2009) points *"state party influence is strongest when its institutional interests are represented on federal party governing bodies"* (THORLAKSON, 2009, p.162). Finally, regarding autonomy, the author expects to measure *"the freedom of the state level of the party to conduct its affairs without interference from the federal party"* (THORLAKSON, 2009, p.162). As it could be supposed, *truncated* and *non-integrated* parties are essentially autonomous from their parties national organisation. In *integrated* parties however, it is much harder to assess the level of autonomy that regional branches have from its national organisation.

As expected, the results from Thorlakson (2009) points for the influence that the institutional design has in the choices that parties make regarding their sub-national organisations level of autonomy. Her findings show that most of the analysed parties have regional branches with at least some influence on their national party, and in most of the cases where high levels of influence were detected, there were also strong autonomy levels. Additionally, cases with high levels of influence and high levels of autonomy were all from *"centre-of-right"* parties (THORLAKSON, 2009, p. 169). Once in *integrated parties*, the author founded different levels of autonomy, there was not possible to establish any correlation between *integrated parties* and the level of autonomy. In this kind of party however the autonomy exercised by regional branches could somehow be predicted by the degree of resources centralisation of the state (i.e. federations with highly centralised resources stimulates a lower degree of autonomy to regional branches, while federations with highly decentralised resources allocation stimulates higher degrees of autonomy to regional branches). The state's resources' centralisation/decentralisation however is not correlated to the *influence* levels that regional branches have on their respective national party. As expected, countries with a *functional federal* structure, presented parties with lower levels of *autonomy* when compared to countries with a *jurisdictional federal* structure.

Basically, in a nutshell, Thorlakson (2009) performed an analysis over parties' statutes that can not by anyway be seen as an evidence for causal relationships. Instead, her work points to some interesting correlations that can be sintetised as: (I) *autonomy* levels are correlated to *influence* levels; (II) being an *integrated party* is not a good proxy for estimating the regional branches' level of *autonomy*; (III) the taxing and spending power at the state-level (resources centralisation/decentralisation level) is correlated to the *autonomy* level of parties' regional structures; (IV) the resources centralisation/decentralisation levels can not predict the *influence* levels from regional branches into their respective national party structure; (V) the countries' *federal structure* is correlated to the *autonomy* levels that regional branches have in their parties' organisational structure; and (VI) in *functional federal* states with high levels of resources centralisation we verify the presence of *integrated parties* with limited *autonomy* granted to their regional branches, according to the author *"in these parties, vertical integration serves as a means of control and intervention by the central party"* (THORLAKSON, 2009, p. 173).

In order to understand multi-level parties' organisation, Detterbeck (2012) points for four empirical indicators that may help scholars to measure parties' *vertical integration levels*. These indicators are: (I) party structure (e.g. membership structures); (II) party resources (e.g. distribution of party finances); (III) party activities (e.g. selection of party candidates); and (IV) party elites (e.g. selection of party leaders). The author had also developed a typology of multi-level party organisations taking into consideration the possible combinations of *"shared rule and regional self-rule"* (DETTERBECK, 2012, p. 66). In Detterbeck's work alongside with Eve Hepburn (2010), these typologies can be summarised as: (I) *unitarist parties* have regional branches with weak self-rule levels and strong shared-rule levels with the party's central organisation, they are highly integrated and their regional branches have limited autonomy, with most of the party's policy being decided at the central level; (II) *centralist parties* have regional branches with weak self-rule levels and also weak shared-rule levels with the party's central organisation, they are integrated and hierarchically structured, their regional branches have little impact on party's central arena, the central party interferes massively in its regional branches, and finally, party cohesion is strong; (III) *federalist parties* have regional branches with strong self-rule levels and also strong shared-rule levels with the party's central organisation, they are still vertically integrated and their regional branches have more freedom once the party's central organisation interferes less in the regional party politics, and regional branches are *"strongly involved in central decision-making processes"*; (IV) *autonomist* *parties* have regional branches with strong self-rule levels and weak shared-rule levels with the party's central organisation once they basically work as *"multiple territorial centres of power which operate with a considerable degree of independence from each other"*, consequently, these parties vertical integration levels are low and they somehow resemble the confederation of regional parties, lastly, their regional branches *enjoy autonomous resources and control over organisational processes* (DETTERBECK, 2012, pp. 67-68).

1.3 Brazilian Political Parties and their organisation

Studies on Brazilian political parties had mostly been electorally driven and consequently, little is known about how these organisations are structured in the territory, how they finance their activities and how power is centralised or decentralised across their multi-levels arenas. The common sense however, poses Brazilian Political Parties as disorganised organisations with little resources outside the electoral period, that basically work as agencies for office seeking candidates. Additionally, the federal structure from Brazil, would give regional branches the autonomy for establishing their local political agenda while important national questions would be decided by the parties' members of the parliament (Federal Deputies and Senators) (RIBEIRO, 2013b).

By showing that the *mass party model* from Duverger (1957) has no more room in contemporary democracies, Ribeiro sheds the light on the importance of a tight relation with the state so parties can still participate in the game. By looking at Parties' statutes, Ribeiro aimed to provide empirical evidence to the deeper understanding of parties' internal dynamics in the Brazilian party system since 1995. His analysis comprehended four important parties: the PMDB (Brazilian Democratic Movement Party), the PSDB (Brazilian Social Democracy Party), the PT (Worker's Party), and the DEM (Democrats). The work looks at parties' statutes in two dimensions from the organisations' structure, the first one verifies the inclusiveness of the decision structure (i.e. if bottom party members can influence the decision taken by parties' elites), and the second one verifies the centralisation level of parties (i.e. the level of hierarchy between party levels and the control or autonomy between them) (RIBEIRO, 2013b, pp. 230-231).

Ribeiro shows that DEM has constantly reduced its *inclusiveness levels* and increased the centralisation of the power into its' decision structures (particularly into its Executive Committees), diminishing the influence from bottom party members. Regarding the Annual Public Fund it is exactly the Party's National Executive Committee (NEC) who decides how to allocate the funds received from the Electoral Superior Court (TSE) (RIBEIRO, 2013b, p. 239). In the PSDB case, Ribeiro also verified that the party moved in the direction of giving more power to its Executive Committees, basically, once again reducing its *inclusiveness levels*. Regarding the party's *centralisation* level, Ribeiro pointed for a greater *centralisation* of power in the National Executive Committee, especially regarding the approval of electoral lists and electoral coalitions in medium to large municipalities (RIBEIRO, 2013b, p. 250). In the PMDB case, Ribeiro verified that the party has slightly changed its structure, in the direction of increasing the Party's National Directorate (ND) power over the National Executive Committee (NEC), and institutionalising the federal decentralised model by enhancing regional composition over the National Directorate and the National Council (RIBEIRO, 2013b, pp. 242-243).[5] These changes decreased the party's *centralisation levels* by guaranteeing regional representation in decisions arenas and enhancing its *autonomy* levels. The PMDB was clearly the most *decentralised* party studied by Ribeiro, in opposition to the PT, the most *centralised* one, despite the increased *autonomy* given to municipal branches to decide over local electoral lists and coalitions.[6] The PT, widely recognised by being highly *inclusive* in its origins, faced important transformations in the 1990's that decreased its *inclusiveness* level (RIBEIRO, 2013b, pp. 243-244). According to Ribeiro, these changes were clearly expressed in the 2001 approved statute. Regarding parties' *centralisation* levels, in the DEM's and PSDB's cases, decision power (especially for matters regarding national elections) has been increasingly

[5] In the Brazilian Political Parties, the National Executive Committees (NECs) are the most important decision arena at the National Level. NECs are formed by the parties' National Directorate (Diretório Nacional), plus its' leaders in the Parliament (the Chamber of Deputies and the Senate). National Directorates (NDs) are elected at the Parties' National Congress. So, basically, the NDs usually works as a filter to define NEC's members. Because of this, National Directorates are usually larger than NECs, and the NECs are seen as the parties' *petit commité* resposible for determing the party's main national political strategy. In Panebianco (1995) terms, NECs are responsible for *"strategical or political decisions (decisions that affect the organisation's government)"* (PANEBIANCO, 1995, p. 374).

[6] Regarding the composition of electoral lists and coalitions at the regional level, they still need to be in line with the party's national strategy (RIBEIRO, 2013b, p.250).

centralised in the Party's National Executive Committee, Ribeiro also verified an increase in interference from the NECs into their Regional and Municipal Branches.

Another *proxy* used by Ribeiro to measure the *centralisation* level of the analysed parties, was to verify the percentages of the received Annual Public Fund that were retained by National Executive Committees at their party's national level. Once again, the PMDB was the most *decentralised* case, where its' NEC retains only 15% at its' national level. The PSDB's NEC retains around 40% and the PT's NEC retains around 48%. According to the author, the DEM's NEC, had at that time, complete power to decide how much to retain. Data from 2007-2011 confirms the information given in the parties' statutes, during this period the PMDB's NEC transferred around 57% of the Annual Public Fund received to their regional branches, the PSDB's and the DEM's NECs transferred around 30%, and the PT's NEC transferred on average just 18% (RIBEIRO, 2013b, p. 253-254).

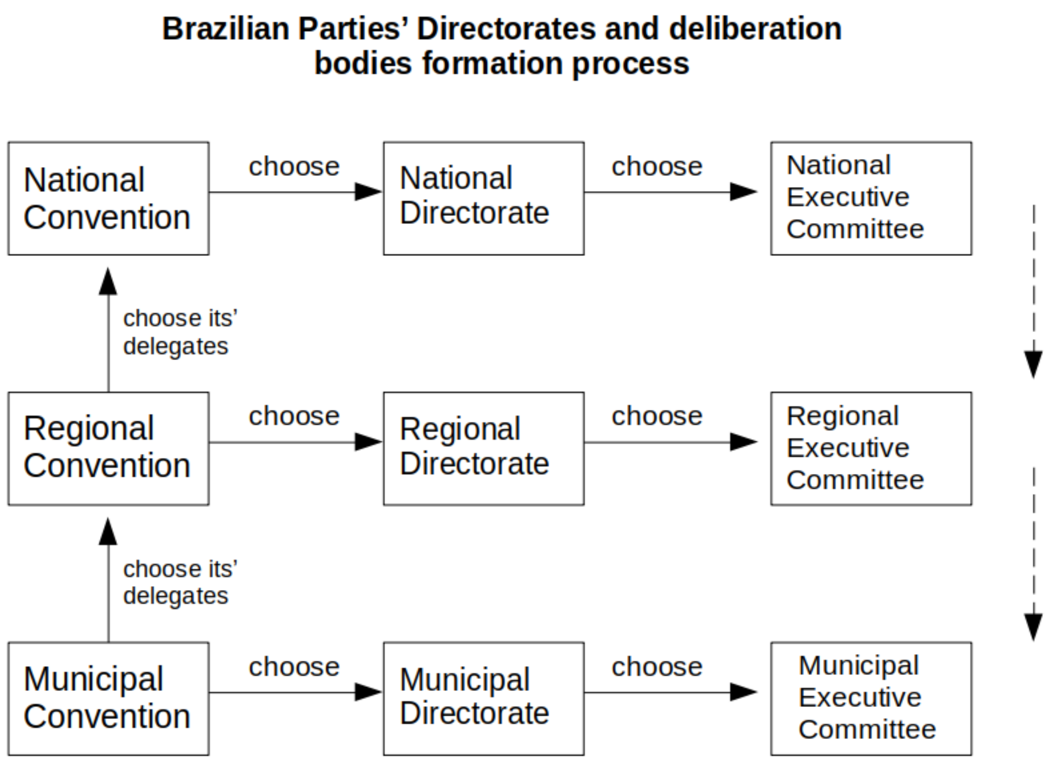
Influenced by Panebianco (1995) work, Guarnieri (2011) tried to differentiate Brazilian parties by assessing their elites' power *centralisation* level in order to better understand their electoral strategies. According to Guarnieri, *"what matters to characterise a party's physiognomy is the ruling coalition' centralisation/decentralisation power level"* (GUARNIERI, 2011, p. 238). Basically, a strong party, according to Guarnieri, is a party in which its direction controls its internal decisions, especially those regarding electoral strategies.

In order to assess how party's directions take control of internal decisions, the author verify which are the most important *decision arenas* in Brazilian Political Parties. He acknowledges that parties' *conventions* and *directions* are the most important institutions for which its' disputes could summarise parties' life. In an effort to explain how these institutions are formed and how they interact with each other, Guarnieri points that:

> Formally, party's organisation is from bottom to top, from the municipal level to the national level [...] The municipal convention (that happens after zonal conventions in cities with more than 1 million inhabitants), choose members for its' Municipal Directorate (MD), that by its' side, choose the members for its' Municipal Executive Committee (MEC). The municipal convention also choose its' delegates to the regional convention. The regional convention choose the members for its' Regional Directorate (RD), that by its' side, choose the members for its' Regional Executive Committee (REC). The regional convention also choose its' delegates to the national convention, that by its' side, choose the National Directorate (ND) members that will further form the National Executive Committee (NEC). (GUARNIERI, 2011, p.239)

As a way to facilitate the understanding of these mechanisms, Guarnieri has designed the following figure where the dashed line indicates the possibility of intervention from one Executive Committee to its' hierarchically inferior ones:

Figure 1 – Brazilian Parties' Directorates and deliberation bodies formation process (Guarnieri, 2011)



Source: Translated by the author, 2021. Original: Guarnieri (2011, p. 240)

By looking at the percentage of parties' Provisional Executive Committees regarding their total number of Regional and Municipal Committees, Guarnieri aims to verify which parties are more likely to intervene in its' hierarchical inferior units. The author uses this as *proxy* for determining how organised Brazilian Political Parties are. He assess the PT, PMDB, PSDB, DEM, PDT, PTB and PP, and categorises them as: (I) *organised parties* (PMDB and PT cases, where the percentage of Provisional Committees is lower than 25%); (II) *partially organised parties* (PSDB, PDT and DEM cases, where the percentage of Provisional Committees is similar to the percentage of established Committees); and (III) *disorganised parties* (PTB and PP cases, where the percentage of Provisional Committees reaches two-thirds of the total number of their Party's Committees) (GUARNIERI, 2011, p. 245). The author then link this terminology with Panebianco's (1995) terminology on *centralised/decentralised* parties. For Guarnieri, parties where its' NEC interfere the most in its' Regional and Municipal Executive Committees, could be seen as *centralised* parties once they show a clear intention in controlling regional and municipal electoral strategies by doing this. By contrast, parties that interfere less are seen as *decentralised* parties. [7]

Latter on, Guarnieri tried to establish any correlation between the parties' *centralisation/decentralisation* levels and their probability on launching or withholding candidates. The hypothesis tested is that *"centralised parties have a lower probability in launching candidates than decentralised parties, controlling by other factors."* (GUARNIERI, 2011, p. 248). The proposed mechanism is that *centralised* parties, where their National Executive Committees have higher levels of control over their Regional and Municipal Executive Committees, would have more control over the decision of launching candidates even in regional or local arenas. In some cases, the parties national direction would act in favour of withholding candidates from their own party, in order to support candidates from parties that belongs to their electoral coalition at the national level. The results presented by Guarnieri, suggests that the higher the party's *centralisation* level, the more likely is for

[7] The author's *proxy* for interference is properly the percentage of Provisional Committees in each party. Parties with lower percentages of Provisional Committees (also called *organised* parties by the author) are seen as *decentralised* parties once their National Executive Committee takes little action to control sub-national committees and consequently, to control their electoral choices. Parties with higher percentages of Provisional Committees (also called as *disorganised* parties by the author) are seen as *centralised* parties because their NEC constantly takes action in order to control its' Regional and Municipal Committees (GUARNIERI, 2011).

the party to avoid launching a candidate for the regional executive office, and consequently, the more likely it is for the party to instead, participate in an electoral coalition. What is unclear though, is if these interventions are precisely a way for national party leaders to maintain their party with low levels of competitiveness in the regional level in order to offer these regional arenas for their partners at the national level and consequently receive a bigger share from the national government in which they participate on the electoral coalition, or if it is simply a reflect of disorganised regional elites that do not participate in the party's main political group that takes control of the party's national arena and that consequently do not have the party's national elite support on launching candidates. Guarnieri seems to point for the first possible explanation. The second explanation might be reasonable especially after the prohibition of business donations to parties and candidates in 2015 by the Federal Supreme Court, this decision made regional branches more dependable of resources from their national organisation than earlier, so regional elites might now think twice in their decision of launching a candidate if they do not have the support from their national party elite.

Ribeiro (2013a) analysed the Brazilian party system with a perspective driven by *the cartel's party model* from Katz and Mair work's (1995, 2009). Even though, at that time, (a) the Brazilian political system had no *barrier clause* (i.e. electoral performance clause), and consequently parties had relatively easy access to state resources regardless their past electoral performance; [8] (b) the judicial courts have constantly acted in favour of smaller and medium size parties; and (c) public opinion shows clear signs of disapproval for Brazilian political parties; Ribeiro points reasons that make Brazilian political elites clearly rely on the Brazilian state to have access to fundamental political resources once (I)

[8] It is important to point though, that since 2007, the vast majority of state resources have consistently been delivered to larger parties once just 5% of the Annual Public Fund is equally distributed among parties, and the last 95% is distributed according to the size of each party in the lower chamber. Regarding the access to radio and TV spots, the distribution is the following: one third is equally divided across all parties, and two thirds are distributed according to each party's representation in the lower chamber. Ribeiro and other scholars argue that this favours smaller parties, which is true, but we should not by no mean suggest that having a minimum access to state resources made these parties able to compete for big prizes in the Brazilian political system. In most cases, this kind of party choose to participate in an electoral coalition in order to have at least a bite from the winner's cake in an eventual government (i.e. giving their state resources, especially TV and radio spots, to larger parties in the electoral period, in order to take part in an eventual government). So, letting smaller parties access state resources in the end just force larger parties to accommodate these parties in their electoral and government coalitions. This movement enhances the *Consensus model of Democracy* that characterises the Brazilian Democracy (NETO, 2009; LIJPHART, 2012).

campaign costs are high; (II) radio and TV spots belong to the state and parties cannot independently buy them; (III) the system has a high number of parties; (IV) the electoral scenario is highly competitive, with two main political blocks (PT and its allies, in the centre-left, and PSDB and its allies in the centre-right); (V) parties hold little public legitimacy over electors, and (VI) the Brazilian political system has become less polarised with verified shorter ideological distances across federal deputies and senators (RIBEIRO, 2013a). [9]

Data on direct and indirect public financing for Brazilian parties also shown the increase dependency over state resources. [10] According to the author, in 1996 the Annual Public Fund represented something around US$ 60-70 million, to be divided between parties, in 2012, this amount was closely reaching US$ 200 million. Another good example of this dependency, was the amount of public resources into TV and radio broadcasters, that were used for political propaganda. The value jumped from around US$ 150 million in 2003, to US$ 300 million in 2012. Additionally, revenues declared by parties each year relies massively on the Annual Public Fund. According to Ribeiro:

> If taken into consideration the entire party system, direct state resources represented more than 80% of the total income in the last non electoral years. For the nine most important parties, the Annual Public Fund represented 90% of their total income in 2007, 2009 and 2011; in the 2008, 2010 and 2012 electoral years, it represented 61.6%, 33.6% and 40.4% respectively (on average). If taken into consideration just the four largest parties (PT, PMDB, PSDB and DEM), that have a larger capacity in attracting resources [private resources in electoral years], the weight of the public funding was of 44% in 2008 and around a quarter of the total income in 2010 and 2012. (RIBEIRO, 2013a, p.616)

The internal division these resources inside each party is also an important aspect of

[9] Ribeiro's work date from 2013, a period were the Brazilian party system was much more stabilised than the present. At that time, Dilma Rousseff was preparing herself to run for reelection, the presidency was working under a wide Legislative coalition, and the "Car Wash" Operation was not been deployed yet.

[10] Direct state resources are understood as the Annual Public Fund transfers, where sums of money are transferred from the Electoral Superior Court (TSE) to each party's National Directorate. Indirect state resources are understood as time in TV and radio broadcasters that the state buys for parties to spread their messages during the electoral period; in most cases, the state pays for this time by deducting taxes from these TV and radio broadcasters.

parties' organisation. Ribeiro points that, as expected, the PMDB is the party that divides more money to its' regional branches. Data from 2007 to 2012 presented by the author, shows that on average, the PT transferred only 18% of the Annual Public Fund received to its regional branches. The PSDB transferred around 29%, the DEM transferred around 30%, and the PMDB transferred 55%. These numbers show that the PT, during this period, was the party that centralised the most, the Annual Public Fund in its National level.

When Ribeiro analysed the number of affiliates to Brazilian Political Parties though, he see no clear signs of *"parties and electors bond erosion"* (RIBEIRO, 2013a, p.617). The total percentage of electors that were affiliated to political parties was around 10% from 2002 to 2012, with no substantial increase or decrease. The only exception was from the PT, that doubled its percentage number of affiliates in relation to the total national electorate (in 2002 they had 0.8% of the national electorate and in 2012 this number was 1.6%).

If by one side we see a slight increase or a stagnation in the percentage of affiliated voters in each party, suggesting that Brazilian parties had not lost their ties to the society, by the other side Ribeiro present data that supports the trend of *parliamentarisation* in the parties' main decision arenas (National Executive Committees). This means that recently, in the Brazilian parties' NECs, most of the members turned to be senators or federal deputies, former presidents, in general, office holders at the national level (RIBEIRO, 2013a). [11]

The so mentioned high number of parties with seats in the Brazilian Parliament (around 30 parties) put scholars in doubt on pointing which parties are the *elite* of the Brazilian Party System. This difficulty may play against the *cartelisation thesis* in Brazil, but in fact, what Ribeiro (2013a) shows is that in the Brazilian multiparty system, some parties may be seen as *first class members* of the system's *elite* (the cases of PMDB, PT, PSDB, DEM and PP), while others represent a *second-tier* class of parties (cases of PSB, PDT, PTB and PR) that are also important players on government coalitions. If we sum the number of seats that these parties hold in the lower chamber we consistently reach more

[11] Ribeiro data on the composition of Brazilian Political Parties' NECs comprehends just 2012. This should be considered in order to avoid inference for additional years.

than three-thirds of the Parliament seats since 2002. [12] Another aspect of the system that may play against the *cartelisation thesis* in the Brazilian system, is the fact that the percentage of the Annual Public Fund was more concentrated into the nine most important parties that comprehends the system's *elite* in the period of 1994-2006, than in the period of 2007-2012. During the 1994-2006 period, parties that do not belong to the system's *elite* on average barely received 5% of the Annual Public Fund. In the 2007-2017 period however, their percentage of the Annual Public Fund consistently jumped to 20% on average. [13]

The decrease in the percentage of the Annual Public Fund received by *first class* parties after 2007 is clearly correlated to the increase in the percentage received by parties that do not participate in the system's *elite* once the *second-tier* parties' share has not changed significantly. Ribeiro (2013a) mentions a series of episodes that show how *first class* parties acted in order to close the system, alongside with *second-tier* parties, they settled a series of regulations to: (I) avoid punishments for National Directorates from electoral violation caused by sub-national party units; and (2) determine the division of seats in the Parliament's direction and commissions, according to past electoral performance without taking into consideration party changes that might have occurred during the legislative period. In other opportunities though, *first class* parties acted against *second-tier* parties, especially by approving the never implemented *barrier clause* that was supposed to condition the access to the Annual Public Fund on having a 5% or more electoral performance from 2006 and beyond. [14]

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[12] The leading role of *first class* members has decreased over the years but is still high. In the 2010 elections they elected around 60% of the Parliament seats according to Ribeiro. In the 2014 they elected around 48% of the seats, while *second-tier* parties elected around 20% of the parliament seats. The eruption of PSD as an important mid-size party in 2011 has also played an important role in decreasing the importance of the *first class* parties since most of its' members came from DEM. If we taken into consideration the 2014 election for example, PSD after only three years of existence, elected the fourth largest parliamentary block with 37 seats in the lower chamber. In the 2018 election, PSD elected 34 seats, maintaining their role as an important party of the system.

