Online Appendix

This document contains supplementary material.

The study investigates factors which are systematically associated with a level of country´s compliance with international recommendations to improve the regulation on transparency and accountability of political finance. These recommendations are issued along with the third evaluation round from the *Groups of States against Corruption* (GRECO) which is a project operated by the Council of Europe.

Information on the GRECO project

How does GRECO refer to party finding and whom does it refer to in the country?

* The third round of GRECO, launched in 2007, addresses inter alia regulation on political finance. A particular focus of GRECO lies in transparency of party funding with reference to the *Recommendation of the Committee of Ministers to member states on common rules against corruption in the funding of political parties and electoral campaigns* (Rec (2003) 4). The project is still running in 2018 capturing most recent developments of the regulation on political finance. GRECO issues evaluation reports to each country-member with a set of recommendations on how this country can ensure transparency and accountability in political finance. Afterwards, GRECO monitors countries´ compliance with these recommendations. GRECO evaluation reports are based on primary data (analysis of regulation) and a wide range of country expert interviews, including high-rank public officials and representatives from the civil society. Interviewed experts are always listed at the beginning of the GRECO reports. For instance, for the first country in the list – Albania – GRECO evaluation team conducted interviews with *“officials from the following institutions: the Central Electoral Commission, the State Supreme Audit, the Ministry of Finance, the Constitutional Court, the Legal Commission of Parliament and the Council of Ministers […] with representatives of the following political parties: the Democratic Party, the Republican Party and the Socialist Party […] with representatives of non-governmental organisations (INSIZ and Transparency International Albania) and the media”[[1]](#footnote-1)*. A similar list is provided for all other 45 countries in the sample. As Guidelines for GRECO evaluators prescribe, to assess the compliance with party finance regulation GRECO interviewers have to investigate ´the spirit and the letter of the law´ and have to differentiate between ´the implementation of the law and paper tiger´[[2]](#footnote-2).

Who are the GRECO experts?

* Each country participating in GRECO has to provide GRECO with up to five experts who will be added in the GRECO expert pool. For every country GRECO appoints expert teams out of this pool who run the first evaluation procedure. GRECO appoints a new expert team for each of the compliance rounds (Statute of GRECO, Article 10). Expert team should be also approved by the country under evaluation (GRECO Rules of Procedure, Rule 26). All the GRECO expert names are published in the introductory part of the country evaluation and compliance reports. Last but not least, countries become members of the GRECO voluntarily via an invitation from the Secretary General, or ipso factum on ratifying the Criminal Law Convention on Corruption (ETS 173) or the Civil Law Convention on Corruption (ETS 174).

How are the GRECO assessments performed?

* According to the GRECO Rules of Procedure, all GRECO country-members undergo a dynamic process of evaluation based on the standardized questionnaire filled in by the country delegation to the GRECO and a set of following-up on-site meetings in that country between GRECO expert team, national public officials (as GRECO indicates ´domestic key players´[[3]](#footnote-3)) and representatives of the civil society[[4]](#footnote-4). This standardized procedure assures the comparability of the reports cross-sectionally.
* A detailed description of the procedure on how the report with recommendations is worked out is provided in the Rule 28 (GRECO Rules of Procedure)[[5]](#footnote-5). In brief, these are the following parties who participate in the establishment of the GRECO evaluation report: experts from the GRECO evaluation team, called GET; the Secretariat of GRECO; a country which stands in focus of the evaluation report; and the Plenary of GRECO. In particular, the GRECO Secretariat provides GET with a comprehensive reply to the standardized questionnaire filled in by the national delegation to GRECO and copies of relevant legislation. GET conducts on-site interviews. On coming back from the on-site visit, every member of the GRECO evaluation team delivers an individually written report with an analytical part and drafted recommendations along with the guidelines for evaluations[[6]](#footnote-6). Every evaluation report contains recommendations addressing the malpractices that experts managed to identify. All the recommendations must be thoroughly grounded in the draft, and subsequently also in the report. The GRECO Secretariat constructs an overall draft report and opens it for the comments to the whole GRECO evaluation team. As soon as all the parties agree upon it, this draft is provided to the country under evaluation for comments. The evaluation team has to consider these country´s comments[[7]](#footnote-7) and, in case of disagreement, the Secretariat helps to find a consensus. After final adjustments are finished, this report is distributed to all the other GRECO members. A final draft should be voted in the Plenary to come into effect.
* Recommendations are structured along with the analytical part of the evaluation reports: general legislative framework transparency, structural party funding, supervision / monitoring, and sanctions.

