

Preparation 2: Political Finance Reform Simulation

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.

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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



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.

Preparation 2: Political Finance Reform Simulation

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.

Preparation 2: Political Finance Reform Simulation

Party	Votes	Seats %	Individ€	Ban individ?	Biz€	Ban biz?	TU €	Ban TU?	vote% threshold	over vote threshold	seat% threshold	over seat threshold	€ per vote	€ per seat	public funds€	private funds€	total income€	income€/vote
Conservative	45	49	100	0	100	0	0	0	5	1	1	1	1	2	143	200	343	7.6
Social Democratic	40	38	40	0	10	0	90	0	5	1	1	1	1	2	116	140	256	6.4
Patriotic	4	3	10	0	2	0	0	0	5	0	1	1	1	2	6	12	18	4.5
Liberal	11	10	50	0	10	0	0	0	5	1	1	1	1	2	31	60	91	8.3

Criterion	0-0.5	0.5-1	1-1.5	1.5-2	Score
References to academic literature	No trustworthy references	Some referencing, but of variable trustworthiness, relevance, or accuracy	Relevant academic referencing with only minor inaccuracies	Accurate referencing of multiple, relevant academic sources	/2
Try to maintain or improve the party's relative financial position compared to its main competitors	No serious comparison between party and competitors	Addresses the relative financial situation of the parties, but it is not clear that the proposal will benefit the party	Under realistic assumptions the proposal will advantage the party	Uses evidence and logic from within the simulation and from the real world to make a proposal that will advantage the party	/2
Have a realistic chance of persuading another party to join the Socialists in government	No serious argument about why another party would join yours in government	Addresses coalition possibilities, but not in a way that will clearly lead to a new government	Under realistic assumptions the proposal will attract a coalition partner	Uses evidence and logic from within the simulation and from the real world to make a proposal that will likely persuade another party to join yours in government	/2
Coordinated political (responding to scandal and coalition opportunities) and political finance strategy	No serious coordination of politics and political finance	Addresses connection between politics and political finance, but unclearly	Under realistic assumptions the political and political finance strategies will complement each other	The political and political finance strategies are complementary and based on evidence from within the simulation and from the real world	/2
Clear, convincing, and accurate presentation	Confusing and inaccurate writing and presentation of numbers	Largely accurate and generally understandable writing and presentation of numbers	Accurate and easy-to-follow writing and presentation of numbers	Flawless, well-structured, and convincing writing and presentation of numbers	/2

MPD in the News: Qatar's Image Lobby

POLITICO

EUROPE PRO E&E NEWS



Here's another winner of the Israel peace deal: Qatar's lobbying machine

The tiny Persian Gulf country has been working for years in Washington to change its image as a backer of violent Islamist groups.



<https://www.politico.com/news/2025/10/11/qatar-lobbying-israel-influence-00603060>

