A Conditional Pattern of Political Cartelization
The Case of Romania

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Abstract

The purpose of this paper is to explain the reasons behind the apparent cartelization of the Romanian political space. I analyzed the theoretical cartel party debate, in order to identify the arguments for cartelization which are still valid. Based on the conclusions of this debate, I argued that Kitschelt’s predicted imminent defection from an eventual cartel due to a prisoner’s dilemma situation, is only partially countered by Blyth and Katz’s new pattern of cartelization. Given the only partial success of the defense, I developed a ‘conditional pattern of cartelization’. The Romanian case proved to follow the conditional pattern. However, due to the rather imperative conditions to be fulfilled (constrained economical political competition, lack of importance of the cultural dimension for the competition, a high degree of party organizational centralization) I expect that comparatively fewer countries will be predisposed to cartelization.
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INTRODUCTION

The purpose of this study is to explain recent changes within the Romanian party system from the cartellization theoretical perspective. The reasons behind this attempt are simple: starting with the 2004 elections, several government coalitions were formed, regardless parties declared positioning on the left – right ideological spectrum. For instance, one of the parties (Conservative Party) that formed the left electoral coalition (Social Democratic Party + Conservative Party), participated in the right governmental coalition (National Liberal Party + Democratic Party). Also, even though the Hungarian minority's party (The Democratic Union of the Hungarians from Romania) supported the left coalition's presidential candidate, it participated in the same right governmental coalition. Furthermore, in 2006 when one of the main parties (Democratic Party) exited the governmental coalition, the minority government was sustained in parliament by the main party in opposition (Social Democratic Party). Even more surprisingly, after the 2008 elections, the government was formed out of the main electoral opposing parties (Social Democratic Party – left, and Democratic Party – center-right). Considering these coalitions formed regardless the declared ideological positioning of the parties, it is fair to inquire into a possible emergence, or existence, of a Romanian cartel party system.

However, the cartel party theory was subject to many critiques and refutation attempts. This is why, in the first chapter I will analyze the theoretical debate, trying to determine which the remaining valid parts of the theory are. The main conflictual area refers to the incentives to form and/or to maintain a political cartel. Katz and Mair base their explanation for cartelization
on parties’ collusion due to common incentives to insure each party’s access to the vital state derived financing. Kitschelt argues that individual party incentives will determine imminent defections from the eventual cartel. The argument is based on the fact that each party will have to face the prisoner’s dilemma, and will chose to defect in order to better position itself on the electoral market at the expense of the others. Blyth and Katz's response, dropped the failed argument based on the conspiratorial parties collusion, and promoted a new pattern of cartellization based on the Nash equilibrium. They described a cartellized political space that left no options for eventual defectors, in the sense that a better electoral positioning was made unfeasible.

However, in the second chapter of my paper, that gives the theoretical framework, I will argue that a Nash political equilibrium does not necessarily lead to cartellization. Several other conditions should be fulfilled in order for the cartellization to emerge. These factors are necessary, because the Nash political equilibrium can also encompass conflictual strategies of political competition. In this sense, defection from the equilibrium is not equivalent with defection from an eventual cartel. Conflictual strategies do not constitute defections from the Nash equilibrium, but they do for an eventual cartel. Hence, Blyth and Katz describe only partial factors for Kitschelt signaled defection to be contained.

Thus I will develop a new conditional pattern, which will hopefully manage to indicate all situations in which defection can be contained. In short, the political competition should not be dominated by cultural dimensions, the political competition held around economic dimensions should be constrained, and parties’ should present a high level of centralization.

Thus, my first research question is meant to inquire: *to what extent, the exogenous factors determined the emergence of a constricted political competition space?* Second, if the
constriction of the political competition space eases parties capacity to gather information about each other’s decisions, *to what extent will the emerged Nash political equilibrium lead to cartellization?*

The main hypothesis, built according to the logic of the new conditional pattern, will assume that, *if the political competition is dominated by debates on the constricted policy attributes, and the parties are considerably centralized, the emergence of a cartel party system is possible.* A second more particular hypothesis advances the presumption that *the comparatively intense exogenous factors determined an accelerated constriction of the Romanian political competition arena.*

The exogenous components of the hypotheses will be tested by simply checking if the levels of the factors match the predicted values. The endogenous factors to political parties, their centralization, will be analyzed both with respect to their *degree of organization*, and to *their centralization of power*. The first concept will be measured through two indicators, each concerning the level of organizational development. For the second concept, three indicators will be used to measure the *nationalization of the structure, the selection of parliamentary candidates, and the leadership concentration.*

I expect that due to these imperative conditions implied by the conditional pattern, the cases predisposed to cartellization would be fewer than those that are not predisposed.
CHAPTER 1-CONSTRUCTING, DECONSTRUCTING, AND RECONSTRUCTING THE CARTEL PARTY THEORY

1.1 THE CARTEL PARTY THEORY

The *cartel party* theory promotes a new stage in party and party system development, considered to be the emerging equilibrium (type) in modern Western democracies. This stage is the result of an evolutionary process described by several specific chain reactions. A certain historical context stands for a certain reaction, which shapes a new context and a further subsequent reaction, and so on. These reactions are placed within the interactions between the parties, civil society and the state, as opposed to a former dichotomous unsatisfactory explanation based on the party – civil society interaction. That is why a dichotomous analysis would prove unable to describe the correct post-mass party evolution, and would end up in fatalistic hypotheses about the future of parties. Such an end point would generally be due to the weaker and weaker relations between the parties and the civil society.

To state the superiority of their proposed trichotomy, Katz and Mair signal the conceptual blockage that derives from a party – civil society analysis. The emergence of the mass party was seen as dependent on the newly enfranchised social groups, which were also believed to condition the parties’ future activities. The society-conditioned representativeness came as a response to the former liberal *regime censitaire*, characterized by restrictive suffrage requirements. The *cadre parties* empowered by the limited groups of notables from the civil society considered themselves entitled to establish and implement what was assumed to be the single national interest (Katz & Mair 1995). With enfranchisement, the former unrepresented large part of the society started to organize in group specific political parties. At this point, the
mass party emerged as the representative of clearly defined social constituencies. Its legitimacy was directly derived from a well defined social group, which enjoyed prospective control over policies. The very success of these group specific policies created over time the next post-industrial political context. The new setting was characterized by diminished social boundaries, and thus by a weaker linkage between the parties and the now more homogenous civil society. A dichotomous analysis of this context would end up in advancing conclusions about parties’ lack of legitimacy, and hence emphasize their endangered existence. However, such a misleading conclusion can be eluded by adopting Katz and Mair's trichotomous analysis.

If in exchange, the state is also introduced in the party – civil society equation, the understanding of post-mass party stage becomes clearer. From this perspective, the mass party is seen as a 'bridge' or 'linkage' between its specific parts of the civil society and the state (Katz & Mair 1995: 11). While the social boundaries became less clearer, and the civil society more homogenous, not only the lost group-specific-legitimacy would no more constitute a problem, but would rather be desirable, since the legitimacy should now be derived from the society as a whole. On the one hand, from a normative perspective, the economic developments redefined what was to be politically appropriate. On the other hand, as a practical necessity, parties had to address the society as a whole in order to gain as many votes as possible. Furthermore, due to technological developments, specifically mass media development, parties became able to make the desired broader appeals, regardless the former partisan means of communication. All these factors stand for the emergence of the catch-all party, which was less an agent of civil society 'acting on, and penetrating, the state', but rather 'brokers between civil society and the state' (Katz & Mair 1995: 13).

Derived from this brokerage function, parties develop the ability of both appealing the
electorate, and manipulating the state. However, media electoral appeals require financial resources beyond the capacities of the partisan organizations. In this sense, the state manipulation function starts to be employed for creating alternative financing sources. Thus, this function becomes vital for the campaigning capacity, and the very own existence of one party. With the existence dependent on various ways of state financing, parties will collude, and engage in a common state manipulation that would guarantee their survival no matter if they are in office or not. As far as Katz and Mair are concerned, this is the logic behind the emergence of the *cartel party*, and the *cartel party system*. In terms of state – party – civil society equation, this stage is characterized 'by the interpenetration of the party and state', and 'by a pattern of inter-party collusion' (Katz & Mair 1995: 17).

However, the common sense evolutionary reaction chain, conceptualized through the rather general trichotomous relation, only manages to describe a tendency of party – state interpenetration. Geometrically, if one considers the other sense of the equation (from parties to civil society), the logically identified tendency regards the weakening, or even the diminishing of the ties between the parties and civil society. This general conceptualization has implications both for the strength of the conclusion that the linkage between the parties and civil society disappears, and for what Katz and Mair establish to be the main features of the cartel parties. Moreover, besides their again general character, the indicators used for describing the features of the cartel party (*goals of politics, electoral competition, resource base of parties, party membership and intra-party relations*) are only tangentially related, and fail to explain, the actual basic condition of cartel parties existence: party collusion.
1.2 THE DECONSTRUCTION OF THE CARTEL PARTY THEORY

Reasons related to the rather scarce conceptualization of the theory, allowed its criticisms to be at least proportional to its notoriety. Authors like Herbert Kitschelt and Ruud Koole based their criticisms precisely on the rather 'geometrically' derived diminished linkage between parties and the civil society, and on the lack of party collusion conceptualization. Regarding the first issue, Kitschelt contests the 'divorce' of the party leaders from their members and voting constituencies, as for the second issue, he both contests the collusion incentives, advancing the prisoner's dilemma argument, and the capacity of an eventual cartel to avoid new challenges.

As far as the first problem is concerned, Kitschelt identifies similarities with a text that advanced the 'strong oligarchy thesis'. In short, the thesis introduced the idea, later used by Katz and Mair, that politicians live 'off' politics rather than 'for' politics. Kitschelt rightfully finds this idea similar to Katz and Mair's 'professionalization of politics'. However, Michels tone is much more pejorative then Katz and Mair's, stating that this living 'off' politics, presumes a high extent of wealth and power appropriation, in the detriment of the people. In this sense, Michels sees an antagonistic relation between politicians and the people, in which the actions of the first, damages the second.