How is the compliance with GRECO recommendations determined?

* The Guidelines for GRECO Evaluators (Rule 30) define compliance as a full implementation of a recommendation contained in the evaluation report within the time limit set by GRECO. As a rule, 18 months after the evaluation reports have been issued, a country has to report what has been done to fulfil recommendations issued in order to improve national regulation and national practices to tackle corruption. Based on these reports two rapporteurs appointed ad hoc by GRECO decide with regard to each individual recommendation how far a country has complied with GRECO recommendations. According to the Guidelines for GRECO Evaluators, GRECO experts assess both compliance with ´the spirit and the letter of the law´ and have to differentiate between ´the implementation of the law and paper tiger´[[8]](#footnote-8). These results are debated in the Plenary. The GRECO Secretariat assists the two rapporteurs to draft a mutual report reflecting a consensus. A final draft is sent to the country under evaluation and then again revised by the rapporteurs. The Secretariat works as a mediator if needed. After all, the compliance report is debated and voted for in plenary.

APPENDIX A. FIGURES AND TABLES

Figure A1. Relationship between intensiveness of party codification and a proportion of recommendations that demand a path-breaking change for countries in the third GRECO evaluation round

 **

*Note. The white lines denote the medians.*

*Source. Author´s estimations*.

Comment. I disaggregate country recommendation into more than 590 quasi-sentences, denoted with i-indices in the original evaluation reports of the GRECO. Each quasi-sentence is coded to indicate whether it demands a path-breaking or a path-dependent reform for a country. A path-breaking demand might be, for example, the establishment of a new supervising institution or the introduction of a legal definition of political parties. An example of a path-dependent demand is an adjustment of already existing regulation aimed to strengthen the inter-ministerial cooperation or a broadening of the definition of participants who are eligible to apply for the state support[[9]](#footnote-9). All the codes on path-dependent and path-breaking demands are mutually exclusive.[[10]](#footnote-10) Finally, I aggregate the proportion of quasi-sentences that demand a path change on a country level. The values of this variable can range from 0 to 1.

Figure A1 indicates that, on average, the more intensive the regulation of political parties a country has, the less path-breaking recommendations on transparency of political finance it receives from the GRECO.

Figure A2. Relationship between compliance progress in the third GRECO round (party finance) and levels of compliance in the previous GRECO rounds



*Source. Author´s estimations*.

Figure A3. Compliance in the third GRECO round: a longitudinal perspective.



Table A1. Years when countries received their recommendations within the third GRECO evaluation round

|  |  |
| --- | --- |
| Year | Countries |
| 2012 | Italy, Monaco, Russia |
| 2011 | Andorra, Austria, Bosnia and Herzegovina, Cyprus, Czech Republic, Georgia, Moldova, Switzerland, Ukraine, USA |
| 2010 | Armenia, Azerbaijan, Bulgaria, Greece, Hungary, Macedonia, Montenegro, Portugal, Romania, Serbia, Turkey |
| 2009 | Albania, Belgium, Croatia, Denmark, France, Germany, Ireland, Lithuania, Norway, Spain, Sweden |
| 2008 | Estonia, Iceland, Latvia, Luxemburg, Malta, the Netherlands, Poland, Slovakia, UK |
| 2007 | Finland, Slovenia |