POL1050: Money, Power & Democracy

Class 9 – Case Study 2: Competitive Authoritarian Regimes
13/10/2025

Schedule

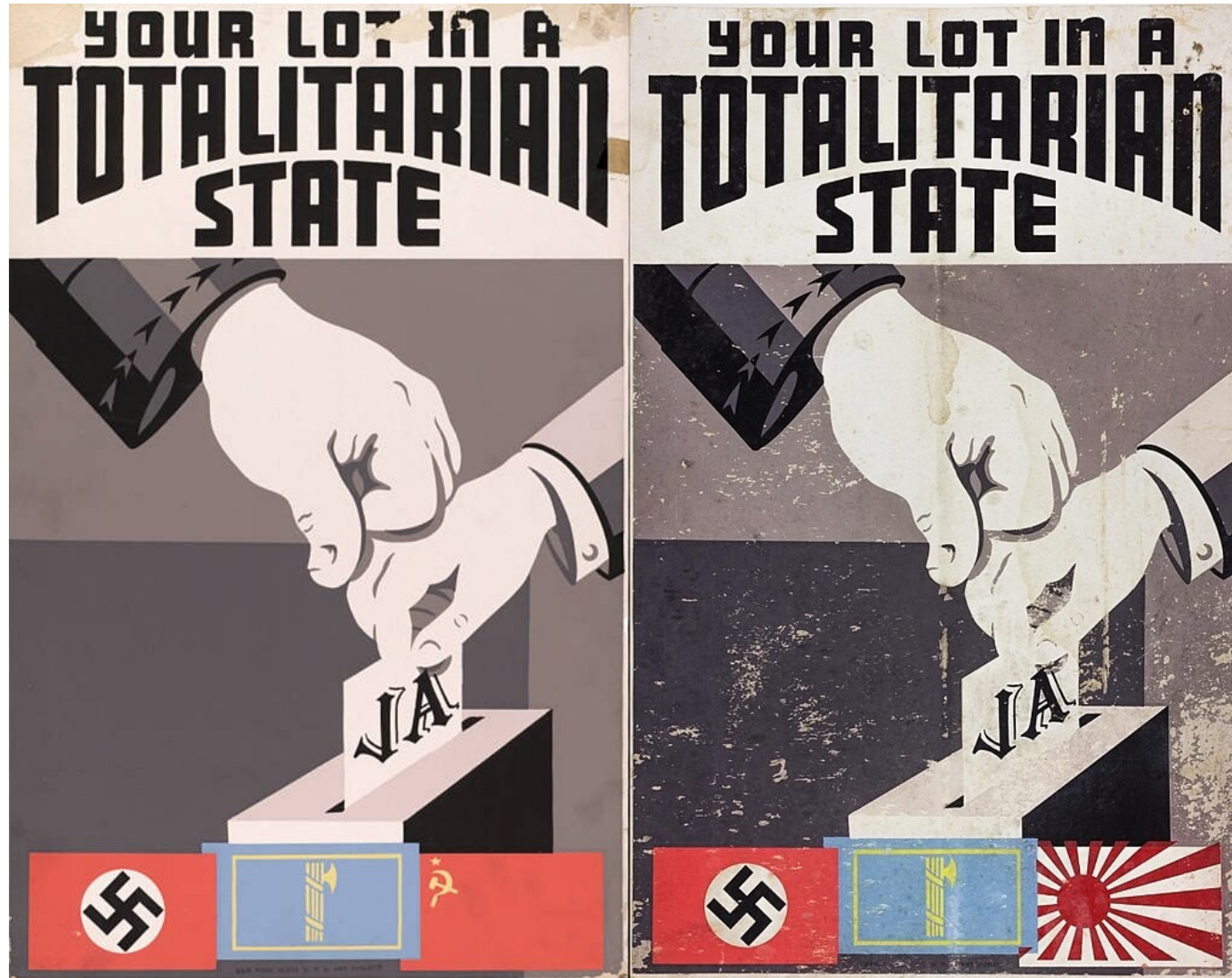
This week: MPD in Competitive Authoritarian Regimes (CAR)

- Today: what are CARs?
 - Democratic, authoritarian/autocratic, and hybrid regimes
 - Definition of CARs
 - What countries can be distinguished as CARs?
 - Towards a new competitive authoritarianism
- Wednesday: Political finance, business interests and corruption as tools to sustain CARs

(Ideal) Regime Types

	Democratic	Authoritarian/ Autocratic
Elections	Free and fair	Restricted, unfair and uncompetitive
Citizen Participation	Promoted	Minimal
Governance	Accountable & transparent	Unaccountable & corrupt
Separation of powers	Independent judiciary, executive and legislative	Limited autonomy, under state control
Lawfulness	Rule of Law	Rule by law

Extreme Case: Totalitarian Regimes



Democracy around the World: V-Dem (2025)



[https://www.v-dem.net/documents/61/v-dem-dr_2025_lowres_v2.](https://www.v-dem.net/documents/61/v-dem-dr_2025_lowres_v2)