The problem of Kitschelt's critique is that he transfers to Katz and Mair's 'professionalization of politics' too much of Michels's 'strong oligarchy thesis', and especially the latest pejorative tone. Kitschelt's over-attributing tendency is however understandable, since it is rooted in Katz and Mair's scarce conceptualization, and rather poorly developed features of such professionalized parties. Koole was the first one to signal the conceptual inconsistency of the professionalization argument (1996), but Katz and Mair's response (1996) just repeated the cause developed in 1995, with no upgrades whatsoever: the state subsidies are those responsible for
increasing the distance between party leaders and party members and voters.

Thus, in the absence of further clarification, Kitschelt's critique was free to explore unstated consequences of Katz and Mair's logic. Returning to the over-attributing, the tendency can be best revealed by Kitschelt's questions: 'Wouldn't it be easier for politicians to protect their political survival by allocating not only resources to their own parties, but also responding to citizens' interest? (…) Why is there any need to undercut relations of representation?' (2000: 156). Giving substance to these questions, Kitschelt first talks about an unidentified *principal*, as far as the citizens no longer fulfill that condition. He assimilates the *new principals* with the state bureaucracy, since the cartel parties tend to get anchored in the state, but he mistakenly uses reasoning only specific to the *catch-all* era, when parties were living a Janus-like existence, both representing the civil society, and manipulating the state bureaucracy (Katz and Mair 1995: 13). Kitschelt tries to prove that the state bureaucracy cannot be seen as a demand entity/ principal, but Mair never considered it in this sense. For Katz and Mair, the state bureaucracy was always at the opposite pole precisely constituting the mean through which civil society demands were fulfilled.

The critique goes further, and one of Kitschelt main concern, again derived from the over-attributing tendency, is: why would the state anchored parties need to violate the interest of their constituencies? (Kitschelt 2000: 156). But does Katz and Mair's professionalization argument, and increased party – society gap, contain any antagonistic relations of parties violating citizens' interest? If one stretches the argument to Michels' pejorative attributes, the answer can be positive. But one must pay attention to, indeed one of the few, if not the only, Katz and Mair statement that
“with the emergence of the cartel party, comes a period in which the goals of politics, at least for now, become more self-referential, with politics becoming a profession itself – a skilled profession, to be sure, and one in which the limited inter-party competition that does ensue takes place on the base of competing claims to efficient and effective management” (Katz and Mair 1995: 19).

Although short, the argument is clear enough. The fact that parties become more and more self-referential, and more of the state manipulation is used for self financial interests, does not mean that parties stop manipulating the state, or, to use a term with more positive connotations, stop managing the state in citizens' general interest. As Katz and Mair note, inter-party competition is now dominated by criteria of 'efficient and effective management'. The competition naturally implies references and appeals to the citizens, and the party/parties that manage to attract the image of the best state manager, for the general social interest wins. It is true that state politics are no longer driven by well defined social groups demands, since, Katz and Mair state at the middle of the evolutionary chain, the nature of context changed – diminished social boundaries in post-industrial societies, and desirable general, non group-specific, representativity became the most important thing (1995: 11-12). But that does not by far mean that the new cartel type of state management is directed against the interest of the citizens.

In the same manner, Kitschelt criticizes a more specifically developed relation between parties and their members. Katz and Mair advanced the cartel party tendency to *atomize membership participation* (Katz and Mair 1995: 21). The argument is that in order for the party leaders to preserve their position against possible activists’ challenges (and here activists are seen as the middle strata of one party), they transfer the intra-party selection function to the ordinary members, which lack the capacity to organize veritable threatening challenges. Kitschelt points here that at the same time Katz and Mair had presumed that parties are no longer accountable to their members, but rather to the electorate as a whole. He sees this presumption as incompatible
with the fact that rank and file members are given enhanced voting rights within the party organization. Again, Kitschelt miss-contextualizes his critique. On the one hand, Katz and Mair's atomization theory is applicable only for the internal party organization, and talks about *formal functions* of the members within the party. On the other hand, due to processes mentioned before, members no more influence party policies, but rather policies are formulated to represent the now homogenous society as a whole. This results in the loss of member *substantial function* of determining policies. Such a loss does not imply the loss of *formal functions* within the party organization, one of these functions being the election of the party leader(s).

1.2.1 The cartel and the 'prisoner's dilemma'

Even though miss-contextualized most of the time, Kitschelt's critique has the merit to highlight the conceptual problems and scarce development of Katz and Mair's argumentation. If for the politicians – society 'divorce', or rather distancing, Katz and Mair developed an indeed feeble conceptualization, one cannot say the same thing about the actual core of the theory – the party will and tendency to collude into a cartel (Katz and Mair 1995: 14-16). The only argument is that since each party survival depends on state resources, and all parties are aware of the fact that they will not constantly be in office, they will tend to collude and form a cartel by which they will be able to solve the problem of not being in office, and survive to other external challenges. No matter how logical such reasoning could sound it is based on *survival derived incentives*, and not on observed patterns of interaction. Incentives might generate patterns, but no empirical proves of such patterns were brought. Thus, whoever manages to describe different patterns based on the same or on different incentives, and even better, whoever manages to back
the advanced patterns with empirical evidences, can successfully refute the theory.

Kitschelt thus provides alternative incentives which can enjoy the same valid logical presumption. Katz and Mair's *individual* survival derived incentives are leading to - the only seen possible solution – *collective* survival derived incentives, more precisely, to parties’ collusion. On the other hand, Kitschelt’s *individual* survival derived incentives, are leading to – another seen possible solution – *enhanced individual* survival derived incentives, precisely 'inter-party cooperation generates a prisoner's dilemma' which shatters the cartel from its very incipient stage (Kitschelt 2000: 149).

Starting with acknowledging the correctness of Katz and Mair's observation on the convergence of the social preferences towards a median (due to the post industrial economic developments), Kitschelt considers this phenomenon as exogenous to the political competition arena. The immediate implication of such a consideration diminishes a direct causal relation between the noted exogenous developments, and the endogenous ones. The exogenous homogenizing patterns, do not determine the same endogenous patterns at the formal level. While substantively, many parties may converge programmatically formally, they do not abandon their (traditional) constituencies (Kitschelt 2000: 167). In other words, Kitschelt acknowledges that some parties will remain more to the right and some more to the left, even though programmatically they converge. Thus, on the one hand, the formal changes within the society (disappearance of class boundaries) do not cause the same formal changes within the party system (parties will still have a left/right political label). On the other hand, substantive convergence within a society, determines substantive programmatic convergence within the party system. How significant would then be the formal label, and constituency maintenance, and why does Kitschelt insist in doing this differentiation?
First of all, Kitschelt points out that Katz and Mair seek to explain the programmatic convergence (that stands at the base of cartellization) through a factor endogenous to the party system, independent from the exogenous 'centripetal changes of voter sentiments' (Kitschelt 2000: 167). It is here important to mention, that actually Katz and Mair based both the catch-all party, and cartel party emergence, on the post industrial homogenized society. The internal explanation actually stands for the survival incentives / common state exploitation independent of the power alternation, that makes parties cartellize, on the grounds of a convergent society and programmatic convergent political system. To make it clearer, according to Katz and Mair, cartellization is considered to be the next evolutionary stage of the party system, based on the already existent exogenous determined programmatic convergence of the catch-all party system.

Kitschelt's alternative enhanced individual survival derived incentives, is developed according to the prisoner's dilemma at two levels. At the first level, he describes defection incentives within an individual party, while at the second level he describes defection incentives within the cartel party system. Adapting the prisoner's dilemma applied within an individual party, Kitschelt starts from the miss-interpreted presumption that 'the cartel obliges parties to distance themselves from their voters' (Kitschelt 2000: 168). He does not mention what kind of distancing he considers. There are two possibilities. One would be related to the earlier mentioned formal maintenance of the traditional ideological labels and constituencies. Since such a distinction is formally persistent, but substantively meaningless a defection based on formal reasons, would not match the substantive social homogeneity, and would thus be unsuccessful. A second possibility, which is more plausible, is that Kitschelt considers the cartel convergence independent from the social convergence. Besides the fact that Katz and Mair consider the socially determined programmatic convergence, as a base of cartellization,
Kitschelt’s false assumption is routed in the earlier miss-interpreted ‘professionalization of politics’. Again, a cartel party system does not force parties to have divergent interest with the citizens. A cartel party does not act against the society, but against individual party failure, and against possible new political challenges. It is true that these self-preservation actions of the cartel might indirectly lead to divergences from citizens’ preferences, in the sense that the emergence of new political parties, that might reflect recent changes within the society, is made unlikely. However, such social changes are part of a long term process, and are unlikely to have effects on the short-middle term survival of the cartel. Moreover, it would be unproductive, and unnecessary to deviate from the existing social convergence reflected in the programmatic convergence. Since Kitschelt’s assumption is misleading (the cartel does not force interest distancing), an eventual defector would not have any political niche left to grasp on, other than the already grasped centripetal alignment of voters.

However, a more incisive analysis is done at the second level, which deals with defection within the cartel party system, by an individual party. The critique starts from Katz and Mair’s collective survival derived incentive, namely the incentive to commonly exploit state resources, regardless the power alternation. Kitschelt correctly states that the amount of public financing, afferent to each party, is proportional with its respective share of seats. In this sense, ‘politicians would still have an overriding incentive to outperform their competitors’ (Kitschelt 2000: 168). Parties with smaller electoral and seats shares, would always have the incentives to defect the cartel and embrace more popular policies. Even though, Kitschelt insists to include in this argument his miss-perceived ‘non-representative’ tendency of one cartel, its claim is still susceptible to be valid in party - society convergent context. However, it is important to mention that ‘the division of spoils’ does not refer solely to the only used critique criterion - public
financing. One reason for which Kitschelt does not mention extra legal sources of resource appropriation might be because it is hard to empirically control for them. However it would be plausible to consider that the extra-legal party patronage in the administration would also generate resources proportionally with one party's electoral success. Thus, adopting more popular positions in order to finally get bigger resource shares seems to be a more powerful *enhanced individual survival derived incentives*. Hence, the fragile balance described by the prisoner's dilemma is likely to be disturbed, since the individual incentives would probably tip the scale in favor of the defection.

