

Preparation 2: Political Finance Reform Simulation

Background: Political Scandal Rocks Ruritania

The Contemporary Times McMenamin apologises and resigns



Minister for Finance Max McMenamin has resigned. He apologised for offering tax breaks to green energy companies in return for donations to the Liberal party. He said, "I have made a mistake and I will pay for it. I passionately believe that a just transition cannot be achieved without the pro-business politics that our party has always stood for. Nonetheless, I let myself, my colleagues, and the people of Ruritania down by appearing to link political party donations and good environmental policy". It had been rumoured that Prime Minister Sally Sullivan was going to fire him this morning had he not offered his resignation. The Conservative-Liberal coalition is now in crisis. Dr Eoin O'Malley of Somewhere City University has said, 'There has never been greater pressure to reform our political finance system'.



Conservative Party  @Conservative_official

The time for reform is now!

We will present our #politicalfinancereform plan to parliament tomorrow.

 Translate from Neverlandisch

RETWEETS
63

LIKES
76



Instructions

You are the chief adviser to Sally Sullivan, leader of the Conservative Party and prime minister of Ruritania. The previous leader of the party is currently on the board of two banks and a mining company. It is not known how much she earns for these roles.

The coalition partners of the Conservatives are the Liberals. You wake up to discover in the *Contemporary Times* that the Liberal Minister of Finance has just resigned after a recording emerged of him offering tax breaks to green energy firms in return for donations to his political party. This scandal has put political finance reform at the top of the political agenda. You also see that your party tweeted a promise to put a plan before parliament tomorrow.

Present a political finance reform proposal of max. 1000 words (excluding references) to your leader. It should

- A. Try to maintain or improve the party's relative financial position compared to its main competitors;
- B. Convince voters that the party is serious about cleaning up politics; and
- C. Have a realistic chance of passing in parliament.

Political parties in Ruritania receive both public and private funding. There are currently no limits on private funding and no disclosure requirement for donors. However, parties are required to submit very basic annual accounts that report income from individual, business, and trade union donors, as well as the total amount of public funding received.

The accompanying spreadsheet will help you analyse the situation. The spreadsheet will calculate the effect of any and all of the reforms on the Conservatives' income and that of their competitors:

- 1. Banning individual donations (indicate 1 in spreadsheet to see effect of ban),
- 2. Banning business donations (indicate 1 in spreadsheet to see effect of ban),
- 3. Banning trade union donations (indicate 1 in spreadsheet to see effect of ban),,
- 4. Changing the threshold at which public funding per vote is allocated (indicate percentage of votes),
- 5. Changing the threshold at which public funding per parliamentary seat is allocated (indicate seat percentage),
- 6. Changing the amount of public funding per vote percentage,
- 7. Changing the amount of public funding per seat percentage.

Two basic rules should be followed:

- A. Make sure the reforms are applied to each of the four parties;
- B. Do not change any of the existing cells unless they are green.