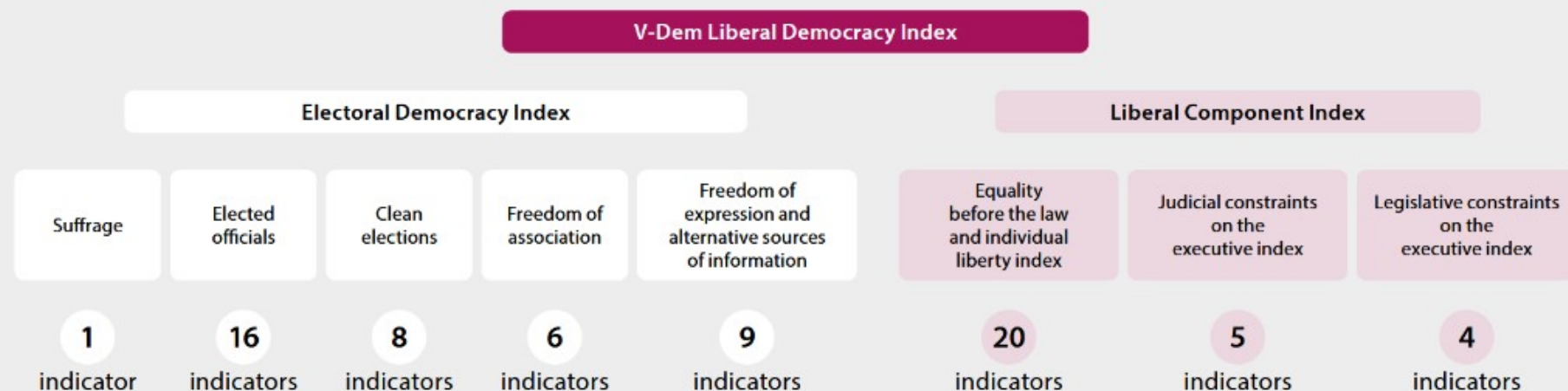
Measuring Democracy: V-Dem's LDI

The Liberal Democracy Index

The V-Dem Liberal Democracy Index (LDI) captures both liberal and electoral aspects of democracy based on the 71 indicators included in the Liberal Component Index (LCI) and the Electoral Democracy Index (EDI). The EDI reflects a relatively ambitious idea of electoral democracy where a number of institutional features guarantee free

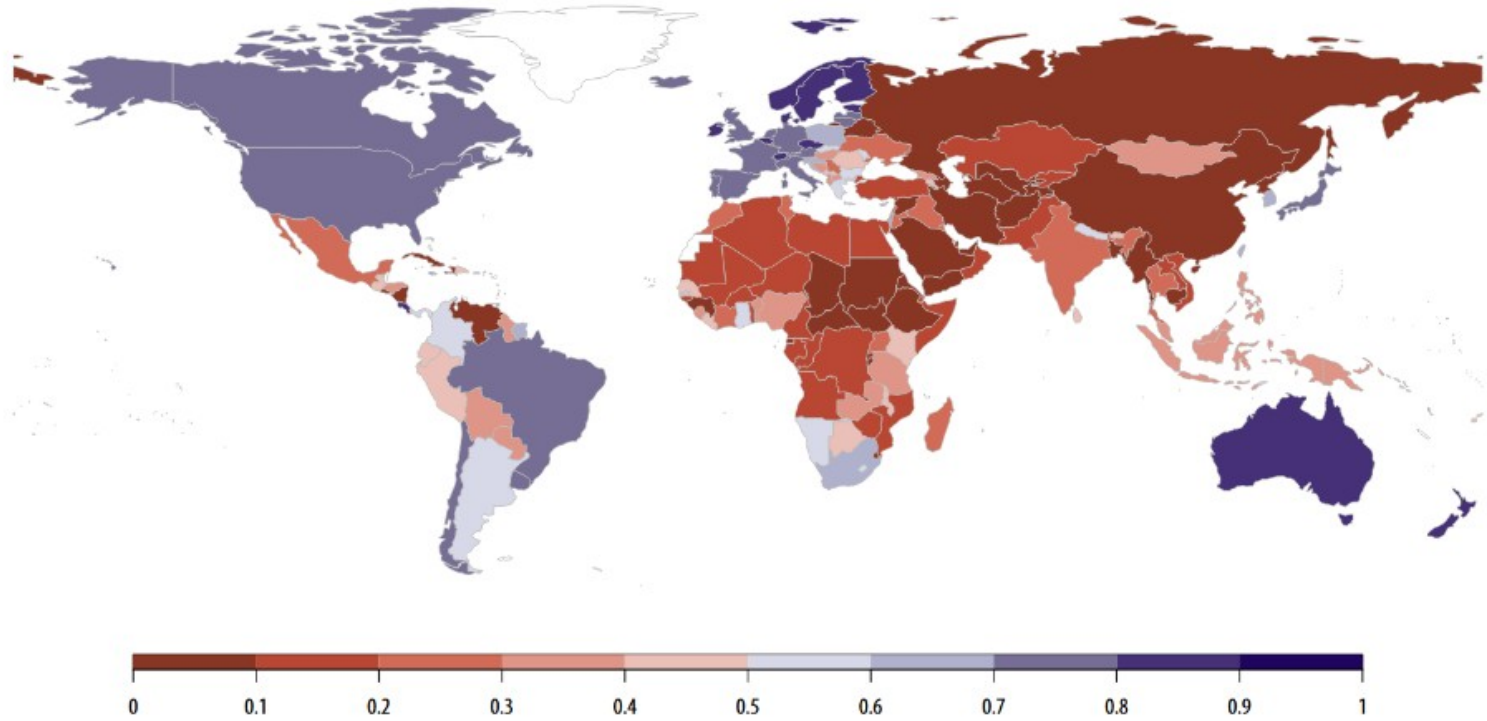
and fair elections such as freedom of association and freedom of expression. The LCI goes even further and captures the limits placed on governments in terms of two key aspects: The protection of individual liberties, and the checks and balances between institutions.