[13] The difference between the *first class* members and the *second-tier* group has also decreased. Until 2006, *first class* parties consistently received around 65% of the Annual Public Fund yearly, and *second-tier* received something around 30% of the Annual Public Fund. After 2007, *first class* parties received on average around 50% of the Annual Public Fund yearly, while *second-tier* parties maintained their share.

[14] The *barrier clause* approved in 1995 was expected to limit party's representation in the Brazilian Congress as a way to decrease the number of parties with access to: (I) the the Annual Public Fund, (II) the Congress structure, (III) the Congress' commissions, and (IV) positions in the Congress Directorate. In 2006, the year in which the clause was expected to start working, the Supreme Court banned the law and parties acted quickly in the Congress to approve a new law. In this new law it has been established that the division of the Annual Public Fund would be done as 5% equally divided to

Ribeiro's work has successfully showed that the Brazilian Party System has faced some signs of the *cartelisation* that are not sufficient for stating that the system is a closed and tighten *cartel*. According to the author *"An eventual cartelisation proccess can only be seen as some 'dynamic cartel': [where] four (or five) parties are long-term leaders of the game, and between four and seven parties take temporary seats depending on their electoral performance and the political context."* (RIBEIRO, 2013a, p. 626).

More recently, Ribeiro and Fabre (2019) performed an analysis where their primary interest was to verify how Brazilian political parties are vertically integrated, using proxies from the literature on multilevel parties such as (1) the kind of presidentialism, (2) party's agency, and (3) party system fragmentation. The authors shed light on the fact that the Brazilian electoral legal framework prohibits regionalist parties, forcing every political party to be state-wide oriented. Additionally, once since 1995, states have lost revenues and autonomy to the federal government, Brazil has become a less regionalised country over recent decades. Regarding parties' agency, they argue that once Brazilian political parties' National Executive Committees concentrate decision power, it turned essential to verify how autonomous regional branches are. Furthermore, how much influence can regional elites have in their NECs? Lastly, the large number of parties, and the well known political fragmentation, in Brazil turns some parties eligible to dispute the national office while others clearly emphasise regional competition (RIBEIRO; FABRE, 2019).

This innovative study suggests that party agency and political fragmentation effects can somehow mitigate the *"homogenising incentives from the institutional setting"* (RIBEIRO; FABRE, 2019, p.20). This means that even though regionalist parties are prohibited in Brazil, parties differ in their level of power centralisation at the national level. This differentiation is mainly driven by electoral strategies derived by parties' competitiveness capacity to dispute the presidency.

all parties, and 95% according to each party's number of seats in the Congress. The new law removed the electoral *barrier clause*.

1.4 Party strategies in the Brazilian Party System

Melo (2010) analysed possible reasons for explaining why the verified pattern of party competition at the national level, has not been verified at the regional level in Brazilian states. Melo's research highlighted the importance of the so called *nested* electoral competition in Brazil. The article suggests that the PT and the PSDB were the only parties capable of prioritising the presidential elections after the end of the Brazilian dictatorship (1964-1985), and that other parties turned efforts to regional elections and elections to the Parliament without a clear pattern of dispute.

According to Melo, in the Brazilian political environment, characterised by (a) many mid-size parties without at least two strong parties that where dominant in the entire territory; and (b) the federalism arrange; the main arena in which the party system may tie together is properly at the *presidential election* (MELO, 2010). [15] Launching a presidential candidate is not a trivial decision, and because of its' nature, party leaders deeply evaluate the scenario before taking this decision. As the author explains: *"[...] parties only launch candidates by evaluating that there are real chances of victory, or if they are betting for the future. Otherwise, it will be better to join an electoral coalition and, at the same time, concentrate efforts in the legislative arena"* (MELO, 2010, p.18). In the Brazilian electoral system however, where you have the 1st and the 2nd rounds, party leaders may have a stimulus for launching candidates that are not highly competitive in order to bargain their support in the 2nd round. But, as Melo explains, party leaders decisions are not simply influenced by one electoral arena; because regional and national elections take place simultaneously in the same day, party leaders decisions are influenced by what happens in multiple arenas. Therefore, a *nested* game structure is settled. In this structure, it is possible for a party to achieve a reasonable size number of seats in the parliament without directly participate in the presidential election (MELO, 2010). Many parties so, in their lack of competitiveness for the presidency, end up prioritising regional elections and elections for the parliament, and because of the nature of the system, this

[15] Melo also highlights that these mid-size parties, whose are usually responsible for around 20% of the Parliament seats, working in a proportional electoral system, in districts with mid and high levels of magnitude, and with permissive electoral and party laws; were responsible for producing in the country a very fragmented and competitive party system.

not always means that this kind of party is completely away from the presidential game. In fact, as in most cases this strategy end up electing many federal deputies and senators, these parties turn to be important allies for parties aiming to achieve the highest prize of the system, the presidency. [16] Limongi and Cortez (2010) also identified the diminishing fragmentation in gubernatorial elections in Brazil, caused, according to them, by the polarisation between the PT and the PSDB at the national level that resounded in regional elections all across Brazil in 2010. But in fact, as the authors pointed, the PT and PSDB presence in gubernatorial disputes not necessarily come through a candidate in each state; in many states these parties actually support an ally from the national dispute that have higher chances of election in the regional level. As they point, in gubernatorial elections, three main groups are competitive, the PT-PSB group, the PSDB-DEM group, and the PMDB (LIMONGI; CORTEZ, 2010).

After stating that parties may differ in their strategies according to which electoral arena they have chosen as their primary arena, Melo moves into identifying which parties have chosen which arena and which kind of structure emerged from the continuous challenges between them in these distinct political arenas. According to him, from the larger Brazilian parties, just the PT and the PSDB clearly have a *presidential vocation* by launching competitive candidates in every presidential election from 1989-2006. Additionally, these two parties received approximately 81% of the vote share in 1994, 1998, 2002 and 2006 elections. One possible explanation for the success of these two parties in presidential elections may be related to the fact that they were successful in articulating the regional disputes to the national dispute, and *“subordinating the first ones [regional disputes] to the second one [national dispute]* (MELO, 2010, p. 21). The author also highlight reasons that according to him, made these two parties successful in “electing” the national arena as their primary electoral arena. Melo indicates that these parties were the ones able to (I) formulate a national political project, and (II) launch competitive candidates to the presidency. Although, it is very difficult to distinguish which factor may have driven the

[16] The most notable example of this strategy is the PMDB, which barely never launch a presidential candidate but historically maintained a good electoral performance for regional governments and the parliament. Because of this, the party is consistently seen as a possible major ally for any government in office. Parties may also avoid launching a presidential candidate when not doing so, and taking part into a presidential electoral coalition, favours the party’s performance in legislative elections (SOARES, 2013).

other, it is pretty clear that these parties presented a national political project to the electorate, and also launched competitive candidates. [17]

The continuous presidential dispute between PSDB and PT candidates from 1994 until 2006, organised the system around two poles. The left side of the game was lead by the PT with the participation of PCdoB, PSB and PDT. The right side, lead by the PSDB, had also DEM and PPS. Parties like PMDB, PTB and PP, shifted sides according to the circumstance, using the size of its blocks in the parliament to eventually take part in the government (MELO, 2010).

For regional governments, however, Melo has not found such a stable pattern once PT and PSDB have not been able to be competitive across all Brazilian states during the 1990-2006 period. For the author, what is seen in the regional governments' elections is *"[...] a different competition, generally, more open than the verified competition from the National level"* (MELO, 2010, p.29). This scenario has lots of parties launching candidates for the regional government office, and consequently, the vote share that each party received is larger on average. Apparently, for the regional government elections, party leaders do consider to have higher chances of success even if their party has no candidate for the presidency. Between PMDB, PT, PSDB, and DEM (*first class* parties, according to Ribeiro (2013a)), the last one is the most cautious party in launching candidates for regional offices, while the others generally launch candidates even with little chances of victory. [18] Parties like PTB, PPS, PP and PL (further known as PR), barely launch candidates for regional government's offices, and end up concentrating energies on disputes for the National Parliament and for state's Legislative Assemblies. [19]

Melo's work was successful in distinguishing parties that compete for the biggest prize of the Brazilian political system (the presidency) and parties that concentrate efforts in regional disputes across the country. No party has been seen as dominant in one particular

[17] We might be facing a problem of reverse causality in Melo's hypothesis, after all, it is not easy to determine if these parties have first elected the national arena as their primary electoral arena, and then formulated a national political project; or if they acted simply the other way around.

[18] In some cases, as in the PT case, party leaders launch candidates for regional offices as a way to promote the party's presidential candidate in that state. Once both elections occur in the same day, it is easy to understand this decision.

[19] These parties may be categorized, alongside with PDT and PSB as *second-tier* parties according to Ribeiro (2013a).

state, rather many parties can compete in few states once those parties that specialised themselves in the presidential dispute, could not replicate their dominance to all regional disputes. According to this the author mentions that *"the emergence of a dispute pattern in presidential elections, has somehow provided a 'structural effect' in the national party system"* (MELO, 2010, p.37). This structural effect as discussed is properly the creation of *nested* games, where parties specialise in specific electoral disputes rather than being able to compete for any office.

These *nested* games however do not represent a static system, meaning that parties who play their efforts on regional arenas are not necessarily considered regional parties. Borges, Albala and Burtnik (2017) argue that in multilevel presidential countries, parties aiming to become large national organisations, not necessarily need to have strong presidential candidates. In fact, in the same direction as Melo's work, the authors pointed that in order to become national organisations some parties in fact specialise in running for regional government elections as a strategy for nationalisation. According to the authors:

> [...] parties seeking to expand their base of support across a given territory will either emphasise competition over the presidency or competition over subnational executives, depending on whether they can viably compete in the presidential election. In particular, we argue that presidential elections create incentives for integrating national and subnational electoral campaigns. However, such a vertically integrated strategy is most likely to foster high levels of party nationalisation when the party relies on a competitive presidential candidate. Without a strong candidate, pursuing a horizontal strategy by competing in subnational races in a large number of provinces may be the most effective path to nationalisation. (BORGES; ALBALA; BURTNIK, 2017, p. 649)

Additionally, the authors point for different strategies in the group of parties that do not launch presidential candidates. In this kind of party, obviously, *vertical linkages* between regional and national elections are weaker (and sometimes absent). Borges, Albala and Burtnik (2017), label the strategy pursued by these parties as: *provincialisation.* According to them, the two main categories of provincialisation are *"'pure' provincialisation as a territorially circumscribed strategy with the purpose of maintaining a party's electoral base. [... and] 'national' provincialisation [...] that combines prioritising subnational elections* *and expanding the party's electoral base through the filling of gubernatorial candidacies in a large number of provinces."* (BORGES; ALBALA; BURTNIK, 2017, p.653).

Borges, Albala and Burtnik (2017) main results show that party's nationalisation increase as *horizontal* and *vertical* linkages increase. And, more importantly, in parties with presidential candidates, vertical linkages (i.e. the coordination level of party's regional branches around the party's national strategy) produce good gains in nationalisation levels even when the party has a low subnational presence. Parties with high levels of horizontal linkage (i.e. parties that launch candidates for gubernatorial elections in a wide number of provinces) and with presidential candidates, see a lower effect on vertical linkage as an explanatory variable for the party's nationalisation level. On the absence of a presidential candidate, high horizontal linkage levels are more able to jeopardise the effect of vertical linkages. So, basically, for parties that do not launch presidential candidates, a strong and reliable *pathway for nationalisation* is clearly having high levels of horizontal linkage. In both scenarios, with or without a presidential candidate, higher levels of horizontal linkage proved to boost party's *nationalisation* level. Once this has been said so, the authors provided evidence in the direction that becoming a *nationalised* party in Brazil, not necessarily mean having to run for the presidency. In fact, as the authors said *"parties that are no longer able to compete effectively in presidential races do not necessarily shrink, as they may adopt a defensive strategy by taking advantage of their strong subnational organisation to boost party lists' votes in national legislative elections through gubernatorial coattails."* (BORGES; ALBALA; BURTNIK, 2017, p.668).

Borges and Ribeiro (2020) specifically analysed the 2018 elections in Brazil in order to verify possible explanations for the high *incongruence* level between national and subnational party systems in that year. The election of an *anti-establishment* politician like Jair Bolsonaro represented a *"breakdown in the bipolar pattern that predominated from 1994 to 2014 [between PT and PSDB]"* (BORGES; RIBEIRO, 2020, p.1) in presidential elections. Additionally, the party from which Bolsonaro was elected by, was not one of the *first class* parties, neither one of the *second tier* parties that represents the core of the Brazilian party system (RIBEIRO, 2013a; RIBEIRO, 2013b; MELO, 2010). In a scenario without the PT-PSDB bipolarity, coalition-making strategies in gubernatorial elections, were also under review.

According to the authors, the detachment between the presidential race and gubernatorial races is closely related to the absence of Bolsonaro's party, the PSL, in the core of the Brazilian party system. In fact, his party weakness did not provided him with a consistent subnational party structure, allowing *"established parties to fill the void by making direct appeals to the president's constituency in gubernatorial contests, without any formal support from [...] PSL."* (BORGES; RIBEIRO, 2020, p.3). The mixture of economical and political crisis that started in 2014, alongside with the developments of the *Lava Jato* Operation, the delay from PT to substitute its presidential candidate (postponing the *"construction of national and state electoral coalitions"*), and the weakness of centre-right candidates (notably from the PSDB), also took part in the author's explanation for the high level of detachment between regional and national elections in 2018 (BORGES; RIBEIRO, 2020, p.9)). Regarding Bolsonaro's party organisation, authors highlight the fact that:

> While the largest parties are organised in all 27 states, the PSL had permanent directorates in four states and temporary commissions in 20 states in 2018.
> Not only did PSL lack a strong, nationalised party organisation, but it was also unable to build formal alliances around Bolsonaro's candidacy between June and August, when all parties made decisions about their strategies in national and regional conventions. (BORGES; RIBEIRO, 2020, p.10)

In a nutshell so, gubernatorial elections in that year were characterised by (I) uncertainty (caused by the weakness of the centre-right electoral coalition, and the PT's delay in substituting its candidate prior to the cancellation of Lula's candidacy), and (II) the fragmentation of parties' vertical integration between regional and national levels (mainly caused by the weakness of Bolsonaro's party in establishing electoral coalitions in many states). The final product of this operation, according to the authors, was the unprecedented detachment between national and subnational votes. This scenario end up favouring the *provincialisation* strategy for many parties (BORGES; RIBEIRO, 2020; BORGES; ALBALA; BURTNIK, 2017) that opted to prioritise legislative and gubernatorial elections instead of taking part in the presidential election with its own candidate or as an ally in an electoral coalition.

2

Political Parties financing

The following chapter discuss the literature on Political Parties Financing. The first section present some review on important historical examples from Britain, Germany, Italy, and the United States. The following section deeply discusses the *cartel party* model focusing on its financing dimension. After that, in the third section, we review some works on multi-level party financing. Finally then, in the fourth section, we discuss Brazilian political parties financing, highlighting the importance of state funding through the *annual public fund*, and also discussing some recent work performed on Brazilian Parties' intra-party money division.

2.1 A quick historical view

In the United States from the nineteenth century, funding for political parties were highly decentralised, such as the political system itself (WARE, 2007). Political parties basically gathered money according to the type of election being contested and the act of raising money depended almost entirely on personal connections. In some cases however, parties relied to systems of contribution that were not open to public scrutiny neither left well documented records once parties were not requested by any law to keep record of their income or expenditure. According to Ware (2007), at that time in the United States, it was the local level of politics that really mattered, and therefore, where most of funding was allocated. Additionally, at that period, there were *"important, and expensive, elections every year - local government elections, state elections, mid-term congressional elections and so on - for which high levels of expenditure were necessary."* (WARE, 2007, p. 26).

The way parties were financed at that time may be seen as corrupt nowadays even though it had widespread support at that time. Created by the *Jacksonians*, the *patronage* system made all public appointments based on partisan grounds once *"job holders were expected to contribute to party coffers. So too were business that received contracts from governments, or expected to receive them."* (WARE, 2007, p. 27). In a moment when no public resources where employed to funding parties, neither there was any kind of law establishing how parties should finance their activities, the informal system created by the *Jacksonian Democrats* was implemented at all levels by decentralised party machines from both parties (Republicans and Democrats). Parties, not candidates, received the donations from affluent donors, in order to promote the party's campaign. Candidates, by the other side, were also expected to donate to the party instead of being recipients from their parties. As one could imagine, the system itself deserved wealthy candidates and wealthy donors in a period when democracy had nothing to do with egalitarian access to politics. [1] But even though money was important, according to Ware, it never became the core activity of the party, and even the 'super-rich' were expected to attend a kind of probational period with the party before being nominated for any major public office. After all, the act of giving to the party (through money or time) was not restricted to the wealthy class seeking for buying influence, but it was also a way of being part of a community.

In the highly competitive electoral system from the mid-1830s, *"party supporters were approached for contributions, especially wealthier ones"* (WARE, 2007, p. 34). The industrialisation development from the late 19$^{\text{th}}$ century obviously inputted pressure on the system, expanding the basis of supporters that were able to finance parties and consequently, providing the pathway for the establishment of some direct and non-regulated lobbying activity performed through party linkages between companies and politicians.

[1] For understanding early democracy's aristocratic character, see the seminal work from Manin (1997).

The rapid industrialisation from the late 19th century also made parties in Britain, Italy and Germany, change their support group in society. As already noticed by Duverger (1957), after acting in favour of the universal suffrage, *"parties evolved from amorphous groupings composed of local notables to large, tightly knit organisations supported by millions of adherents"* (MULÈ, 2007, p.48). This change also lead parties to invent different ways of fundraising that would have effects on their structure and policy.

As it happened in the United States, in Britain, the *censitaire* regime from the 19th century made the *cadre parties* from that time, rely on *"candidates' personal assets, on large donations from landowners, industrial magnates and bankers and on the benefits derived from easy access to important channels of communication, including the commercial press"* (MULÈ, 2007, p.50). The rising costs of campaigns caused by an increase in the number of voters, as *censitaire* restrictions decreased, made party leaders start accepting donations from aristocrats and businessmen. Additionally, *patronage* relations were also verified once parties *"distribute material incentives, such as money, status and jobs in exchange for political participation"* (MULÈ, 2007, p.50). In Italy, this *patronage* practice was widely used by the Italian Socialist Party (PSI) and in the 1890s, the party's penetration in a large number of local administrations provided a great source of income, and at the same time persuaded voters to re-elect local leaders helping them to establish personal political feuds. Because those leaders were deeply attached to their local territory and their financial resources were independent of the party's central organisation, they ended up running strong factions that held substantial power. In Germany however, *patronage* practices were not widespread once: (I) the monarch exercised his power through a military and administrative elite; (2) the legislative assembly acted more like an advisory board; and (3) consequently parties turned to be outsiders from the political system. Some parties, like the Zentrum, did slowly developed at that time in Germany, especially those linked to German Catholics. These parties were mostly funded by Catholic associations. But, differently from the PSI and the Conservative Party from Britain, this party remained as a *cadre party* for longer because it *"drew on funding from pre-existing peripheral groups"*, causing a lack of regular and constant revenues. (MULÈ, 2007, p.52).

With the establishment of the liberal democracy without *censitaire* restrictions, new forms of organisations were necessary to mobilise the masses of newly enfranchised voters. As the working-class leaders were not posed with personal assets, irregular income characterised from the *cadre parties* was not sufficient anymore for covering administrative costs from a mass organisation. *Mass parties* then needed to collect funds somehow. Upon the establishment of party branches, these units started to collect subscriptions from the party members as their primary activity. So, basically, *"the transformation from cadre to mass party was triggered by the introduction of different funding procedures. Instead of collecting large amounts of funds from a few donors the mass party relied on small fees paid by party members"* (MULÈ, 2007, p.53). The amount collected by the parties' branches was used in electoral campaigns, in educating the working class through propaganda (e.g. the publishing of party newspapers), and in providing salaries for party leaders. Apart from paying subscriptions, party members also used to perform voluntary work for the party, helping to maintain its grass-roots.

The most notable example of this *modus operandi* is clearly the German SPD, a paradigm case of *mass party*. The SPD quickly grew in the early years of the 20th century, jumping from 400,000 members in 1905 to more than 1,000,000 members in 1914. In terms of income, researchers highlighted that the party had in 1929 *"an income of twelve million marks made up of forty-two million single contributions [...] not even the State has a such a good record with the collection of taxes"* (Pollock (1932, p. 231, *apud* Heindenheimer (1963)). The party also received high sums of income from trade unions, highlighting its tight relation with these organisations. According to Heindenheimer (1963, p. 793) *"the average income from individual dues of major parties in Western countries which do have a membership base and attempt to collect dues is probably somewhere around twenty per cent of their normal non-electoral-year expenditures"*. Another great example of party that relied heavily on financial support from trade unions, was the British Labour Party. But differently from the SPD, in the Labour Party, unionised workers were automatically included in the party if they did not sign an express declaration protesting against it. [2] And because of it, unions funded the party transferring sums of money according to

[2] This automatic enrolment lasted until 1927 when workers started to be asked to opt for joining the party instead of opting for not joining the party. In 1945 though, the contracting out method was reintroduced, boosting the party's number of affiliates again.

the number of workers that they respectively enrolled in the party (MULÈ, 2007). [3] During the election period unions typically made extra transfers to the Labour party in order to cover administrative costs and propaganda. This tight linkage between the party and the unions, obviously endowed unions with massive power inside the party that was expressed in the number of seats from the party's National Executive Committee (NEC) controlled by unions. In contrast to the Labour and the SPD, the Italian PSI however was neither subordinate nor superior to unions. Its' relation to the main trade union from Italy, was based on an equality of powers. [4] Without being able to collect lots of membership subscriptions, and also without the massive control from a single trade union, the PSI was funded by many socialist bodies that in fact ended up fostering the party's characteristic of a party with many factions with independent financial means. On top of this, Mulè (2007) highlights that the late industrialisation in Italy hindered the transformation of the PSI into a *mass party* like the Labour and the SPD examples.