Table A2. Amount of recommendations across evaluation rounds: an overview \*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| A | B | C | D | E | F | G | H (Robustness check) | I(Robustness check) |
| Country | Number of rec-s issued in the 1st round  | Implemented rec-s consideredin the analysis (1st round) | Number of rec-s issued in the 2nd round  | Implemented rec-s considered in the analysis (2nd round) | Number of rec-s issued in the 3rd round on political finance | Implemented rec-s considered in the analysis (3nd round on political finance) | Number of rec-s in the 3rd round on political finance after adjustment | Implemented rec-s out of those selected in G (after adjustment) |
| Albania | 11 | 11 | 13 | 11.5 | 7 | 7 | 6 | 6 |
| Andorra | 0 | 0 | 18 | 14 | 10 | 10 | 9 | 9 |
| Armenia | 0 | 0 | 24 | 21 | 11 | 11 | 11 | 11 |
| Austria | 0 | 0 | 24 | 19 | 11 | 8 | 11 | 8 |
| Azerbaijan | 0 | 0 | 27 | 21 | 8 | 5 | 7 | 4 |
| Belgium | 14 | 14 | 9 | 7 | 11 | 6.5 | 10 | 5.5 |
| Bosnia and Herzegovina | 18 | 16.5 | 16 | 11.5 | 9 | 3.5 | 9 | 3.5 |
| Bulgaria | 14 | 14 | 11 | 11 | 16 | 14.5 | 15 | 13.5 |
| Croatia | 16 | 15 | 11 | 11 | 6 | 6 | 6 | 6 |
| Cyprus | 10 | 9 | 10 | 8 | 6 | 5.5 | 6 | 5.5 |
| Czech Republic | 9 | 8.5 | 12 | 8.5 | 9 | 8 | 9 | 8 |
| Denmark | 4 | 3.5 | 6 | 5.5 | 9 | 0 | 9 | 0 |
| Estonia | 12 | 12 | 15 | 13.5 | 9 | 8.5 | 8 | 7.5 |
| Finland | 8 | 8 | 4 | 4 | 10 | 10 | 10 | 10 |
| France | 10 | 8.5 | 6 | 5.5 | 11 | 7 | 9 | 5.5 |
| Georgia | 25 | 21 | 14 | 13.5 | 10 | 6.5 | 9 | 5.5 |
| Germany | 6 | 5 | 6 | 5.5 | 10 | 6 | 9 | 5.5 |
| Greece | 10 | 10 | 10 | 6.5 | 16 | 14.5 | 16 | 14.5 |
| Hungary | 11 | 10.5 | 12 | 9.5 | 10 | 4 | 8 | 2 |
| Iceland | 3 | 2.5 | 6 | 4.5 | 9 | 9 | 8 | 8 |
| Ireland | 8 | 7 | 6 | 5.5 | 7 | 6 | 7 | 6 |
| Italy | 0 | 0 | 22 | 18.5 | 7 | 6 | 7 | 6 |
| Latvia | 15 | 14 | 13 | 11 | 5 | 4.5 | 5 | 4.5 |
| Lithuania | 10 | 9.5 | 8 | 8 | 12 | 11.5 | 11 | 10.5 |
| Luxembourg | 12 | 10 | 13 | 9.5 | 10 | 7.5 | 7 | 4.5 |
| Macedonia | 17 | 15.5 | 14 | 13.5 | 6 | 4.5 | 4 | 2.5 |
| Malta | 15 | 14 | 7 | 6.5 | 6 | 4.5 | 6 | 4.5 |
| Moldova | 14 | 13.5 | 15 | 12.5 | 9 | 8.5 | 9 | 8.5 |
| Monaco | 0 | 0 | 28 | 21 | 4 | 2 | 4 | 2 |
| Montenegro | 0 | 0 | 24 | 23 | 9 | 8 | 9 | 8 |
| Netherlands | 7 | 7 | 6 | 4.5 | 13 | 9 | 11 | 7.5 |
| Norway | 5 | 5 | 4 | 4 | 6 | 6 | 6 | 6 |
| Poland | 17 | 16 | 9 | 8 | 8 | 6.5 | 8 | 6.5 |
| Portugal | 12 | 11 | 10 | 9 | 7 | 7 | 6 | 6 |
| Romania | 13 | 13 | 15 | 13 | 13 | 12 | 13 | 12 |
| Russia | 0 | 0 | 26 | 20.5 | 12 | 10 | 11 | 9 |
| Serbia | 0 | 0 | 25 | 22.5 | 10 | 10 | 10 | 10 |
| Slovakia | 19 | 19 | 17 | 14.5 | 10 | 8 | 9 | 7 |
| Slovenia | 12 | 11.5 | 10 | 8.5 | 13 | 13 | 10 | 10 |
| Spain | 10 | 9 | 6 | 4.5 | 6 | 5.5 | 6 | 5.5 |
| Sweden | 8 | 8 | 5 | 4 | 7 | 5 | 7 | 5 |
| Switzerland | 0 | 0 | 13 | 12.5 | 6 | 0 | 6 | 0 |
| Turkey | 0 | 0 | 21 | 17 | 9 | 2.5 | 9 | 2.5 |
| UK | 12 | 10.5 | 7 | 7 | 6 | 4 | 5 | 4 |
| Ukraine | 0 | 0 | 25 | 20.5 | 9 | 7 | 9 | 7 |
| USA | 12 | 12 | 8 | 7 | 3 | 3 | 3 | 2 |