FIGURE A1. EXPLANATION OF THE V-DEM LIBERAL DEMOCRACY INDEX

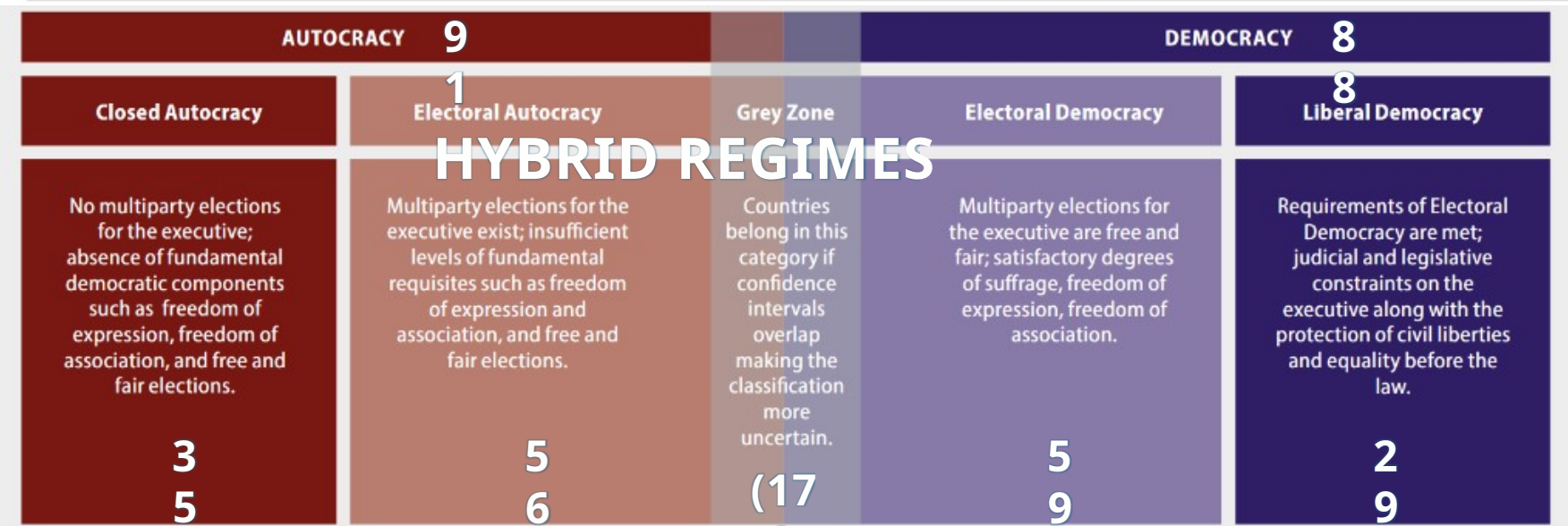


Source: V-Dem Democracy Report 2025. https://www.v-dem.net/documents/61/v-dem-dr_2025_lowres_v2.pdf

FIGURE 1. STATE OF LIBERAL DEMOCRACY (LDI), 2024



Source: V-Dem
Democracy
Report 2025. https://www.v-dem.net/documents/61/v-dem-dr_2025_lowres_v2.pdf



Hybrid Regimes

- Combine democratic rules with authoritarian governance
- Many different terms
 - “semidemocracy”
 - “virtual democracy”
 - “electoral democracy”
 - “pseudodemocracy”
 - “illiberal democracy”
 - “semi-authoritarianism”
 - “soft authoritarianism”
 - “electoral authoritarianism”
 - ...
- Our focus is on specific type: **Competitive Authoritarian Regimes (CARs) -> Levitsky & Way (2002, 2010, 2020)**

CARs: Elections without Democracy

- (Diminished) form of authoritarianism
- **Hybrid:**
 - Formal democratic institutions = principal means to obtain & exercise political authority (**democratic**)
 - BUT incumbents systematically and aggressively violate these rules in order to gain advantage (**autocratic**)

Often through corruption, political finance, and business interests (see Wednesday)

CARs: Elections without Democracy

- (Diminished) form of authoritarianism
- Hybrid
- **Different from democracies & full authoritarianism**

	Democracy	CAR	Full Authoritarianism
Status of core democratic institutions (elections, civil liberties)	Systematically respected. Widely viewed as only route to power	Exist and are meaningful, but systematically violated in favor of incumbent. Widely viewed as primary route to power.	Nonexistent or reduced to façade status. Not viewed as a viable route to power
Status of opposition	Competes on more or less equal footing with	Major opposition is legal and can compete openly, but is significantly disadvantaged by incumbent abuse.	Major opposition banned, or largely underground or in

Evolution of CARs 1990-2019

TABLE I.2. *Competitive Authoritarian Regime Trajectories, 1990–2008*

Democratization	Unstable Authoritarianism	Stable Authoritarianism
Benin	Albania	Armenia
Croatia	Belarus	Botswana
Dominican Republic	Georgia	Cambodia
Ghana	Haiti	Cameroon
Guyana	Kenya	Gabon
Macedonia	Madagascar	Malaysia
Mali	Malawi	Mozambique
Mexico	Moldova	Russia
Nicaragua	Senegal	Tanzania
Peru	Zambia	Zimbabwe
Romania		
Serbia		
Slovakia		
Taiwan		
Ukraine		

Levitsky & Way (2010). *Competitive Authoritarianism*. p. 21.