The quickly expansion of left-wing parties through the *mass party* technique posed challenges to centre and right-wing parties, which were basically structured as middle-class and *cadre* parties. In order to properly compete in the electoral arena, parties that generally rely on large contributions from corporations, capitalists or land-owners, started to reconsider their position. The British Conservative Party for instance started collecting membership fees and contributions from the business community. In Italy, the grow of the PSI led Catholics to organise themselves into a new party right after the church authorised directly participation in politics. [5] In Germany, the business community afraid to the development of *socialism* created organisations specialised in collecting resources from companies to fund right-wing parties. So basically, as Mulè (2007) correctly points: *"the intensity of left-wing competition provoked a reaction from right-wing parties and their sponsor associations. Collective funding proved so successful [...] that middle class parties quickly imitated the technique. By the 1930s membership fees became the dominant form of revenue system.* (MULÈ, 2007, p. 61).

With the dissemination of radio and television after the Second World War, communication

[3] In the German SPD case, workers by themselves contributed directly to the party by paying membership fees.

[4] The main trade union from Italy at that time was the *Confederazione Generali dei Lavoratori.*

[5] The authorisation came in the year of 1920, right after the foundation of the *Partito Popolare* in 1919.

reached a next level and therefore politicians could easily access larger audiences. In many countries, political parties were granted free radio and TV broadcasting, especially during campaign periods. The appearance in TVs and radios fostered the parties professionalisation as highlighted by Panebianco (1995) and Kirchheimer (1969). Political leaders started more and more to be prepared by media trainers and consultants such as *spin doctors*. Additionally, as Western societies turned to increase their social-economic status in the following years after the war, the welfare state also expanded leading to a less rigid social stratification. The development of the *catch-all party*, according to Kirchheimer (1969), happened in a scenario of decrease in societies' ideological baggage and also in the decrease of the role of individual party members, as also mentioned by Heindenheimer (1963, p. 809) when he wrote that in these societies *"there is a tendency for political and campaign expenditures to rise once again, reflecting an enlarged gap between material resources needed for political persuasion and the supports available in terms of voluntary efforts and institutionalised support organs"*. In the *catch-all party*, interest groups became increasingly important for parties and therefore parties started to rely heavily on them as a source of funding (MULÈ, 2007). In Germany, the rise of the German Christian Democratic Union (CDU) is seen as a good example of a *catch-all* party once after the fall of the *Nazi* totalitarian regime, their vague ideology attracted both Catholic and Protestant voters. Additionally, as the CDU had little membership enrolment, their leaders were forced to *"approach business associations in order to cover about 90 per cent of its administrative and campaign costs. Rewards for such donations included both ideological deradicalisation and accommodating programmatic commitments"* (MULÈ, 2007, p.63). In Italy, the *Democrazia Cristiana* (DC) was clearly supported by the Catholic Church, that not only provided the party with its spread structure in the territory, but also financially supported the party. [6]

2.2 The Cartel party and the public financing

As the importance of the next party model to the recent debate on party financing, a subsection of this chapter has been dedicated entirely to it. The *cartel party* model

[6] The *Democrazia Cristiana* was founded in 1942 from the *Partito Popolare's* ashes, that was banned during the *fascist* regime.

proposed by Katz and Mair (1995, 2009) shifted the perspective on political parties, by showing that these organisations, instead of simply declining as many scholars proposed, actually became closer to the state. This closer relation with the state was fundamental in the acquisition of resources used for sustaining parties' activities, especially once developed western economies reached a high level of socio-economic status where voluntary political engagement declined and the costs of campaigns raised due to mass communication media (AMARAL, 2013). As mentioned by van Biezen and Kopeckỳ (2007, p. 237), *"parties are now perhaps best understood in terms of their temporal linkage with society and their permanent linkage with the state".*

According to Katz and Mair (1995), the *mass party* model became outdated once it has been based on a social structure from industrial societies rather than postindustrial societies. This model, alongside with the *catch-all* model, is based in *"a linear process of party development which [...] suggests an end-point from which the only options are stability or decay, and which, like all hypotheses of the end of evolution, is inherently suspect* (KATZ; MAIR, 1995, p. 6). Moreover, the *mass party* model presumes a clear distinction between the party and the state where the party was basically a representation of sectors from civil society with the aim of *"breaking into the state and modifying public policy in the long-term interests of the constituency to which it is accountable"* (KATZ; MAIR, 1995, p. 8), while the *catch-all* parties stand between civil society and the state seeking to influence the state from outside in a response to short-term demands from its' pragmatic electors.

The decline in the levels of participation and involvement in party politics happened in a scenario where the electorate grew, alike the costs of campaigns and party activities. It seems reasonable then that parties has seen in the state their anchor for surviving in this environment. An important aspect of this movement relies exactly in the fact that usually the resource transfers (either through money transfers or access to broadcast media and TV Radio spots) from the state to the parties, are *"tied to prior party performance or position, whether defined in terms of electoral success or parliamentary representation [and therefore] they help to ensure the maintenance of existing parties while at the same time posing barriers to the emergence of new groups"* (KATZ; MAIR, 1995, p. 15). This is basically the fundamental problem posed by the party system's process of *cartelisation*, at the same time that it allow parties to navigate in a new environment characterised by lower levels of party engagement, it poses high barriers to new parties wishing to take part in the system. The ultimate effect might be the *petrification/ossification* of the system. As new parties accede the party system in countries with public funding and also without public funding (NASSMACHER, 2009; PIERRE; SVASAND; WIDFELDT, 2000), a more feasible *cartelisation's* side effect is that parties became more dependable on their electoral performance for sustaining their activities. If prior to this period, parties' electoral success had more to do with parties' political objectives, now it also poses a question on parties' survival once their electoral success is clearly correlated to the amount of support received from the state (KATZ; MAIR, 1995).

The emergence of the *cartel party* is not only, characterised by the close link between the party and the state, but also by *"a pattern of inter-party collusion [...] since this development depends on collusion and cooperation between ostensible competitors, and on agreements which, of necessity, require the consent and cooperation of all, or almost all, relevant participants"* (KATZ; MAIR, 1995, p. 17). This cooperation between parties is obviously based on the general interest of avoiding new competitors in the system and preserve each party seat on it.

In general, even though *cartel parties* are characterised by a high level of professionalism among their leaders, such as in *catch-all* parties, the political dispute between *cartel parties* became more contained and managed. Due to the mutual interest in preserving their status on the system, *cartel parties* faced themselves with little incentive for strong competition. The more *centralised* structure from *cartel parties* also paid a price in the organisation structure, national issues are highly centralised at the national level while local issues are generally discussed at the local level, enhancing *local autonomy* for regional branches in order to make the party appeal more open to participation. This dubious behaviour is labelled as *stratarchy* by Katz and Mair (1995).

An empirical analysis performed by Pierre, Svåsand and Widfeldt *"confronts some normative assessments of public subsidies to political parties with empirical evidence of the developments which the subsidies are said to manipulate"* (PIERRE; SVASAND; WIDFELDT, 2000, p. 1). According to the authors, the debate over public funding for political parties in modern democracies, relies much on the question of whose interest is being pursued (the parties' interest or the state interest), and also, which institution co-opted whom in the process of establishing the public funding. Critics to the public funding to political parties often argue that: (1) parties successfully co-opted the state by using their privileged position in the legislative and executive branches in order to allocate resources to themselves; (2) the introduction of public funding gave established parties a stronger position, undermining emerging parties and consequently provoking the *petrification/ossification* of the system; and (3) the introduction of public financing to political parties undermined parties' membership and contributions once parties do not have the same incentive for mobilise and activate members as before, moreover it is expected that public funding contributes to the alienation of the rank-and-file membership and that parties become more centralised in its' organisation. Those in favour of the public funding for political parties often highlight that: (1) political parties are essential to democracy and therefore they must be financially supported; (2) the public financing to political parties provides a more equitable distribution of resources than private support at the same time that it ensures responsiveness among parties and the citizenry, and (3) state subsides to political parties may help the last to compete against *think-thanks* or pressure groups in their effort to sustain their central role in the political system while communicating effectively to the citizens (PIERRE; SVASAND; WIDFELDT, 2000, pp. 2-5).

Pierre, Svåsand and Widfeldt, analised a wide set of countries regarding their public financing to political parties. [7] At the beginning of their analysis, the authors explored different aspects of the public financing to political parties in order to verify the regulatory framework of the subsidy systems in these countries. These aspects were: the funding recipient, the basic allocation criteria, the targeting of the subside (if there was any restriction on how parties should spend the resources), and also, how parties should account for their spending. By looking at the percentage of state subsidy of total party income by years, the authors refute the common critique to public funding to political parties, that says that its' introduction would necessarily increase financial dependency on the state. According to the authors:

[7] The set of countries was composed by: Austria, Belgium, Denmark, Finland, Germany, Italy, Netherlands, Norway, Sweden, and the United States.

> [there is] a tremendous cross-national variation with regard to the state's financial contribution to parties. This should not be very surprising given the different regulatory frameworks for the subsidy systems in different jurisdictions, discussed earlier. Finland has the highest level of 'state-dependency', followed by Germany, Sweden and Norway. More importantly, the data do not display the pattern of continuously increasing financial dependency on the state predicted by the critics of the subsides. Thus, contrary to much of the critique of party subsidies, parties have not become more state-dependent over time. The only slight exception to this pattern is Italy, where state-dependency increased continuously between 1986-1989. (PIERRE; SVASAND; WIDFELDT, 2000, pp. 13-14)

Additionally, by analysing how newer and older parties were affected by the public funding, the authors point to the fact that they see no *"universal pattern with regard to differences between old and new parties with regard to their state-dependency"* (PIERRE; SVASAND; WIDFELDT, 2000, p. 15) even though public funding frequently play a fundamental role in the consolidation of newer parties. The common-sense expectation here was that newer parties would be more dependent on public subsidies than older and more established parties.

More importantly, however, is that Pierre, Svåsand and Widfeldt (2000), contest the narrative from which critics argue that public subsidies to political parties would eliminate incentives for retaining and engaging membership in political parties. According to them, these critics could not show a causal relationship between a drop in parties' enrolment and the introduction of public subsidies to parties. In most cases, critics simply point for correlations between these two variables. By taking into consideration that the possible impact of public funding in parties' membership could vary across different party families, the authors aggregate parties by families in order to assess if the introduction of state subsidies consistently impacted different party families. [8] According to the authors:

[8] This methodological choice tries to avoid comparing parties from different party families, and consequently, try to take into consideration not only the historical process in which each party family arise, but also the characteristics from each party family (i.e. traditional left-wing *mass parties* generally relied heavier on memberships than newer parties or even *cadre parties*, and so, comparing parties from different families would not be ideal).

> there is little to suggest a systematic membership development surrounding the introduction of party subsidies if we look at party families [...] there is no real support for the argument that public subsidies interfered in the organic development of the parties by reversing a decline in membership. Indeed, the patterns [...] indicate a very limited impact of the subsidies; party families which had experienced a declining membership prior to the introduction of public subsidies largely continued to do so once they were implemented, and parties with increasing membership also continued to increase after the subsidy programmes had been enacted (PIERRE; SVASAND; WIDFELDT, 2000, pp. 17-18).

In order to tackle the question of the timing in which public funding was introduced to parties, the authors argue that it was not simply a policy diffusion started in West Germany and Sweden, but it was also *"a path-dependent response to the parties' financial problems"* (PIERRE; SVASAND; WIDFELDT, 2000, p. 19) in societies were the state was seen as a *"regulator, provider and mediator"*, and where therefore, supporting political parties was similar to supporting the press or voluntaristic organisations. Their suggestion, after all, contest the idea that parties simply co-opted the state to promote their own interests. For them, the situation might simply have happened the other way around, with the state co-opting established parties. Finally then, authors contest the idea that the introduction of public funding operated to preserve the existing party system, causing the *petrification/ossification* of the party system. Pierre, Svåsand and Widfeldt say:

> A closer look at the party system change in western Europe shows that party system dynamics appear to have no relationship to the emergence of public subsidies, at least not in the expected direction. If there were any relationship between public subsidies and constrained dynamic and change in the party systems we should expect that countries in which subsidies were introduced early - and generously - would display only moderate change, whereas the opposite would be true for countries without subsidies. (PIERRE; SVASAND; WIDFELDT, 2000, p. 20)

Even though, Pierre, Svåsand and Widfeldt work dates from the year 2000, it provided data to contest much of the critic against the public funding to political parties by showing that the real world had little to do with the normative discussion over the topic, and therefore, most of the concerns on the possible negative impacts from public funding to parties, actually lack empirical evidence.

van Biezen and Kopeckỳ (2007) also examined the linkage between political parties and the state. Their work focus on three dimensions of this relation: *"the dependence of parties on the state, the management of parties by the state [through regulation of political parties] and the control of the state by parties"* (VAN BIEZEN; KOPECKỲ, 2007, p. 237). With a larger sample than Pierre, Svåsand and Widfeldt work, van Biezen and Kopeckỳ performed a cross-national analysis with 52 so called "liberal democracies" from Europe, Latin America and Caribbean, Asia and Pacific, and Africa. After noticing that public financing to political parties have become a widespread phenomenon across the globe (present in around 75% of the countries in their sample), the authors tried to measure how important were public funds in relation to the total party incomes. By noticing large differences between regions and also within one region, the authors were not able to detect any clear pattern of state dependency across their sample. [9] Regarding the management of parties by the state, the authors found again, that the majority of countries established some regulatory framework for the financing of political parties, without any clear difference between new and old democracies. Additionally, when regarding to constitutional recognition of political parties, around three quarters of their sample scored positive in this aspect, but here with a more pronounced difference between newer and older democracies. As they mentioned, *"Nearly all of the recently established democracies have enshrined political parties in their constitutions [...] but this practice is much less common in the established democracies, where only about half the countries with a written constitution record a positive score"* (VAN BIEZEN; KOPECKỲ, 2007, p. 247). In order to assess and measure if (and how) parties control the state, the authors looked into cross-national survey data on corruption of political parties. [10] The authors' data suggest that the perception of corruption in newer democracies is generally, on average, higher than in older democracies. Also, in most countries, parties are seen as a top corrupt institution. In general, van Biezen and Kopeckỳ (2007) paper favours the argument that parties live a close symbiosis with the

[9] If by one hand in Germany and France, parties benefit largely from public subsidies, in Russia and Ukraine, by the other hand, public subsidies is merely symbolic (VAN BIEZEN; KOPECKỲ, 2007).

[10] Once this is not an observational data, the usage of survey data in order to measure the perceived corruption of political parties, obviously suffer from bias according to personal beliefs (i.e. people might tend to distrust parties based on a common sense that "politics is equal to corruption", or based on past historical cases of corruption, and so on).

state in contemporary democracies, and draw *"attention to the increasingly close linkage between parties and the state, and suggest a near-universal trend in the process of party transformation, by which parties in contemporary democracies have become best understood as part of the state rather than the representative agents of civil society"* (VAN BIEZEN; KOPECKỲ, 2007, p. 250).

In 2009, Katz and Mair, published a new paper restating their thesis on the *cartel party* in order to clarify ambiguities and misinterpretations from their original work. The authors recognised a possible influence from international factors in the emergence of the *cartel party* by suggesting that the globalisation process from the period after the end of the Cold War, posed some level of depoliticisation over European societies, consequently turning easier for parties to cooperate and collute. [11] They reinforce that their initial work from 1995, basically tried to highlight *"[the] signs of movement towards the state"* made from political parties that turned explicit *"[that parties were] much more influenced by the state than was realised"*. According to them, this was *"an important new finding, and was undeniable"* (KATZ; MAIR, 2009, p. 755). Later on, they have acknowledged that their hypothesis that the closer linkage to the state was due to the decrease in the linkage with society, was not comprehensively researched. As Pierre, Svåsand and Widfeldt (2000) mentioned, there was not possible to see a causal relationship between the decrease in parties' memberships and the closer linkage between parties and the state. According to Katz and Mair (2009), another uncontested finding from their initial work, was that *"the weight of power within the party [or parties] [...] has moved much more firmly into the hands of the party in public office"* (KATZ; MAIR, 2009, p. 756). [12] So, basically, the authors highlighted the importance of holding the office for the party organisation as a whole, given that resources were in most cases linked to the party's electoral performance. For Katz and Mair, these two important findings:

[11] As Katz and Mair mention *"the principal effect of these developments [the fall of the Soviet Empire, and the fostering in globalisation movements] was substantially to undermine the stakes of traditional electoral competition, first by undermining the perceived importance of the left-wing ideological divide that lay at the heart of most western party systems [... and] second by transferring control and competences upwards towards a technocratic and non-partisan European Union system; and third [...] by underlining the new conviction that the traditionally central political concerns of inflation and unemployment now lay outside the control of national governments [... and] of the parties that occupied these governments"* (KATZ; MAIR, 2009, p. 754).

[12] According to Katz and Mair (2009): the party in public office (PPO) included both the party in parliament and the party in government; the party in central office (PCO) included the permanent bureaucracy and the national executive organs; and the party on the ground (POG) was represented by the organised membership.

> leads to the following conclusions. First, parties are increasingly part of the state, and increasingly removed from society, and this new situation encourages them, or even forces them, to cooperate with one another. [...] Second, these parties increasingly resemble one another, in terms of their electorates, policies, goals, styles, there is less and less dividing them - their interests are now much more shared, and this also facilitates cooperation. A very important part of their shared interest is to contain the costs of losing, and in this sense to find and equilibrium that suits all of their own "private" interests. This also means cooperation, even if this cooperation need not be overt or conscious. (KATZ; MAIR, 2009, pp. 756-757)

After all, the authors highlighted an important, but sometimes neglected, aspect of their model: the fact that it is simply an ideal type *"which may be approximated or approached but which will not be fully realised - just as there never were any parties that fully met the ideal type definitions of the mass-party or the catch-all party"* (KATZ; MAIR, 2009, p. 759). Lastly, according to the authors, two main constraints to the *cartelisation of parties* are important to be noticed: the first refers to the fact that the process itself is not that democratic by reducing the competition between parties, and the second, relies on the fact that the process of cartelisation contributed to the rise of populist anti-party-system parties. Unfortunately, once again, the authors were not able to present any causal relation between these variables despite their intuitive normative suggestions.

2.3 Multi-level party financing

Although lots of the work on parties financing has looked at the closer relationship between the state and the parties, regarding the subsidies from the first to the last, or also, between membership or business donations to political parties, little is known regarding intra-party cash transfers in multi-level systems. In this section, we will explore the few works that investigate this issue in multi-level systems such as Canada, Sweden, and Mexico.

Coletto, Jansen and Young (2011) analysed the Canadian case, where local and national political parties' branches, enjoy a considerable mutual autonomy. They look at internal money flows in order to *"help to identify with greater precision the degree of mutual autonomy of the two levels of party organisation [and if] one 'face' of the party is financially dependent on the other"* (COLETTO; JANSEN; YOUNG, 2011, pp. 111-114). This analysis is crucial to verify if potential autonomy granted by party documents such as statutes, are *de facto* autonomy or if it is simply a *de jure* autonomy. [13]

In Canada, parties may receive donations in three ways: (1) directly to the national party, (2) directly to their local associations (named electoral district associations - EDA) which can be seen as regional branches from the parties; and (3) directly to candidates. The money received by each one of these actors may be transferred to the other. Needless to say that there are limits to individuals' donations to each one of these actors. [14] After defining the basic model of party income, the authors then defined four "ideal types" regarding fundraising and income balance between the national party and their regional branches. Additionally, these "ideal types" detect the main direction and relative magnitude of transfers between the national party and their regional branches. Their first ideal type was labelled as *branch party* and it happens *"when local party organisations are the primary generators of income [... and when] a portion of [... their income is] transfer up to the national entity"* (COLETTO; JANSEN; YOUNG, 2011, p. 119). The most important aspect of this first model is the *"consistent upward net flow in funds"* (Ibid, p. 119). The second model highlighted by the authors is the *stratarchical relationship* where parties' regional branches and candidates raise enough funds to maintain their local organisation and run regional elections, while the national party *"is able to derive adequate income from either private or public sources to fulfil its assigned functions and mount competitive national election campaigns"* (Ibid, p. 120). In this model, regional branches have sufficient financial autonomy from the national party and also the national party do not depend financially on their regional branches. The authors third model is named as *centralised funding* because the national party basically raise the money that is lately transferred to regional branches and candidates in order to *"maintain local organisation and run local campaigns"* (Ibid, p. 121). In this model, the national party is better equipped to raise

[13] As a note, despite the fact that Canadian political parties are not confederal in their organisation, national party organisations have some formal power over their local units (COLETTO; JANSEN; YOUNG, 2011).

[14] Canadian citizens and permanent residents are allowed to *"contribute a maximum of CAD 1,100 to each national party and a second CAD 1,100 to any combination of EDAs, candidates and nomination campaigns for that party."* (COLETTO; JANSEN; YOUNG, 2011, p. 117).

funds than their regional counterparts, or, they subordinate their regional branches on their ability to raise resources. The authors fourth model is names as *state-dependent centralised fundraising* and, alike the third model, is based on the centralisation of resources and revenues at the national level. The difference however is the source of funds, in this model, most of the resources come from the state through subsidies.