\*Note: Columns B-E were used to calculate compliance in the previous rounds of GRECO: ((C+E)/(B+D)). This procedure allows for keeping those countries in the analysis which experienced the first and second GRECO rounds as a single operation. Column F was used as a control variable for the overall number of recommendations issued per country in the 3rd round. Column G refers to the compliance with those recommendations which are accounted for in the Column F. Compliance level for the dependent variable used in the paper is calculated as G/F. Levels of recommendations as captured in columns B, D, F, G are constant across time. The indicators of compliance in columns C, E, G were measured based on GRECO compliance reports available by July 2017.

Column H is the overall number of recommendations after the exclusion of the quasi-sentences which do not require regulation reforms (i.e. when a quasi-sentence demands an arranging of a workshop for political parties on finance). Such quasi-sentences amount to 9 per cent of all quasi-sentences. Column I refers to the compliance with those recommendations which are accounted for in the Column H. Compliance level for the dependent variable (for a robustness check) is calculated as I/H. No changes to the results reported in the paper were found.

Table A3. Summary of the relevant variables in the sample

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variable | Obs | Mean | Std. Dev. | Min | Max | Dummy cases coded as 1 |
| Country | 46 | - | - | 1 | 46 | NA |
| Year | 46 | 5.225 | 1.47 | 1.58 | 8.5 | NA |
| Number of GRECO recommendations  | 46 | 8.935 | 2.824 | 3 | 16 | NA |
| Proportion of quasi-sentences for parliamentary parties  | 46 | .025 | .057 | 0 | .256 | NA |
| Proportion of quasi-sentences for monitoring institutions  | 46 | .164 | .092 | 0 | .4 | NA |
| Proportion of quasi-sentences for sanctions  | 46 | .139 | .079 | 0 | .4 | NA |
| Proportion of quasi-sentences demanding path change  | 46 | .502 | .197 | .125 | 1 | NA |
| Proportion of quasi-sentences entailing conflict between levels of authority | 46 | .023 | .080 | 0 | .339 | NA |
| Proportion of quasi-sentences for a better public availability of information on political finance | 46 | .118 | 0.100 | 0 | .333 | NA |
| Satisfaction with democracy | 45 | .468 | .182 | .095 | .790 | NA |
| No confidence in political parties | 45  | .781 | .116 | .321  | .937 | NA |
| Compliance in the third GRECO round | 46 | .777 | .248 | 0 | 1 | NA |
| GRECO founding members  | 46 | - | - | 0 | 1 | 17 |
| Compliance in previous GRECO rounds  | 46 | .885 | .067 | .75 | 1 | NA |
| Dummies for EU candidates  | 46 | - | - | 0 | 1 | 7 |
| High intensiveness of party codification | 46 | - | - | 0 | 1 | 29 |
| Cabinet affiliations (Left-right scores, weighted) | 32 | 1.719 | 3.026 | -3.533 | 10.4 | NA |

