

# The Impact of Legislative Reforms on Party System Change

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## Abstract

What is the impact of legislative reforms on party system change and stability? This article provides a detailed account of how rules impact on party system stability. We trace all legislative reforms relevant to political parties, which include amendments to electoral laws, party finance law and party laws. The central argument is that party system change does not depend solely on changes to electoral laws or on value changes within societies. Changes to the other party laws are also key to explaining changes in the structure of competition. The analysis provides a longitudinal study on the impact of rule change on relevant dimensions of the Romanian party system. The results draw attention to the importance of permissive and restrictive rules and their implementation on the process of party system change and stability.

**Keywords:** party law, party finance law, electoral law, party system change.

## Introduction

The purpose of this article is to explore the impact of changes in the legislative provisions regulating the formation and activity of political parties over the stability of party systems. We move beyond the traditional approach focusing solely on electoral reforms as the main driver of party system change, an approach rooted in the literature ever since Duverger.<sup>1</sup> We place our work in line with Janda's approach on multiple legislative sources of party regulation

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<sup>1</sup> Maurice Duverger, *Les partis politiques* (Paris: Armand Colin, 1951).

which can inflict party system change.<sup>2</sup> We argue that reforms of party laws and party finance laws can have an equally important impact on indicators measuring party system stability, which have been developed mainly in relation to electoral reforms, such as the effective number of parties and electoral volatility. Thus, what are the corroborated implications of legal changes on party systems?

In order to answer this research question, we develop an analytical framework which regards every major reform of laws regulating parties through a *restrictive – permissive filter*. We argue that restrictive legislative reforms lead to party system stability, while permissive reforms lead to party system change. We apply our theory to the case study of Romania. While the Romanian party system has been widely researched from various angles, with a few notable exceptions, the party related legislation has been investigated mainly in isolation.<sup>3</sup> In order to test our framework on this case, we analyze all major party related legal reforms from 1990 to 2015 and their impact over the Romanian party system across seven rounds of national elections organized within this period.

A deeper understanding of what drives party system change or stability is highly necessary. Multi-party politics is inherently linked to liberal democracies and the patterns of competition shaped by the structure of party systems determine the quality of the outputs that democratic political systems deliver for their citizens. At the same time, it also nuances the normative understanding of *stability*. Party systems in developing regions, such as Central Eastern Europe for example, are perceived in the literature as being unstable, with high levels of fragmentation or electoral volatility. This instability is also linked to low levels of party system institutionalization.<sup>4</sup> However, the long-term desirability of stability is also questionable. While there have been numerous instances of high political fragmentation – and *instability* – induced by provisions aimed at fostering competition, recent backsliding in the quality of democracy in several

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<sup>2</sup> Kenneth Janda, *Political Parties and Democracy in Theoretical and Practical Perspectives. Adopting Party Laws* (Washington, DC: National Democratic Institute for International Affairs, 2005).

<sup>3</sup> Cristian Preda, Sorina Soare, *Regimul, partidele si sistemul politic din Romania* [The Romanian Regime, Parties, and Political System] (Bucharest: Nemira Publishing House: 2008); Sergiu Gherghina and George Jigla, "The Ideological Institutionalization of The Romanian Party System," *Romanian Journal of Political Science* 11, no. 1 (2011): 71-90; Adrian Miroiu, Șerban Cerkez (coord.), *Competiția politică în România* [The Political Competition in Romania] (Iași: Polirom, 2013); Marina Popescu and Sorina Soare, "Engineering Party Competition in A New Democracy: Post-Communist Party Regulation in Romania," *East European Politics* 30, no. 3 (2014): 389-411.

<sup>4</sup> Peter Mair, *Party System Change* (Oxford: Oxford University Press, 1997); Zsolt Enyedi and Fernando Casal Bertoa, "Institutionalization and De-institutionalization in Post-communist Party System," *East European Politics and Societies* 32, no. 3 (2016): 422-450.

states is associated with very stable party systems, with a hegemonic party building a lasting grip on political power by implementing constitutional changes or party and electoral legislation that preserve their position and raise barriers for new parties to form, function or gain representation.<sup>5</sup> This is especially the case in new democracies across Central and Eastern Europe, with Hungary or Russia as the most visible examples. In this context, exploring the kind of legislative changes implemented gains additional importance, hence our approach categorizing changes as permissive and restrictive in order to better understand their impact on party systems.

We proceed by building a theoretical and conceptual framework building on the literature but also illustrating the need to enlarge the scope of our analysis in order to have a better understanding on what drives party system stability or change. We then explain the choice of Romania as a compelling case to explore the validity of our analytical framework, furthermore moving on with its application across the entire post-communist period. Finally, we draw conclusions, explore the limitations, and indicate further directions of research.

### Legislative Changes and Party System Stability: Concepts and Theory

The impact of various legal reforms on party systems have been studied unilaterally until now and most attention has been given to electoral reforms. The institutionalist approach is abundant in its discussion about the effect of electoral reforms on party systems and party system change, or about the origin of reforms.<sup>6</sup> Other explanations for party system change refer to the changes in the

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<sup>5</sup> Giovanni Sartori, *Parties and Party Systems: A Framework for Analysis* (Cambridge: Cambridge University Press, 1976).

<sup>6</sup> Arendt Lijphart, *Party Systems and Electoral Systems* (Oxford: Oxford University Press, 1994); Alan Renwick, *The Politics of Electoral Reform: Changing the Rules of Democracy* (Cambridge University Press, 2010); Kenneth Benoit, "Models of electoral system change," *Electoral Studies* 23, no. 3 (2004): 363-389, [https://doi.org/10.1016/S0261-3794\(03\)00020-9](https://doi.org/10.1016/S0261-3794(03)00020-9); Kenneth Benoit and Jacqueline Hayden, "Institutional Change and Persistence: The Evolution of Poland's Electoral System, 1989-2001," *Journal of Politics* 66, (2004): 396-427, <https://doi.org/10.1111/j.1468-2508.2004.00157.x>; Sarah Birch, *Electoral Systems and Political Transformation in Post-Communist Europe* (Palgrave Macmillan: Basingstoke, 2003); Margit Tavits, "Party System Change: Testing a Model of New Party Entry," *Party Politics* 12, no. 1 (January 2006): 99-119, <https://doi.org/10.1177/1354068806059346>; Carles Boix, "Setting the Rules of the Game: The Choice of Electoral Systems in Advanced Democracies," *American Political Science Review* 93, no. 3 (1999): 609-24. doi:10.2307/2585577; Kenneth Benoit, "Electoral Laws as Political Consequences: Explaining the Origins and Change of Electoral Institutions," *Annual Review of*

cleavage structure, social unrest, or economic conditions. The sociological approach views party systems as being determined primarily by the number and types of cleavages in the society, with electoral system playing a secondary role.<sup>7</sup> The third approach includes scholars who advocate the interaction between the social and electoral structure. Ordeshook and Shvetsova assert that institutionalist claims are conditioned by the nature of social cleavages. Nohlen makes a connection between the number of social cleavages, the number of parties and the nature of the political system. Similarly, Taagepera and Grofman maintain that the number of parties is associated with the axes of cleavage within a society.<sup>8</sup>

However, legislative reforms related to political parties can take the form of complete constitutional changes or amendments, changes to electoral laws or changes to party laws and party finance laws. There is an emerging flourishing literature discussing party laws or party finance laws and their effect on party systems.<sup>9</sup> A recent book edited by Biezen and Bétoa describes party laws and party finance laws and examines their impact on party consolidation in Eastern Europe. Besides secondary legislation, constitutional changes can also be solely

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*Political Science* 10 (2007): 363-90, <https://doi.org/10.1146/annurevpolisci.10.072805.101608>; Richard Katz, "Why There Are so Many (or so Few) Electoral Reforms?" in M. Gallagher and Paul Mitchell, eds., *The Politics of Electoral Systems* (Oxford: Oxford University Press, 2008).