1.3 RECONSTRUCTION OF THE CARTEL PARTY THEORY

At the end of this debate held around the resource derived incentives, the prisoner's dilemma equilibrium (*each* participant tends to defect from the cooperative arrangement, *all* participants wish to maintain) seems to bend in favor of the more powerful individual incentives to gather competitive positions at the expense of the others. It is natural for those who, due to the electoral results enjoy fewer resources to seek a better positioning in the electoral arena, and thus a better future share of resources. The question is, to what extent such quests for a more popular positioning placements can be feasible, and, if they are, to what extent possible shifts in the former share distribution (due to better electoral positioning) are equivalent to the failure of the cartel?

At the first sight, it would be exaggerated to consider that a better positioning within the electoral arena is not feasible, especially considering the fact that ‘the parties still compete, but they do so in the knowledge that they share with their competitors a mutual interest in collective
organizational survival' (Katz and Mair 1995: 19-20). Thus, minor shifts in the proportion of seats would not scatter the cartel, precisely because of the 'mutual interest in collective survival'. But based on Kitschelt's insights referring to a more consistent/plausible incentive pattern, one can see that it would be impossible to control for the intensity of the post-electoral share shift. Moreover, following the same pattern, it is susceptible to witness shifts of high intensity, as a result of the defector's better positioning, and more populist campaign. The first successful defection would determine follow ups, and naturally the disappearance of the cartel.

Besides the unconvincing survival incentive that stands for the basic pattern of collusion, and thus cartellization, Katz and Mair's back up argument has social-psychological bases. As a result of a traditional democratic inter-party cooperation, the party elites develop 'fraternal feelings' through group interaction. Thus, the 'fraternal' relation between the party elites determines the will to maintain the status quo, which in turn eases and favors the cohabitation within the cartel. But the democratic path dependency can be seen as a mechanism that produces both cooperative and conflictual political relations (Aron 1968). Not only it would be empirically difficult to prove if either cooperation, or conflict prevails, but certain differences between cases would certainly occur. Having both cooperation and conflict as political interaction options on the one hand, and Kitschelt's superior individual survival incentive pattern on the other, Katz and Mair's path dependent argument is unable to instate the prevalence of cooperation.

Even if we accept the trichotomous state – party – civil society evolutionary analysis that results in the parties' anchoring in the state, Katz and Mair did not manage to provide an incontestable argument for party system cartellization based on the mentioned favorable context. The core theory of the cartellization mechanisms was successfully contested. The collective incentives employed to guarantee parties survival, were exceeded by more plausible individual
incentives that better ensured survival through defection. Also, the path dependent argument did not take into account the existence and persistence of the conflict as a political option. In general, the cartellization theory left the impression that a party overt conspiracy is needed in order for the cartel to emerge and survive.

Thus, major shifts in the electoral distribution are more than plausible, due to the more profitable individual defection. Ultimately such shifts would determine the failure of the cartel. The arguments that presented a conspiratorial tendency of the parties to cartellize, did not manage to cope with the alternative patterns that described one party's imminent quest for a better electoral positioning. However, the positive answer to the question about the feasibility of a more popular positioning was taken for granted. If one would manage to provide a negative answer, and thus to prove that eventual defectors would be unable to better position themselves than the cartel itself, the theory can still stand.

This is exactly the argumentative path followed by Blyth and Katz. The cartel party theory was thus rebuilt based on factors both exogenous and endogenous to the party system. The former trichotomous evolutionary interaction between parties, the state, and the civil society, indicated an endpoint of equilibrium that described the emergence of the cartel party system. The factors exogenous to the party system, namely both parties' and society's centripetal tendencies starting with the post industrial economic development, were relatively accepted by the criticizers of the theory. So were parts of the endogenous factors, more precisely the parties' reactions and adaptations to the exogenous factors, until the stage of cartellization. In part, the rejection of the last stage of development, were also due to the rather geometrical and scarce trichotomous conceptualization. Leaving aside the common sense of the described evolution, its scarce conceptualization did not leave many consistent options for a systematic theoretical
development of the cartel party model.

Precisely for this reason, even though the core idea of the exogenous evolution was kept, Blyth and Katz re-conceptualized the endogenous party system reactions to the state and the civil society. In this sense, the concept of 'coordination problems', serves as a better base for the systematic theoretical development of the cartel party system. In general, exogenous factors determine an adaptation imperative, referring to coordination problems endogenous to the political parties. Even though the description of the new concept might seem too abstract for the moment, I will later develop it. However, for the sake of the debate continuity, and better understanding of the reconstruction, I will start directly with Blyth and Katz's response to Kitschelt's indicated defection imminence.

Surprisingly or not, Blyth and Katz admit that the adaptations to coordination problems endogenous to political parties are insufficient to maintain the cartel equilibrium, given the threat of defection. In other words, they are aware of the fact that they cannot prove the maintainability of a cartel on the parties' conspiratorial willingness to collude. Thus, instead of bringing arguments against defection, that are internal / endogenous to the political parties, they consider an exogenous shift. In this approach, eventual defections would be unprofitable because of systemic changes in the global economy, and the afferent changes in ideas about government. These changes are responsible for a constriction of the political space over which parties compete (Blyth and Katz 2005: 33-38). Thus they try to prove that a defector's better positioning on the electoral arena is not feasible. Not because of a programmatic congruence of the parties with the society, but because many catch-all specific attributes are externalized, due to the recent exogenous developments.

At this point, one must develop the understanding of the fiscal limits of catch-all parties,
unsuitable in the new context of a globalized economy, the natural need to limit the former expanded electoral behavior, and the externalization of the political commitments, both as a result of the global market imperatives, and of the reformed electoral approach. Why is such a context responsible for containing eventual defection?

1.3.1 Cartelization based on the Nash equilibrium

First of all, Blyth and Katz advance a completely new pattern of cartellization. This happens because, on the one hand, even economic cartels emerged on the bases of joint profit maximization have to face the paradox of the multi-person prisoner's dilemma. It is rational to cooperate, but at the same time, an individual actor's strategy will always be dominated by the will to go for market shares at the other firms' expense. Second, the first Katz and Mair's cartel party theory unsuccessfully faced the prisoner's dilemma, never being able to prove the strength of a conspiratorial collusion.

The new cause of cartel emergence is to be found in the logic of the Nash equilibrium. Normally, one has an economic context in which firms are aware of each other’s output capacity, and as a consequence, based on such information, they can establish the market demand curve. In such situations a firm can act as a price leader and choose to increase the price or decrease the quantity: 'In such circumstances, other firms can join in, thus limiting their own outputs and achieving higher profits than would be achieved by unilateral defection' (Blyth and Katz 2005: 39). Noticing the restriction, no one would chose to defect, given the fact that all the others will be tempted to produce less at a higher price, since this strategy proves to be more profitable. Thus, this new pattern of cartellization can be seen in opposite terms with a cartel emerged due
to the conspiratorial joint maximization. On the one hand, the common strategy of joint maximization cartel is scattered by individual strategies, which find defection more profitable. According to Nash's theory, the individual strategies, based on collective output market calculations, finds defection less profitable. Thus the equilibrium is created, and ultimately it functions like an involuntary, tacit cartel. According to this logic, there is no need to give evidences for conspiratorial collusion of the parties, since it is not the driving engine of the cartel. However, it is interesting to see to what extent, the new and more complex pattern of cartellization, is adaptable to the party system.

The task seems to be simple when adapting the actors, their functions, and their produced quantity. The equivalent of the firms are the parties, as for the produced quantities, if in economic terms the quantities represent outputs, the outputs of the parties in government are policies. If the outputs of the parties are policies, then the value of one policy can be measured in votes (the equivalent for prices). However, due to the differences between an economic market and an electoral market, one can note that only quantity (policy) adjustments are possible in the political case. In this sense, Blyth and Katz's analogy is slightly stretched, since parties are not able to adjust the price. In other words, they cannot set the share of votes they desire. Nevertheless, the adaptation of policy adjustments seems to be feasible. Indeed parties are able to set quantities, and they could cartellize the electoral market through adjusting the amount of policies they produce. Since ultimately, the Nash equilibrium implies reliance to quantity cut for better profits, it is interesting to see how cuts in policy quantities would increase the share of votes.

Blyth and Katz argue that two changes transformed parties' electoral approach from 'maximizing competitors' to 'risk averse colluders' (Blyth and Katz 2005: 40). This attitude
transformation seems to suggest attached risks to any increase in the amount of policies. All the following argumentation is based on this suggestion. The limits of catch all politics, and then processes related to globalization are grounds for new adaptive strategies: a discourse of 'downsizing' expectations, and the externalization of policy commitments.

First, which are the limits of catch all politics? In short, the catch all parties ended up in producing policy inflation. They evolved from a mass party that, once in office, expanded state welfare provisions in order to satisfy the needs of their constituencies. As a paradoxical effect, the success of these expanded provisions diminished the social boundaries, transformed constituency directed goods into general directed goods, and ultimately, parties had to 'catch all' in order to win. These catch all strategies were the mass parties' solution for overcoming their network problem (the diminished linkage with their former constituencies). The catch all parties emerged, and in order to stabilize their vote share, these parties tried to encompass even larger parts of the electorate. With every party expanding welfare provisions, the space for policy competition became saturated. As a consequence parties started to enjoy diminished returns to the provision of goods. Furthermore, the expansion of these provisions reached a fiscal limit, and became problematic for the economic growth. Thus, this ever-expanding supply of public goods started to be perceived as fiscal irresponsibility, and the catch-all strategies became electoral unprofitable. The now unsolvable network problem was progressively enhanced by the developing mass media communications. On the one hand, due to media's superiority, parties had less incentives to maintain strong connections with constituencies that were comparatively inefficient of both financial and communicational resources (Blyth and Katz 2005: 34-40).

The earlier signalled risk of increasing policy quantity, becomes understandable both because of the limits of a state unable to economically cope with the ever-expanded public
goods, and because of the electoral and financial inefficient party on the ground. If these catch-all determined limits are standing for the saturation of the competition arena, factors derived from the globalization process would stand for its constriction. Precisely, the economic interventionist capacity of the parties is contained due to a series of global economic changes. For instance, due to the fact that significant parts of one country's GDP are dependent on exports, the parties are constrained to keep domestic costs closer to the world market prices. As an effect, the parties' taxation capacity decreases, and so does the capacity to finance public goods. Also, the capital inflow necessity can be fulfilled by foreign direct investments as long as the taxation rates are low (Rodrik 1997). Thus, given the self determined catch all limits and constrains imposed by the global economy, the parties had to reform their survival strategies.