By analysing cash transfers data from four major Canadian political parties between 2004 and 2007, Coletto, Jansen and Young (2011), found that: (1) fundraising was more nationally centralised in the Conservative Party, and the New Democratic Party; (2) in the Bloc Québécois and the Liberals, the fundraising was more decentralised and so the regional branches and candidates were able to raise more money than their national party; (3) if taken into consideration the income provided by the state to the national party, the situation changes and the Bloc Québécois turns to be the most centralised party regarding its income, followed by the New Democratic Party, the Conservative Party, and the Liberal Party; (4) regarding the transfers down as the percentage of resources raised locally, the national party from the Bloc Québécois transfers the equivalent as 80% of what party's regional branches are able to raise, the New Democratic Party transfers the equivalent of 49% of what party's regional branches are able to raise, the Conservative Party transfers the equivalent to 31%, and the Liberal Party transfers the equivalent of 23% (COLETTO; JANSEN; YOUNG, 2011). With this information then, each party could be labelled as the following regarding the author's *ideal types*: (1) the Conservative party would be seen as a *stratarchical model* given that their regional branches were not completely dependent on transfers from the national party (the transfers received from the national party represented less than a third of what regional branches have been able to raise); (2) the Liberal party was also seen as a *stratarchical model* given that the transfers received from the national party represented less than a quarter of what regional branches have been able to raise; (3) the New Democratic Party relied somewhere between the *stratarchical model* and the *centralised model* given that transfers from the national party were equivalent to almost half of the total amount raised by regional branches of the party; and (4) the Bloc Québécois relied somewhere between the *centralised model* and the *state-dependent model* given that transfers from the national party were equivalent to three quarters of the total amount raised by regional branches of the party, and that most of the funds raised by the party actually came in form of state subsidies (COLETTO; JANSEN; YOUNG, 2011, pp. 123-129).

Hagevi (2018) performed a study on Swedish political parties aiming to understand if the internal allocation of public subsidies somehow changed the internal balance of power inside these organisations. The author basically test the assumption from Katz and Mair's *cartel party model*, that elected officials increased their presence in parties' central organisation with the development of the cartel party. By looking at the cash transfers inside the parties: *"it should be possible to trace the internal power shift"* (HAGEVI, 2018, p. 159). In Katz and Mair (2009) terms, Hagevi tried to verify if the power inside Sweedish parties, shifted from the Party on the Ground (POG) to the Party in Public Office (PPO) - known as elected politicians - , once membership fees are less important than state subsidies for maintaining the organisation.

Hagevi's work was based on data regarding public party financing not only for central party organisations but also for regional, and municipal levels. [15] As normally, also in Sweden, public funding is based on electoral success of each party. By taking advantage of the fact that in Sweden, the *central public funding* is divided between the PPO and the PCO, the author was able to verify if there has been some shift on power inside Swedish parties (from the PCO to the PPO specifically). [16] The author's data, shows that (1) public financing to political parties in Sweden has steadily increased since its implementation in 1968; (2) *central public funding* to PPOs has steadily risen while the opposite trend was verified for PCOs; (3) from 2003 onward, *central public funding* for PPOs became larger than for PCOs; (4) local and regional funding for regional and local party branches has increased at the same rate as has central funding to PCOs. These findings suggests that basically: there have been a shift in power inside Swedish political parties, from the PCOs to party groups that hold seats in the Parliament (the PPOs), and, local and regional party branches maintained some level of autonomy from their central party once they had consistent access to funding at their sub-national level. According to Hagevi then:

[15] In Sweden, since 1966 central parties receive funding from the state (labelled by the author as *central public funding*), and since 1969 regional and municipal governments have been funding parties at their local and regional levels also (labelled by the author as *local public funding*).

[16] PCO stands for Party in Central Office, as defined by Katz and Mair (2009) and corresponds to the parties' central membership organisations.

> [these findings] confirms the cartel party theory's assumption of a change in internal balance of power within Swedish parties [... and also] supports cartel party's theory's hypothesis that party organisations tend to move towards the stratarchical organisation, implying that the central and local parties have increased their autonomy from each other (HAGEVI, 2018, p. 169).

Harbers (2014) analysed intra-party resource allocation in three major Mexican parties (PRI, PAN and PRD) during 1998 and 2007 and verified that each party had a different strategy regarding their intra-party money distribution. While PAN and PRD presented a defensive approach, investing more where they had performed well in the past, PRI seems to challenge more their opponents in a *catchallover strategy* that has the clear intention to expand its presence across Mexican states. As she mentioned: *"electoral concerns appear to be on the mind of elites from all three parties [...] while the PRI, which developed a nationwide organisation [...] spends substantially less in states where it controls the governorship, the two former opposition parties [PAN and PRD] focus on spending on their strongholds"* (HARBERS, 2014, p. 830).

It is important to point though that the Mexican federate structure gives incentives for parties to develop local-oriented strategies. Firstly, regional branches not only can receive money transfers from their National Executive Committee (NEC), but also, from their own State Electoral Institute. [17] Secondly, PRI's hegemony in the national office during the 20th century also may have stimulated PAN and PRD to develop local-oriented strategies (Ibid).

2.4 Brazilian Political Parties' financing

Writing in a period in which private donations were still legal, and using data from the post-dictatorship early years (first years of the 1990s), Kinzo (2007) described the Brazilian party system as highly fragmented, unstable, and fragile. According to her, these were all

[17] As it happens in Brazil, Mexican Parties' National Executive Committees (NECs) receive public funding through transference's from the Federal Electoral Institute (the Mexican's TSE).

factors that contributed for parties having a minor role in financing candidates' campaigns (Ibid). Despite the fact that Brazil still has a very fragmented party system, most of her points have not lasted over time. Ribeiro (2013b), Ribeiro (2013a), and Melo (2010), showed that a decade after the 1988s Constitution approval, the Brazilian party system has turned to be more stable with few parties running for the Presidency (PT and PSDB mainly), and a group of five parties turned to be the *elite* of the system (PT, PSDB, PMDB, DEM and PP), while another group of four parties became *second-tier class* members in the system. Neither we have to remember that after the 2015 Supreme Court decision in banning private donations to parties and campaigns, parties became essential for financing the electoral game.

Apart from the mentioned points, Kinzo (2007) gives a good explanation of how parties are funded in Brazil. As she mentions, basically Brazilian parties are funded through (1) membership fees, (2) contributions from party members holding elected offices (generally a small percentage of the salary), and (3) the Party Fund (Annual Public Fund - known also as Special Fund for Finance Assistance to Political Parties). The Annual Public Fund com from *"fines collected from electoral penalties [...] and a share of the federal budget"* (KINZO, 2007, p. 124). Additionally, parties also receive indirect funding through free access to television and radio broadcasting.

Even though business donations were not seen by Kinzo (2007) as a source of income for Brazilian Parties, during the period of 1995-2015, in which business donations were allowed to campaigns, parties were constantly used as intermediaries between businesses and candidates. During this period, parties were used as a was way to (1) avoid direct linkage between companies and candidates, and also, (2) surpass the maximum allowed donation to candidates. [18] Little is known about these transfers from businesses to parties, mainly because of the presence of public money into Brazilian Political Parties, but also because the studies in political financing focused largely on electoral finance and direct transfers from companies to candidates (HOROCHOVSKI *et al.*, 2016; HOROCHOVSKI *et al.*, 2017; CERVI *et al.*, 2015; SPECK; MANCUSO, 2015).

[18] According to Speck and Campos (2015), parties were used as intermediaries between companies and candidates once the electoral law at the time set a maximum value for direct donations to candidates, but did not set any limit for business donations to parties.

Speck and Campos (2015) looked at business donations to political parties between 1998 and 2014. They noticed that in electoral years Parties were used as intermediaries between companies and candidates. An important note from the authors is that the allocation of money from companies usually relies also on the way the electoral and political systems are designed in each country. The Brazilian case, with proportional elections and open lists for the Parliament, increases the decentralisation of business resources making candidates the primary destination of these resources.

It is clear that from 1998 to 2014, the amount of resources from companies financing political parties has grown. In 2010 and 2014 however, these resources were somehow eclipsed by a large number of declared "electoral donations". To reduce the noise caused by electoral money that was probably donated to parties to be distributed to candidates, Speck and Campos (2015) have chosen to work just with non-electoral years. They have noticed that parties that occupy the presidency and that frequently dispute the presidential office consistently received more business donations, and, ideology does not seem to play a role for business donations. In a newer work, to be published, Speck and Campos (2021), using aggregated data, show that between 1998 and 2016, private resources in Brazilian parties represented 34.7% of the total revenues, while public resources represented 58.4% of the revenues. Donations from party's affiliates and party members holding elected offices barely reached 3%. By dividing their sample between electoral years and non electoral years, the authors suggest that between 1996 and 2016, a dual financing system was established in Brazilian Political System, while Brazilian parties were mainly financed through public resources from the Annual Public Fund, election campaigns were financed through business donations (SPECK; CAMPOS, 2021). Once again the authors highlighted that business donations to parties or campaigns, favoured those parties running for the presidency no matter their ideology.

2.4.1 The importance of the "Fundo Partidário" (Annual Public Fund)

Following what has been noticed by international studies from the 1990's decade, Ribeiro

(2009) looked into the 2007 Brazilian Political Parties' revenues, noticing a significant presence of the *"Fundo Partidário"* (Annual Public Fund) concerning other sources of revenues. [19] This was seen as a process of *'cartelisation'* where the state is seen as the primary source of resources to political parties (KRAUSE; REBELLO; SILVA, 2015).

By looking at a non-electoral year, the author tried to avoid any contamination from electoral revenues. Even though nothing can guarantee the complete independence between revenues in non-electoral and electoral years, especially once private donations from companies were still allowed in 2007. After showing the evolution of Political Parties' financing law in Brazil, the author showed a steady increase in the Annual Public Fund's total amount from 1995 to 2007. Additionally, he acknowledges that the 1995 *"Lei dos Partidos Políticos"* (Political Parties' law), turned easier for companies to donate to Parties but was not enough to surpass the state's position as the primary source of revenue for Brazilian Parties (RIBEIRO, 2009).

The division of the Annual Public Fund favours large parties. Between 1995 and 2006, for example, no more than five parties commonly receive more than two-thirds of those years' Annual Public Funds (RIBEIRO, 2009; BRAGA; BOURDOUKAN, 2010). At least for 2007, not only these big parties, but practically all Brazilian Political Parties had more than 50% of their revenues coming from the Annual Public Fund. [20] That years' average revenues coming from the Annual Fund for all 27 parties was 83.7% (RIBEIRO, 2009). It is important to notice, however, that 2007 was not a typical year regarding Parties' financing in Brazil. [21] Braga and Bourdoukan (2010) infer that this change provoked a sharp decrease in the percentage of the Annual Public Fund that was concentrated in the big parties. If in 2006 it represented around 66%, a year later this number dropped to 51% (Ibid).

[19] See Katz and Mair (1995, 2009).

[20] The only exception was the Communist Party of Brazil (PCdoB) in which the fund represented 43,1% of the Party's revenues for that year.

[21] This was exactly the year that the TSE published its' resolution nº. 22.506 that redefined how the Annual Public Fund had to be divided between the Parties. This resolution increased the share of the Annual Public Fund that had to be equally divided between all registered parties in an effort to increase political competitiveness. Just a day later, members of the Parliament approved a new law establishing that just 5% of the Annual Public Fund had to be divided between all registered parties while 95% of the fund had to be distributed according to the percentage of votes received for the last Chamber of Deputies (Câmara dos Deputados) election.

It is clear that the state's presence in Brazilian Political Parties revenues is continually increasing. Individuals' donations and even contributions from parties' deputies and senators became insignificant to the total amount of Brazilian parties' resources (KRAUSE; REBELLO; SILVA, 2015; RIBEIRO, 2009; RIBEIRO, 2013a).

2.4.2 Studies on intra-party money division in Brazilian Political Parties

By analysing few parties, Botassio (2018) tried to precisely understand how the Annual Public Fund (Fundo Partidário) is divided internally between five large Brazilian parties during 2007 and 2015. [22] Her central hypothesis was that sub-national committees receive more money according to their electoral performance in recent elections. Her first movement was to dive into Parties' statutes to verify formal rules that could define the percentage of the Annual Public Fund that could be divided between regional branches. As expected, once parties have the autonomy to decide how to share the received resources, we do not see a clear pattern between parties. Some of them are specific in the percentage that should be distributed even though this does not mean that they follow their own rule; while others have no clear criteria for this division. [23] The intuition that leads this kind of verification is that when the Annual Public Fund percentage to regional branches is high, regional elites have more influence on the party's decisions, or, the party's strategy is oriented to regional disputes.

Botassio (2018) suggested that a greater distribution of the Annual Public Fund to the Parties' regional branches would be correlated to electoral success at the state level, both in local and national elections (measured by the party's performance in electing state deputies and federal deputies mainly). Additionally, she points to the importance of the electoral district size (number of voters in each state) in PMDB and PT. For all these cases, however, we should understand its limitations in terms of explanation. Rather than

[22] Botassio's sample was composed by PT, PMDB, PSDB, DEM and PP.
[23] This is the specific case of PSB, and also of PDT as we show further with our data.

properly explaining the money distribution in PMDB, PT, PSDB, PP, and DEM, the author finds correlations between variables (BOTASSIO, 2018).

Another study that looked at the Annual Public Fund distribution, but unfortunately did not look specifically at transfers to sub-national party units, suggests that Brazilian political parties are constantly centralising the Annual Public Fund in their National Committees (SCHAEFER, 2019). The author proposes that the National Executive Committees' level of *'parliamentarisation'* was the most important variable, among a set of organisational and electoral variables, to explain what leads NECs to distribute more or less of the Annual Public Fund received from the Electoral Superior Court (TSE) (i.e. what lead NECs to centralise more the resources in the national level, or to decentralise the resources and hold less money in its' national level). [24] However, as his work used the national level as a unit of analysis, it has not been able to correctly identify if the money distribution followed states from where these federal deputies and senators were from. It is clear though that electoral year is associated with a higher division of the Annual Public Fund in Brazilian Political Parties.

After all, then, the mentioned studies regarding intra-party money allocation in Brazil, suggest that the distribution of the Annual Public Fund inside Brazilian Parties depends on (1) the size of the Electoral district, and (2) the number of Federal Deputies elected in each state (SCHAEFER, 2018; BOTASSIO, 2018). As seen from the literature on political parties, these organisations' structure changed throughout the time according to their main income sources and support in modern democracies (DUVERGER, 1957; PANEBIANCO, 1995; AMARAL, 2013; HEINDENHEIMER, 1963; KATZ; MAIR, 1995; KATZ; MAIR, 2009). Lastly, parties' political strategies in multi-level systems can be designed according to the capacity each party has to compete for the national office (BORGES; ALBALA; BURTNIK, 2017; HARBERS, 2014; MELO, 2010; RIBEIRO; FABRE, 2019; VAN HOUTEN; HOPKIN, 2009; DESCHOUWER, 2006; LIMONGI; CORTEZ, 2010).

[24] The 'parliamentarisation' variable represents the number of Federal Deputies and Senators from the party, with presence in their party's National Executive Committee (NEC). According to Schaefer (2018) this variable suggests that these politicians were somehow able to lobby for more money to the states.

3

Influence and money inside multi-level political organisations: the case of Brazil

In this chapter, we will perform an empirical analysis of Brazilian Political Parties internal finances between 2015 and 2018. To which extent does *influence* (THORLAKSON, 2009) plays a role in *"political and strategic decisions"* (PANEBIANCO, 1995) inside Brazilian Parties? How do parties decide to allocate the resources received from the Electoral Superior Court? What leads one regional branch to receive more money than another one? Is it possible for regional branches to exercise *influence* over its' hierarchically superior unit in order to receive more resources?

Most of the work in political finance in Brazil focused on electoral finance, shedding light on the importance of money from companies to the success of campaigns. From 1995 to 2015 companies were able to donate to candidates, and during this period, the majority of the money that flowed through political campaigns had this source. From the elections in which we have available data concerning finance (2002, 2006, 2010 and 2014), it can be noticed that there was a more massive amount of private resources in comparison to public resources. According to some studies, the proportion of private money in these elections was around 75% (SPECK; MANCUSO, 2015)

In 2015, the Brazilian Supreme Court (STF) has acknowledged the national bar association's (OAB) claim to declare business donations to campaigns and political parties as unconstitutional. So, suddenly three-quarters of the money from political campaigns were withdrawn from the game. However, as Political Financing is not exclusively related to the electoral game (that in Brazil happens every two years between national and local elections), Brazilian Parties quickly reacted to it approving new laws in the Parliament. Firstly, to substantially increase the public funding for their activities (2015) - through the Annual Public Fund (APF) ("Fundo Partidário (FP)") - and secondly, by creating a special public fund for campaigns (2017) - the Electoral Fund (EF) ("Fundo Especial de Financiamento de Campanha (FEFC)"). In the 2018 election, we could see by the first time that the majority of funds, around R$ 2 billion from the R$ 3 billion that flood in that year's election, came from political parties (through the Electoral and the Annual Public Funds) (MESQUITA; PHILLIPS; BUENO, 2019).

This new scenario made Public Funds more essential than ever to the Brazilian political finance system. So, understanding how the public resources are being divided inside the parties turned to be more critical than ever to understand Parties' strategies and power structures. Once the field devoted efforts during the last 20 years to understand private funding of politics, little is known about how parties usually distribute the Public money received. Recent works on the Parties financing had not been able to verify how parties distribute the electoral fund created right in 2017, perhaps because this is a recent event (BOTASSIO, 2018; SCHAEFER, 2018). How do parties decide to distribute the public money they receive? Which are the factors that make political parties divide more or less the money?

Political Parties in Modern Democracies are not unified bodies, and should not be seen as; especially in federal democracies. The questions pointed above are important because they can shed light on Brazilian Political Parties internal politics panorama. By looking at the work performed in electoral finance, we may have some clues to suggest a direction that should be taken. After dedicating time to understand the impact of money on vote share and electoral success, the field suggested that those who spend more have greater chances to achieve electoral success (MARCELINO, 2010; PEIXOTO, 2010). It was just when scholars started looking at political factors such as *incumbency*, that money turned to be a *confounder* for major *political variables* (CERVI *et al.*, 2015; SPECK; CAMPOS, 2015; HOROCHOVSKI *et al.*, 2016; PERISSINOTTO; VEIGA, 2014; PERISSINOTTO; BOLOGNESI, 2010). An analysis, for the 2014 election showed that just 0.16% of the private donors directly supported 81% of those elected in that year (JUNCKES *et al.*, 2019), showing that few companies used to support few candidates with already high probabilities of victory. Some scholars called these candidates as the *"champions of revenues"* (SPECK; MANCUSO, 2015).

Today, once private funds are not legally allowed in Brazilian politics, and the massive majority of funds that support Brazilian politics are actually transferred by the Electoral Superior Court (TSE) to each Party's National Level, plus, the fact that the electoral law in Brazil gives autonomy to parties to decide how to spend these resources, we can somehow expect similar patterns of distribution as those verified from the work on electoral financing. [1] This means that previous electoral success may drive the decisions inside parties. This variable is essential once the Electoral Superior Court (TSE) distributes Public Funds proportionally to each party's representation in the National Congress. So parties with more elected Federal Deputies, receive a larger percentage of Public Funds. If the patterns of public fund distribution inside Brazilian political parties have something to do with electoral financing, and if the amount received by each party depends on previous electoral success, we should expect to see regional branches that had better performed receiving more money from the Annual Public Fund. Botassio (2018) confirmed this hypothesis by analysing PT, PMDB, PSDB, DEM, and PP patterns of Annual Public Fund division during 2007 and 2015.

In this chapter, though, we propose to look at political factors inside Brazilian Political

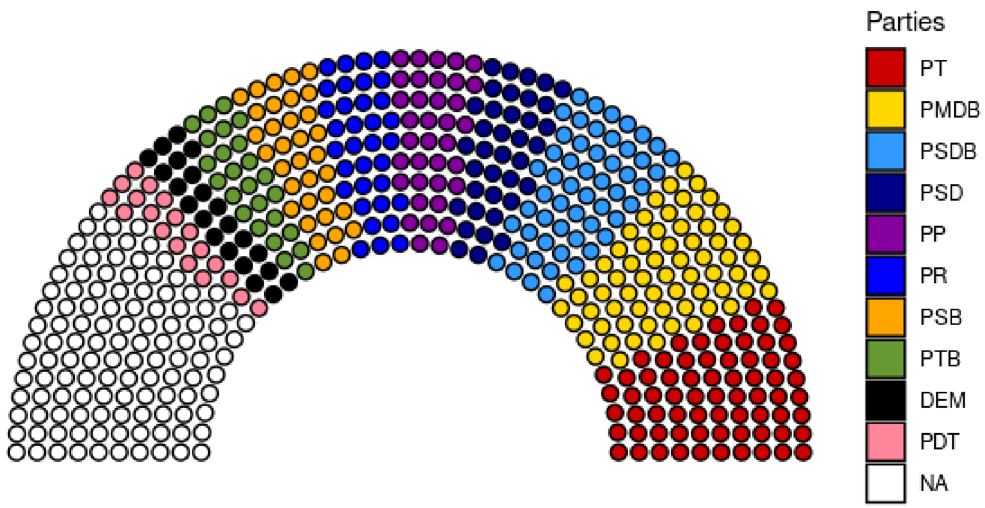
[1] The only restrictions imposed by the Court relates to the obligation of transferring a certain amount of money to enhance women's participation in politics, and, to finance the Party's research foundation to promote political education. TSE's Resolution nº 23.607 determines that at least 5% of the Annual Fund Public should finance programs to enhance woman's participation in politics, while the resolution nº 22.121 determines that 20% of the Annual Public Fund should finance the Party's research foundation. Regarding the usage of the Electoral Fund, TSE's imposes the necessity of using 30% of it in female campaigns

Parties to move forward the understanding of how money is divided internally. We devote efforts to advancing the understanding of how the Annual Public Fund (APF) is being divided internally in the 10 most important Brazilian Parties during the period of 2015 and 2018. We suggest that *"an essential factor that has not been analysed yet is 'politics inside the party'"*. We are not naive to suggest that Political Parties are united bodies without internal disputes. The presence of current or formal regional directors into the National Executive Committee (NEC) of Brazilian Political Parties should suggest how well connected these regional elites are to the leading political group that runs their Party's NEC, and that consequently decides around the allocation of Public resources received from the TSE.

In the current scenario, with the Party's National level being the only source of funding for regional branches in Brazilian parties, the decision over the allocation of resources into regional branches is clearly a *"political and strategic decision"* as mentioned by Panebianco (1995). This work then, should be able to provide evidence on how vertically integrated Brazilian Political Parties are; and how much *influence* does regional branches have into their party's national decisions. We aim to contribute to the forward understanding of Multilevel Party Organisations by looking to the Brazilian case. This certainly adds a substantive layer of analyses to Ribeiro and Fabre (2019) recently performed work.