<sup>7</sup> Seymour Martin Lipset and Stein Rokkan, eds., *Party Systems and Voter Alignments: Cross-national Perspectives*, vol. 7 (New York: Free Press, 1967); Dieter Nohlen, "Changes and Choices in Electoral Systems" in Arend Lijphart and Bernard Grofman eds., *Choosing an Electoral System-Issues and Alternatives* (New York: Praeger, 1984); Klaus Von Beyme, *Political Parties in Western Democracies* (New York: St. Martin's Press, 1985), 145, 116; Alan Ware, *Political Parties and Party Systems*, Vol. 9 (Oxford: Oxford University Press, 1996); Nick Sitter, "The European Question and the Norwegian Party System since 1961: The Freezing of a Modern Cleavage or Contingent Opposition," *Perspectives on European Politics and Society* 3, no. 3 (2002): 426-451.

<sup>8</sup> Kenneth M. Roberts and Erik Wibbels, "Party Systems and Electoral Volatility in Latin America: A Test of Economic, Institutional, and Structural Explanations," *American Political Science Review* 93, no. 3 (1999): 575-90, doi:10.2307/2585575; Peter C. Ordeshook and Olga V. Shvetsova, "Ethnic Heterogeneity, District Magnitude, and the Number of Parties," *American Journal of Political Science* 38, no. 1 (1994): 100-123. <https://doi.org/10.2307/2111337>; Nohlen, "Changes," 1984; Rein Taagepera and Bernard Grofman, "Rethinking Duverger's Law: Predicting the Effective Number of Parties in Plurality and PR Systems—Parties Minus Issues Equals One," *European Journal of Political Research* 13, no. 4 (1985): 341-352, <https://doi.org/10.1111/j.1475-6765.1985.tb00130.x>.

<sup>9</sup> Ekaterina R. Rashkova and Ingrid van Biezen, "The Legal Regulation of Political Parties: Contesting or Promoting Legitimacy?" *International Political Science Review* 35, no. 3 (June 2014): 265-74. <https://doi.org/10.1177/0192512114533981>; Fernando Casal Bétoa and Ingrid van Biezen, eds., *The Regulation of Post-Communist Party Politics*, (London, New York: Routledge, 2018).

or tangentially related to political parties and are expected to influence the activity of parties, the adoption of additional laws, or the amendment of existing secondary legislation.<sup>10</sup> Advances have also been made by Potter and Tavits, who look at campaign finance and its impact on party system size. They find that funding parity impacts the number of parties in the system. However, there is no specific theory within contemporary scholarship about *the corroborated impact* of all party-related legislative reforms on party system change.<sup>11</sup>

Out of all party-related legislative changes mentioned above, it is mainly the electoral system that changes most frequently, which justifies the attention given to it by the literature. Following World War Two, there were, on average, 2.5 constitutional amendments in fifty-two years across thirty-two countries.<sup>12</sup> The number of amendments to ordinary legislation is higher and can reach an average of 5.2 per year (1998) in a developing country such as Brazil.<sup>13</sup> Party finance laws change either following recommendations from the Group of States against Corruption (GRECO) or as response to scandals. The electoral law changes frequently especially in new democracies.<sup>14</sup> Poland is an illustrative example, where five episodes of electoral system change were reported from 1989 to 2001, significantly more than in a West European country such as Italy, which experienced three electoral reforms in twenty years.<sup>15</sup>

We posit that all changes to party legislation impact on specific dimensions of party systems such as the number and the strength of parties as well as their interaction. As parties vote the adoption of new legislation, the

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<sup>10</sup> Ingrid Van Biezen and Gabriela Borz, “Models of Party Democracy: Patterns of Party Regulation in Post-War European Constitutions,” *European Political Science Review* 4, no. 3 (2012): 327–59. doi:10.1017/S1755773911000294; Gabriela Borz, “Justifying the Constitutional Regulation of Political Parties: A Framework for Analysis,” *International Political Science Review* 38, no. 1 (January 2017): 99–113. <https://doi.org/10.1177/0192512116638543>.

<sup>11</sup> Joshua D. Potter and Margit Tavits, “The Impact of Campaign Finance Laws on Party Competition,” *British Journal of Political Science* 45, no. 1 (2015): 73–95. Doi:10.1017/S0007123413000227.

<sup>12</sup> Donald S. Lutz, “Eleven. Toward a Theory of Constitutional Amendment,” in *Responding to Imperfection: The Theory and Practice of Constitutional Amendment*, ed. Sanford Levinson (Princeton: Princeton University Press, 1995), 237–274, <https://doi.org/10.1515/9781400821631.237>.

<sup>13</sup> Scott Morgenstern and Benito Nacif, *Legislative Politics in Latin America* (Cambridge: Cambridge University Press, 2002).

<sup>14</sup> Tim Houghton, “When Permissiveness Constrains: Money, Regulation and the Development of Party Politics in The Czech Republic (1989–2012),” *East European Politics* 30, vol. 3 (2014): 372–388, <https://doi.org/10.1080/21599165.2014.933414>; Birch, *Electoral Systems and Political Transformation*.

<sup>15</sup> Benoit and Hayden, “Institutional Change and Persistence,”; Gianluca Passarelli, “Electoral Law(s) and Elections in the Italian Second Republic. The 2013 Landmark (?),” *Polis* 28, vol. 1 (2014): 107–124.

expectation is that the legislative reforms will be designed to mainly reflect their interests. For example, parties want benefits from constitutional reforms:

“acknowledgement, subsidies, restriction of competition from anti-system parties, role differentiation from ‘rivals’, and guarantees against misuse of power.”<sup>16</sup>

Strong established parties will want to deter the appearance of new challenger parties, will want to make the organizational development of new parties difficult precisely because a good organization can be the key to party success.<sup>17</sup> The same established parties will also want to keep the challengers away from the governing process. Consequently, these interests are likely to affect the configuration of party systems in terms of fragmentation and competition. Similarly, electoral reforms are shaped by parties’ electoral interests and the maximization of their seat-share.<sup>18</sup> Additionally, party law and party finance law reforms could be attached to interests focused on the reduction of the number of parties competing in elections through other means. The latter reforms may also serve the interests of (governing) parties by aiming to reduce the number of existing parties or by increasing constraints against the formation of new parties. In comparison to electoral reforms, party laws and party finance law reforms could have the same influence, but through other means or legal instruments. For example, increasing by law the limit for the number of signatures required in order to register a party, restricting donations, or increasing the transparency of party finance could have consequences on the number, functioning and interaction of parties in a political system.