As increased welfare provisions tend to be unprofitable at the station polls, mainly because of the global economic developments, a natural strategy of reform should involve quantity decrease. A first way of doing so, is given by what Blyth and Katz conceptualize as 'the downsize of voters' expectations'. I already mentioned the reasons for such a reform, and one can easily accept their consistency. However, when adapting the downsizing process to the new economic pattern of cartellization, Blyth and Katz still use the term 'joint maximization' (2005: 43). Not only joint maximization is misplaced in the Nash equilibrium, but it also involves the acknowledged unfeasible conspiratorial collusion. If this would be the explanation for the cartel emergence, it would be no better than the previous refuted one. However, one can easily incorporate the process of 'downsizing' within the Nash equilibrium logic. If one party decreases the public provisions, and bases its explanation on the obvious exogenous developments, there are little chances for eventual policy increasers to win at the expense of those that campaign on the reverse logic. For instance, the explanation can be first based on the real incapacity of the
state to cope with the over-expanded welfare provisions. As far as a further increase can result in economic problems, such strategies can easily be associated with 'fiscal irresponsibility'. Furthermore, the rhetoric of downsizing can be also based on the global economy and the benefits of a freer market. The conviction that the state should not produce public goods, since the market could do it better, was embraced both in electoral and economic terms.

Thus, the 'downsizing' rhetoric of Blyth and Katz could have been at least partly backed up by global economic developments, and by the relative superiority of the market as public good producer. Such a rhetoric was not only desirable from an electoral point of view, but also practically convenient, as long as processes related to globalization indirectly imposed more relaxed taxation rates. This practical convenience, derived from rather welcomed constrains, which were institutionally embodied. In other words, the parties created 'binding institutional fixes to the problem of policy quantity reduction. For instance, stable exchange rates and independent monetary policies cannot cohabit within a state with open capital markets. Finding themselves unable to unilaterally regulate the domestic political economy, parties institutionally transferred the task to an independent central bank. In this sense, 'by devolving policies to those who are not directly responsible to the electorate, parties are able institutionally to fix policy quantities and thus cartellize the market by reducing the policy space over which parties could conceivably compete' (Blyth and Katz 2005: 41-44). In this sense, the institutional fixes are taking over certain quotas of policy production. The policy supply curve is thus further limited.

Until now, Blyth and Katz described how contextual exogenous changes, and when the case, their impact on the parties' endogenous rhetoric and governmental practices, resulted in a space that left no other options than those favoring cartellization. What is even more interesting, according to them, is how this new imposing environment impacted the organizational features
of the parties, especially the elite-member relations. The argument is that the 'downsizing' rhetoric, and all the factors that determined the policy space constriction, made the former catch all network dilemma less and less pressing. The fact that solving the network dilemma might not be as important as in the previous stage furthered the gap between the superior layers of the parties, and their ground constituencies. This diminished linkage indicates a tendency towards new organizational party features. As Blyth and Katz suggest, the new organizational tendency intermingles with the emergence of the 'cartel parties themselves' (2005: 44).

Thus, the market/institutional changes have two consequences for the very form of the party. First, the considerable amount of attributes submitted to electorally unresponsive institutions create a convenient limited competitive policy space. This convenience is a powerful incentive for parties to maintain the status quo, rather than to change it. Given the context, eventual defections based on enhanced policy promotions, would simply be perceived as implausible. Second, the downsized functions and expectations, describe a great predictability of each party's political maneuverability, and thus a situation relatively similar to the economic background on which the Nash equilibrium is developed (an environment of public knowledge of each player's cost structures). These are the reasons according to which, the equilibrium of the political market is achieved 'without overt collusion by the players' (Blyth and Katz 2005: 45).

At this point, it is easy to admit the relative validity of the described context. It is also fair to conclude that the linkage between the party in office and party on the ground is further weakened. But if the catch all strategy of over-expanding the public provision in order to solve the network problem (the fragile connection between parties and constituencies) proved to be unsuccessful, what can we infer about the cartellization strategy? In short, due to the limits generated by the failed catch all strategy (state incapacity to support the over-expanded
provisions, and the context of a provision saturated electoral market), parties institutionally transferred part of their attributes, and rhetorically downsized the electoral expectations. Such a strategy would not strengthen the relations within the unstable network, but rather further destabilize the network.

Obviously, such a further destabilization of the network would have consistent impacts on parties’ organizational perspective. Blyth and Katz perspective has a rather misplaced pejorative tone. Basically, the network stops being relevant for the parties in two ways. First, since parties’ rhetoric relatively manages to reduce the electoral expectations, the network dilemma tends to become irrelevant. Second, and here is where the pejorative tone intervenes, parties conspiratorially aim to reverse the former principals (citizens and members) – agents (parties in office) interaction. They reverse it in the sense that parties become principals, and voters become periodically hired electoral agents. The reversion is obtained by means of informational alteration, and by organizational reformation. Both ways are employed in order to abridge the citizens of any mechanism of contestation, besides their periodical right to vote.

Organizationally speaking, this conspiratorial goal is pursued by what Blyth and Katz formulate as their first empirical hypothesis: ‘we expect to see organizational changes designed to free central party leaders from control by active elements of the party on the ground’ (2005: 46). In the same pejorative tone, the second empirical hypothesis expects a ‘decreasing dependence on resources generated by the party on the ground in favor of funds raised by the central party organization’ (2005: 45). A third pejorative placed hypothesis expects ‘an ideology of managerial competence to replace the various ideologies of principle’ (2005: 46). Fourth and rather based on the cartellized political space, Blyth and Katz expect convergence of parties on grounds of both expectation downsizing rhetoric, and externalization of attributes.
For my own conceptualization I will try to discharge the hypotheses of their pejorative connotation, by excluding the idea of party conspiracy against citizens and members. Until then, I will shortly summarize the cartel party debate, and emphasize the standing parts of the theory. The biggest problem the initial theory had to face was Kitschelt’s signaled imminent defection according to the logic of the prisoner's dilemma. Katz and Mair explained cartellization starting from parties’ conspiracy driven by the common survival incentives. Kitschelt showed the superiority of the individual survival incentives that determined individual party defection, in order to better position itself on the electoral market at the expense of the others. Blyth and Katz's response, dropped the failed argument based on the conspiratorial parties’ collusion, and promoted a new pattern of cartellization based on the Nash equilibrium. They described a cartellized political space that left no options for eventual defectors, in the sense that a better electoral positioning was made unfeasible. Then, they pejoratively formulated the expectations about the new features of the parties in the cartellized context.
CHAPTER 2- THEORETICAL FRAMEWORK

2.1 THE ‘POLITICAL’ NASH EQUILIBRIUM

My conceptual framework is based on what I consider to be the still valid (since it has not been successfully refuted) propositions of cartel party theory. I am inclined to believe that an eventual Nash political equilibrium would successfully contain any defection attempts. While it might seem surprising to reject one party's capacity to better position itself on the electoral market, at the expense of the others, a correct understanding of the Nash equilibrium can make this claim plausible.

In general, the Nash equilibrium theory states that actors engaged in a competitive arena, will always define their individual strategy according to the strategies of all other competitors. It is assumed that each actor knows the equilibrium strategies of the other players. First of all, if the assumed general knowledge of each other’s strategic competitive position is feasible or possible, then it is plausible and natural to acknowledge that an individual competitor will analyze the strategy of the other competitor, and act in consideration of it. Knowing the actions of an opponent is beneficial to an individual both because appropriate actions can be taken to counter him, and also because strategies can be adapted that take into account the effects that the competitor produced on the market. Second, Nash managed to prove mathematically that each individual is making the best decision that he or she can, taking into account the decisions of the others (Nash 1950). The payoffs of defining a personal strategy according to the others’
strategies, are higher than changing this strategy unilaterally, neglecting the others. Again, it is plausible and natural to believe that if one does not take into consideration the position of the other, it is both unable to efficiently counter the opponent, and has no knowledge of the effects that the competitor produced on the market. In other words, if one does not know the effect of the opponent on the demand curve, it will be possible to supply either too much or too little. Thus, his strategy becomes unprofitable or less profitable than in a situation when he is aware of his opponent’s strategy and its effect on the demand curve.

When adapting the Nash equilibrium to political competition situations, one has to answer two questions. First, do political parties have any incentives to take into account their opponents’ strategies? Second, is the knowledge of the opponent/s’ strategies possible/accessible in the case of political competition.

For the first question, the answer is simple. Political parties especially have the highest incentives to know their opponents’ decisions and strategies, in order to better compete with them. For instance, a negative electoral campaign is based on a countering of the opponent’s strategy/decision/position. How can one party efficiently counter something that it is strange or unknown? In another sense, how can a party correctly establish or catch its target groups, if it does not consider the effects that the opponent’s strategy can have on these groups?

For the second question, the answer is less obvious, but maybe not less accurate. Is the information about your opponent’s strategy accessible? Blyth and Mair’s logic is simple, noting that the more constricted the political competition arena, the more accessible the information, and thus a common strategic calculus emerges. In this sense, both factors derived from economic developments in the context of globalization, and factors related to the limits of an economically and electorally failed catch all strategy, stand together for a constricted political arena. On the
one hand, processes related to globalization diminished the state's, and hence the parties' economical interventionist capacity and will. Conversely, the over-extended catch all supply of public provisions saturated the electoral market and reached the providing limits of the state. Parties had to diminish the quantity of their policies, both because they became economically dangerous, and also because of the diminishing returns to provision distribution. On top of that, the new efficiency requirements of the global economy forced parties to relax taxation rates, and stripped them of several economic attributes. Parties, consequently, had to adopt the rhetoric of downsizing electoral expectations and to institutionally transfer several policy attributes.

As a result of these exogenous factors, the political competition arena became so constricted that the parties knowledge and accessibility of each other’s strategies became an almost certainty. As Blyth and Katz state:

"such a mutual ratcheting down of expectations and policies by parties creates conditions of greater certainty over the other parties’ likely moves in the future and thus creates equilibrial stability without overt collusion by the players" (Blyth and Katz 2005: 44-45).