Table A4. Codes used to construct the variable on intensiveness of party codification[[11]](#footnote-11)

| Country | Are political parties mentioned in the Constitution? | Is there statutory regulation of the finance of political parties or campaigns related to the finance of political parties? | Is there a party law? | Level of party codification |
| --- | --- | --- | --- | --- |
| Albania | 1 | 1 | 1 | High |
| Andorra | 1 | 1 | 0 | Low |
| Armenia | 1 | 1 | 1 | High |
| Austria | 1 | 0 | 1 | High |
| Azerbaijan | 1 | 1 | 1 | High |
| Belgium | 0 | 1 | 0 | Low |
| Bosnia and Herzegovina | 0 | 1 | 0 | Low |
| Bulgaria | 1 | 1 | 1 | High |
| Croatia | 1 | 1 | 1 | High |
| Cyprus | 1 | 0 | 1 | High |
| Czech Republic | 1 | 1 | 1 | High |
| Denmark | 0 | 1 | 0 | Low |
| Estonia | 1 | 1 | 1 | High |
| Finland | 1 | 1 | 1 | High |
| France | 1 | 1 | 0 | Low |
| Georgia | 1 | 1 | 1 | High |
| Germany | 1 | 0 | 1 | High |
| Greece | 1 | 1 | 0 | Low |
| Hungary | 1 | 0 | 1 | High |
| Iceland | 1 | 1 | 0 | Low |
| Ireland | 0 | 1 | 0 | Low |
| Italy | 1 | 1 | 0 | Low |
| Latvia | 1 | 1 | 1 | High |
| Lithuania | 1 | 1 | 1 | High |
| Luxembourg | 1 | 1 | 0 | Low |
| FYR Macedonia | 1 | 1 | 1 | High |
| Malta | 1 | 0 | 0 | Low |
| Moldova | 1 | 1 | 1 | High |
| Monaco | 0 | 1 | 0 | Low |
| Montenegro | 1 | 1 | 1 | High |
| Netherlands | 0 | 1 | 0 | Low |
| Norway | 1 | 0 | 1 | High |
| Poland | 1 | 1 | 1 | High |
| Portugal | 1 | 1 | 1 | High |
| Romania | 1 | 1 | 1 | High |
| Russia | 1 | 1 | 1 | High |
| Serbia | 1 | 1 | 1 | High |
| Slovakia | 1 | 0 | 1 | High |
| Slovenia | 1 | 1 | 1 | High |
| Spain | 1 | 1 | 1 | High |
| Sweden | 1 | 1 | 0 | Low |
| Switzerland | 1 | 0 | 0 | Low |
| Turkey | 1 | 0 | 1 | High |
| UK | 0 | 1 | 0 | Low |
| Ukraine | 1 | 1 | 1 | High |
| USA | 0 | 1 | 0 | Low |

APPENDIX B. TESTING ADDITIONAL SPECIFICATIONS AND ALTERNATIVE CONTROL VARIABLES

Table B1. Additional robustness checks for GRECO founding members

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) |
| *IVs* |  |  |  |  |
| GRECO founding members | 0.197\*\*(0.064) | 0.183\*\*(0.062) | 0.157\*(0.063) | 0.104\*(0.045) |
|  |  |  |  |  |
| High intensiveness of party codification | 0.155\*(0.071) | 0.128+(0.064) | 0.141\*(0.061) | 0.099\*(0.044) |
|  |  |  |  |  |
| Candidates to the EU |  |  | -0.144+(0.085) |  |
|  |  |  |  |  |
| *Controls* |  |  |  |  |
| Conflict of competences |  | -1.080\*(0.497) | -1.140\*(0.503) |  |
| Demands for a better public availability of information on political finance | 0.630\*(0.234) |  |  | 0.450\*(0.214) |
|  |  |  |  |  |
| Years | -0.069\*\*(0.022) | -0.070\*\*(0.023) | -0.080\*\*(0.025) | -0.051\*\*(0.015) |
|  |  |  |  |  |
| *Constant* | 0.891\*\*\*(0.129) | 1.022\*\*\*(0.101) | 1.098\*\*\*(0.113) | 0.934\*\*\*(0.096) |
|  |  |  |  |  |
| Observations | 46 | 46 | 46 | 46 |
| *R*2 | 0.411 | 0.467 | 0.502 | 0.274 |
| F | 5.223 | 5.265 | 4.478 | 6.450 |
| AICR | - | - | - | 68.191 |
| BICR | - | - | - | 80.239 |

*DV is the proportion of fully and partly implemented recommendations.*

*Unstandardized coefficients; Robust SE in parentheses*.