The argument of this article is that *first*, when trying to understand stability or conversely, the change of a party system, one should consider all party related legal reforms rather than only one type of reform. We posit that political party related amendments to the constitution, party laws and party finance laws should not be neglected as through other regulatory instruments they can contribute to the same outcome in terms of stability or change as electoral reforms can. In other words, we refer to all these legal changes as conjunctural reforms which together could lead to the same results. Each reform or combination of reforms can be one of multiple causal paths which can lead to

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<sup>16</sup> Borz, “Justifying the Constitutional,” 110.

<sup>17</sup> Margit Tavits, *Post-Communist Democracies and Party Organization* (Cambridge University Press: 2013); Tavits, “Party System Change,” Sergiu Gherghina, *Party Organization and Electoral Volatility in Central and Eastern Europe: Enhancing Voter Loyalty* (Routledge, London: 2014).

<sup>18</sup> Benoit, “Models of Electoral System Change,” 398.

the same result.<sup>19</sup> For example, increasing the electoral threshold and increasing the number of required signatures for registration or for competing in elections can all contribute to a reduction in the number of electoral and parliamentary parties. *Secondly*, when we discuss the impact of legislative reforms on party systems, one needs to consider the *form* that each reform takes on the *permissive – restrictive* dimension. This aspect of legislative reforms we consider particularly relevant for the configuration of party systems. *Restrictive* regulation limits opportunities for parties to emerge, compete and ultimately govern, while *permissive* regulation enhances those opportunities. Whether reforms are permissive or restrictive can therefore significantly impact on the stability of a party system. The probability of legislative reform was connected so far in the existing literature to the number of parties in a system. Remmer found that the incidence of electoral reforms reducing disproportionality increases as party fragmentation increases.<sup>20</sup> Our contribution however rests in analyzing the form of party related legal reforms and in particular the effect of permissive vs restrictive types of reforms on party systems. *Thirdly, the implementation* of reforms matters because without monitoring or sanctioning most reforms are likely to fail.

### *The Permissive – Restrictive Face of Reforms*

The backbone of the analytical framework we propose in order to investigate the implications of legislative reforms is the distinction made in terms of form and direction. A *permissive vs. restrictive* distinction is relevant as certain regulatory instruments may grant new parties easy system entry or certain rights or benefits previously not stipulated by law. This dimension is also very much related to the type of democracy (i.e., participatory, electoral, representative, liberal etc.) political parties want to promote in a specific country. *Permissive legislative reforms, on the one hand*, grant permission to various activities or resources more easily, confer more rights to their subject of interest and do not focus much on sanctions. *Restrictive legislative reforms* on the other hand are expected to include various constraints imposed on parties in relation to their registration, activity, and behavior during and outside the electoral cycle. The entire text of laws and their amendments could be discussed on the permissive-restrictive dimension. We are however only interested in the

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<sup>19</sup> Charles C. Ragin, *The Comparative Method: Moving Beyond Qualitative and Quantitative Strategies* (Berkeley: University of California Press, 1987).

<sup>20</sup> Karen L. Remmer, "The Politics of Institutional Change: Electoral Reform in Latin America, 1978–2002," *Party Politics* 14, no. 1 (January 2008): 5–30, <https://doi.org/10.1177/1354068807083821>.

text of legislative amendments that could potentially have an impact on the configuration and dynamics of party systems.

In relation to party system change, we consider as *permissive* legislative changes those legal reforms whose instruments facilitate the formation of new parties, the entry of new parties on the electoral and parliamentary arena or those changes which confer an increase in the amount of state subsidies which will help parties develop. Permissive changes can be also a reduction or even elimination of disclosure mechanisms such as provisions on transparency or caps related to party donations. Conversely, *restrictive* legislative changes are those aiming to decrease party system fragmentation or those aiming to increase transparency in party funding. They usually include sanction mechanisms such as party bans, constitutionality checks by courts etc. An intensification of regulatory processes through the adoption of more party-related secondary laws can be another restrictive legislative reform as it provides scope for additional constraints to be imposed on parties.

For example, in relation to electoral reform, a permissive reform would involve an increase in proportionality when one considers the votes to seats ratio. A permissive electoral reform specifies a shift from plurality rule to majority-runoff, or a lower percentage attached to the electoral threshold. For party laws, a permissive reform would involve a small cap in the number of required signatures for registration, while for party finance laws permissive rules would include high state funding or relaxed rules with regards to donations and funds transparency. Lastly, permissive constitutional reforms may stipulate additional privileges or rights such as state funding or free access to media during electoral campaigns.

In order to elaborate on the effect of legal reforms on party systems, we need to consider the concept of party system change and stability. In classic typologies of party systems, the number of parties in a system and their interaction are considered one of the most significant dimensions for any noteworthy change in party systems.<sup>21</sup> The focus however has shifted away from these traditional numerical perspectives and the structure of competition for government is seen as a better way of capturing party system change.<sup>22</sup> This can also imply that “party system change occurs when a party system is transformed from one class or type of party system to another.”<sup>23</sup> In particular, following Mair, we are interested in changes from a closed to an open competition or vice versa which is our major criteria for party system change. Our additional criteria for party system change are significant changes in party system fragmentation and electoral volatility. The number of new entrants

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<sup>21</sup> Sartori, *Parties and Party Systems*.

<sup>22</sup> Peter Mair, “Party System Change” in *Handbook of Political Parties*, Richard S.Katz and William Crotty, eds., (Oxford: Oxford University Press, 2006), 63-75.

<sup>23</sup> Mair, “Party System Change,” 51-52.

captures a lot of the party system dynamics in relation to splits, mergers, or name change for parties. Very much related to the success of new parties and to party system change is the concept of electoral volatility, understood as changes in the party support across subsequent elections. A lot of attention has been devoted in the literature to the concept of electoral volatility and to its relevance for a party system. Arguably, no conclusive evidence has been gathered so far with regards to whether changes in electoral volatility leads to party system change, or whether the reverse mechanism is at work and party system change is followed by changes in electoral volatility. Empirical evidence points towards cases where volatility both precedes and follows a process of party system change.<sup>24</sup> Nevertheless, recently, electoral volatility is considered one of the best indicators for party system change. We hence posit that, besides changes in the party competition, changes in party fragmentation and high fluctuations in electoral volatility are both indicative of party system change.<sup>25</sup>

As far as our first criterion is concerned, the structure of competition can shift from a closed to an open typology when quite innovative formulae of government are being introduced, when differing patterns of alternation in government happen and when open access to office for new parties is granted.<sup>26</sup> The absence of change can be classified as stability or inertia, while the next options are gradual change and radical change of a party system.<sup>27</sup> Scholarly work to date which focused on Western party systems showed that changes in the structure of competition occur rather slowly and mainly due to legislative changes such as the electoral system. Within this stream of research, we argue that other party related legal reforms can be equally responsible for changes observed across party systems. We also acknowledge other causes of party system change which may relate to change in the cleavage structure and ultimately to the value system in society.<sup>28</sup> Our main focus in this analysis is on legislative changes pertaining to parties and their effect on party system change.

When a party system is stable, no major changes in inter-party competition, number of parties or electoral volatility are expected across time.<sup>29</sup>

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<sup>24</sup> Ibidem. Remer, "The Politics of Institutional Change."