Hence, if the policy space is constricted enough then the information about every party’s policy strategy is easier to gather. Furthermore, as noted before, each party has natural incentives to gather information about its opponents, for both reasons of efficient counter argumentation and of efficient adaptation to the electoral market. Having said this, it is fair to conclude that each party takes any other party’s strategic decisions as fixed, and then sets its own strategic decisions. Such a situation is a political Nash equilibrium in that parties that adjust their strategy according to each other’s strategic positions, and thus gain better payoffs/profits than formulating unilateral strategies.
It is critical here to explain what defection means. For the Nash equilibrium, defection is equivalent with formulating strategies unilaterally. In other words, a party defects when it formulates its individual strategies without taking into account the opponents’ strategies. Defection does not necessarily imply the adoption of a strategy radically directed against the opponents, just as strategies that take into consideration the other competitors’ position are not necessarily ‘peaceful’. Within a political Nash equilibrium, a party can often engage in actions that are literally against their competitors. However, it is implied that these ‘bellicose’ strategies are adopted only after analyzing the others’ positions.

The best example that illustrates the possibility of divergence within a Nash equilibrium is demonstrated through the Cold War. The Cold War is considered to be a form of Nash equilibrium because the payoff of this equilibrium for both competitors (USA and USSR) was the avoidance of a nuclear or regular war. This payoff/profit was not obtained through cooperation between the competitors, but paradoxically through further radicalized opposing positions. However, each opposing position was adopted in accordance with the rivals’ position. By over-expanding their military capacities, each country lead the other to understand that a direct confrontation would catastrophic outcomes. Thus, each country’s ‘bellicose’ strategy generated incentives to maintain equilibrium and obtain the best payoff – peace (Lieber and Press 2005).

In the same way, each party makes the best decision given the action of the other parties, even if its decision is radically directed against the opponent/s. The payoff of the best decision is equivalent to a better electoral stage than one obtained through a unilaterally made decision.

Two extremely important conclusions can be drawn from the political adaptation of the Nash equilibrium. First, as long the information of the others’ positions is available, every type
of political competition can result in a Nash equilibrium. Second, and most important for my research, a political Nash equilibrium, in which the parties’ strategies are predominantly conflictual, can hardly lead to cartellization of the party system.

2.2 THE NASH POLITICAL EQUILIBRIUM AND CARTELLIZATION

The most important question now is: To what extent the Nash political equilibrium can lead to cartelization? Blyth and Katz’s response is given by features of the same constricted space that made information about the opponents accessible, and led to the Nash political equilibrium. Not only the earlier mentioned exogenous factors determined an informational transparent political space, but they also

“by institutionally truncating the supply curve for policy, parties were encouraged to maintain the status quo rather than promote change. Seen within this context, defection, even in the short run, would make no sense for a vote maximizing party as the competitive policy space has been reduced in such a way that policy commitments beyond what other parties were offering (given public knowledge of the other parties’ outputs) would be literally ‘incredible’” (Blyth and Katz 2005: 44).

Hence, Blyth and Katz imply that the reduced policy attributes of the parties produce a competition arena that leaves little space for radical political conflicts. Since radical political conflicts are contained by the constricted policy spectrum, cartellization is susceptible to occur.

However, Blyth and Katz analyze political competition only in terms of policy issues. If radical political divergences on policy issues might be contained, then this economical constriction cannot control for other possible divergences

“most often linked to postmaterialist issues, environmentalism, euthanasia, international equality, etc, although these ‘new’ issues are often accompanied by ‘old’ ones, related to
nationalism, moral conservativism or clericalism. Attitudes towards multiculturalism and security, the probably hottest issues of contemporary politics, are also well absorbed into this attitudinal dimension” (Enyedi 2008: 293).

Such debate themes are individually not as complex as policy issues based strategies, and thus they don’t infer or affect the informational gathering. Furthermore, no previous constriction is necessary to facilitate one party’s awareness of another’s positions based on these themes. For instance, it is easy to gather information about one party’s nationalist and/or moral conservativist stands. Thus, when such political issues are involved, the conditions for the emergence of a Nash political equilibrium are still fulfilled, but they imply essentially more conflictual political strategies. Seen within this context, cartellization is not only less likely to occur, but is in fact, rather improbable.

However, “the issue content of this ‘cultural left-right’ dimension differs somewhat country by country” (Enyedi 2008: 293). Indeed, due to such cultural dimensions, some countries might present a Nash political equilibrium dominated by conflict, while other countries’ political competition might not be radicalized by cultural dimensions. For instance, in Hungary, it seems highly unlikely that the main opposing parties will form a coalition, precisely because political competition is dominated by cultural issues. In contrast, in Romania, the two main opposing parties are currently governing together.

The explanation of such differences can be attributed to both the social configuration, and by the way which the parties adapt to, or influence this social configuration. One of the ways to analyze the social political configuration, is to identify the most predominant cleavages that divide the society and shape the political competition. It is fair to admit that if one society is dominated by economic derived cleavages, the Nash political equilibrium might not be characterized by radicalized competition. Conversely, a society divided by cultural cleavages
might not leave room for a less conflictual political competition. In the analytical part of this dissertation, I will introduce empirical data demonstrating that the Romanian political scene is dominated by economic cleavages. Also if the mentioned exogenous factors prove to be factors for the constriction of these main economical debate issues, then one may fairly assume that conditions for a less conflictual space are fulfilled.

2.3 PARTY ORGANIZATION AND INFORMATIONAL TRANSPARENCY

So far I have argued that some exogenous factors related to global economic changes, and to the economical impact of the catch all economic strategies, have led to the constriction of parties’ economic attributes, and to an increased informational accessibility within the economic sphere based political competition. At the same time I argued that the informational transparency (the capacity of parties to gather information about each other) is already present in the case of cultural based political competition. Seen in this context, the main informational condition for the political Nash equilibrium to occur, was fulfilled.

However, the informational conditions required for the Nash political equilibrium to occur, are also dependent on the organizational features of each party. The question of what type of organizational form eases or favors the process of reciprocal informational gathering, thus needs to be addressed.

Formulating their hypotheses, Blyth and Katz suggest that, given the constricted political context, political parties, in their desire to cartellize, tend to enforce the position of the party in office at the expense of the party on the ground. As they state, 'expect to see organizational changes designed to free central party leaders from control by active elements of the party on the
ground” (Blyth and Katz 2005: 46). In other words, parties tend to centralize more and more. Indeed it can be assumed that the more centralized a party is, the more stable the strategic position of the few important leaders is, at least in a short or medium run. Having more stable strategic position, allows the process of reciprocal informational gathering is favored, and consequently, the emergence of a Nash political equilibrium becomes more certain.

Even if indeed party centralization enhances the possibility of occurrence of the Nash equilibrium, it is questionable if centralization is pursued because of the voluntary will of the party to cartelize (as Blyth and Katz suggest in the previous mentioned hypothesis). This voluntary attempt of the parties to centralize in their pursuit of cartelization, is charged with the same conspiratorial incentives use by Katz and Mair to justify cartelization. At this point, Blyth and Katz’s approach seems surprising, since they deliberately stated that the described “changes produce both cartel parties and the cartel parties organizational form, without requiring overt conspiracy” (Blyth and Katz 2005: 33).

I argue that the centralization of parties is a process that started with the end of the mass party era, as a gradual adaptation to changing socio-political contexts. Centralization is not pursued because of the will to cartelize, but indeed it favors the occurrence of a Nash political equilibrium because it makes reciprocal informational gathering more accessible. Favoring parties’ entrance into equilibrium, it opens the paths to cartellization, although many other conditions have to be fulfilled.

Furthermore, I will explain why the reintroduction of the conspiratorial argument is unnecessary. In my understanding, the exogenous factors (the global economic containment on domestic policies, and the economic dangers caused by the catch all policies) are the causes of the construction of the political competition arena. In Blyth and Katz's understanding, at least for
three of their empirical hypotheses, the causal relation is reversed. The individual organizational cartellization is also considered to stand as a cause for the cartellization of the political space. However, cartellization is not a necessary result of the Nash political equilibrium. It can be a consequence of a certain less conflictual Nash equilibrium, but it is not directly derived from it. It is understandable, then, why Blyth and Katz also try to give parties a determinant role in an eventual cartellization, since they tend to argue that cartellization is a applicable to every current political system.

Particularly, according to the first hypothesis, Blyth and Katz 'expect to see organizational changes designed to free central party leaders from control by active elements of the party on the ground' (2005: 46). They pejoratively infer that the party in office intentionally furthers and consolidates space cartellization by organizationally corrupting, or depriving of rights, the party on the ground. First of all, I do not see the advantage of voluntarily deactivating the party on the ground, since one can still make use of a healthy ground organization, for either political socialization or in the realm of local politics, which are still significant. Second, the decline of the party on the ground is a continuous process that began with the mass party decline. It was due to economic post-industrial developments, namely, the diminished social boundaries, or the disappearance of well defined group constituencies. The catch all parties tried to strengthen their weakened linkage by over-expanding the policy supplies. In doing so, they saturated the electoral market, and even further diminished the linkage between the superior and inferior layers of the party. Yet another exogenous factor – mass media dependency also enhanced the problem. The exogenous factors that concurred for the constriction of the political competition arena (cartellized political space) were responsible for this enlarging gap. Thus, the process of party on the ground deactivation/distancing started from the bottom (due to exogenous
developments), rather than from the top.

According to the same logic of distancing from the bottom, one can rid the second hypothesis of its pejorative and conspiratorial content. Blyth and Katz expected "decreasing dependence on resources generated by the party on the ground in favor of funds raised by the central party organization" (2005: 45). The party in office did not restructure party funding because of a hidden will (as implied) to deactivate the party on the ground. It happened for two reasons. First, because the party on the ground no longer carried the mass party specific commitment. Second, because it could not cope with the mass media's communicational potential, and because it was unable to finance mass media expenses.

The mentioned pejorative and conspiratorial tone also left its mark upon the third hypothesis. Blyth and Katz presume, that because of parties willingness to diminish the importance of their constituencies, they transform their electoral rhetoric from the former based on traditional ideological principles (from left to right), into an 'ideology' aimed at promoting the most efficient government management. They thus expect 'an ideology of managerial competence to replace the various ideologies of principle' (2005: 46). In doing so, they assume that the new criterion of voting (managerial competence) would subtract a certain amount of political responsibility. Indeed, we can admit that traditional ideological differences were blurred, both because of the post-industrial tendencies, and also because of the now constricted political space. However, even if the voting criteria changed from the traditional ideologies to managerial competences, it did not intermingle with proportional changes in the intensity, or perceived importance of the criteria. Persuading voters that an individual is the best manager, is at least as demanding as persuading that, for instance, a more leftist policy position is better. It is thus misleading to presume that campaigns held around the 'managerial competence' criterion
require less reference to the electorate.