Models 1, 2 and 3 present results of multiple regressions.

Model 4 shows results of a robust regression.

Table B2. Additional model specifications

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Two-limit tobit model | Two-limit tobit model | Two-limit tobit model | Two-limit tobit model | Two-limit tobit model | Two-limit tobit model |
| (1) | (2) | (3) | (4) | (5) | (6) |
| *IVs:* |  |  |  |  |  |  |
| GRECO founding members  |  |  | 0.220\*\* (0.077) |  |  | 0.225\*\* (0.080) |
| High intensiveness of party codification  | 0.220\* (0.095) | 0.175\* (0.084) |  |  | 0.181\* (0.087) | 0.177\* (0.077) |
| Demands for parliamentary parties |  | 0.618 (0.723) | 0.213 (0.655) |  |  |  |
| Parties in cabinet (left-right scale, w) |  |  |  | -0.035\* (0.016) |  |  |
| Candidates to join the EU |  |  |  |  | -0.171 (0.127) |  |
| *Controls:* |  |  |  |  |  |  |
| Year |  | -0.095\*\* (0.030) | -0.123\*\*\* (0.030) | -0.083\* (0.036) | -0.108\*\* (0.033) | -0.114\*\*\* (0.031) |
| Conflict of competences |  | -1.036\* (0.498) | -1.177\* (0.467) | -1.394\*\* (0.490) |  |  |
| Number of recommendations[[12]](#footnote-12) |  |  |  |  |  | 0.000 (0.008) |
| Constant | 0.680\*\*\* | 1.119\*\*\* | 1.311\*\*\* | 1.277\*\*\* | 1.299\*\*\* | 1.101\*\*\* |
|  | (0.075) | (0.189) | (0.161) | (0.211) | (0.201) | (0.210) |
| Constant (Sigma) | 0.301\*\*\* | 0.242\*\*\* | 0.231\*\*\* | 0.239\*\*\* | 0.268\*\*\* | 0.236\*\*\* |
|  | (0.040) | (0.031) | (0.030) | (0.036) | (0.035) | (0.031) |
| Observations | 46 | 46 | 46 | 32 | 46 | 46 |

*DV is the proportion of fully and partly implemented recommendations. Unstandardized coefficients; Robust SE in parentheses.*

*\* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001*

Table B3. Results of the robust regression on some of the hypotheses of interest

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) |
|  |  |  |  |  |  |
| Compliance in previous GRECO rounds (H1) |  | 1.047\*(0.431) | 1. 062\*(0.440) | 0.641(0.350) | 0.711\*(0.347) |
|  |  |  |  |  |  |
| Candidates to the EU[[13]](#footnote-13) (H3a) |  | -0.079(0.089) | -0.174(0.154) |  |  |
|  |  |  |   |  |  |
| International Aid |  | 0.011(0.026) | 0.008(0.029) |  |  |
|  |  |  |   |  |  |
| Candidates to the EU X International Aid (H3b) |  |  | 0.048(0.075) |  |  |
|  |  |  |  |  |  |
| High intensiveness of party codification (H4) | 0.170\*\*(0.059) |  |  |  |  |
|  |  |  |  |  |  |
| Parties in cabinet (H5)/left‒right scores, weighted/ | -0.040\*\*\*(0.010) |  |  |  |  |
| Demands on parliamentary parties (H6) |  |  |  | -0.330(0.415) |  |
| Year | -0.013(0.020) |  |  | -0.042\*(0.016) | -0.048\*\*(0.015) |
| Conflict of competences | -1.182\*\*\*(0.283) |  |  |  |  |
| Government Efficiency |  |  |  |  | -0.031(0.025) |
| Constant | 0.871\*\*\* | -0.096 | -0.108 | 0.497 | 0.567 |
|  | (0.125) | (0.382) | (0.390) | (0.333) | (0.332) |
| Observations | 32 | 46 | 46 | 46 | 44 |
| R2 | 0.400 | 0.091 | 0.095 | 0.200 | 0.234 |
| AICR | 37.687 | 61.043 | 61.385 | 70.859 | 55.349 |
| BICR | 48.304 | 69.751 | 72.407 | 79.856 | 65.711 |

DV is the proportion of fully and partly implemented recommendations.