<sup>25</sup> Allan Sikk and Köker Philipp, "Party Novelty and Congruence: A New Approach to Measuring Party Change and Volatility," *Party Politics* 25, no. 6 (2019): 759–770.

<sup>26</sup> Mair, "Party System Change;" Fernando Casal Bertoa and Enyedi Zsolt, "Party System Closure and Openness: Conceptualization, Operationalization and Validation," *Party Politics* 22, no. 3 (2016): 266.

<sup>27</sup> Paul Pennings, and Jan-Erik Lane eds. *Comparing Party System Change* (London: Routledge, 1998).

<sup>28</sup> Ware, "Political parties and party systems;" Sitter, "The European Question."

<sup>29</sup> Sartori, *Parties and Party Systems*; Scott Mainwaring and Mariano Torcal, "Party System Institutionalization and Party System Theory after the Third Wave of Democratization," in *Handbook of Party Politics*, eds. Richard S. Katz and William J. Crotty (London, Thousand Oaks, and New Delhi: Sage Publications Ltd, 2006), 204–227.

Depending on the time frame considered, periods of party system stability could coincide with the absence of changes in the party related legislation. Periods of stability can also follow legislative changes of a restrictive type. If the newly adopted legal constraints are aimed at deterring new entrants, this could consequently maintain a stable pattern of competition and exclude competition for votes from a new rival. On the same lines, Birch argues that the reverse of change, party system stability, is dependent on

“the ability of new entrants into the electoral arena to penetrate the support bases of existing political organizations.”<sup>30</sup>

In other words, the legal changes provide the mechanism for new parties to form first and then to decide whether to enter the electoral market. Whether they can subsequently manage to enter the parliamentary and governmental arena depends on their strategies and ability to organize and campaign effectively. Conversely, if more opportunities for entry or if more rights are granted to parties via legislative reform, the new provisions could alter the fragmentation of a party system, the structure of competition and the patterns of alternation in government. Henceforth we posit that:

*P1. Permissive legislative changes lead to changes in the structure of competition.*

We further argue that legislative reforms should have implications for the level of electoral volatility in a party system. Permissive legislative provisions which act as facilitators for new parties to register and to compete in elections can either confuse or attract voters to the new options available on the ballot paper. Attractive alternatives could therefore potentially lead to variation in party support across elections and hence affect electoral volatility. Apart from new parties on the electoral arena, new parties which pass the electoral threshold and gain seats in the parliament are very important for party competition. If a new parliamentary party is co-opted in the process of governing, that immediately changes the structure of competition and signals party system change. It has already been shown that “more regulation significantly decreases the number of successful new entries.”<sup>31</sup> In addition to the intensity of regulation, we believe that the form it takes on the permissive/restrictive dimension is expected to have an impact on the level of fragmentation as well. New entrants in parliament have been so far linked only

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<sup>30</sup> Birch, “Electoral Systems and Political Transformation,” 119.

<sup>31</sup> Rashkova, “The Legal Regulation of Political Parties,” 890.

to permissive electoral rules.<sup>32</sup> Additionally we consider that permissive party laws can have the same effect. Hence our propositions stipulate that:

*P2a. Permissive legislative changes lead to increased electoral volatility.*

*P2b. Permissive legislative changes lead to an increase in party fragmentation.*

### *The Implementation of Reforms*

In addition to the *permissive-restrictive* dimension, we consider the implementation of reforms as another important dimension in our theoretical framework. Implementation can include many stages from “information collection, standard setting, administration, monitoring, and enforcement.”<sup>33</sup> For an effective implementation, we are especially interested in the last three activities. To those we add the independence of monitoring authorities. We consider the presence/absence of sanctions and controlling mechanisms for the legal measures introduced to be important. The administrative capacity of authorities in charge with the implementation plays a crucial role as well. Legislative reforms may not have the desired impact if their implementation does not meet expectations. Sanctions are significant especially for restrictive regulation because sanction mechanisms can influence the success of reform implementation. Additional monitoring mechanisms for both permissive and restrictive changes will ensure a correspondence between the real consequences of reforms and their initial goals. In other words, an effective implementation is expected to make a difference when one studies the impact of legislative reforms. Restrictions may deter parties from various illegal activities, but if no enforcement mechanisms with specific regulatory bodies to check implementation or sanctions attached to non-compliance are provided, the reforms are likely to fail.

We also consider that parties’ decision to register and put forward candidates is influenced not only by their perceived chances on the electoral market but also by their perception of the legal changes and their implementation.<sup>34</sup> If parties consider reform implementation likely to be effective

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<sup>32</sup> Nicole Bolleyer and Evelyn Bytzek. “Origins of Party Formation and New Party Success in Advanced Democracies,” *European Journal of Political Research* 52, vol. 6 (2013): 773-796, <https://doi.org/10.1111/1475-6765.12013>.

<sup>33</sup> Howard Latin, “Ideal versus Real Regulatory Efficiency: Implementation of Uniform Standards and ‘Fine Tuning’ Regulatory Reforms,” *Stanford Law Review*, 37, vol. 5 (1985): 1267-1332.

<sup>34</sup> Mair, “Party System Change.”.

(because the monitoring authorities are politically independent), this will act as an incentive for them to register and be willing to develop organizations by attracting first members, then electors and ultimately gain office. We hence advance the following propositions:

*P3a. Effective implementation of permissive party law reforms contributes to party system change.*

*P3b. Effective implementation of restrictive party law reforms inhibits party system change.*

In other words, we expect party system stability to go hand in hand with effective implementation of restrictive reforms. We do however acknowledge that party related legislative reforms are not expected to include only permissive or only restrictive stipulations, but most probably a combination of the two. In what follows we present our empirical strategy and test our propositions using the case study of Romania for the period 1990-2016.

## Data and Empirical Analysis

In order to explore the validity of our analytical framework, we will conduct a case study on Romania to evaluate the cumulative impact that major legislative changes have over the stability of the party system. Our justification for the case selection lies not on the frequency of reforms but rather on their intensity. Romanian party-related legislation for the past twenty-five years had undergone more major rather than gradual changes on the permissive-restrictive dimension. The most recent one is also the most striking: in 2015, Romania has moved from the most restrictive legislation on the formation of parties anywhere in Europe to the most permissive one. However, this permissive reform was embedded in a wave of restrictive changes, making significantly downplayed the restrictive effect. Before 2015, the legislation on the registration and functioning of political parties went through two major shifts from permissive (1989) to restrictive (1996) and a more restrictive one (2003).<sup>35</sup> If in 1989 only 251 members were needed to form a party, in 2003, Romania enacted one of the most restrictive frameworks: in order to register, a political party needed to have the support of 25,000 adult citizens, distributed in at least eighteen counties, including Bucharest, the capital city. In 2015, the regulation

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<sup>35</sup> Lege Nr. 27 din 26 aprilie 1996 a partidelor politice, [Law 87/April 26, 1996 of political parties] *Monitorul Oficial* 87 (1996); LEGE nr. 14 din 9 ianuarie 2003\* (\*republicată\*) a partidelor politice, [Law 14/January 9, 2003, republished, of political parties] *Monitorul Oficial* 408 (2015).

switched again from one extreme to another. A new very permissive law was passed requiring only three members to form a party. No geographical constraint was attached to the latter provision (Table 1).