In order to avoid any possible contamination from electoral funds over our analysis, we decided to perform our work just by analysing the distribution of the Annual Public Fund inside the 10 most important parties during the period of 2015-2018. These parties are: PT, PSDB, PMDB, PP, PSB, PSD, PR, DEM, PTB and PDT. These parties, combined, represented more than 77% of the Brazilian Congress Chamber during this period, and were constantly pointed by the literature as the the Brazilian party system's *elite, or first class members,* (PMDB, PT, PSDB, DEM and PP), and *second-tier members* (PSB, PDT, PTB and PR) (RIBEIRO, 2013a; RIBEIRO; FABRE, 2019; BORGES; ALBALA; BURTNIK, 2017; MELO, 2010). Bellow we have the representation of the 2015-2018 legislature.

Figure 2 – Brazilian Deputies Chamber representation (2015-2018)



Source: Data collected from TSE. Prepared by the author, 2021

3.1 The distribution of the Annual Public Fund (APF)

Before diving into the internal distribution of the APF inside Brazilian Parties, we must understand how much money is actually available for national parties to distribute to their regional branches. Since 2007 in Brazil, the distribution of the APF is based almost exclusively on the parties' electoral success to the Deputies Chamber. The law determines that 95% of the APF should be granted to the parties with representation into the Brazilian Deputies Chamber, proportionally to the number of seats each one has; and only the 5% remaining would be equally distributed among all registered parties (BRAGA; BOURDOUKAN, 2010). As we can see in Table 1 the APF from 2015 to 2018 fluctuated between R$ 741 millions in 2017, to R$ 887 millions in 2018, and obviously favoured the parties with representation in the Deputies Chamber. As our sample of parties represented 77% of the seats in the Brazilian Deputies Chamber during the analysed period, they ended up receiving no less than 73% of all the APF transferred by the TSE during this period (77% of 95% = 73.1%). The remaining 5% was distributed equally between 35 registered parties, representing then an APF share of 0.14% for each registered party. This also means that our sample received an extra 1.4% (0.14% * 10) of the APF due to the equal distribution promoted by the TSE. After all then, our sample of parties received around 74.5% of the Annual Public Fund during 2015-2018. Table 2 shows precisely the amount of the APF that was received by our sample of parties during the period. Almost three-quarters of the APF distributed by the TSE during this period was delivered to our sample of parties.

Table 1 – Total Amount of Annual Public Fund (APF) distributed to parties by year

Year	Total APF Divided (R$)	95%	5%
2015	867,569,220	824,190,759	43,378,461
2016	819,131,460	778,174,887	40,956,573
2017	741,724,023	704,637,822	37,086,201
2018	887,772,655	843,384,023	44,388,633

Source: Data from TSE. Prepared by the author, 2021

Table 2 – Total Amount of Annual Public Fund (APF) distributed to sample parties by year

Year	Total APF Divided (R$)	Sample's share (74.5%)	25.5%
2015	867,569,220	646,339,069	221,230,151
2016	819,131,460	610,252,938	208,878,522
2017	741,724,023	552,584,397	189,139,626
2018	887,772,655	661,390,628	226,382,027

Source: Data from TSE. Prepared by the author, 2021

3.1.1 The mandatory distribution inside parties

As we have already pointed, Brazilian parties are obliged to allocate chunks of the Annual Public Fund received from the TSE to two internal organisations. The Court obliges, through its' Resolution nº 23.607, parties to allocate at least 5% of the Annual Public Fund received to programs that *"enhance women's participation in politics"*. Additionally, through the TSE's Resolution nº 22.121, parties are obliged to allocate 20% of the Annual Public Fund received, to finance the Party's research foundation to promote political education. Table 3 shows the amount of APF received by each party, and also the amount that was left (Remaining) for parties to allocate as they wish.

Table 3 – Total Amount of Annual Public Fund (APF) received by party

Party	Total APF Received (R$)	20%	5%	Remaining
2015				
PT	116,214,886	23,242,977	5,810,744	87,161,165
PSDB	95,283,624	19,056,725	4,764,181	71,462,718
PMDB	92,893,691	18,578,738	4,644,685	69,670,268
PP	55,882,923	11,176,585	2,794,146	41,912,192
PSB	54,509,171	10,901,834	2,725,459	40,881,878
PSD	51,964,454	10,392,891	2,598,223	38,973,341
PR	49,143,915	9,828,783	2,457,196	36,857,936
DEM	35,992,655	7,198,531	1,799,633	26,994,491
PTB	34,539,310	6,907,862	1,726,965	25,904,482
PDT	30,850,195	6,170,039	1,542,510	23,137,646
2016				
PT	108,866,369	21,773,274	5,443,318	81,649,777
PSDB	89,725,422	17,945,084	4,486,271	67,294,067
PMDB	87,472,826	17,494,565	4,373,641	65,604,620
PP	52,588,882	10,517,776	2,629,444	39,441,662
PSB	51,294,073	10,258,815	2,564,704	38,470,555
PSD	48,895,589	9,779,118	2,444,779	36,671,691
PR	46,237,132	9,247,426	2,311,857	34,677,849
DEM	33,841,609	6,768,322	1,692,080	25,381,207
PTB	32,471,780	6,494,356	1,623,589	24,353,835
PDT	29,005,157	5,801,031	1,450,258	21,753,867
2017				
PT	98,521,544	19,704,309	4,926,077	73,891,158
PSDB	81,194,421	16,238,884	4,059,721	60,895,816
PMDB	79,167,879	15,833,576	3,958,394	59,375,909
PP	47,596,118	9,519,224	2,379,806	35,697,088
PSB	46,424,963	9,284,993	2,321,248	34,818,723
PSD	44,256,439	8,851,288	2,212,822	33,192,329
PR	41,846,753	8,369,351	2,092,338	31,385,065
DEM	30,627,817	6,125,563	1,531,391	22,970,862
PTB	29,387,733	5,877,547	1,469,387	22,040,800
PDT	26,593,235	5,318,647	1,329,662	19,944,927
2018				
PT	118,675,701	23,735,140	5,933,785	89,006,776
PSDB	96,006,377	19,201,275	4,800,319	72,004,782
PMDB	94,628,684	18,925,737	4,731,434	70,971,513
PP	56,486,793	11,297,359	2,824,340	42,365,094
PSB	54,780,340	10,956,068	2,739,017	41,085,255
PSD	52,605,779	10,521,156	2,630,289	39,454,334
PR	48,245,121	9,649,024	2,412,256	36,183,841
DEM	36,350,178	7,270,036	1,817,509	27,262,634
PTB	32,964,744	6,592,949	1,648,237	24,723,558
PDT	28,967,068	5,793,414	1,448,353	21,725,301

Source: Data collected from TSE. Prepared by the author, 2021

As we could see, the amount left for internal distribution in Brazilian parties also respected favoured the parties with greater representation inside the Brazilian Chamber of Deputies. The PT in 2015 was left with more than R$ 87 million to allocate internally as they wish, while the PDT's National Executive Committee, in the same year, was left with around R$ 23 million to distribute internally.

3.1.2 The centralisation/decentralisation of what is left

From what is left for the National Party to allocate, there is still another question to be answered before looking into the distribution to each party's regional branches. How much money the National Party wants to retain and how much does it wants to release to its' regional branches? In other words, what percentage of the APF do National Parties centralise in their office and what percentage is decentralised to regional branches?

This is an aspect of Brazilian parties' organisation that has already been explored by Braga and Bourdoukan (2010) and Ribeiro (2009). According to Braga and Bourdoukan (2010 *apud* Ribeiro (2008)), in the PT between 1995 and 2004, on average half of the Annual Public Fund available for internal distribution was retained at the party's national level. Ribeiro (2009) analised the APF centralised/decentralised proportion in 24 Brazilian parties in 2007. This data, restricted to that year, shows that smaller parties were the ones with less decentralisation of resources. According to Ribeiro's data, the PSL, PRTB, PMN, PCdoB, PCB, PV, PSTU and PHS, were parties that centralised the most (100%), and the PMDB was the party that centralised the least (24%). Schaefer (2018) proposed that parties tend to decentralise the most according to the number of Senators and Federal Deputies, that were able to advocate for their states, in their party's NEC.

Table 4 shows the amount of APF that was available for our parties sample' internal allocation between 2015 and 2018, highlighting the proportion of centralisation and decentralisation of these resources between the national organisation and its regional branches.

Table 4 – Values of Centralised/Decentralised Annual Public Fund by party and year

Party	Remaining	Distributed	Centralised	Decentralised %	Centralised %
			2015		
PT	87,161,165	28,430,896	58,730,269	32.6	67.4
PSDB	71,462,718	28,354,026	43,108,693	39.7	60.3
PMDB	69,670,268	53,002,212	16,668,056	76.1	23.9
PP	41,912,192	12,961,700	28,950,492	30.9	69.1
PSB	40,881,878	15,676,648	25,205,230	38.3	61.7
PSD	38,973,341	22,420,000	16,553,341	57.5	42.5
PR	36,857,936	4,970,275	31,887,662	13.5	86.5
DEM	26,994,491	7,092,200	19,902,291	26.3	73.7
PTB	25,904,482	4,822,760	21,081,722	18.6	81.4
PDT	23,137,646	2,780,625	20,357,021	12.0	88.0
			2016		
PT	81,649,777	32,186,276	49,463,501	39.4	60.6
PSDB	67,294,067	36,662,594	30,631,473	54.5	45.5
PMDB	65,604,620	51,404,474	14,200,146	78.4	21.6
PP	39,441,662	37,646,100	1,795,562	95.4	4.6
PSB	38,470,555	22,285,671	16,184,883	57.9	42.1
PSD	36,671,691	30,682,000	5,989,691	83.7	16.3
PR	34,677,849	15,850,863	18,826,985	45.7	54.3
DEM	25,381,207	19,870,404	5,510,803	78.3	21.7
PTB	24,353,835	10,118,000	14,235,835	41.5	58.5
PDT	21,753,867	5,928,650	15,825,217	27.3	72.7
			2017		
PT	73,891,158	26,692,373	47,198,784	36.1	63.9
PSDB	60,895,816	29,715,691	31,180,125	48.8	51.2
PMDB	59,375,909	38,213,027	21,162,882	64.4	35.6
PP	35,697,088	14,554,650	21,142,438	40.8	59.2
PSB	34,818,723	10,349,453	24,469,269	29.7	70.3
PSD	33,192,329	25,681,500	7,510,829	77.4	22.6
PR	31,385,065	9,957,817	21,427,248	31.7	68.3
DEM	22,970,862	8,378,925	14,591,938	36.5	63.5
PTB	22,040,800	2,752,286	19,288,514	12.5	87.5
PDT	19,944,927	20,000	19,924,927	0.1	99.9
			2018		
PT	89,006,776	36,639,560	52,367,216	41.2	58.8
PSDB	72,004,782	41,368,234	30,636,548	57.5	42.5
PMDB	70,971,513	47,713,717	23,257,796	67.2	32.8
PP	42,365,094	35,531,350	6,833,744	83.9	16.1
PSB	41,085,255	23,948,798	17,136,457	58.3	41.7
PSD	39,454,334	29,404,000	10,050,334	74.5	25.5
PR	36,183,841	18,532,990	17,650,851	51.2	48.8
DEM	27,262,634	19,574,375	7,688,259	71.8	28.2
PTB	24,723,558	7,394,500	17,329,058	29.9	70.1
PDT	21,725,301	15,236,805	6,488,496	70.1	29.9

Source: Data collected from TSE. Prepared by the author, 2021

The data from Table 4 shows that in 2015 no party centralised less than 23.9% (PMDB) and no party centralised more than 88% (PDT). In 2016, the PDT was still the party that centralised the most (72.7%) and the PP was the party that centralised the less (4.6%). In 2017, again, the PDT maintained its place as the party that centralises the most (99.9%), but the PSD was the party that centralised the least (22.6%). In 2018, a shift happened in the PDT's pattern and the party centralised just 29.9% of the APF available for internal distribution. In that year, the PTB was the party that centralised the most (70.1%) and the PP was the party that centralised the least (16.6%).

As data shows, parties centralisation/decentralisation of resources in the National level differ every year. Perhaps because of the electoral calendar, but we have no evidence to suggest this. In order to visualise the average percentages of centralised and decentralised APF from each party, we present the Table 5. The data shows that, from our sample, the PTB is the party that on average centralise the higher percentage of APF at its' national level, while the PSD is the party that centralise the least. The PDT is seen as the second-ranked party in terms of centralisation. The PMDB, seen by the literature as a highly decentralised party, is ranked second in the list of parties that decentralise the most.

Table 5 – Average Percentages of Centralised and Decentralised APF

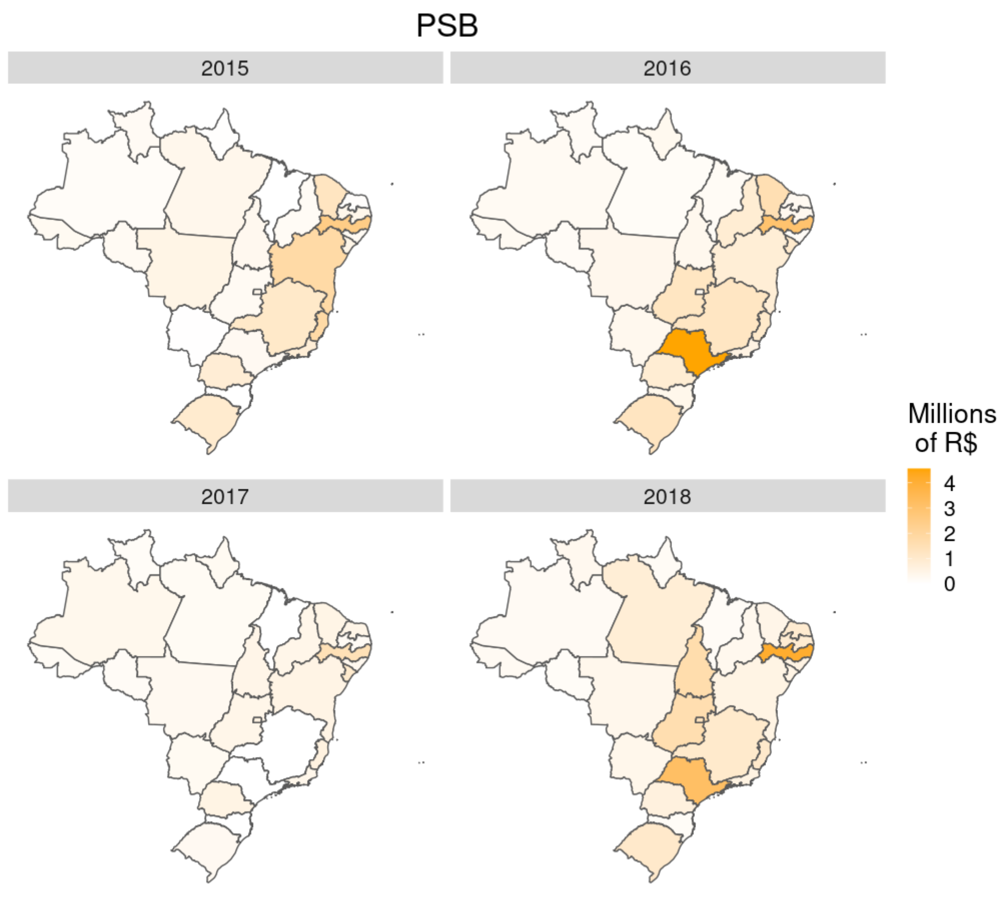
Party	Average Centralised %	Average Decentralised %
PTB	74.4	25.6
PDT	72.6	27.4
PR	64.5	35.5
PT	62.7	37.3
PSB	54.0	46.0
PSDB	49.9	50.1
DEM	46.8	53.2
PP	37.2	62.8
PMDB	28.5	71.5
PSD	26.7	73.3

Source: Data collected from TSE. Prepared by the author, 2021

3.1.3 Decentralising through Regional Branches

After these two first “bites” into the Annual Public Fund that the National party receives from the TSE, regional branches in Brazilian parties are left with what their NEC decided to decentralise. But what exactly determines the amount of resources each regional branch will end up receiving? As we can see bellow, with the PSB example, the distribution between regional branches is not guided by the principle of equity. We can see differences within the party at different years. In the Appendix we present these maps for all parties from our sample, in none of them, the distribution is egalitarian. In the Table 6, as an example, we can see the percentage from the decentralised APF that each PSB's regional branch received from the party's NEC.

Figure 3 – Amount of R$ (from the decentralised APF) received from the PSB's NEC by regional branch (2015-2018)



Source: Data collected from TSE. Prepared by the author, 2021

Table 6 – Percentages of the decentralised APF received by each Regional Branch (PSB in 2018)

Reg. Branch	Distributed	Received from NEC	% from Distributed
AC	23,948,798	252,494.9	1.1
AL	23,948,798	580,000.0	2.4
AM	23,948,798	222,577.7	0.9
AP	23,948,798	195,800.0	0.8
BA	23,948,798	548,002.6	2.3
CE	23,948,798	475,000.0	2.0
DF	23,948,798	1,370,219.4	5.7
ES	23,948,798	1,060,391.2	4.4
GO	23,948,798	1,626,000.0	6.8
MA	23,948,798	180,000.0	0.8
MG	23,948,798	1,050,448.8	4.4
MS	23,948,798	403,443.4	1.7
MT	23,948,798	380,000.0	1.6
PA	23,948,798	839,302.7	3.5
PB	23,948,798	918,978.2	3.8
PE	23,948,798	4,130,000.0	17.2
PI	23,948,798	349,500.0	1.5
PR	23,948,798	680,040.2	2.8
RJ	23,948,798	601,355.1	2.5
RN	23,948,798	970,000.0	4.1
RO	23,948,798	169,760.7	0.7
RR	23,948,798	320,335.3	1.3
RS	23,948,798	1,069,000.0	4.5
SC	23,948,798	156,000.0	0.7
SE	23,948,798	529,126.2	2.2
SP	23,948,798	3,189,866.0	13.3
TO	23,948,798	1,681,155.6	7.0

Source: Data collected from TSE. Prepared by the author, 2021

As pointed earlier in this chapter we want to understand not only how do parties decide to allocate the resources received from the Electoral Superior Court, or the factors that make one party *centralise/decentralise* more the resources. We also want to understand what leads one regional branch to receive more money than another one, and also, if it is possible for regional branches to exercise *influence* over its' hierarchically superior unit (NEC) in order to receive more resources.

Table 7 – Percentages of the decentralised APF received by each Regional Branch from PSB (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	1.7	1.2	1.9	1.1
AL	1.5	0.8	3.2	2.4
AM	0.9	1.1	3.5	0.9
AP	0.2	1.4	2.6	0.8
BA	11.7	3.8	5.2	2.3
CE	8.1	7.0	4.9	2.0
DF	2.5	1.3	5.5	5.7
ES	11.7	4.7	6.2	4.4
GO	1.6	5.6	4.3	6.8
MA	0.0	0.9	0.0	0.8
MG	7.1	5.5	0.0	4.4
MS	0.2	1.6	2.5	1.7
MT	3.2	1.7	2.8	1.6
PA	2.4	0.7	2.1	3.5
PB	2.6	1.5	2.2	3.8
PE	16.0	13.4	14.4	17.2
PI	1.3	4.0	4.3	1.5
PR	5.5	4.1	5.3	2.8
RJ	5.2	2.6	3.9	2.5
RN	0.5	1.3	4.8	4.1
RO	1.5	0.8	1.7	0.7
RR	1.5	0.8	1.6	1.3
RS	6.3	5.7	2.6	4.5
SC	0.0	1.8	0.0	0.7
SE	2.9	4.6	9.7	2.2
SP	1.7	20.5	0.0	13.3
TO	2.1	1.5	4.6	7.0

Source: Data collected from TSE. Prepared by the author, 2021

In Table 7 we can find the percentages from the decentralised APF by year at the PSB case. This is an example of how the distribution of the APF changes inside one party depending on the year. The Ceará (CE) regional branch for instance, received 8.1% in 2015, 7% in 2016, 4.9% in 2017, and 2% in 2018. At the Appendix we can see this table for all other 9 parties from our sample.

3.2 Hypotheses

Since the prohibition of business donations to candidates and regional branches, Brazilian parties and specifically, parties' regional directors, faced themselves with just one reasonable source of money: their national party. As discussed in the earlier section, Brazilian political parties centralise their resources at the national level due to the country's institutional arrangement, making the national party level a decisive arena for major political decisions. [2] Basically, by using Katz and Mair's (2009) terms: resources inside Brazilian Political Parties are centralised at the Party Central Office (PCOs), but obviously, due to the fact that the amount received depends on the number of federal deputies that each party has, the Party Public Office (PPOs) should play an enormous influence in this matter. Additionally, once national and regional elections in Brazil happens in the same day, we do expect Brazilian parties to be more centralised, with National Executive Committees having a tighter grip over regional branches (FABRE, 2008; DESCHOUWER, 2006). Our hypotheses for this work then, based on the literature review performed in the first two chapters, can be defined as:

H1: Regional branches with a presence inside its' hierarchically superior unit will have more influence on the party's political and strategic decisions (THORLAKSON, 2009; DETTERBECK, 2012; PANEBIANCO, 1995), and will consequently end up receiving more money from its' National Executive Committee. This would be especially valid for regionally, or local, oriented parties that do not run for the presidential office (HARBERS, 2014; RIBEIRO; FABRE, 2019; MELO, 2010; BORGES; ALBALA; BURTNIK, 2017).

H2: The Annual Public Fund distribution inside each Brazilian party's structure depends on (1) the size of the electoral district, (2) the percentage of Federal Deputies elected in each state by the party (SCHAEFER, 2019; BOTASSIO, 2018); and (3) the presence of regional directors in the Party's NEC.

[2] As we have discussed, the Public funding to Brazilian Parties is distributed by the TSE to each party's national level. This arrangement is as centralised as possible once regional branches receive no direct public funding as it happens in Mexico or Canada for example (HARBERS, 2014; COLETTO; JANSEN; YOUNG, 2011).

3.3 Data

As our unit of analysis is at the state-level, we have 27 observations for each party every, representing all 26 states plus the Federal District (DF). Each observation represents one regional branch from one of the ten largest Brazilian Political Parties (PT, PMDB, PSDB, PSD, PP, PR, PSB, PTB, DEM and PDT) between 2015 and 2018, summing a total of 1,080 observations. The database was created using data collected from more than 1,100 spreadsheets downloaded from the TSE's website. Most of the variables are electoral statistics such as governors elected in 2014 (and in office in 2018), federal and state deputies, and senators, elected by each party in each state, electoral district size and number of Parties' affiliates in each state. In the Appendix, we present a descriptive table for the variables used in our models.