Unstandardized coefficients; SE in parentheses.

\* *p* < 0.05, \*\* *p* < 0.01, \*\*\* *p* < 0.001

Table B4. Regressions on the adjusted dependent variable.

Adjustment: at the very beginning of the analysis, I omit quasi-sentences (i-denoted parts of the recommendations) which do not require legal changes – for example, arranging a workshop for political parties on finance – while constructing the dependent variable. The following procedure is exactly the same as described in the part on the construction of the dependent variable in the paper.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *IVs* | (1) | (2) | (3) | (4) |
| GRECO founding members |  | 0.212\*\*(0.071) | 0.200\*\*(0.067) | 0.126\*(0.058) |
| High intensiveness of party codification | 0.250\*(0.104) | 0.139\*(0.067) | 0.144+(0.075) | 0.145+(0.076) |
| Parties in cabinet (left-right scale) | -0.043\*(0.017) |  |  |  |
| *Controls* |  |  |  |  |
| Year | -0.025 | -0.076\*\* | -0.069\*\* |  |
|  | (0.028) | (0.028) | (0.023) |  |
| Demands for a better public availability of information on political finance |  |  | 0.619\*\*(0.220) |  |
| Satisfaction with democracy |  | -0.200(0.220) |  |  |
| Constant | 0.821\*\*\* | 1.083\*\*\* | 0.883\*\*\* | 0.656\*\*\* |
|  | (0.179) | (0.137) | (0.145) | (0.080) |
| Observations | 32 | 45 | 46 | 46 |
| R2 | 0.374 | 0.402 | 0.392 | 0.282 |
| Adjusted R2 | 0.307 | 0.342 | 0.333 | 0.231 |

DV is the proportion of fully and partly implemented recommendations (adjusted).

Unstandardized coefficients; SE in parentheses.

+ p < 0.10, \* *p* < 0.05, \*\* *p* < 0.01, \*\*\* *p* < 0.001

Appendix C. Predictive margins and real data observations for the 3rd GRECO round on political finance.

 

A

|  |  |
| --- | --- |
| Intensiveness of party codification | Compliance rates |
| *Real observations* | *Predictive margins* |
| High party codification | 0.843 | 0.871 |
| Low party codification | 0.665 | 0.603 |

B

Note. Predictions are based on the Model 1 (Table 1 in the main text).

APPENDIX D. CODING DETAILS

Coding instructions

The code is to be assigned to each quasi-sentence of a GRECO recommendation available in the country report. One quasi-sentence is a part of a recommendation or a whole recommendation which is denoted with a marker (i) in the original evaluation reports. To assign the code, please, read carefully an analytical part provided in the GRECO report above the text of the recommendation and a quasi-sentence in focus. One quasi-sentence can have only one code.

Follow the detailed description of the codes as provided in the table D1 and D2.

Table D1. Coding instructions. Overview of codes

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Supreme categoriesSubcategories | Path-Breaking | Path-Dependent | Working in Practice | Regional competencies  | Other | Not context-specific | NA |
| Supervision and Enforcement | 1100 | 2100 | 3000 | 5000 | 4000 | 8888 | 9999 |
| Requirements on Parliamentary Parties | 7100 | 2200 |
| Requirements on All Parties  | 3100 | 2300 |
| Publishing / Reporting Obligations | 4100 | 2400 |
| Accounting Requirements | 5100 | 2500 |
| Regulation on Sanctions | 6100 | 2600 |