This back and forth between permissive and restrictive party legislation in Romania has been thoroughly documented by the literature, yet most analyses discuss the legal changes in an isolated way.<sup>36</sup> Most studies focus on the electoral law functioning mechanism and its effects in terms of seat allocation and political competition.<sup>37</sup> Giugal et al. discuss at length the reasons behind the electoral reform and the later abandonment of the same reform.<sup>38</sup> Others scholars analyze specific electoral laws in relation to vote-buying practices and clientelism. Few studies relate party finance laws and party formation laws to party competition.<sup>39</sup> We contribute to this strand of research by investigating the *cumulated impact* of party related legislative reforms occurring across all the relevant bodies of legislation over party system stability. We conduct a chronological analysis of legal changes in order to understand the ways in which they might be connected to changes to the party system. Our analysis relies on the legal text of legislative reforms. We extract all changes in the legal texts which have any connection to the stages in the life span of a political party from registration to dissolution, changes which are connected in one way or the other to the dynamic of a party system. Table 1 online Appendix presents excerpts from all legal documents considered by this analysis and how they were coded in relation to our permissive-restrictive dimension.

As regards the intensity of reforms, we consider an extensive change in the electoral formula (from PR to plurality for example) a major change as compared to a more gradual change in the form of a small percentage modification in the electoral threshold. Such major reforms are rather rare – from 1950 until 2011, there were only fourteen registered such electoral reforms in old democracies while small scale reforms are more common.<sup>40</sup> Similarly, a

<sup>36</sup> Popescu and Soare, “Engineering party competition.”

<sup>37</sup> Sergiu Gherghina and George Jigla, “Where Does the Mechanism Collapse? Understanding the 2008 Romanian Electoral System,” *Representation* 48, vol. 4 (2012): 445-459; Șerban Cerkez, “Influența incertitudinii asupra competenței politice” [The Influence of Uncertainty over Political Competence] in *Competiția politică în România* [Political Competition in Romania] Adrian Miroiu, Șerban Cerkez (coord.), (Iași: Polirom, 2013).

<sup>38</sup> Aurelian Giugal, Ron Johnston, Daniel Buti, Alexandru Radu, “Reforming an Electoral System – An Experiment That Failed: Romania 2008–2012,” *Representation* 56 vol. 1 (2020): 111-126, <https://doi.org/10.1080/00344893.2019.1636851>.

<sup>39</sup> Sergiu Gherghina and Clara Volintiru, “A New Model of Clientelism: Political Parties, Public Resources, and Private Contributors,” *European Political Science Review* 9, no. 1 (2017): 115–37. doi:10.1017/S1755773915000326; Cerkez, “Influența incertitudinii.”

<sup>40</sup> Katz, “Why Are There So Many (or so Few) Electoral Reforms?” 58.

major shift in the number of required signatures for registration from a very small to a very high cap is considered a major party law reform. With regards to party finance major reforms would be cases when state subsidies are included for the first time or when disclosure mechanisms for finance transparency are introduced. Changes in the restrictive direction (from 2003 to 2015) have been noted with regards to party finance law. As the constitutional and electoral law reforms, the registered shifts were more moderate.

We find three episodes of party system change in Romania since 1990. The first change happened in 1996 when the competition opened to new parties and a completely new governing formula took over after the 1996 elections. The subsequent party system changes occurred in 2015 and 2016 when the pattern of competition became open again (Table 2). Apart from changes in the structure of competition, the other indicators chosen for party system change (fragmentation and electoral volatility) registered significant modifications around those years as well. In what follows we discuss each episode of change.

### *Permissive Reforms and the 1996 Party System Change*

Following the fall of communism, multi-party politics was reintroduced in Romania through a “Decree Law” (number 8, on December 31, 1989), issued by the provisional authorities governing after the Revolution.<sup>41</sup> It stated that 251 members were needed to form a new party. As a result, ninety parties registered in the first four months of 1990, and over a third entered the Parliament after the first elections, in May that year, when no electoral threshold was employed.

The permissive legislation outlined above characterized by the relative ease in forming a party and the absence of an electoral threshold combined with the dominance of the Front of National Salvation (FSN) led to a high level of fragmentation. According to our expectations, this is very much in line with our second Proposition (P2). Increase in party fragmentation followed permissive changes registered by the party law. Individual voter mobility almost doubled in 1996 compared to 1992 (Table 1). Romania had at the time one of the highest levels of electoral volatility in Europe.<sup>42</sup> In line with previous research this can be explained not only by the poor economic performance of the previous government but also by the previous permissive regulation regarding party

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<sup>41</sup> Decret - Lege nr. 8 din 31 decembrie 1989 privind înregistrarea și funcționarea partidelor politice și organizațiilor obștești din România [Decree-Law no. 8/December 31, 1989 on registering and functioning of political parties and peoples' organizations], *Monitorul Oficial* no. 9 (1989).

<sup>42</sup> Svante Ersson, “Electoral Volatility in Europe: Assessments and Potential Explanations for Estimate Differences,” *Elections, Public Opinion and Parties (EPOP) Conference*, 2012.

registration which increased the choice available to voters.<sup>43</sup> This is in line with the argument of our proposition one (P1). The number of electoral parties increased to almost seven and only slightly decreased after the introduction of an electoral threshold in 1992. The opposition however united and CDR (Democratic Convention of Romania) lead the coalition government in the period 1996-2000. This marked a complete change in the pattern of competition (from closed to open) and hence an episode of party system change according to our criteria (Table 1).

### *Restrictive Reforms and Party System Stability*

A period of stability followed 1996 whereby the party system functioned like a moderate pluralism with a bipolar competition between left and right groups of parties and with alternation in government between a coalition government controlled by left and right parties.<sup>44</sup>

New restrictive *party law* measures aimed at reducing the number of parties were introduced in April 1996 a few months before the legislative elections. These restrictive legislative changes led to a period of party system stability. It was the major restriction related to a higher number of founding members that deterred the formation of new parties (see table 1 Appendix). In 1996, the party law was changed again, and the number of citizens needed to form a party was significantly increased. From 251 members needed in 1990, the requirement increased to 10,000, distributed across fifteen counties, no less than 300 in each county (Law 27/1996).<sup>45</sup> In 2003, the number rose again to 25,000, distributed across eighteen counties, no less than 700 in each county (Law 14/2003).<sup>46</sup> As an effect, the number of new entrants in parliament decreased and so did the effective number of electoral parties. The latter decreased by nearly 1 point and even further until the next elections (from 6.96 in 1992 to 6.09 in 1996 and to 5.25 in 2000). Similarly, after the even more restrictive measures related to members needed for registration introduced by the party law in 2003, the number of electoral parties decreased even further (2.54 by 2012).

With the same goal of reducing fragmentation, the 1992 *electoral law* introduced a threshold of 3% for the 1992 elections.<sup>47</sup> This was a restrictive

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<sup>43</sup> Roberts and Wibbels, "Party Systems and Electoral Volatility."

<sup>44</sup> Sartori, "Parties and Party Systems."

<sup>45</sup> Law 27/April 26, 1996.

<sup>46</sup> Law 14/January 14, 2003.