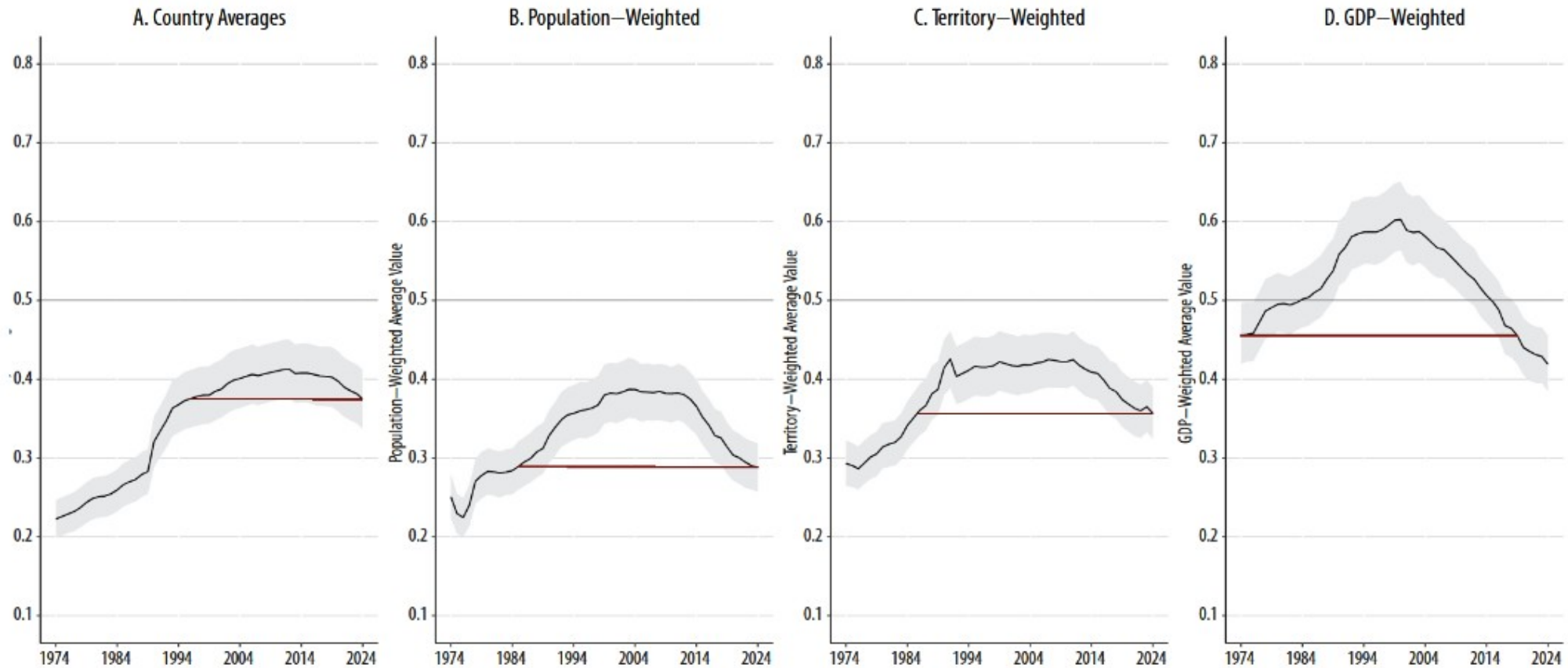
TABLE—COMPETITIVE
AUTHORITARIAN REGIMES, 2019

<i>Sub-Saharan Africa</i>	
Benin	Mozambique
Botswana	Niger
Burkina Faso	Nigeria
Côte D'Ivoire	Senegal
Gabon	Sierra Leone
Guinea	Tanzania
Guinea-Bissau	Togo
Kenya	Uganda
Madagascar	Zambia
Malawi	Zimbabwe
Mali	
<i>East-Central Europe</i>	
Hungary	North Macedonia
Montenegro	Serbia
<i>Former Soviet Union</i>	
Kyrgyzstan	
<i>Asia/Middle East</i>	
Bangladesh	Turkey
Philippines	
<i>Latin America</i>	
Bolivia	Honduras
Haiti	

Levitsky & Way (2020). *The New Competitive Authoritarianism*. p. 53.