Table D2. Coding instructions. Detailed description of codes: excerpt with codes capturing recommendations on path-changing and path-development changes for parliamentary parties

|  |  |
| --- | --- |
| 7100 | Subcategory: Parliamentary Parties in Focus – Path-Breaking DemandsDefinition A quasi-sentence is coded as “Parliamentary Parties in Focus - Path Breaking” if it invokes fundamental changes in the regulation or exclusive status of ONLY those political groups whose representatives are elected to the parliament. Exclusive status is to understand as financing and other privileges which parliamentary parties and independent parliamentarians enjoy in contrast to the non-parliamentary parties and other non-parliamentary groups. Limitations to other categories If a recommendation or a subunit demands path changes in the regulation of BOTH parliamentary and non-parliamentary parties, coalitions, candidates, or ONLY non-parliamentary parties, coalitions, candidates, it belongs to the category “Requirements on All Parties – Path Breaking”. If a quasi-sentence does not introduce any new norm for the parliamentary parties but some expansion or shortening in the existing norms in that field should take place, this quasi-sentence should be coded within the category “Requirements on Parliamentary Parties - Path-Dependent”. Examples * A country is recommended to differentiate legally between parliamentary groups and political parties. There is no provision with regard to this issue in the existing law.
* A country is recommended to obligate elected parliamentary representatives to report on their revenues and/or expenditures. There is no provision with regard to this issue in the existing law.
* A country is recommended to prevent the misuse of administrative resources. There is no provision with regard to this issue in the existing law.
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| 2200 | Subcategory: Parliamentary Parties in Focus – Path-Dependent DemandsDefinition A quasi-sentence is coded as “Parliamentary Parties in Focus – Path-Dependent” if it invokes moderate changes in the regulation or status of ONLY those political groups whose representatives are elected to the parliament. Moderate changes mean the legal norm already exists but needs to be adjusted. Limitations to other categories If a recommendation or a subunit demands dependent changes in the regulation of parliamentary and non-parliamentary parties, it belongs to the category “Requirements on All Parties – Path-Dependent”. Examples * A country is recommended to reduce the direct state financial support to the parliamentary parties. The direct finance support from the state to political parties has already been established.
* A country is recommended to expand the number of participants getting state support.
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1. GRECO evaluation report on Albania, p. 2, retrieved 26.09.2017 from https://rm.coe.int/16806c1b6e [↑](#footnote-ref-1)
2. Guidelines for GRECO evaluators, p. 6, retrieved 26.09.2017 from https://rm.coe.int/16806cc121 [↑](#footnote-ref-2)
3. GRECO informational brochure, p. 5, retrieved 26.09.2017 from https://rm.coe.int/16806fd621 [↑](#footnote-ref-3)
4. GRECO Rules of Procedure 2012, Rule 25, retrieved 07.04.2016 from https://rm.coe.int/16806cd443 [↑](#footnote-ref-4)
5. GRECO Rules of Procedure, retrieved 26.09.2017 from: https://rm.coe.int/16806cd443 [↑](#footnote-ref-5)
6. Guidelines for GRECO evaluators, retrieved 26.09.2017 from https://rm.coe.int/16806cc121 [↑](#footnote-ref-6)
7. Statute of GRECO, Article 14, retrieved 26.09.2017 from https://rm.coe.int/16806cd24f [↑](#footnote-ref-7)
8. Guidelines for GRECO evaluators, p.6, retrieved 26.09.2017 from https://rm.coe.int/16806cc121 [↑](#footnote-ref-8)
9. Further details for assignment of codes are available in Appendix D. [↑](#footnote-ref-9)
10. The Kappa intercoder reliability test from the two consequent coding of path-dependent and path-breaking quasi-sentences is Kappa = 81.5 for 5 per cent of the data. [↑](#footnote-ref-10)
11. Additional details can be provided by the author upon a request. [↑](#footnote-ref-11)
12. Number of recommendations is measured as a number of quasi-sentences per country.

 Note that tests with an overall number of recommendations per country does not change the results. [↑](#footnote-ref-12)
13. The reference group consists of the EU members and countries that are not EU candidates. Findings stay robust if the reference group consist of the EU members only. [↑](#footnote-ref-13)