<sup>47</sup> Lege nr. 68 din 15 iulie 1992 - (\*actualizată\*) pentru alegerea Camerei Deputaților și a Senatului (actualizată până la data de 06 iulie 2004\*) [Law 68/July 15, 1992, \*updated\* for electing the Chamber of Deputies and the Senate (updated until July 6, 2004)],

change from a non-existent threshold in the 1990 elections. The direction was towards more restrictiveness when the same electoral threshold was increased even more in 2000 from 3% to 5%, with the aim of reducing the number of parliamentary parties.<sup>48</sup> The electoral barrier was raised for electoral alliances as well, with 3% for the second party, 1% for the third and so on. The change had the expected effect as the number of electoral parties reduced to half from 1996 until 2012. After 2015 the threshold was maintained at 5% for single parties, both for the local and the national elections (Table 1). Another partially restrictive change included the shift from a pure PR system to a mixed system in 2008. The resulting mixed system introduced single-member districts (uninominal colleges) within the larger forty-three districts. Candidates who gained majority support in their district were elected individually (unless their party failed to pass the nationwide threshold).<sup>49</sup> However, seats were allocated to parties in a multi-tier process on a proportional representation basis and hence we cannot consider this reform as being highly restrictive.

Most legislative changes from 1996 to 2008 were of restrictive nature (Table 1 on-line Appendix) and this goes hand in hand with a period of stability in the Romanian party system. Arguably the most restrictive legal change with respect to party competition was the change in the 2003 party law that required 25.000 members, distributed nationally, in order to form a new party. Under this framework, only three new parties formed between 2003 and the 2012 elections, with only one – the People’s Party created/founded by media mogul Dan Diaconescu (PP-DD) – managing to gain seats in the Parliament in 2012. As a result, party competition stabilized to a bipolar alternation in government, with post-communist social-democrats usually competing against a group of parties dominated by the liberals and democrats (Table 2). In this period, the number of parliamentary parties remained stable within a range of 4.31 to 3.6. Electoral volatility increased in 2004, when alternation in government occurred, with another slight increase in 2012 (mainly due to PP-DD’s entrance in the Parliament). Thus, within just over a decade of multi-party politics, it became increasingly difficult both to form a new party and to gain parliamentary representation. This situation placed significant barriers on political

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issued by the Parliament of Romania, accessed on November 15, 2021, <http://legislatie.just.ro/Public/DetaliuDocument/2296>.

<sup>48</sup> Ordonanța de Urgență nr. 129 din 30 iunie 2000 privind modificarea Legii nr. 68/1992 pentru alegerea Camerei Deputaților și a Senatului și a Legii nr. 69/1992 pentru alegerea Președintelui României [Emergency Ordinance no. 129/June 30, 2000 for modifying Law 68/1992 for electing the Chamber of Deputies and the Senate, and Law 69/1992 for electing the President of Romania] *Monitorul Oficial* 311 (2000).

<sup>49</sup> Gherghina, “Where Does the Mechanism Collapse?”

competition. While the 1996 party law sparked some constitutional debates and disputes between the large parties, the 2003 law gathered the approval of almost all the large parties.

The *party finance reforms* went hand in hand with membership and electoral threshold restrictions. The regulations on party financing were merged into the party and electoral laws until 2003. Since then, a new, separate, legal framework was implemented to regulate the matters related to the financing of parties and electoral campaigns. The law introduced permissive provisions aimed at supporting the activity of parties, but these were favorable only to the large ones. Firstly, article 9 (Party Finance law, 43/2003) excluded from state funding all the parties that did not pass the electoral threshold.<sup>50</sup> Secondly, the state offered grants for expenses related to the electoral campaign to all parties standing for election. However, those parties that did not pass the threshold were obliged to return the money within two months of the election date. A revised party finance law, enforced in 2006, largely kept these barriers in place. The 2003 law allowed for a minor form of state funding to the parties that were no more than 1% below the threshold. The 2006 law eliminated this exception and subsequently brought more restrictiveness.

Changes to the Romanian *Constitution* from 1991 and 2003 were meant to ensure political stability by preventing abuses of power (i.e., constitutional checks on the activity of parties) or additional regulation through detailed provisions in secondary laws (see online appendix). These restrictive stipulations go hand in hand with the other restrictive stipulations from the ordinary laws (party and party finance law).

### *Subsequent Party System Changes: 2015 and 2016*

The second party system change occurred in late 2015 when the government resigned, and a new technocratic government was approved by the Parliament. We consider the latter episode as a party system change because there was a complete change/turnover in the governing formula. The 2015 technocratic government was instated after a political crisis, but it was also favored by the opening of the party system following the legislative reforms in early 2015.

Grand corruption and the lack of transparency in the way parties conducted their affairs made regular citizens participate in large protests across Romania until the government resigned. Hence this episode of party system change cannot be explicitly linked to party law reforms. The explanation lies

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<sup>50</sup> Lege nr. 43 din 21 ianuarie 2003 privind finanțarea activității partidelor politice și a campaniilor electorale [Law 43/January 21, 2003 for financing the activity of political parties and electoral campaigns] *Monitorul Oficial* 54 (2003).

rather in a value change in Romanian society and the increased levels of protests which ultimately overthrew the government.

The 2015 legislative reforms are the result of changes in several laws regulating party competition and are a mix of permissive and restrictive provisions. Nevertheless, we evaluate the new 2015 legislative framework to be a more permissive one mainly due to the possibility to form parties much easier than previously. This change contributed to the third episode of party system change, which is visible in the outcome of the 2016 electoral year. The new framework allowed for an increase in the number of electoral parties for the 2016 parliamentary elections from 2.54 in 2012, to 3.80 in 2016 which is in line with the argument behind our *P2b*.

The effective number of parliamentary parties also increased in comparison to 2012. This provides additional support for our argumentation behind *P1* and *P2*. The Save Romania Union (USR), a newly formed party, came third in the 2016 elections, while ALDE, formed party from the fusion of two smaller parties, came fifth and became a coalition partner for the Social Democratic Party (PSD). This new governing formula is again an example of open structure of competition, according to Mair's criteria and an indication of party system change. The Popular Movement Party (PMP) also passed the threshold, coming sixth. The electoral volatility rose to 27.1 in 2016, a value close to the one registered in 1996. USR's formation and subsequent success is clearly the effects of permissive party law provisions introduced in 2015, whereby only three members were required to register a party, providing substantial empirical support for *P2a*.

The 2015 *party law* brought extreme permissiveness in terms of party registration. The main proposal of the civil society was to implement the freedom of association principle guaranteed by the Constitution. Since then, because of the extremely permissive provision on members required for registration (only three members), eight-four new parties registered, fifteen others have their applications approved and are on track for registration. The number of both electoral and parliamentary parties increased in 2016 (Table 1). After the 2016 parliamentary elections, thirteen parties did not pass the electoral threshold (Central Electoral Bureau, 2016).<sup>51</sup> Out of these seven were newly registered parties between 2015-2016.