3.3.1 Dependent Variable

The outcome variable is the percentage of the decentralised Annual Public Fund (APF) received by each regional branch from its NEC, as we could see represented in Figure 3. Basically, the outcome variable has been designed as a percentage of the Distributed Amount of Money that could be seen in Table 4 third column (Distributed), that ended up going to an specific regional branch. The outcome variable is precisely the fourth column from Table 6, for all our sample throughout 2015, 2016, 2017, and 2018. Our dependent variable can also be seen on columns 2, 3, 4 and 5 from Table 7 as an example. This data was extracted from each Party's Annual account documents, also from TSE's website. In the Appendix, we present, the maps for all 9 parties apart of the PSB, showing that the internal distribution of the decentralised Annual Public Fund during 2015-2018, was not guided by the principle of equity. If this were to be the case, we would expect to see all states receiving an equal amount of money and consequently, having the same colour shade.

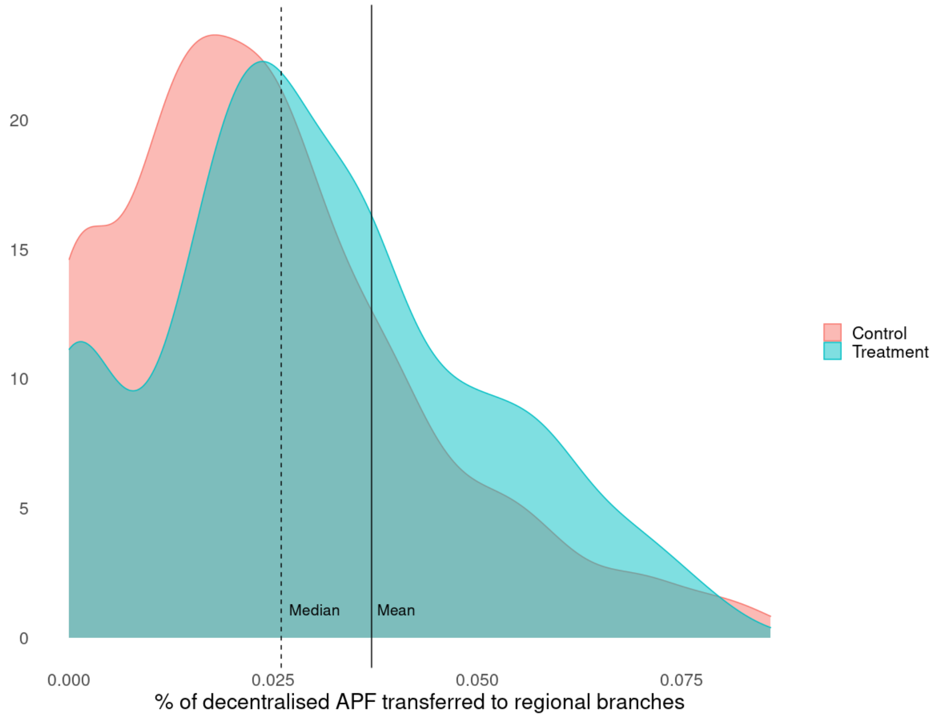
3.3.2 Independent Variable

We created the treatment variable using TSE's data on the composition of each party's NEC and its' 27 regional Committees from the 2008-2018 period. The database is then divided between two groups according to the independent variable. The treated group is formed by the states in which former (or current) regional directors became part of its Party's National Executive Committee (NEC). States who do not have any director in its' Party's NEC are part of the control group.

Bellow, the graph shows the total amount of the Annual Public Fund that were distributed between states, divided between regional branches that have representation into their NEC (treated - blue) and that do not have (control - red). The database has a total of 578 control observations (53,51%) and 502 treated observations (46,48%). The straight black line indicates the mean percentage for all groups, and the dashed line represents the median.

We present the decentralised Annual Public Fund distribution plot for all parties and for two subsets of parties (Nationally Competitive Parties, and, Regionally Competitive Parties). By doing this we might better understand different strategies from different parties according to their level of competitiveness for the presidential office. As we can see in the graphs, the difference in the distribution between Treated and Control groups is bigger in Regionally-oriented Parties than it is in Nationally Competitive Parties (state-wide parties).

Figure 4 – Percentage of the decentralised APF distributed between regional branches (2015-2018) - Complete Sample (10 parties)

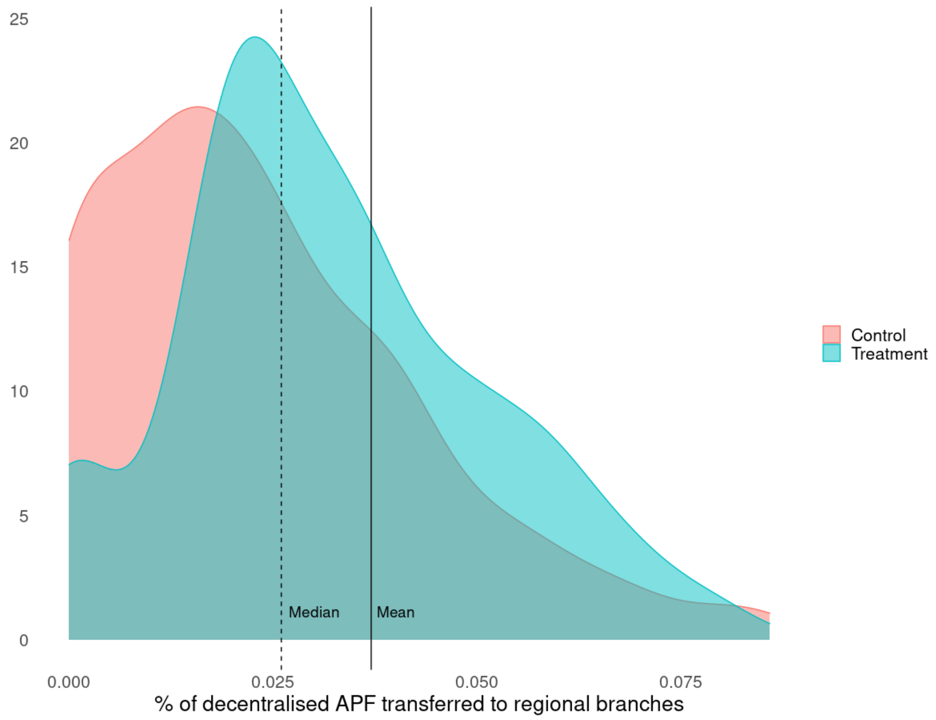


Source: Data collected from TSE. Prepared by the author, 2021

Figure 5 – Percentage of the decentralised APF distributed between regional branches (2015-2018) - State-Wide Parties (PT, PSDB, PSB, DEM, PDT)

Source: Data collected from TSE. Prepared by the author, 2021

Figure 6 – Percentage of the decentralised APF distributed between regional branches (2015-2018) - Regionally oriented Parties (PMDB, PSD, PP, PR and PTB)



Source: Data collected from TSE. Prepared by the author, 2021

3.4 Empirical Strategy

The correlation between our independent variable and our dependent variable though is not as clear as we should expect. This might be an indicator that the treatment variable is not a major indicator for our outcome. But, this does not mean that it does not play any role in the internal distribution of the decentralised APF inside Brazilian parties. There are still ways of measuring the exact effect of our treatment in our outcome without bias. In order to do this and to answer the proposed question: *"is it possible for regional branches to exercise influence over its' hierarchically superior unit (NEC) in order to receive more resources?".* In the following section we will explore the treatment assignment mechanism from our treatment variable in order to develop an unbiased regression model that detects its' effect on our outcome.

3.4.1 Treatment Assignment Mechanism and DAG

As mentioned earlier, our variable of interest divides our sample between two groups. The treated group is formed by the states in which former (or current) regional directors became part of its Party's National Executive Committee (NEC). States who do not have any director in its' Party's NEC are my control group.

Understanding how each NEC is formed is crucial once the NECs defines how much money will be transferred to each regional branch. Some parties, such as the PT, the PSDB and the PP, have formal rules regarding this but others simply do not (PSB and PDT). Identifying the effect of our treatment (presence of formal or current regional directors into the NEC) may provide evidence on informal rules inside Brazilian Political Parties. This is particularly important once even parties that have formal rules of distribution, repeatedly ignore them, distributing less money then they should.

After reading all the statutes from PT, PMDB, PSDB, PSD, PP, PR, PSB, PTB, DEM and PDT, we could detect the formal mechanisms of selection to each National Executive Committee. In all them, the National Executive Committee is formed by the party's National Directorate (Diretório Nacional), plus its' leaders in the Congress (Câmara dos Deputados and Senado). The National Directorate (ND) is elected at the Parties' National Congress. So, the ND usually works as a filter to define NEC's members as we could see from Guarnieri's Figure (2011).

Each party has a different method of defining the number of state delegates at the Party National Congress and that therefore, ends up electing the ND. In non of them, though, we have equal representation. This is crucial to understand how regional elites are formed inside Brazilian Political Parties and how these criteria may influence our outcome. A proper understanding of these criteria gives us a list of **confounders** that should be used as controls in a regression model in order to verify the effect of our treatment in our outcome (KEELE; STEVENSON; ELWERT, 2020).

- In the **PT**, elected state delegates reflect the number of affiliates the state has; there is a fixed number of delegates that all states have equally, and, on top of it, they add one new delegate for every 1.000 affiliates the party has in the state. So, representation in the Party's National Congress is partially related to the number of party affiliates each state has. With this information we point *the number of affiliates* as a **confounder** because it affects the ND composition (that affects the NEC) and also the outcome because the Party also distribute money between regional branches regarding the number of delegates that went to the last Party's National Congress;
- In the **PP** the number of state delegates is defined by (1) a fixed number of delegates each state has, (2) the number of federal deputies elected in each state, and (3) the number of state deputies the party has in each state. Again, the number of state delegates is not equally distributed between states. The party's rules to distribute the received Annual Public Fund between regional branches takes into consideration the (1) party's organisation in each state and, (2) the electoral district size from each state. *Federal deputies* and *state deputies* are probably **confounders** because they may affect the treatment and the total amount of money the party receives from the TSE (through the electoral district size);
- In the **PSDB** the number of delegates to the Party's National Congress is defined by (1) the number of federal deputies elected in the state, and (2) 10% of the number of municipal committees that the state has. In this case, the number of *Federal Deputies* is a **confounder** because the party also distribute the Public Annual Fund between Regional Committees according to the number of Federal Deputies elected in the state;
- In the **PSB**, we also have some method that boosts states with better electoral results. They define the number of delegates to the Party's National Congress based on (1) a fixed number that every state has, (2) the number of elected state deputies, (3) the number of elected federal deputies, (4) the number of elected senators, (5) the governor (if the party has it), and (6) the vice-governor (if from the party). In this case, though, we see no clear **confounder** because the party has no specific rule for distributing the Annual Public Fund between states. It is possible though that as it happens with PP, *Federal Deputies* turned to be a confounder once the amount of Annual Public Fund that the NEC receives from the TSE depends on the number of Federal Deputies the party has nationally;

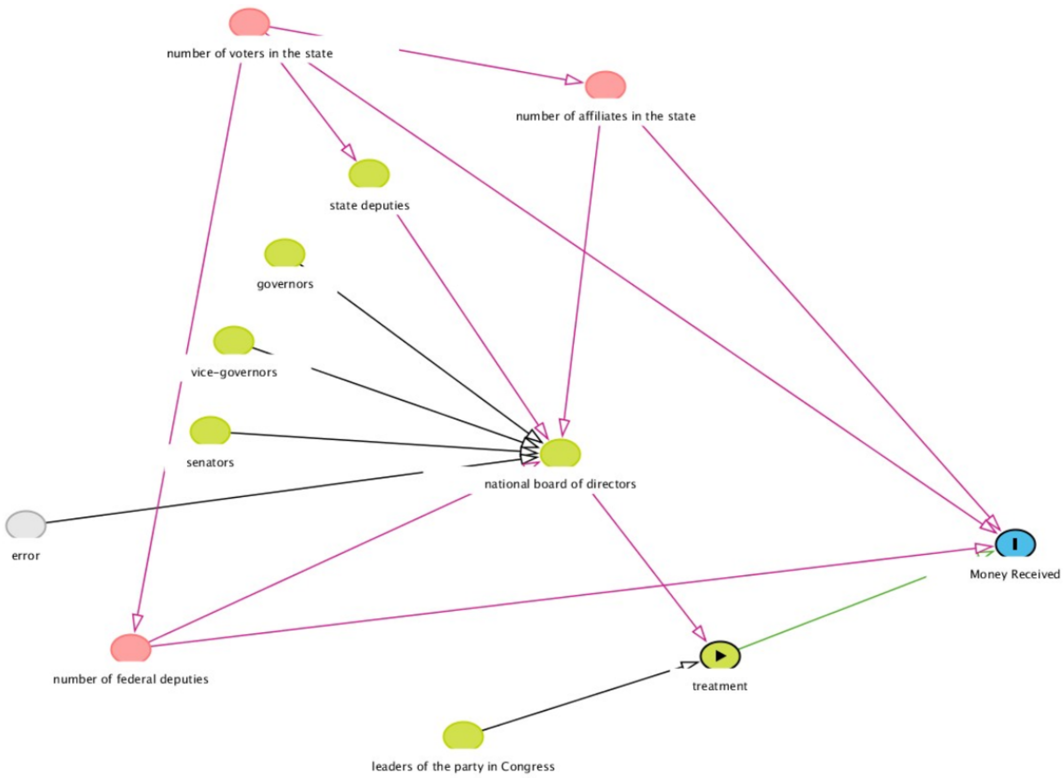
- **PMDB** defines the number of delegates to the Party's National Congress based on the number of elected federal deputies, and senators, and the number of votes received in the last House of Representatives election by state. The party distributes the Public Annual Fund between Regional Committees according to (1) levels of organisation of the party in each state[3], (2) the size of the electoral district, (3) the number of federal deputies elected in the state, and (4) the number of elected state deputies. In this case, *electoral district size* and *Federal Deputies* are **confounders** to the treatment.
- **PSD** defines the number of delegates to the Party's National Congress based on the number of elected federal deputies, and senators. As PP and PSB, they do not define any specific rule for sharing the Annual Public Fund between regional branches. It is possible though that as it happens with PP, *Federal Deputies* turns to be a confounder once the amount of Public Annual Fund that the NEC receives from the TSE depends on the number of Federal Deputies the party has nationally.
- **PR** defines the number of delegates to the Party's National Congress based on the number of elected federal deputies elected in each state. They share the Annual Public Fund between regional branches according to its number of federal deputies and votes to the last House of Representatives' election. In this case, the *electoral district size* is a **confounder** to the treatment.
- **PTB** defines the number of delegates to the Party's National Congress based on (1) a fixed number that every state has, (2) the number of elected federal deputies, and (3) the number of elected senators. In this case, though, we see no clear **confounder** because the party has no specific rule for distributing the Annual Public Fund between states. It is possible though that *Federal Deputies* turns to be a confounder for the same reasons mentioned for PP and PSB.
- **DEM** defines the number of delegates to its' National Congress based exclusively on the number of federal deputies and senators each state has (this is defined by the electoral district size). The party has no specific rule for distributing the Annual Public Fund between states. It is possible though that *Federal Deputies* also turns to be a confounder here.
- **PDT** defines the number of delegates to its' National Congress based simply on the number of affiliated voters in each state, plus its "electoral performance" - they do

[3] Number of installed Municipal Branches for example.

not specify what they understand as ”electoral performance”. The party does not specify in its statute, how they end up distributing the Annual Public Fund between regional committees.

Bellow, we have a DAG (Direct Acyclic Graph) that represents the influences on the treatment mentioned above. It may clarify which variables affect our treatment and our outcome. This DAG captures the pattern of confounders seen in the parties listed above.

Figure 7 – Direct Acyclic Graph (DAG) representing influences on the treatment and the outcome



Source: Prepared by the author, 2021

3.4.2 Statistical Models

If we take into consideration, all the variables that are listed in the DAG above we end up having a regression model that takes into consideration not only the **confounders** listed in the previous section but also other variables that affect the percentage of the Annual Public Fund received by each regional branch. This includes the formal rules from the party's statutes and also some electoral success variables. The model can be represented as:

$$\begin{aligned} Money_{i,p,t} = \alpha_{i,p,t} + \theta_t + \beta_1 Treatment_{i,p,t} + \beta_2 S.Deputies_{i,p,t} + \\ \beta_3 F.Deputies_{i,p,t} + \beta_4 Senators_{i,p,t} + \beta_5 StateGovernor_{i,p,t} + \\ \beta_6 ElectoralDistrictSize_{i,p,t} + \beta_7 PartySize_{i,p,t} + \epsilon_{i,p,t} \end{aligned} \tag{1}$$

Where $i = state$, $p = PoliticalParty$ and $t = year$

- $Money_{i,p}$ is the amount of Annual Public Fund received by each regional branch, regarding the total amount of Annual Public Fund that each NEC decided to share between regional branches;
- θ_t is a year fixed-effects;
- $Treatment_{i,p}$ is a dummy that stands for the presence of regional branches' Directors in its' Party's NEC;
- $S.Deputies_{i,p}$ refers to the percentage of State Deputies that the party elected in the state, regarding the total number of state deputies that the party elected nationally.
- $F.Deputies_{i,p}$ refers to the percentage of Federal Deputies that the party elected in each state, regarding the total amount of Federal Deputies elected nationally by the party;
- $Senators_{i,p}$ refer to the percentage of Senators that the party elected in each state, regarding the total amount of Senators elected nationally by the party;
- $StateGovernor_{i,p}$ refers to the State's Governor being from the party or not. It is measured through a percentage regarding the total number of State Governors that the party has nationally;
- $ElectoralDistrict_{i,p}$ refers to the number of registered voters for each state, regarding the national number of registered voters;

- $PartySize_{i,p}$ refers to the percentage of affiliates from each state, regarding the national number of affiliates the party has;

Though, as seen in the DAG, in order to properly assess the effect of our treatment in our outcome, we do not need that many variables. Actually, we just need to control for our **confounders**, which are *Federal Deputies* and *Electoral District*. *StateGovernor* and *Senators* should not be included in the model to estimate the treatment effect, once they do not affect our outcome in any of the Parties we are looking at. The variables *S. Deputies*, *Party Size* and *National Board of Directors (National Directorate)* should not be included once they are **colliders**, affecting the treatment and also being affected by other variables. [4] Additionally, none of these controls are post-treatment. After all, we have the following alternative model, that can properly assess the unbiased effect of our treatment in our outcome:

$$Money_{i,p} = \alpha_{i,p} + \theta_t + \beta_1 Treatment_{i,p} + \beta_2 F.Deputies_{i,p} + \beta_3 ElectoralDistrict_{i,p} + \epsilon_{i,p} \tag{2}$$

As we have seen in chapter 1, parties may behave differently in their strategies. As theory suggests, some parties compete for the National Office (Presidency) in an expansive movement, while others do not. Those who do not compete, concentrate energies in holding their status where they already perform well (RIBEIRO; FABRE, 2019; HARBERS, 2014; MELO, 2010; BORGES; ALBALA; BURTNIK, 2017). In an effort to take this into consideration, we decided to run my models for two subsets of parties, one that competes nationally and another that does not. As shown in Data section this decision takes into consideration the fact that the difference in the distribution between Treated and Control groups is bigger in Regionally Oriented Parties.

3.5 Results and Discussion

The regression table can be seen on Table 8. The first column is the one that takes into consideration all the variables mentioned in the first specification (1). The treatment variable shows no statistical significance, suggesting that in general, when looking at all parties, regional branches with representation

4 According to Keele, Stevenson and Elwert (2020), a collider is a variable that is affected by two other variables, and in order to *"satisfy the back-door criterion [the model] cannot contain any colliders that would unblock back-door paths"*.

into its' NEC, receives not much more of the decentralised APF divided between regional branches. All other models just consider the second specification (2), which properly assesses the effect of having a current (or formal) regional director into the party's National Executive Committee, in our dependent variable. The difference between column 2, 3 and 4, is the sample. While in model number 2, we have the second specification for all parties in our database, in column 3 and 4, we have the same model performed for **Nationally Competitive Parties**[5] and **Regionally Competitive Parties**[6] respectively. In a nutshell, the findings suggest that the **treatment effect is around 1 percentage points, and it is statistically significant (p.value of 0.001) for parties that do not compete for the National Office**. In parties that compete for the National Office, the treatment effect is negative (-0.6 percentage points) without statistical significance.

If taken into consideration that on average a regional branch receives around 3.7% of the total amount of decentralised Annual Public Fund that its' NEC decide to share between regional branches, a boost of 1% seems massive. This means that, on average, in regionally competitive (or regionally-oriented) parties, regional branches that have representation into its' hierarchically superior unit, receives a boost of 27% (0.010 / 0.037) on their Annual Public Fund share in comparison to branches without this representation, once controlling for the *Electoral District Size* and *the % of elected Federal Deputies.*

The results presented here points in the direction of our hypotheses. We could somehow provide evidence to support the statement that regional branches can influence its' Party's major political decisions (PANEBIANCO, 1995; THORLAKSON, 2009). Regional branches, when passing all inside selection filters, achieving the highest decision arena of their party, exercise influence in the allocation of resources decision. We have measured influence through the allocation of decentralised APF into each regional branch. The results are valid for regionally oriented parties (PMDB, PSD, PP, PR and PTB) as we have seen in our regression outputs.

As theory suggests, this kind of party works on a defensive strategy, protecting regions were they are stronger (HARBERS, 2014), and where consequently, their elites have higher levels of autonomy from national elites (RIBEIRO; FABRE, 2019; DESCHOUWER, 2006; FABRE, 2008; VAN HOUTEN; HOPKIN, 2009; THORLAKSON, 2009). The destination of resources to specific branches can also be seen as a major party strategy regarding the electoral game (BORGES; ALBALA; BURTNIK, 2017; MELO, 2010), but even if this is to be the case, we can see that regional elites participate in these major political decisions.

The analysis performed on Parties' statute's; alongside with the results presented also supports initial studies conducted by Botassio (2018) and Schaefer (2018) on understanding how Brazilian Parties distribute their public resources internally. This chapter provided more evidence that the Annual Public Fund

[5] PT, PSDB, DEM, PSB and PDT
[6] PMDB, PSD, PP, PR, PTB.

distribution depends on the (1) the size of the electoral district, and (2) the percentage of Federal Deputies each party elected in each state (a proxy for previous electoral performance).