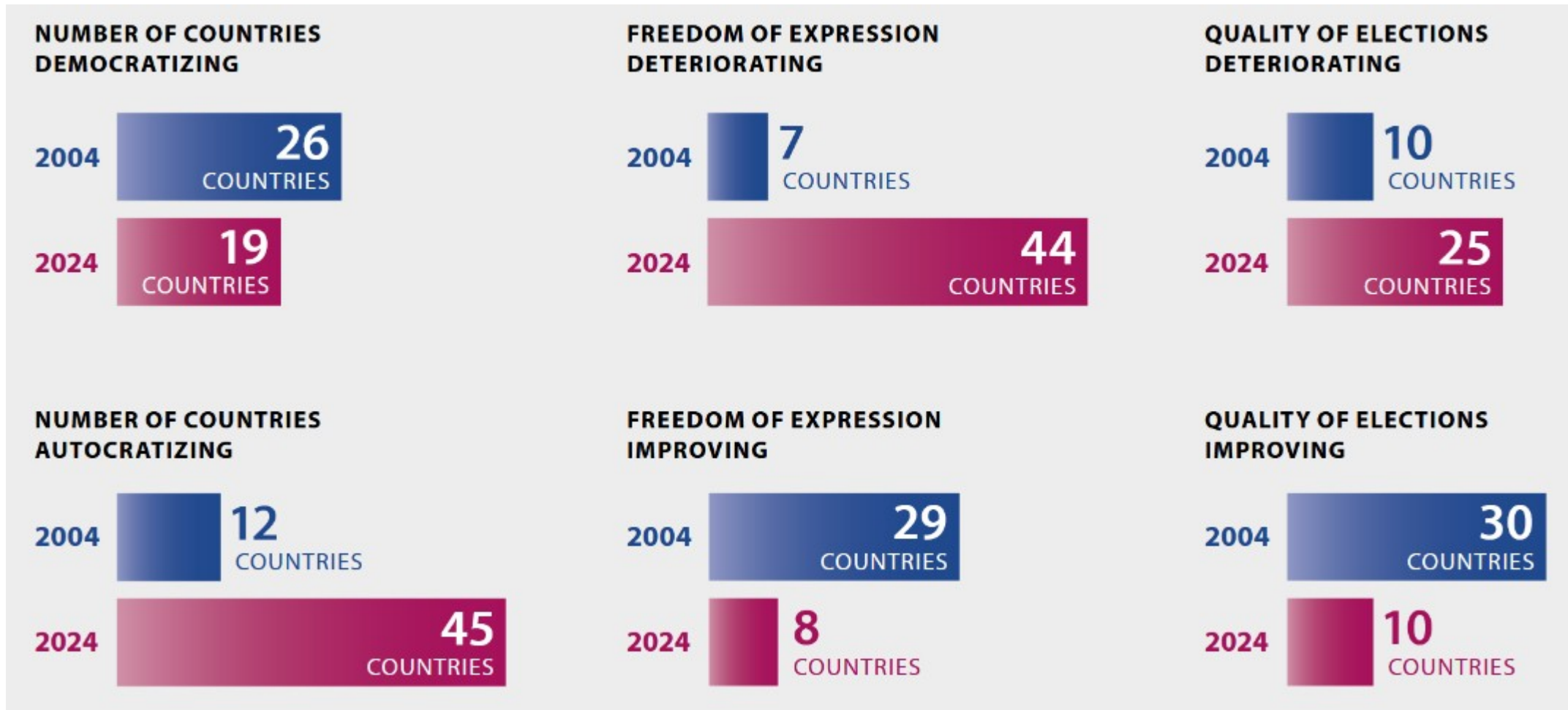
~Democratic Backsliding

FIGURE 2. LIBERAL DEMOCRACY BY COUNTRY AVERAGES, POPULATION, TERRITORY, AND GDP WEIGHTS, 1974–2024



The black lines represent global averages on the LDI with the grey area marking the confidence intervals. Panel A is based on conventional country averages. Panels B, C, and D show global levels of democracy weighted by population, territory, and GDP, respectively. The data for the latter three panels are drawn from the World Bank WDI dataset and Fariss et al. 2022.³ Both are included in the V-Dem dataset v15.