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<sup>51</sup> Proces-Verbal privind partidele politice, organizațiile cetățenilor aparținând minorităților naționale, alianțele politice, alianțele electorale care întrunesc pragul electoral la alegerile pentru Senat și Camera Deputaților, precum și partidele politice, organizațiile cetățenilor aparținând minorităților naționale, alianțele politice, alianțele electorale care nu întrunesc pragul electoral la alegerile pentru Senat și Camera Deputaților (cu organizațiile cetățenilor aparținând minorităților naționale care întrunesc pragul prevăzut de art. 56 din Legea 208/2015) [Signed Statement for political parties, organizations of citizens belonging to national minorities, political alliances, electoral alliances which meet the electoral threshold for the Senate and

Some permissive *electoral provisions* were also introduced in 2008 and 2015 in favor of small parties with regionally concentrated support. In 2008 the electoral law created an alternative electoral threshold, giving access to the allocation of seats to those parties who won six deputy colleges and three Senate colleges, even if those parties did not pass the 5% national threshold. The colleges were dropped after the return to closed party lists in the 2015 electoral reform, yet the new law kept an alternative threshold, giving access to parliamentary representation to parties who won 20% in at least four counties.

The new *party finance law* of 2015 includes two new apparently permissive elements.<sup>52</sup> Firstly, in addition to donations, parties can now receive loans in order to finance their activity. The permissiveness but also the lack of clarity associated with this provision means that essentially, the lender and the borrower party may agree that the party does not have to return the money. Thus, the loan can turn into a donation at any point. Secondly, electoral campaigns would be paid for by the state (a provision also used in the early 1990s). However, clearly on the restrictive side, only those parties or candidates gaining at least 3% of the votes in their electoral district are entitled to receive the money back from the state, within two months from the elections. In other words, the reimbursement happens only after the expenses were already made. This measure is regarded as another tool to discourage new parties from forming or from entering electoral competitions.

In addition to the permissive stipulations on party registration, the 2015 *party law* also placed several restrictive conditions onto new parties. These were aimed at making parties think about adopting a national character if not at least a regional character. Article 47 of the new law states that parties can be disbanded if they do not submit candidates within two successive elections in at least seventy-five electoral districts in the local elections or a full list of candidates in at least one electoral district or candidates in at least three electoral districts. Thus, although the law allows parties to form at the local level, even only with the

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Chamber of Deputies, as well as political parties, electoral alliances which do not meet the electoral threshold provided for Senate and Chamber of Deputies elections (with the organizations of citizens belonging to national minorities which meet the threshold provided by article 56 of Law 208/2015] Alegeri pentru Senat și Camera Deputaților, 11 decembrie 2016, Biroul Electoral Central [Elections for the Senate and Chamber of Deputies, December 11, 2016, Central Electoral Bureau] accessed November 15, 2021, [https://parlamentare2016.bec.ro/wp-content/uploads/2016/12/1bis\\_rf.pdf](https://parlamentare2016.bec.ro/wp-content/uploads/2016/12/1bis_rf.pdf).

<sup>52</sup> Lege nr. 113 din 18 mai 2015 pentru modificarea și completarea Legii nr. 334/2006 privind finanțarea activității partidelor politice și a campaniilor electorale [Law 113/May 18, 2015 for modifying and completing Law 334/2006 regarding the financing of political parties and electoral campaigns] *Monitorul Oficial* 339 (2015).

purpose of gaining representation in a particular local council, it is forced to have at least a regional character and organizational coverage.

Another restrictive provision of the new 2015 legislative framework is embedded in the *electoral laws* (for the local elections and for the parliamentary elections). A party or an independent candidate cannot stand in the elections unless they gather the support of at least 1% of the total number of voters in that respective electoral district. Thus, the number of signatures varies depending on the size of the district. Both these provisions are tied to Article 47 of the new party law, stating that a party can be dissolved if it does not put forward candidates in two successive elections, and with the 5% threshold in both local and national elections.

Overall, the restrictive effects of the 2015 legislative changes derived mainly from the two provisions regarding the conditions to stand in elections and the electoral campaign financing (on-line appendix Table 1) are likely to inhibit party competition in the future. Whilst the permissive 2015 party law reform helps the formation of parties, the restrictions from the electoral and party finance reforms are likely to slow down their development beyond the 2016 elections.

### *Implementation of Legislative Reforms and Party System Change*

Monitoring and sanctioning were applied especially in relation to *party finance law*. Table 3 shows that the number of controls, applied sanctions, warnings and fines plus goods repositions implemented by the Permanent Electoral Authority (the monitoring body) increased almost threefold in 2015 compared to previous years (PEA, 2015).<sup>53</sup> The political independence of this institution is legally insured. Firstly, Law 208/2015 states, in article 101, paragraph 4, that the leadership of the Authority, although voted in by Parliament, is provided by experts who are not party members; this provision has been in place since the Authority was founded.<sup>54</sup> Secondly, a department for the control of financing is a distinct structure within the Authority. Its prerogatives are established by the Authority's internal regulation, the most recent version being adopted in 2019. In article 15, paragraph 3, it is stated that the department, as well as all the controllers working on its behalf, are independent.<sup>55</sup>

<sup>53</sup> Raport privind activitatea Autorității Electorale Permanente din anul 2015, Autoritatea Electorală Permanentă, 2015, accessed on November 15, 2021, <https://roaep.ro/legislatie/wp-content/uploads/2019/01/Raport-AEP-2015.docx>.

<sup>54</sup> Lege nr. 208 din 20 iulie 2015 privind alegerea Senatului și a Camerei Deputaților, precum și pentru organizarea și funcționarea Autorității Electorale Permanente [Law 208/July 20, 2015 for the election of the Senate and Chamber of Deputies, and the functioning of Permanent Electoral Authority] *Monitorul Oficial* 553, (2015).

<sup>55</sup> Ibidem.

The checks mainly referred to party finance and the financing of electoral campaigns in accordance with Finance law 334/2006.<sup>56</sup> They related to general record keeping of member contributions, donations, spending of subsidies and the finance of electoral campaigns. These increased threefold in 2015 at a time of party system change and were more sporadic in 2012 or unreported in earlier years. All in all, these activities and finance checks have brought reassurance that parliamentary parties cannot abuse their status. In fact, following the multiple yearly controls, it was the established parties who received more fines rather than the newly established parties. The increase in the number of controls (Table 3) is related to the increased administrative capacity in dealing with the controls and sanctions. The number of controlling bodies was raised as of 2006 and their local offices have hired more staff especially after 2015. Henceforth the effectiveness of implementing party finance law changes has progressively improved. From 2006 until 2015 the link with party system change relies in an association between effective implementation of restrictive changes and party system stability (*P3b*).

Since 1996 the body in charge of approving and monitoring the activity of the parties is the Bucharest Municipal Court. The fact that a very large number of parties wanted to register after 2015 shows parties' good perception about *the party law* reform and about the opportunities for entering the electoral market. There were fifty-seven new parties registered before the December 2016 elections. Additionally, since the new 2015 party law entered into force, there were 107 applications for registration which have been rejected or are still under review. Overall, this is evidence for the monitoring of political party registration and hence an effective implementation of the permissive party law reform. This goes hand in hand with the increased fragmentation and volatility as discussed in the previous section and hence the 2016 party system change which supports our *P3a*.