Table 8 – Money Distribution From the National Executive Committee to the Regional Branches in PT, PMDB, PSDB, PSD, PP, PR, PSB, PTB, DEM and PDT (2015 - 2018) - Dependent variable measured in percentage (not log) - with year fixed- effects

	Dependent variable:			
	% of the decentralised AFP between regional branches			
	(1)	(2)	(3)	(4)
Treatment	0.002	0.002	-0.006	0.010^{***}
	(0.003)	(0.003)	(0.005)	(0.003)
State Deputies	-0.122^{**}			
	(0.061)			
Federal Deputies	0.386^{***}	0.306^{***}	0.383^{***}	0.242^{***}
	(0.055)	(0.041)	(0.064)	(0.050)
Senators	0.025			
	(0.017)			
Governors	0.004			
	(0.014)			
Electoral District Size	0.325^{***}	0.241^{***}	0.102	0.366^{***}
	(0.064)	(0.039)	(0.066)	(0.044)
Party's Size (Affiliates)	-0.099			
	(0.066)			
Mean for the dependent variable	0.037	0.037	0.037	0.037
Total Sample	Yes	Yes	No	No
Nationally Competetive Parties	No	No	Yes	No
Regionally Competetive Parties	No	No	No	Yes
Observations	1,080	1,080	540	540
R^2	0.199	0.193	0.139	0.319
Adjusted R^2	0.192	0.188	0.129	0.311
Note:				$^{*}p<0.1$; $^{**}p<0.05$; $^{***}p<0.01$

Conclusion

This master's thesis looked on money inside multi-level political organisations, specifically by looking at public financing to political parties in Brazil. Our main objective was to provide evidence on how public subsidies are divided internally in a system where the only reasonable source of income is precisely the state. In order to do so we have explored the literature on parties organisation and strategies, both internationally and also in Brazil. We have also reviewed the literature on parties' financing, paying attention to the few studies that investigate parties' internal money division in federal states. Finally then, in our empirical chapter we have performed an analysis over 10 Brazilian Political Parties during the period from 2015 to 2018 in order to dive into the Brazilian case.

Our literature review performed in the first two chapters suggested that the distribution of the Annual Public Fund inside Brazilian Parties depends on (1) the size of the Electoral district, and (2) the number of Federal Deputies elected in each state (SCHAEFER, 2018; BOTASSIO, 2018). Additionally, as seen from the literature on political parties, these organisations' structure changed throughout the time according to their main income sources and support in modern democracies (DUVERGER, 1957; PANEBIANCO, 1995; AMARAL, 2013; KIRCHHEIMER, 1969; HEINDENHEIMER, 1963; KATZ; MAIR, 1995; KATZ; MAIR, 2009). Lastly, parties' political strategies in multi-level system can be based according to the capacity each party have to compete for the national office (BORGES; ALBALA; BURTNIK, 2017; HARBERS, 2014; MELO, 2010; RIBEIRO; FABRE, 2019; VAN HOUTEN; HOPKIN, 2009; DESCHOUWER, 2006).

By using recently available data from the Brazilian Electoral Superior Court (TSE) we were able to create an original and unprecedented database over the money transfers from parties' National Executive Committees (NEC), to their regional branches in each sub-national Brazilian state. By analysing a specific dimension (money transfers) of the interaction between party levels in relevant Brazilian Parties, this thesis contribute to the field's understanding of these structures, focusing specifically on the regional branches' autonomy and influence regarding their party's central office. As parties have legal autonomy to distribute these resources, tracking this distribution was useful to understand more on parties' internal dynamics.

The results presented in our third chapter points in the direction of our hypotheses. We could somehow provide evidence to support the statement that regional branches with more influence inside its' Party structure end up having more autonomy (measured by the percentage of funds received from its' National Executive Committee). This seemed to be valid for regionally oriented parties (PMDB, PSD, PP, PR, and PTB). Some studies suggest that this kind of party works on a defensive strategy, protecting regions were they are stronger (HARBERS, 2014), and where consequently, their elites have higher levels of autonomy from national elites (RIBEIRO; FABRE, 2019; DESCHOUWER, 2006; FABRE, 2008; VAN HOUTEN; HOPKIN, 2009; THORLAKSON, 2009). The destination of resources to specific branches can also be seen as a major party strategy regarding the electoral game (BORGES; ALBALA; BURTNIK, 2017; MELO, 2010), but even if this is to be the case, we can see that regional elites participate in these major political decisions (PANEBIANCO, 1995). The analysis performed on Parties' statute's; alongside with the results presented supports initial studies conducted by (BOTASSIO, 2018) and (SCHAEFER, 2018) on understanding how Brazilian Parties distribute their public resources internally. We provided more evidence that the Annual Public Fund (APF) distribution depends on the (1) the size of the electoral district, and (2) the percentage of Federal Deputies each party elected in each state (a proxy for previous electoral performance). Additionally, as our findings point at, the influence of regional branches into its' party's central office (NEC) also plays a significant role in the money distribution for regionally oriented parties, representing a boost of almost a third in the APF received from the NEC.

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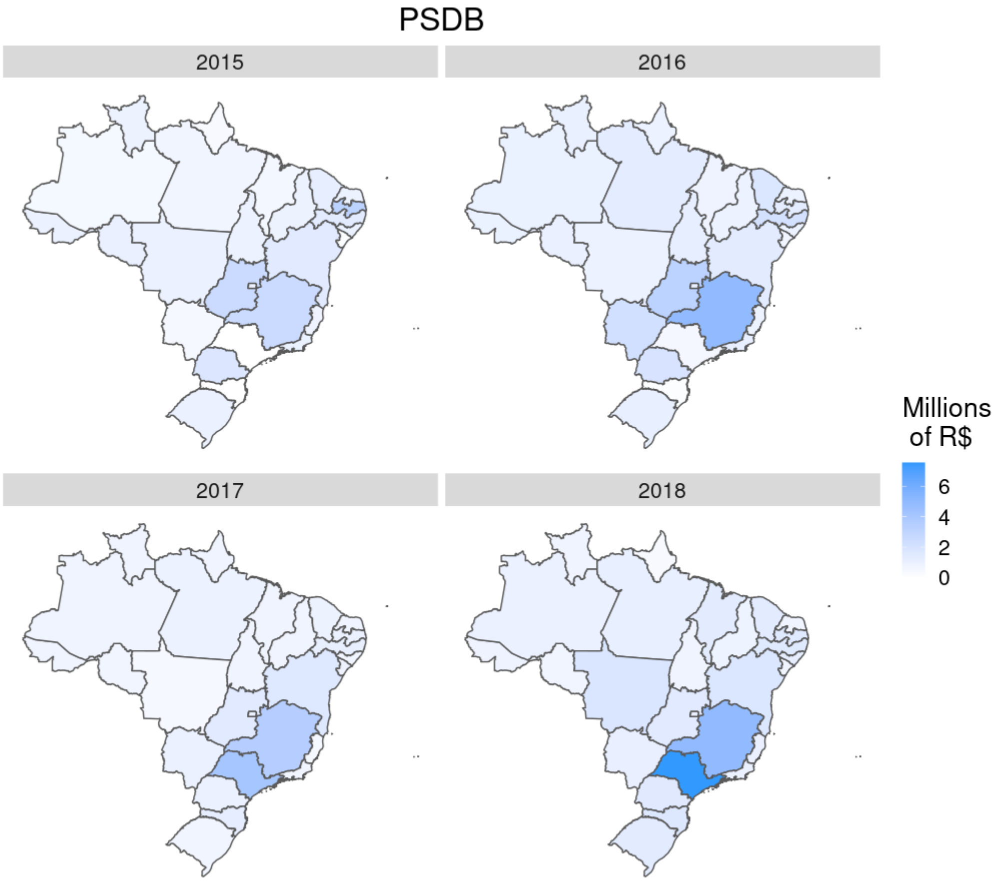
A

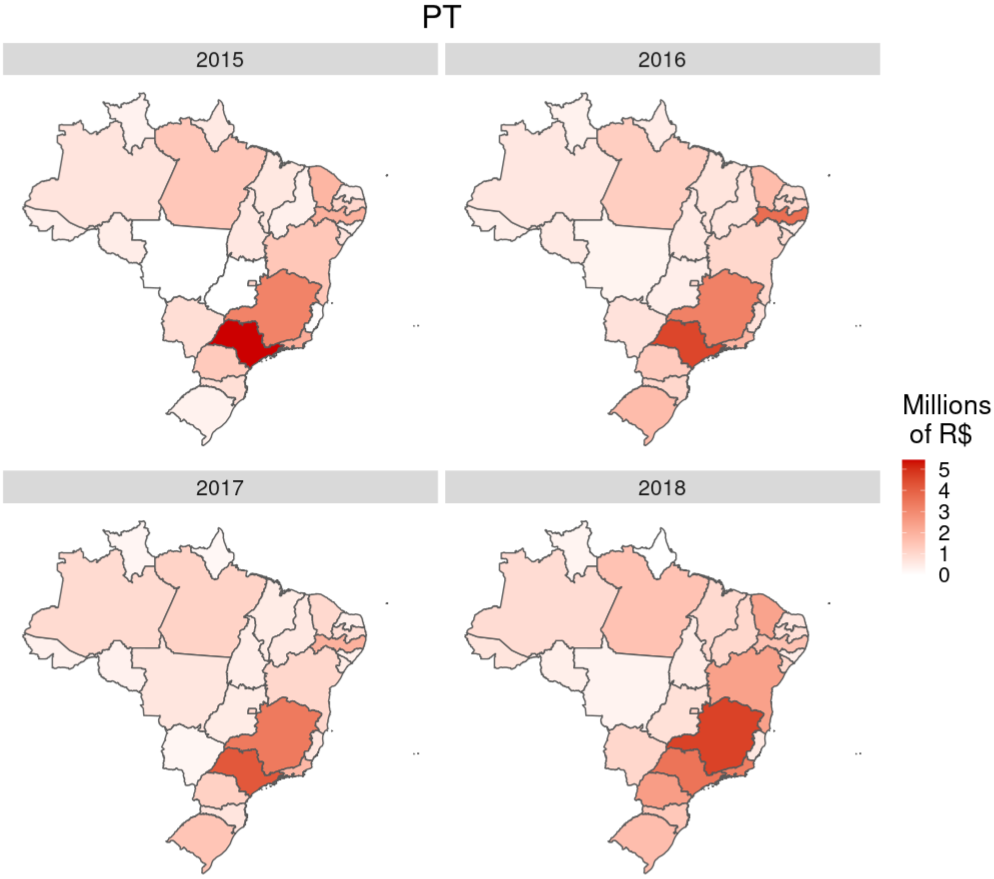
Appendix

Figure 8 – Amount of R$ (from the decentralised APF) received from the PSDB's NEC by regional branch (2015-2018)



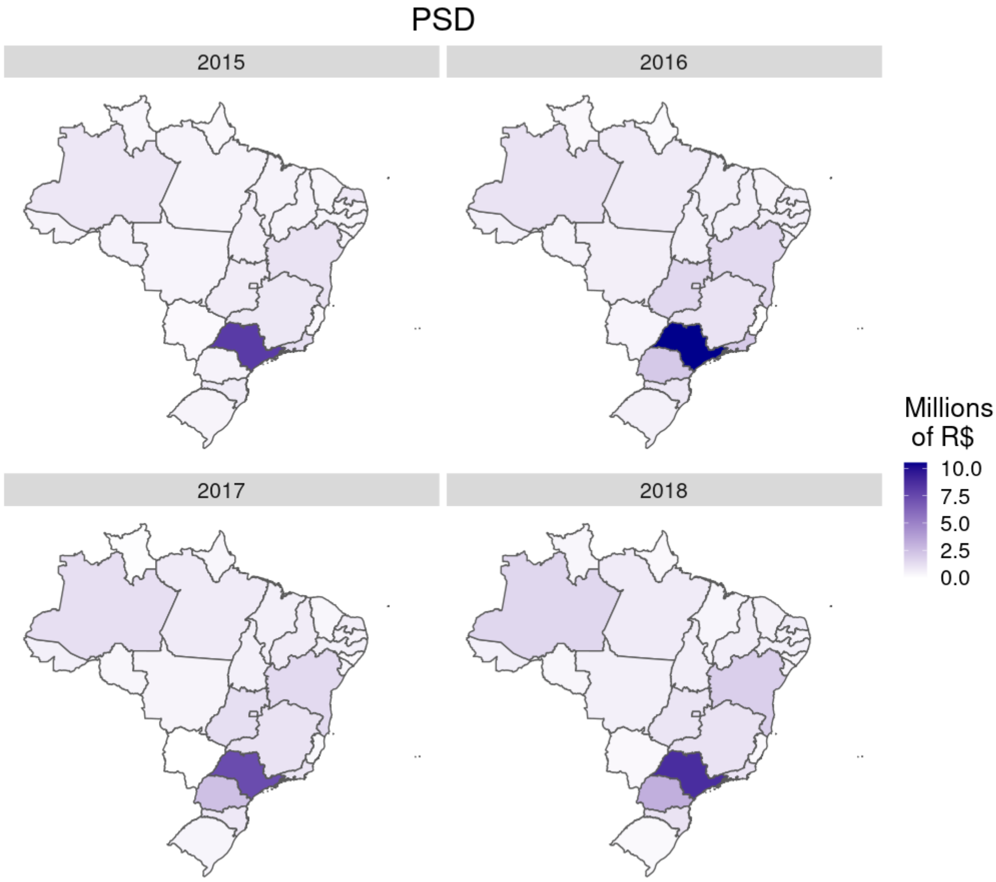
Source: Data collected from TSE. Prepared by the author, 2021

Figure 9 – Amount of R$ (from the decentralised APF) received from the PT's NEC by regional branch (2015-2018)



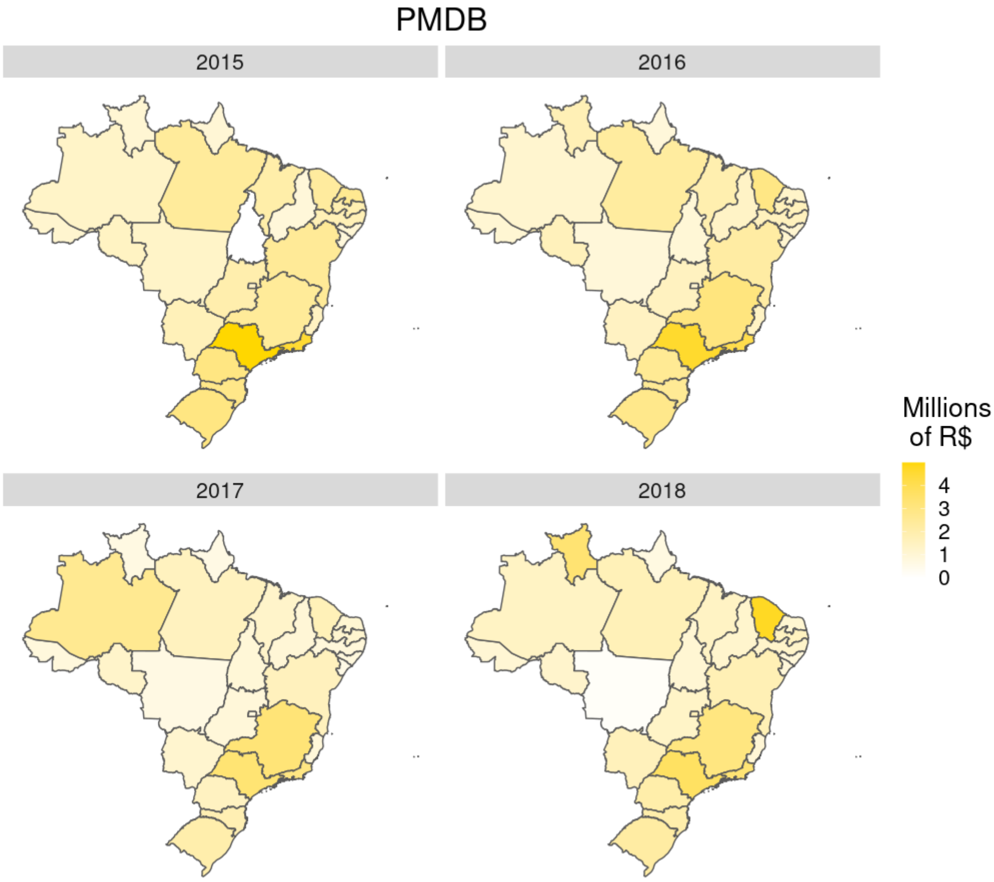
Source: Data collected from TSE. Prepared by the author, 2021

Figure 10 – Amount of R$ (from the decentralised APF) received from the PSD's NEC by regional branch (2015-2018)



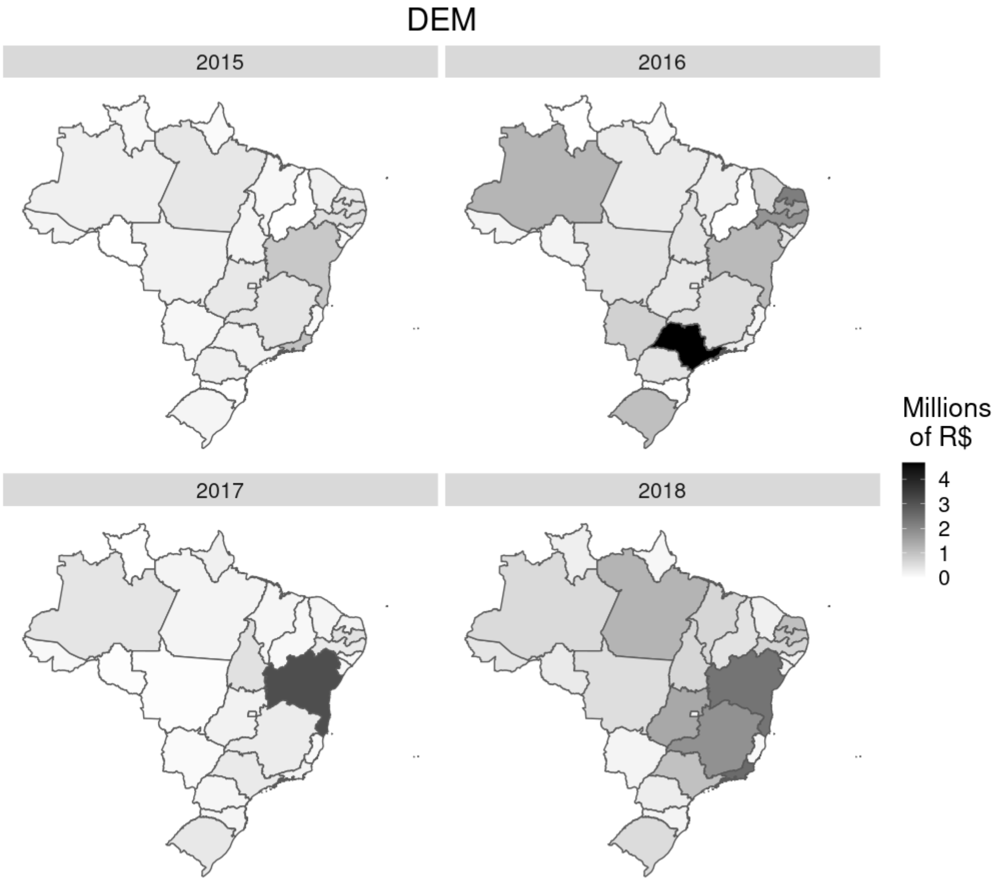
Source: Data collected from TSE. Prepared by the author, 2021

Figure 11 – Amount of R$ (from the decentralised APF) received from the PMDB's NEC by regional branch (2015-2018)



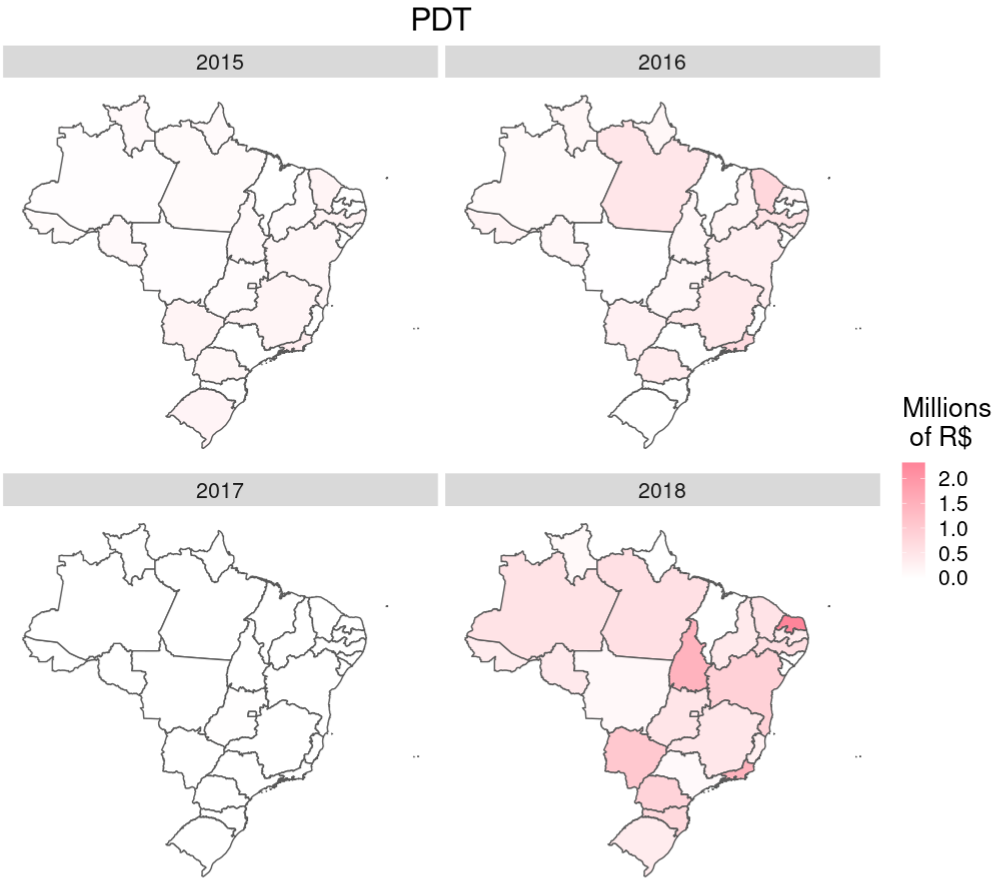
Source: Data collected from TSE. Prepared by the author, 2021

Figure 12 – Amount of R$ (from the decentralised APF) received from the DEM's NEC by regional branch (2015-2018)