My attempt to refine Blyth and Katz's hypothesis was based on two critical points of view. First, I tried to discharge the assumptions of the hypotheses' pejorative and conspiratorial content. One of the advantages of doing so is that I will manage to elude, from my empirical analysis, these rather untestable tendencies. Second, and most importantly, I based this avoidance on what I identified as being the correct causal relation. Identifying the right sense of the causality is of particular importance for my case adapted conceptualization. Precisely, these three hypotheses about parties' organizational and rhetoric features are considered to be factors that not only maintain, but also stand for the constriction/cartellization of the political space. Blyth and Katz attribute to these organizational features determinant positions only because they assumed individual party conspiratorial incentives.

I tried to indicate that, actually, the exogenous factors that constricted the space are causing organizational and rhetorical endogenous adaptations. These adaptations that resulted in an increased party centralization, constitute a condition for the emergence of the Nash political equilibrium, but not necessarily for cartelizeation.
CHAPTER 3-METHODOLOGY

3.1 RESEARCH QUESTIONS AND HYPOTHESIS

The revised conceptual framework will be applied to the Romanian party system. The reasons behind the case choice are simple: starting with the 2004 elections, several government coalitions were formed, regardless parties declared positioning on the left – right ideological spectrum. For instance, one of the parties (Conservative Party) that formed the left electoral coalition (Social Democratic Party + Conservative Party), participated in the right governmental coalition (National Liberal Party + Democratic Party). Also, even though the Hungarian minority's party (The Democratic Union of the Hungarians from Romania) supported the left coalition's presidential candidate, it participated in the same right governmental coalition. Furthermore, in 2006 when one of the main parties (Democratic Party) exited the governmental coalition, the minority government was sustained in parliament by the main party in opposition (Social Democratic Party). Even more surprisingly, after the 2008 elections, the government was formed out of the main electoral opposing parties (Social Democratic Party – left, and Democratic Party – center-right).

Considering these coalitions, formed regardless the declared ideological positioning of the parties, it is fair to inquire into a possible emergence, or existence, of a Romanian cartel party system. Having this in mind, my research question is meant to inquire: to what extent, the exogenous factors determined the emergence of a constricted political competition space? Second, if the constriction of the political competition space eases parties capacity to gather
information about each other’s decisions, to what extent will the emerged Nash political equilibrium lead to cartellization?

3.2 HYPOTHESIS

3.2.1 Extended hypothesis

According to the theoretical framework, three conditions have to be fulfilled before one can imagine an eventual emergence of a cartel party system. First, parties should have incentives to possess knowledge about their opponents’ strategic positions, and have to be able to gain this knowledge. If wanting to gain information about the opponent’s strategy can be considered a natural behavior of a party, the information accessible only if other conditions are fulfilled.

Thus, the second set of requirements are dependent on two processes. On the one hand, the informational transparency is dependent on the new economic developments’ effect on the parties’ policy attributions. If parties’ policy functions are reduced by the economic factors exogenous to them, then each party’s policy strategy becomes more predictable, and thus the information becomes easier to get. On the other hand, also factors endogenous to the parties are required. Precisely, the more centralized the parties, the fewer decision makers within each party, and consequently, the more stable each party’s strategic decisions. All together, the economical derived constriction, and the organizational decisional stability, favor/enhance the process of reciprocal informational gathering. Seen in this context, the occurrence of the Nash political equilibrium is more than possible.
For cartellization to emerge on the ground of Nash political equilibrium, a third condition has to be fulfilled. Precisely, the political competition within the Nash equilibrium has to be less conflictual. For that to happen, the proportion of cultural dimensions should be less relevant within the political competition. Thus, if the political competition is dominated by debates on the constricted policy attributes, and the parties are considerably centralized, the emergence of a cartel party system is possible.

3.2.2 Splitting the extended hypothesis

As I argued before, one of the main condition to be fulfilled, is the constriction of the political competition arena. At a first sight, after considering each endogenous factor, the constriction seems plausible. First of all, as far as the incipient party typology is concerned, Post-communist parties are often categorized as instant catch all parties (Innes 202: 88). One can admit that the first democratic governments over-extended their policy provisions. The economic limits of the Romanian state were quickly reached, and the continuous economic recession, and enormous inflation rates, indicated the limits of the catch all strategies. The extremely high volatility rates stood as proof, for the citizens' perception of politicians' 'fiscal irresponsibility'. Second, the integration into the global market, also had a deep economic and political impact. The economy’s increased dependency on Foreign Direct Investments, forced the state to decrease their taxation rates. The relaxation culminated in the 2004 adoption of a flat tax of 16%. Further economic limits were imposed as a result of Romania's desire to adhere to the European Union.
Having all the exogenous causes, advanced by Blyth and Katz present in the Romanian context at noticeably intense rates, my hypothesis advances the presumption that the comparatively intense exogenous factors determined an accelerated constriction of the Romanian political competition arena.

Besides a detailed analysis of the exogenous factors, another way of testing the informational transparency political space would be to analyze the parties' organizational shape. Romanian parties instantly relayed on catch all strategies. They were not created as representatives of well defined social groups, not knowing what kind of political culture followed the communist regime, and “which constituencies could now be mobilized in terms of partisan political identities” (Innes 2002: 88). They had no specific constituency to that they emerged from, and thus it was neither desirable, nor efficient to empower the party on the ground. Thus, I assume that the Romanian parties started with a centralized organizational shape. The more centralized the parties are, the more predictable their strategies, and the easier a Nash equilibrium will emerge. Furthermore, (and here the second hypothesis) if the political competition is less conflictual, centralization would not only increase the parties encompassment in a Nash equilibrium, but it would make collusion more plausible. Stable and few leaders, would generate stable strategies, and within a less conflictual competitive arena, collusion and even to cartelization would be possible.

3.2.3 Centralization indicators

The eventual increased organizational independence of the party in office towards the party on the ground – centralization, can most suitably be analyzed using the indicators
developed by Kenneteh Janda in his study, *Political Parties: A Cross-National Survey*. His actual objective was to create a general preliminary theory on political parties, on which future more specific studies could be based. In this sense, Janda focused on Przeworski and Teune's *most similar system design*, and neglecting the *most different systems* (Przeworski and Teune 1970), he diverged from case specificity, and avoided conceptual over-loading.

Thus, based on Janda's concepts, I will analyze the Romanian political parties both with respect to their *degree of organization*, and to *their centralization of power*. The first concept will be measured through two indicators, each concerning the level of organizational development. For the second concept, three indicators will be used to measure the *nationalization of the structure, the selection of parliamentary candidates, and the leadership concentration*.

The first indicator that measures the *degree of organization* is the *structural articulation*. It deals with the organizational complexity of one political party. In other words, it measures the complexity of the procedures employed to mobilize and coordinate party members. These procedures are operationalized through ‘(1) identifying the existence of party organs, (2) specifying the ways in which membership in these party organs is attained, and (3) establishing the functional relationship (linkages) that exists among these various organs’ (Janda 1980: 99).

A party with a high structural articulation has clearly defined national party organs, members with clearly defined attributions, and regulated procedures of selecting the various party organs. The higher the number of central party organs, the higher the structural articulation and the more structurally articulated a party, the more centralized it is.
Table 3.2.3.1 Operational Definition  The following categories were used to score parties structural articulation, ranking from the lowest articulation to the highest:

<table>
<thead>
<tr>
<th>Score</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Organization is so vague, diffused, or changeable that no institutionalized organs can be identified.</td>
</tr>
<tr>
<td>1</td>
<td>The only organs that can be identified exist at the local level.</td>
</tr>
<tr>
<td>2</td>
<td>One national organ can be identified, but the selection procedures involve a substantial amount of informal cooptation.</td>
</tr>
<tr>
<td>3</td>
<td>One national organ can be identified, and the selection process is characterized by prescribed selection.</td>
</tr>
<tr>
<td>4</td>
<td>Two or three major national organs can be identified, and the selection procedures are largely indeterminate or involve a substantial amount of informal cooptation.</td>
</tr>
<tr>
<td>5</td>
<td>Two or three major organs can be identified, the selection procedures are largely indeterminate or involve a substantial amount of informal cooptation, but the functional responsibilities are relatively clearly specified.</td>
</tr>
<tr>
<td>6</td>
<td>Two or three major organs can be identified, the selection process is characterized by prescribed selection, but the functional responsibilities are overlapping.</td>
</tr>
<tr>
<td>7</td>
<td>Two or three major organs can be identified, the selection process is characterized by prescribed selection, and the functional responsibilities are relatively clearly specified.</td>
</tr>
<tr>
<td>8</td>
<td>Four or more major national organs can be identified, the selection procedures are largely indeterminate or involve a substantial amount of informal cooptation, but the functional responsibilities are overlapping.</td>
</tr>
<tr>
<td>9</td>
<td>Four or more major national organs can be identified, the selection procedures are largely indeterminate or involve a substantial amount of informal cooptation, and the functional responsibilities are relatively clearly specified.</td>
</tr>
<tr>
<td>10</td>
<td>Four or more major national organs can be identified, the selection process is characterized by prescribed selection, but the functional responsibilities are overlapping.</td>
</tr>
<tr>
<td>11</td>
<td>Four or more major national organs can be identified, the selection process is characterized by prescribed selection, and the functional responsibilities are relatively...</td>
</tr>
</tbody>
</table>
clearly specified.

(Janda 1980: 99-100)

The second indicator that measures the degree of organization—intensiveness of organization, deals with the level of development and centralization of one organization. It is derived from what Duverger (1963: 35) termed the smallest organizational unit of a party. The unit is considered to have a high impact on membership, and on the internal discipline and solidarity (Janda 1980: 101). The smallest party organizational unit is the one that implies the smallest number of members. The least intensive organization is specific to the incipient caucus parties—assemblages of limited numbers of semi-coopted party notables drawn from a relatively large geographical area. What Janda considers to be the most intensive basis of party organization is a ‘cell’. Such ‘cells’ comprise a small number of dedicated members, and are organized either according to geographical or occupational criteria.