The bodies in charge of gathering the support signatures as requested by *the electoral law* and verifying their authenticity are the District Electoral Bureau. There have been many complaints regarding the Bureaus' administrative incapacity to check the authenticity of each signature. Even in these conditions, only eight newly formed parties after the party law entered into force managed to raise the support signatures needed to stand in the 2016 elections (Table 2 on-line Appendix). The fact that less than 15% of parties formed due to the new party law permissive framework were present on the ballot shows in fact the implementation of the electoral law provisions. The administrative capacity caveat of the monitoring body remains unsolved.

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<sup>56</sup> Lege nr. 334 din 17 iulie 2006 (\*\*republicată\*\*) privind finanțarea activității partidelor politice și a campaniilor electorale [Law 334/July 17, 2006, republished, for financing the activity of political parties and electoral campaigns] *Monitorul Oficial* 446 din 23 iunie 2015.

## Conclusion

This article discussed the link between legislative reforms and the structure of party systems. We argued that not only reforms to the electoral systems but also to the constitution, party laws and party finance laws are relevant to explaining party system change or party system stability. By introducing an argument based on a permissive - restrictive and reform implementation dimensions, we find that the form and direction of legal changes but also the effectiveness of their implementation matter for party system change.

Our analysis of the Romanian case reveals three episodes of party system change in Romania since 1990 as demonstrated by changes in the structure of competition, fragmentation, and electoral volatility. In all cases, a change in the structure of competition was registered together with high shifts in electoral volatility. Similarly, the number of parties (electoral and parliamentary) experienced significant fluctuations at the time of party system change.

In line with our expectations, we find that the 1996- and 2016-party system changes occurred after a series of permissive regulatory frameworks. We also show that party system stability after 2000 goes hand in hand with major restrictive changes in party law. This provides evidence that the structure of party systems is not merely related to electoral reforms. Party-related legislative reforms together contribute to party system change. We further clarified the influence of laws and their reforms on different party arenas. Whilst party law and the party finance law influence party formation and party development in the electoral arena, electoral law has an impact on party development in the parliamentary arena.

Although our conclusions are derived from a thick description of a single case, we consider that our theory could hold in other new democracies as well. More generally, it could apply to countries with an authoritarian past as multiple reforms are expected in this context. However, more comparative research is needed in order to test the propositions advanced in this article and this is in line with current projects of data gathering. The limitations of our analysis are inherent to any case study in terms of generalizability potential. Nevertheless, the application of the permissive-restrictive approach to legislative reforms to the Romanian case builds the premises for analytical generalization at least to other post-communist states, similar in terms of life span of multi-party politics, as well as frequency of legislative reforms in terms of electoral, party and party financing laws. Additional comparative research needs to also consider the frequency of reforms as an intervening factor, their timing in the electoral cycle, the difference between the long term and short-term impact of reforms or the nature of new party formation as these may all explain new parties' capacity to make a sustained difference in the structure of a party system.

## Annexes

**Table 1: Legislative changes and party system characteristics: 1990-2015<sup>471</sup>**

<i>Year</i>	<i>Effective number of electoral parties</i>	<i>Effective number of legislative parties</i>	<i>Electoral volatility (system level)</i>	<i>Legislative change</i>	<i>Members needed</i>	<i>Electoral threshold</i>
<b>1990</b>	2.21	2.2	-	Decree on parties and party financing 8/1989	251	
				Decree on electing the Parliament 90/1990		0
<b>1992</b>	6.96	4.78	14.3	Electoral law 68/1992		3%
<b>1996</b>	6.09	4.31	29.1	Party and financing law 27/1996	10000	
				Gov't emergency ordinance 129/2000 on electoral threshold		5%
<b>2000</b>	5.25	3.56	12.1	Party law 10/2003	25000	
<b>2003</b>				Financing law 43/2003		5%
<b>2004</b>	3.9	3.36	21.0			
<b>2006</b>				Financing law 334/2006		
<b>2008</b>	3.93	3.60	19.2	Electoral law 35/2008		5%
<b>2012</b>	2.54	2.12	25.9			
<b>2015</b>				Electoral law 208/2015		5%
				Party law 114/2015	3	
				Financing law 113/2015		
<b>2016</b>	3.80	3.54	27.1			5%

*Source: authors' own elaboration.*

<sup>471</sup> Years in bold correspond to episodes of party system change. Years in bold and italics are electoral years.

**Table 2. Party-system change in Romania: structure of competition 1989-2015<sup>1</sup>**

<b>Term</b>	<b>Governing parties</b>
1989-1990	FSN (prov.)
1990-1991	FSN
1991-1992	FSN, PNL, PER, PDAR
1992-1996	FDSN, PUNR
<b>1996-1998</b>	<b>CDR, PD, RMDSZ, PSDR</b>
1998-1999	CDR, PD, RMDSZ, PSDR
1999-2000	CDR, PD, RMDSZ, PSDR
2000-2004	PDSR, PSDR, PUR
2004-2008	PNL, RMDSZ, (PD), (PUR)
2008-2012	PDL, (PSD), (PC), (RMDSZ), (UNPR)
2012	PDL, RMDSZ, UNPR
2012	PSD, PNL, PC
2012-2015	PSD, UNPR, PC, (PNL), (RMDSZ)
<b>2015-2016</b>	<b>Non-partisan</b>
<b>2016-</b>	<b>PSD, ALDE</b>

Source: Parties and Elections in Europe, accessed October 15, 2021, [www.parties-and-elections.eu](http://www.parties-and-elections.eu).

<sup>1</sup> Episodes of party system change marked in bold; Abbreviations: PSD: Social Democratic Party (1992-1996: Democratic National Salvation Front, FDSN; 2000: Romanian Social Democracy Party, PDSR); PNL: National Liberal Party; PDL: Democratic Liberal Party (1989-1992: National Salvation Front, FSN; 1996-2004: Democratic Party, PD); UNPR: National Union for the Progress of Romania; RMDSZ: Democratic Alliance of Hungarians in Romania; PC: Conservative Party (2000-2004: Humanist Party of Romania, PUR); PNTCD: Christian Democratic National Peasants' Party (1945-1947: National Peasants' Party, PNT); PSDR: Romanian Social Democratic Party; PUNR: Party of Romanian National Unity; PDAR: Democratic Agrarian Party of Romania; FP: Ploughmen's Front; PCR: Romanian Communist Party; UP: Patriots' Union; PNT-AA: National Peasants' Party-Anton Alexandrescu; PNL-GT: National Liberal Party-Gheorghe Tătărescu; CDR: Democratic Convention of Romania; ALDE: Alliance of European Liberals and Democrats

**Table 3. Monitoring and controlling parties**

<b>Year</b>	<b>Controls</b>	<b>Sanctions</b>	<b>Warnings</b>	<b>Fines</b>	<b>Value Fines</b>	<b>Confiscations</b>	<b>Value Confiscations</b>
2015	174	81	46	26	191000	9	314107.6
2014	60	44	8	26	160000	10	137641
2013	94	57	23	13	115000	21	861040
2012	50	20	6	5	25000	9	65690
2011	140	12	8	4	20000	7	43700.8
2010	100	5	1	4	20000	2	2100
2009	31	8	7	1	5000	2	25170

*Source:* authors' own elaboration using data provided by the Romanian Permanent Electoral Authority, accessed October 15, 2021, <http://www.roaep.ro/>.