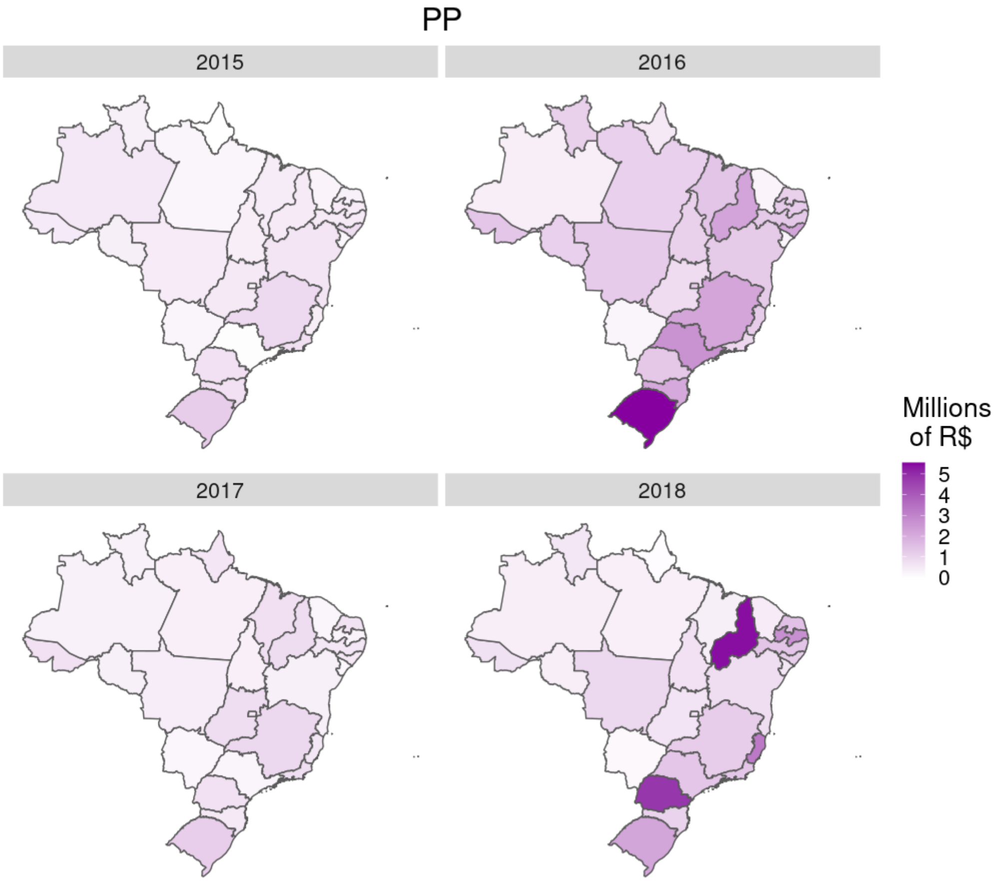
Source: Data collected from TSE. Prepared by the author, 2021

Figure 13 – Amount of R$ (from the decentralised APF) received from the PDT's NEC by regional branch (2015-2018)



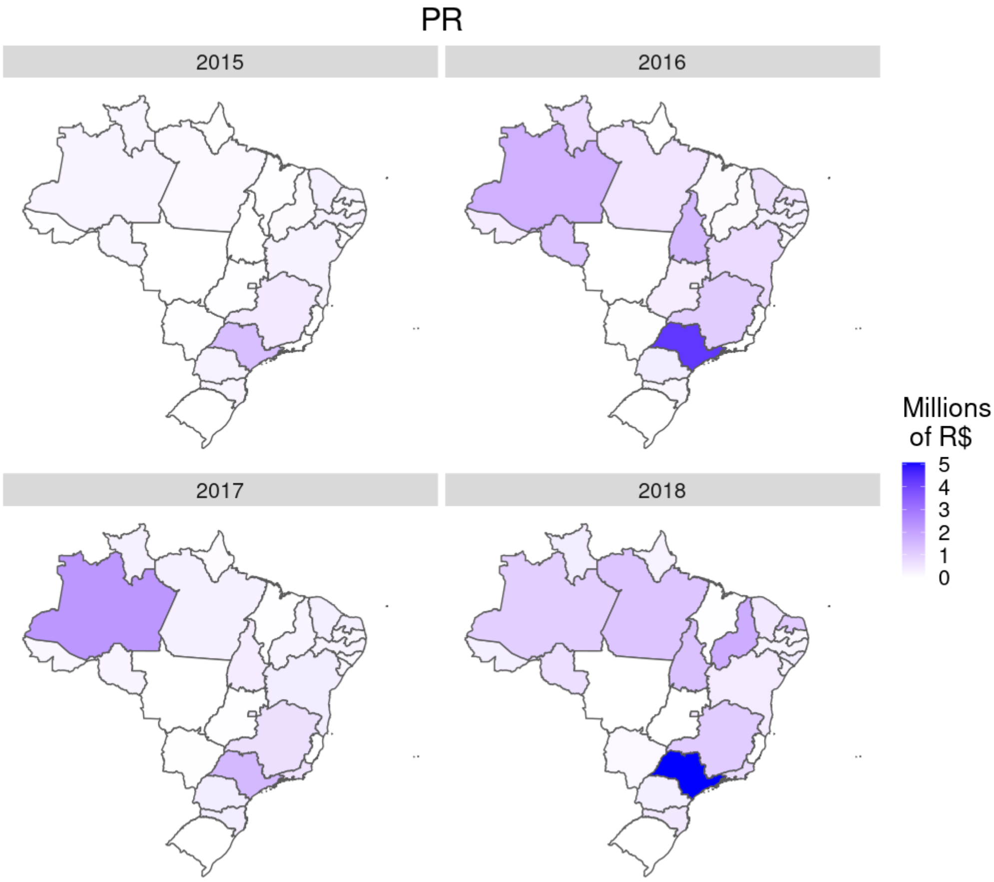
Source: Data collected from TSE. Prepared by the author, 2021

Figure 14 – Amount of R$ (from the decentralised APF) received from the PP's NEC by regional branch (2015-2018)



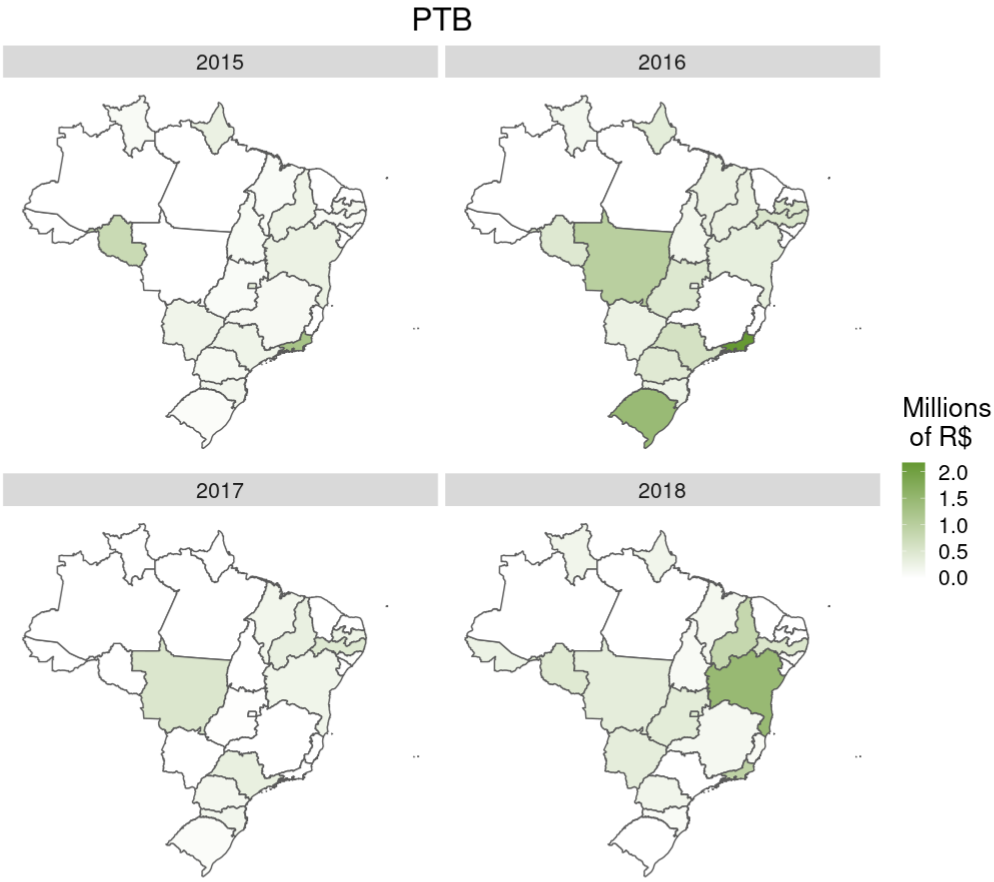
Source: Data collected from TSE. Prepared by the author, 2021

Figure 15 – Amount of R$ (from the decentralised APF) received from the PR's NEC by regional branch (2015-2018)



Source: Data collected from TSE. Prepared by the author, 2021

Figure 16 – Amount of R$ (from the decentralised APF) received from the PTB's NEC by regional branch (2015-2018)



Source: Data collected from TSE. Prepared by the author, 2021

Table 9 – Percentages of the decentralised APF received by each Regional Branch from PSDB (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	3.4	2.8	2.7	2.1
AL	3.5	2.6	2.3	3.0
AM	1.9	2.8	2.6	2.3
AP	1.4	2.5	2.5	1.0
BA	5.2	3.9	5.4	4.2
CE	4.1	4.8	3.1	3.5
DF	3.2	2.8	3.4	2.5
ES	2.9	2.4	1.6	2.5
GO	9.0	8.7	5.0	3.6
MA	2.1	2.3	2.5	3.3
MG	9.0	13.4	11.7	12.0
MS	1.7	5.9	3.4	2.7
MT	3.5	2.6	1.7	4.3
PA	2.5	3.6	3.2	2.7
PB	11.2	3.6	3.3	3.8
PE	5.0	5.9	3.8	3.7
PI	3.2	2.5	2.5	2.1
PR	6.1	5.2	3.4	3.7
RJ	3.6	3.1	2.3	2.3
RN	3.2	2.6	2.7	1.9
RO	3.7	2.9	2.4	1.6
RR	3.2	2.9	2.5	1.8
RS	3.4	3.1	2.4	3.4
SC	0.0	0.4	4.3	4.0
SE	0.5	2.0	2.8	1.9
SP	0.0	1.4	13.9	18.2
TO	3.4	3.2	2.6	1.9

Source: Data collected from TSE. Prepared by the author, 2021

Table 10 – Percentages of the decentralised APF received by each Regional Branch from PT (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	1.4	1.4	1.4	1.9
AL	0.8	1.5	1.4	1.3
AM	2.4	1.9	3.5	2.4
AP	2.0	1.5	0.8	0.0
BA	5.1	3.1	3.9	6.6
CE	6.6	5.4	3.7	6.5
DF	3.5	2.9	3.6	3.0
ES	0.2	2.4	2.4	1.6
GO	0.0	1.3	1.9	2.1
MA	2.1	2.1	1.9	2.6
MG	11.2	10.0	12.8	12.8
MS	3.0	2.3	0.9	2.8
MT	0.0	0.9	2.4	0.8
PA	5.0	3.9	4.2	4.3
PB	3.7	3.1	3.2	2.3
PE	7.2	11.5	7.5	4.4
PI	1.3	2.1	2.2	2.8
PR	4.8	4.2	4.5	6.9
RJ	7.4	5.9	6.8	9.0
RN	1.6	2.7	1.5	1.8
RO	1.6	1.7	1.3	1.1
RR	1.1	1.1	0.9	0.8
RS	1.2	5.4	5.6	4.6
SC	2.9	3.2	2.5	3.9
SE	2.4	2.7	1.8	2.8
SP	19.1	14.3	15.8	9.7
TO	2.1	1.7	1.8	1.4

Source: Data collected from TSE. Prepared by the author, 2021

Table 11 – Percentages of the decentralised APF received by each Regional Branch from PSD (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	2.1	2.0	2.3	2.0
AL	1.4	1.2	0.9	1.1
AM	4.2	3.5	4.8	5.4
AP	1.2	0.6	1.4	0.9
BA	4.8	4.7	5.6	6.5
CE	1.5	1.4	1.4	1.8
DF	2.9	3.5	4.2	3.8
ES	1.2	0.0	0.9	0.9
GO	3.2	5.0	4.9	3.5
MA	2.1	2.0	2.3	1.4
MG	4.0	3.5	4.2	3.7
MS	1.0	1.4	0.0	0.9
MT	1.8	2.0	1.7	2.0
PA	2.0	2.5	3.0	2.7
PB	1.5	1.6	1.9	1.6
PE	1.7	2.1	2.3	2.0
PI	2.1	2.0	2.8	2.2
PR	2.1	6.9	9.7	10.8
RJ	5.6	6.8	3.7	3.5
RN	3.7	2.0	2.5	2.5
RO	2.2	1.5	1.4	1.2
RR	1.4	0.9	0.4	1.2
RS	1.9	1.8	1.6	0.9
SC	3.3	3.1	3.4	3.7
SE	1.7	2.0	1.4	1.6
SP	36.4	34.3	28.8	29.9
TO	2.5	2.0	2.3	2.2

Source: Data collected from TSE. Prepared by the author, 2021

Table 12 – Percentages of the decentralised APF received by each Regional Branch from PMDB (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	2.2	2.1	2.2	2.2
AL	2.0	2.2	2.1	1.9
AM	2.5	2.3	6.9	3.0
AP	1.9	1.8	1.7	1.5
BA	4.7	4.3	4.2	3.7
CE	4.4	5.7	4.5	9.9
DF	2.4	2.2	2.1	3.5
ES	2.8	2.8	2.4	2.1
GO	3.7	3.0	2.4	2.8
MA	3.9	3.8	3.4	3.0
MG	4.6	6.0	8.5	6.4
MS	3.2	2.9	3.1	3.5
MT	2.5	1.8	1.8	0.4
PA	4.5	4.5	4.0	3.6
PB	3.5	3.2	3.0	3.2
PE	3.3	3.1	2.3	2.7
PI	1.7	2.7	2.6	2.5
PR	5.7	5.0	3.9	4.3
RJ	8.6	8.0	7.8	6.9
RN	5.0	2.5	2.9	2.3
RO	2.8	3.2	3.3	2.6
RR	2.0	3.4	1.8	7.1
RS	5.7	5.4	5.3	4.7
SC	5.3	5.0	4.8	4.3
SE	1.6	2.2	1.6	1.9
SP	9.4	9.0	8.7	7.8
TO	0.0	1.9	2.5	2.2

Source: Data collected from TSE. Prepared by the author, 2021

Table 13 – Percentages of the decentralised APF received by each Regional Branch from DEM (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	2.5	0.9	1.4	2.2
AL	2.6	2.0	1.3	1.2
AM	3.4	6.2	5.0	3.1
AP	1.1	0.5	2.9	0.6
BA	12.8	5.8	37.4	12.2
CE	3.4	3.2	1.9	1.2
DF	2.2	1.1	1.9	1.1
ES	1.1	0.8	1.1	0.6
GO	5.2	1.9	2.5	7.4
MA	1.9	1.4	1.7	3.4
MG	6.0	2.8	3.6	9.5
MS	1.9	3.8	0.9	0.9
MT	2.9	2.2	0.5	2.8
PA	5.5	1.7	2.1	6.3
PB	6.2	7.4	5.7	4.8
PE	7.4	9.1	4.1	3.6
PI	0.0	0.0	1.3	2.4
PR	3.7	2.3	1.8	1.5
RJ	14.5	1.5	2.1	13.1
RN	5.1	11.1	2.5	5.4
RO	0.0	1.0	0.5	1.7
RR	1.6	0.0	0.0	1.3
RS	2.3	5.3	4.4	2.9
SC	0.0	0.0	2.0	0.9
SE	1.2	2.3	1.6	1.1
SP	2.9	23.5	4.0	5.2
TO	2.5	2.2	5.9	3.4

Source: Data collected from TSE. Prepared by the author, 2021

Table 14 – Percentages of the decentralised APF received by each Regional Branch from PDT (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	3.1	3.7	0	2.5
AL	2.9	4.8	0	0.0
AM	1.1	1.7	0	3.6
AP	3.5	2.8	0	0.0
BA	5.4	5.3	0	5.9
CE	7.6	13.2	0	3.5
DF	5.8	3.0	0	2.8
ES	0.0	0.0	0	2.0
GO	2.5	2.7	100	3.3
MA	0.0	0.0	0	0.0
MG	7.0	7.1	0	3.0
MS	7.7	4.6	0	7.0
MT	1.1	0.2	0	0.9
PA	3.6	8.3	0	3.9
PB	0.0	0.0	0	2.6
PE	7.7	8.9	0	4.2
PI	2.5	3.7	0	2.7
PR	5.9	6.4	0	5.6
RJ	12.2	12.1	0	9.7
RN	0.7	3.0	0	15.2
RO	4.0	2.7	0	2.8
RR	4.0	2.8	0	0.8
RS	7.4	0.0	0	2.4
SC	0.0	0.0	0	4.9
SE	0.0	0.0	0	0.0
SP	0.0	0.0	0	0.8
TO	4.3	3.1	0	9.7

Source: Data collected from TSE. Prepared by the author, 2021

Table 15 – Percentages of the decentralised APF received by each Regional Branch from PP (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	3.8	3.7	5.0	2.0
AL	6.2	5.8	3.6	3.4
AM	4.2	1.1	2.3	1.2
AP	0.0	1.4	4.1	0.2
BA	4.9	3.3	2.4	2.3
CE	2.1	0.7	1.6	1.3
DF	2.2	3.1	4.0	1.8
ES	3.2	3.3	4.1	9.3
GO	4.2	2.2	5.7	1.8
MA	3.6	3.7	5.1	1.1
MG	6.8	5.8	6.3	3.4
MS	1.8	0.6	1.4	0.5
MT	3.7	3.3	3.0	2.7
PA	1.8	3.0	2.6	1.1
PB	3.7	3.3	1.9	7.7
PE	4.0	3.5	3.9	3.9
PI	3.9	5.9	5.8	15.3
PR	5.6	3.6	5.0	13.6
RJ	5.7	2.6	5.4	3.8
RN	2.6	3.0	4.7	4.2
RO	3.0	3.0	2.6	1.2
RR	2.7	3.0	2.4	1.6
RS	9.4	14.7	8.1	6.1
SC	5.6	5.6	3.6	2.9
SE	1.7	0.6	1.3	1.7
SP	0.4	7.1	1.6	3.8
TO	3.1	3.0	2.6	2.0

Source: Data collected from TSE. Prepared by the author, 2021

Table 16 – Percentages of the decentralised APF received by each Regional Branch from PR (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	1.4	2.5	1.8	1.8
AL	1.5	1.0	1.4	2.4
AM	4.7	10.6	22.7	5.5
AP	0.5	0.0	0.9	1.5
BA	5.3	4.8	4.0	2.3
CE	6.2	4.2	3.5	2.5
DF	3.5	1.0	4.0	2.5
ES	0.0	0.0	0.0	0.0
GO	0.9	2.2	0.5	0.0
MA	1.1	0.5	0.4	0.3
MG	9.1	6.8	6.7	5.8
MS	0.7	0.1	0.2	0.8
MT	0.0	0.0	0.0	0.0
PA	2.9	3.6	3.1	6.6
PB	2.6	1.9	1.7	1.0
PE	5.6	1.8	2.4	1.3
PI	2.3	0.7	2.5	9.6
PR	5.6	2.6	4.2	1.8
RJ	0.0	0.0	6.1	4.1
RN	4.5	3.8	3.4	6.1
RO	3.9	8.2	2.4	3.7
RR	3.9	4.9	2.9	2.2
RS	0.0	0.0	0.0	0.0
SC	4.2	1.1	4.2	2.5
SE	1.8	0.9	1.8	1.2
SP	27.8	27.3	15.3	27.3
TO	0.0	9.6	3.9	7.1

Source: Data collected from TSE. Prepared by the author, 2021

Table 17 – Percentages of the decentralised APF received by each Regional Branch from PTB (2015 - 2018)

Reg. Branch	% in 2015	% in 2016	% in 2017	% in 2018
AC	0.0	0.0	0.0	3.7
AL	0.6	0.3	1.8	0.9
AM	0.0	0.0	0.0	0.0
AP	5.9	3.8	0.0	2.7
BA	5.8	3.4	7.7	20.0
CE	0.0	0.0	0.0	0.0
DF	8.1	1.7	0.0	6.4
ES	0.0	0.0	0.0	1.5
GO	1.8	4.8	0.7	5.4
MA	1.8	2.8	7.0	2.0
MG	2.5	0.0	0.0	1.9
MS	4.6	2.7	0.0	5.0
MT	0.0	10.0	18.9	5.0
PA	0.0	0.0	0.0	0.0
PB	2.9	5.0	9.2	0.0
PE	2.2	5.2	17.1	7.1
PI	4.8	3.0	11.3	11.4
PR	2.7	4.5	6.0	2.7
RJ	26.3	21.5	0.0	12.7
RN	0.0	0.0	0.0	0.0
RO	16.1	4.7	0.0	6.3
RR	2.0	1.7	0.0	2.7
RS	1.3	14.5	2.1	0.0
SC	3.7	2.6	6.6	1.2
SE	0.0	0.0	0.0	0.2
SP	4.7	6.1	11.7	0.0
TO	2.4	1.9	0.0	1.4

Source: Data collected from TSE. Prepared by the author, 2021

Table 18 – Descriptive Statistics

Statistic	N	Mean	St. Dev.	Min	Pctl(25)	Pctl(75)	Max
% of the Annual Public Fund amount that were distributed between regional branches	1,080	0.037	0.050	0.000	0.015	0.044	1.000
Treatment	1,080	0.465	0.499	0	0	1	1
% of 2014 elected Party's State Deputies	1,080	0.037	0.037	0.000	0.016	0.044	0.238
% of 2014 elected Party's Federal Deputies	1,080	0.078	0.077	0	0	0.1	0
% of 2014 elected Party's Senators elected	1,080	0.037	0.085	0	0	0	0
% of Party's Governors	1,080	0.026	0.097	0	0	0	1
Electoral District Size (national percentage)	1,080	0.037	0.045	0.002	0.013	0.044	0.224
% of Party's Affiliates from UF (party's national percentage)	1,080	0.037	0.044	0.001	0.011	0.043	0.280