**Table 3.2.3.2 Operational Definition**

A party is scored according to the smallest unit of organization it has been able to achieve or maintain.

<table>
<thead>
<tr>
<th>Score</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Organization is so vague, diffused, or changeable that no institutionalized organs can be identified.</td>
</tr>
<tr>
<td>1</td>
<td>National caucus. There are no institutionalized party organs below the national level.</td>
</tr>
<tr>
<td>2</td>
<td>Regional caucus. There are no institutionalized party organs below the regional level.</td>
</tr>
<tr>
<td>3</td>
<td>Constituency/municipal/commune/county basis. There are no institutionalized party organs below the constituency level. Number of members &gt; 50000.</td>
</tr>
<tr>
<td>4</td>
<td>Branch or ward basis. These are usually electoral subdivisions of the above category. Number of members between 1000 and 50000.</td>
</tr>
<tr>
<td>5</td>
<td>Precinct basis. This is usually a subdivision of the above category, and it involves fewer</td>
</tr>
</tbody>
</table>


than 1000 members.

| 6 | Cell basis. It involves less than 100 party members, and it is usually not defined on the basis of voters that the territory embraces. |


Although this indicator seems simple to apply, due to the clearly specified number intervals, some explication should be given about its applicability to Romanian parties. All Romanian parties require a very low number of members to form a local organization, usually between five and fifteen. Such a small number can erroneously lead to the conclusion that the parties are organized on a cell basis. Thus, one may find organizations with less than 100 members, that are not necessarily formed according to the functional criterion specific to the cell basis. Rather, the small number might be influenced by the general popularity of the party.

The second analyzed dimension, the centralization of power, refers to the distribution and location of the party decision centers, and considers the national party organs as the central location. Thus, a party is centralized if the party decision making organs are national and have a limited number of members. A party with a high structural articulation is not necessarily a centralized party. The tendency of confusing the degree of organization with the centralization of power should be avoided, since there are cases of parties that are high in organization but low in centralization.

The first indicator of the centralization of power is the nationalization of structure. The structural arrangements of the parties can attach more or less emphasizes to national, regional, or local organs in intraparty politics (Janda 1980: 108). Thus, if there are no national party organs, one cannot talk about a centralization of power. However, their simple quantitative existence does not guarantee the centralization of power. Qualitative features such as the existence of a direct and high degree of control of national organs over regional and local ones, indicate the
nationalization of structure. The nationalization of the structure, or in other words, Blyth and Katz’s preeminence of the party in office, should be one of the main features of parties within a cartelized political space.

### Table 3.2.3.3 Operational definition

The next scale incorporates the presented conceptual considerations.

<table>
<thead>
<tr>
<th>Score</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Local organizations, defined as constituency/municipal/commune/county level or lower; are the only discernible structural element in the party.</td>
</tr>
<tr>
<td>1</td>
<td>Local organisms remain the most discernible structural element in the party, but there are formal provisions for federation of local organizations, although these federal organs are not effectively superior to the local ones.</td>
</tr>
<tr>
<td>2</td>
<td>There are discernible regional party organs that exercise their authority over local organizations, but there are no formal national organs.</td>
</tr>
<tr>
<td>3</td>
<td>There are discernible national party organs that provide for formal representation of regional or local organs, but these national organs are not effectively superior to the regional ones.</td>
</tr>
<tr>
<td>4</td>
<td>There are discernible national party organs that are more powerful than the regional and local party organizations, but all these levels are in competition.</td>
</tr>
<tr>
<td>5</td>
<td>This is a discernible party hierarchy that runs from a single national council or executive committee through regional party organs down to local organizations.</td>
</tr>
<tr>
<td>6</td>
<td><em>This is a discernible party hierarchy that runs from a single national council or executive committee at the top acting directly on the local organizations without interposing regional organizations.</em></td>
</tr>
</tbody>
</table>


Following Janda’s suggestions, for the present research, I will consider the county level organs as local organizations. The regional party organs, in the case of Romania, are superior to the local organizations, but inferior to the national ones, having to unite several county organs.
organizations. A clear sigh of cartelization, according to the atomistic perspective of Katz and Mair, would occur if parties would score 6 in this category. Thus, there may be clear evidence of party cartelization if the national party organs directly control the local organizations at the expense of the regional organs.

The next indicator is the selection of parliamentary candidates. This is a crucial feature of one party, since the selection procedures clearly impact the nature of the party. Whoever controls the selection process, receives or obtains a dominant position within the party. The higher the control of the national party organs over the selection process, the more centralized the party.

**Table 3.2.3.3 Operational definition**
(Janda 1980: 111). The centralization level is measured according to the following scale.

<table>
<thead>
<tr>
<th>Score</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nominations are determined locally by vote of party supporters, for example, in a direct primary.</td>
</tr>
<tr>
<td>2</td>
<td>Nominations are determined locally by vote of party supporters, for example, by vote in local party meetings.</td>
</tr>
<tr>
<td>3</td>
<td>Selection is made by local party leaders whose selection must be ratified in some way by party members.</td>
</tr>
<tr>
<td>4</td>
<td>Selection is made by local party leaders with little or no participation by rank-and-file members.</td>
</tr>
<tr>
<td>5</td>
<td>Selection is made locally, but selections must be approved by the national organization.</td>
</tr>
<tr>
<td>6</td>
<td>Selection is made by associations affiliated with the party or regional associations, but selections must be approved by the national organization.</td>
</tr>
<tr>
<td>7</td>
<td>Selection is done by the national organization, but selection must be approved by the national organization.</td>
</tr>
</tbody>
</table>
At a first sight, one would be inclined to consider that the selection according to the score (1) or (2) of the scale is specific to what Katz and Mair described as an atomistic party organization. Thus, the local direct or indirect selection by the members would correspond to the atomistic organizational features. However, these first two levels of the scale are exclusively specific to the parties where the local organs are either predominant, or the only existent ones. This situation would not, then, correspond to the atomistic perspective, where the national organs formally empower the local organization with the purpose of avoiding the possible challenging incentives of the regional organs. This formal enforcement of the local organs is clearly determined by the national organization at the expense of the regional ones. An atomistic setting reflects even further the predominance of the national organs, exercised through the artifice of formally enforcing the local organization. In this sense, a curious combination of the level (1) and (8-9) of the scale would be appropriate to describe the atomistic perspective. To illustrate such a situation, the interesting case of the Social Democratic Party is more than suitable. This party introduced the possibility of selecting the candidates at a local level (specific to the score 1 of the scale), while at the same time it clearly specified the right of the national organs to establish the final list. The central organs have the right to select candidates, process that would not depend on the approval of the local organs, which have only a consultative role.

The next indicator for the centralization of power is the leadership concentration. It is defined as the ‘number of leaders who constitute the top party hierarchy, and who are regarded as key decision makers within the party’ (Janda 1980: 116). The fewer the number of decision
makers, the higher the leadership concentration, and consequently, the more centralized the party.

**Table 3.2.3.5 Operational definition**
The following scale incorporates a range of alternative situations in the concentration of leadership, from low to high.

<table>
<thead>
<tr>
<th>Score</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Leadership is so dispersed that only local or regional leaders can be identified.</td>
</tr>
<tr>
<td>1</td>
<td>Leadership is clearly decentralized: there are more than five leaders who frequently make pronouncements in behalf of the national party, but they are not regarded as authoritatively binding spokesmen.</td>
</tr>
<tr>
<td>2</td>
<td>Leadership is clearly decentralized: from one to five leaders who frequently make pronouncements in behalf of the national party, but they are not regarded as authoritatively binding spokesmen for they often disagree.</td>
</tr>
<tr>
<td>3</td>
<td>Leadership is collectively centralized into a group of more than five party leaders. The decisions of the group are regarded as authoritatively binding on the party, but he alone is not powerful enough to control party policy.</td>
</tr>
<tr>
<td>4</td>
<td>Leadership is collectively centralized into a group of three to five party leaders; the decisions of the group are regarded as authoritatively binding on the party.</td>
</tr>
<tr>
<td>5</td>
<td>Leadership is shared by two individuals; their joint decisions are regarded as binding for the party.</td>
</tr>
<tr>
<td>6</td>
<td>Leadership is exercised by one individual who can personally commit the party to binding courses of action, only after a relatively important consultation process with the immediate inferior ranked leaders.</td>
</tr>
<tr>
<td>7</td>
<td>Leadership is exercised by one individual who can personally commit the party to binding courses of action, after a rather less important consultation process with the immediate inferior ranked leaders.</td>
</tr>
<tr>
<td>8</td>
<td>Leadership is exercised by one individual who can personally commit the party to binding courses of action.</td>
</tr>
</tbody>
</table>

(Janda 1980: 117).

At this point, two modifications of Janda’s scale are required in order to better explain the
Romanian parties’ features. The level (6) of the scale is not sufficient to accurately score the statutory regulations regarding one leader’s attributions. One party’s leader has indeed a predominant position, but it’s decisions are more or less the result of a consultation with the immediate lower ranked leaders. In this sense, just after Janda’s level (5), I intercalated level (6) which measures the statutory regulations according to which one party’s leader decisions are more influenced by consultation with the immediate inferiorly ranked leaders. Then, the intercalated level (6) measures the statutory regulations according to which one party’s leader decisions are less influenced by consultation with the immediately inferiorly ranked leaders. Janda’s initial level (6), which described one leader’s decisions without any consultations, was transformed into level (8). For instance, the differences between the Conservative Party and the Democratic Union of the Hungarians from Romania can shortly illustrate this necessity. Both presidents make decisions after a process of consultation, but the Conservative Party’s president is less influenced by the process of consultation than the president of the Democratic Union of the Hungarians from Romania.

I expect the Romanian parties to be relatively highly centralized. Particularly, I expect them to present a high leadership concentration, doubled by an increased nationalization of structure. The structural articulation is expected to be robust, since through it the central organs exercise their control over the party on the ground. As for the selection of candidates I expect that the decisive role will be attributed to the national organs.
CHAPTER 4-ANALYSIS

4.1 EXOGENOUS FACTORS ANALYSIS

Ian McAllister and Stephen White empirically studied the social cleavages established in emerging democracies. Their findings are suggestive:

“When estimated separately for each country, the owner–worker cleavage emerges as more important (...). In five of the seven countries it is the strongest cleavage, while in Poland and Hungary, religion is the strongest” (McAllister and White 2007: 208)

Table 4.1.1 Importance of social cleavages, established and emerging democracies

(McAllister and White 2007: 210).
Indeed, in Hungary, cleavages determined by the religion and controls dimensions have a greater impact on the political strategies than the worker-owner dimension. This predominance creates grounds for a more conflictual political competition, and the emerge of a cartel becomes highly improbable. In contrast, in Romania’s case, the cleavages determined by controls, religion, urban-rural or center-periphery locations, are rather insignificant, while the owner-worker dimension is dominant.