~Democratic Backsliding



Source: V-Dem Democracy Report 2025. https://www.v-dem.net/documents/61/v-dem-dr_2025_lowres_v2.pdf

The New Face of Competitive Authoritarianism

Previously countries with

- Low income
- No democratic tradition
- Weak institutions or ROL
- Underdeveloped private sector and civil society
- Feeble opposition

Easy to create a CAR

Now countries with

- strong and established democratic traditions
- Developed economies
- Robust private sectors and civil society
- Strong opposition parties
- Facing greater external scrutiny due to stronger ties with West

The New Face of Competitive Authoritarianism

Hungary, Philippines, Turkey, Venezuela (and US?): need for greater skill, more sophisticated strategies, and far more extensive popular mobilization

1. Create sizeable electoral majority
2. Use referendums or hypermajoritarian strategies to change rules of the game
3. Weaken opponents, lock in prospective autocrats' hold on power

POLITICS

It happened there: how democracy died in Hungary

A new kind of authoritarianism is taking root in Europe — and there are warning signs for America.

by Zack Beauchamp | Sep 13, 2018, 1:30 PM GMT

The case of Hungary: democratic but corrupt

- 2010: Hungary considered a consolidated democracy with
 - strong institutions
 - a competitive party system
 - a vibrant civil society
 - free and diverse media
- 2002-2010: socialist-led coalition in power but many corruption scandals
 - Chronic tax evasion
 - Siphoning public funds
 - “Juking the stats”

The case of Hungary: Victor Orbán's Fidesz as the savior from socialist corruption

2010 elections: Orbán's Fidesz secured 2/3 super majority

Table 1. The results of the 2010 National Assembly elections in Hungary

Political parties	Single-member constituencies			Larger constituencies			National list	Total	
	votes	percentage of votes	seats	votes	percentage of votes	seats	seats	seats	percentage share of seats
Fidesz-KDNP	2,743,626	53.64	173	2,706,292	52.73	87	3	263	67.88
MSzP	1,088,374	21.27	2	990,428	19.3	28	29	59	15.28
Jobbik	836,774	16.36	0	855,436	16.7	26	21	47	12.18
LMP	259,220	5.07	0	383,876	7.50	5	11	16	4.15
Other parties	152,874	3.72	0	196,499	3.80	0	0	0	0
Total	5,114,570	100	176	5,132,531	100	146	64	386	100

Source: Kubas & Czyż (2018). From a Liberal Opposition Party to a Right-Wing Party of Power. Three Decades of the Hungarian Fidesz (1988–2018). DOI: <https://doi.org/10.17951/bc.2018.3.47-65>

The case of Hungary: Locking in power

- Removed checks on power of prime minister
- Packed the state with loyal partisans
- Control over news media
 - f.i. helping allied business people take over private sector media
- Electoral reforms:
 - Gerrymandering
 - No more parliamentary runoff elections
 - No campaign on private media outlets

Result: endured power + democratic backsliding

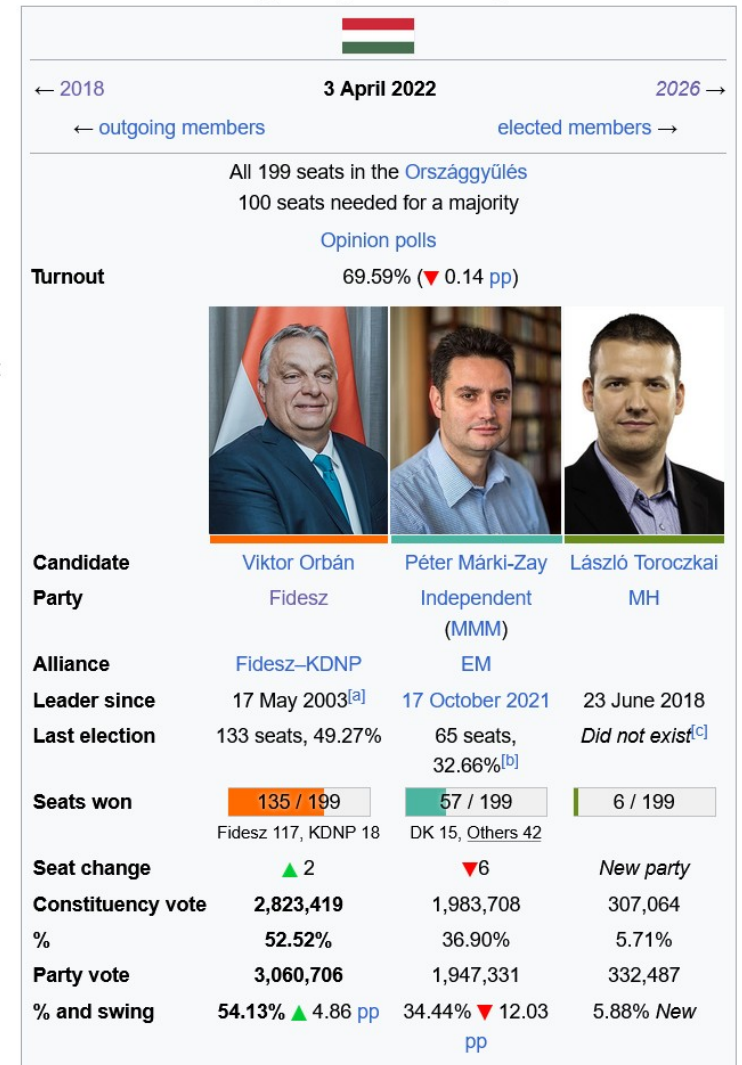
2014 Hungarian parliamentary election



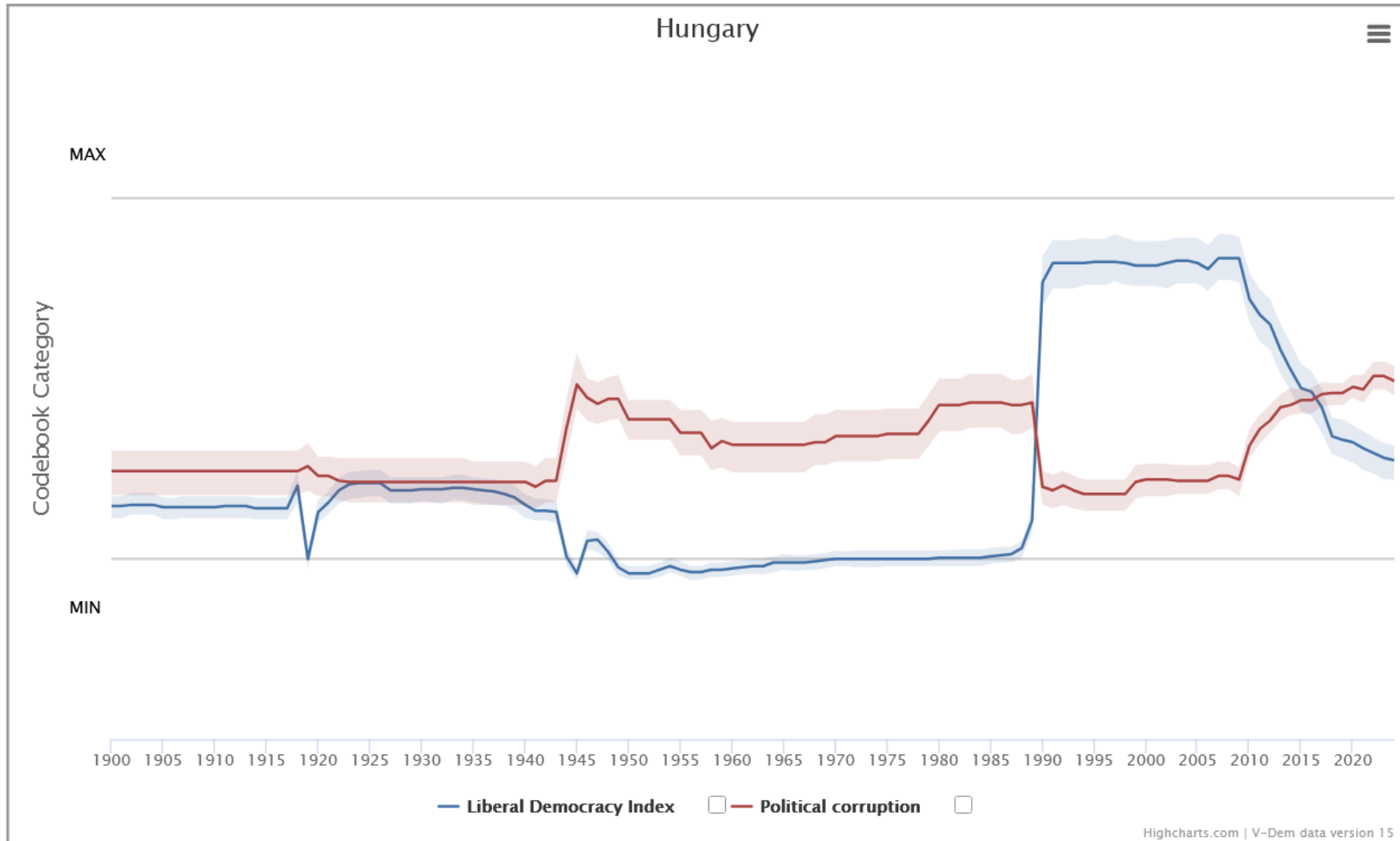
2018 Hungarian parliamentary election



2022 Hungarian parliamentary election



Result: endured power + democratic backsliding



Conclusion

- Competitive Authoritarian Regimes (CARs) stand between democracy and autocracy
- Defined by presence of functional democratic institutions that are systematically abused by incumbents to monopolize power
- Recently, a new form has resulted from democratic backsliding
- This requires prospective autocrats to be much more subtle

Wednesday: Political finance, business interests and corruption as tools to sustain a CAR