Now it can be said that the owner-worker cleavage is not as strong as it was for the industrial societies. Hence, it can be considered that its diminished importance might have no effect on the shape of the political competition. Indeed, today’s cleavage in politics

“does not equal stability of vote choice akin to the one that existed in the 1950s in Western Europe. (…) [However] comprehensive surveys suggest that social structure still informs citizen’s behavior and parties’ strategies” (Enyedi 2008: 299).

Moreover, when considering the context of the economic problems specific to East European emerging democracies, economic cleavages can be accentuated on the basis of increased social inequalities. The economic issues behind cleavages are naturally a behavioral component of the citizens, and strategic component of the parties:

“Socio-economic status is important in several countries, as is unemployment in several others. In general, trade union membership is unimportant. This suggests differences in how the various aspects of the owner–worker cleavage have become politicized by parties and groups” (McAllister and White 2007: 209).

Having said this, it can be acknowledged the predominance of the worker-owner cleavage in Romania, has had a dominant role in shaping the political competition. However, political competition centered around economic criteria can still be radical. But Blyth and Katz suggest
that the economical functions of the parties became so constricted that no radical conflicts can be 
emerge during the within competition.

4.2 ENDOGENOUS FACTORS ANALYSIS

I will measure the indicators presented before by analyzing the statutory provisions of each parliamentary party.

4.2.1 The Conservative Party

The members of the conservative party are classified into three categories by the party's 
statutory requirements: founding members, members and honorific members. The duties of the 
members are specified into 18 points, regulating not only the political behavior of a member, but 
his private behavior as well.

Among the rights of the party's members, one specifies the right to ask for help from the 
party when their constitutional rights are violated. Thus, the party offers legal protection through 
political affiliation in cases of law violation, becoming a protection agency functioning in 
parallel with the legal institutions of the state. It follows that a member of the Conservative Party 
can claim protection from the party, which in this way transforms membership into a means of 
protection and not only of political representation.

The structural articulation of the Conservative Party is represented by four national 
 bodies: the Congress, the National Council, the Permanent Bureau, and the Political Bureau. 
These four bodies have clear statutory functions and pre-established elections, with the National
Council and the party's President being elected directly by the Congress. To these four bodies we can add up the presidential institution, which has a privileged position as it approves every act which politically concerns the party, it determines the final list of the candidates for the legislative elections, and it solves and takes final decisions in case of disagreements and coordinates the activity of all the party's bodies. This institution has more authority than all of the bodies of the Conservative Party. Thus, the Conservative Party has a high structural articulation, scoring 11.

The party’s intensiveness of the organization is given by the smallest organizational unit, which in this case is formed by at least five persons. This organization is called a political club. The political club can function at the electoral district level, which is in fact the smallest organizational unity of the party. For organizational intensity the score is 5.

The Conservative Party’s nationalization of structure, or the degree to which the central bodies control the local and regional organizations, is very high. The Permanent Bureau can decide to dissolve the county level Councils or Bureaus and can dismiss any member of the county's Executive Bureau. The regional branches can also be dismissed if they have defective tendencies. Thus, the central bodies’ control over the local branches is direct, not only a formal hierarchic power. The score is thus 6.

The selection of candidates can be made by all the party's bodies, starting with the local ones and ending with the national ones - the National Council and the Permanent Bureau. This can create the impression of a real involvement of all these bodies, but substantively the body determining the selection is the National Council. The president who determines the final list of the candidates still supersedes all of these bodies. This is an unique process among the Romanian parties. The score is 8, the highest in the scale.
The *leadership concentration* is easy to imagine given the mentioned statutory regulations. The party's President, elected by the Congress, is the supreme decisional and representational authority. He is the president of all of the national bodies and he coordinates the presidents of the county level branches. Furthermore, he must approve of the legislative motions of the party. He, alone, determines the final list of the candidates. The members who have a high rank in the party can appeal directly to him, without intermediation. In this way, he can be identified as sole leader of the party, making the score here 8. Summing the scores, the Conservative Party has 38 points, which indicates that the party fell only a point below the maximum for the organizational intensity, while all the other indicators reached maximum levels.

In conclusion, the Conservative Party is highly centralized, presenting a clear domination of the central bodies (elected by the Congress) and especially of the president. As far as the electoral target is concerned, this party does not have a special group to which it addresses its message.

### 4.2.2 The Democratic Party

The Democratic Party is the only Romanian party which makes a clear distinction between its members, militants, and sympathizers. The militants are the ones that are actively involved and follow a political career within the structure of the party (articles 21-23). The administration of the militants’ career is strictly recorded and closely followed by the Human Resources secretariat.

The candidates for different positions in the party have to fulfill some criteria concerning
the number of years and experience in the party before they can assume a position. Dues are considered to be different from contributions, which are to be paid by those party members that have obtained public positions with the help of the party.

Even though the membership is separated between formal participation (for members and sympathizers) and active participation (for the militants), the obligations still refer to all of these categories. These obligations are quite extensive, as they cover a wide range of topics, ranging from disciplinary liabilities to obligations regarding proper civic conduct.

The Democratic Party’s structural articulation is given by four national bodies. The National Convention, which is the party’s congress, establishes the party’s ideological line and chooses the resolution by which the party will be ruled. This body is composed of entitled delegates and county delegates. The National Council for Coordination is chosen by the Convention and is the decisional and relational body between the two conventions. The National Managing Council is the body that decides on current political issues. The National Permanent Bureau is the body which manages and organizes the party’s activity, establishing the operative party line, tactics, and strategy. Because all the four bodies have specific tasks and a precise member selection procedure, the Democratic Party scores an 11 in terms of structural articulation.

The Democratic Party intensiveness of organization is extremely close to the maximum value. The party is organized following the model of the electoral circumscription. The smallest organizational unit is composed of five members and it is circumscribed to the voting ward. Therefore, the score is 5.

The Democratic Party’s nationalization of structure is maximal as it is obviously hierarchically organized, and the National Managing Committee decides the directions of the
activities developed by the territorial organizations (branches). The National Permanent Bureau has similar attributions, coordinating and managing all of the organizations of the party. The score for this indicator, therefore, is 6.

The Democratic Party’s *candidates selection* is established by the National Permanent Bureau, which is the most restricted national body, from the point of view of the number of members, being composed of the party’s president, the executive president, ten vice-presidents and the leaders of the parliamentarian groups. The National Council establishes the criteria for selecting the parliamentary candidates. It also resolves the litigations concerning the selections, and those problematic cases where there are contestations from the Managing Committee. Consequently, three different bodies are involved in making the lists, which are later ratified by the Permanent Bureau. Taking these factors into consideration, the Democratic Party’s score for this indicator is maximal: 8.

The Democratic Party’s *leadership concentration* is clearly dominated by its president, who is the head of both the political and the campaign coordination. The Democratic Party’s president selection consists of voting for a resolution which becomes the main program of the party, and the promoter of this resolution becomes the president of the party. The first signatory to the resolution (after the promoter) becomes the executive president of the party. The president can also issue disposals, and, importantly, the Democratic Party is the only party that has such a provision in its charter. Similarly, the president can decide on members’ motivated deposes. The executive president, who coordinates the activity of actually putting into practice the decisions taken at the level of national bodies, also has a subordinate role towards the president of the party who chose and made him or her the first signatory.

Even though the executive president can make decisions in the name of the party, there is
an essential statutory difference between him or her and the president of the party. Only the former can issue disposals, can depose other members, and is the actual leader of the party. For these reasons, the Democratic Party’s score on this indicator is 7.

The Democratic Party is a party with a very articulated and centralized organizational structure. The militants are vital in assuring the party’s officials. The central bodies chosen by the Convention have an evident superior status as they can control the selection of the candidates and have actually authority to run the party. The Democratic Party accumulates an index of 37, very similar to the one obtained by the Conservative Party. However, it is evident that the position of the Conservative Party’s president is essentially superior, touching upon the this party’s hegemonic level of organization.

4.2.3 The Democratic Union of the Hungarians from Romania

The statute of the Democratic Union of the Hungarians from Romania (later noted as DUHR) has provisions for all of its members to formally attest their belonging to the party. From this point of view, DUHR is the party that’s statutory grants the least interest to individual members, together with the National Liberal Party.

The level of structural articulation of DUHR is a special one. The following national bodies can be identified, as their functions are specifically determined and their membership selection is extremely precise: the Congress of the organization is the supreme decisional body; the Council of the Representatives of the Union (CRU) is the operative council, which establishes the fundamental strategy and the way in which candidates are appointed as deputies, senators, presidents of territorial organizations, and 74 delegates; and the Permanent Bureau,
which is responsible for the operative functioning of the Union and it is elected by CRU. At this level, the possibility of establishing the appointment procedure is possible. The executive body of the Union is the Executive Presidency which is elected by CRU and the Congress. Additionally, the Operative Council of the Union (OCU) is composed of nine members, while the Congress is the consultative body, issuing mainstream declarations, and proposing projects. Finally, the Permanent Bureau is the consultative council of the territorial presidents. In addition to all these bodies, the DUHR also has a Commission for Supervising the State. Clearly, DUHR has the maximal score for this indicator: 11.

The DUHR’s intensiveness of organization is not easy to define. The statute provisions that individual members can create local organizations without specifying a minimum necessary number. Two local organizations can create a regional organization, and two regional organizations can create a territorial organization. Given the fact that DUHR is an ethnic organization, the number of members who can form an organization is minimal. This fact explains the relaxed provisions regarding the creation of local organizations. However, taking into account the provision is that two local organizations can form a regional one, that is situated below the county level, what can we understand by the term “local organizations?” In the statute (art. 25) the sector organizations are mentioned as being zonal (the word sector here does not refer to Bucharest’s administrative divisions). Later on the statute reads: “two regional organizations can form a territorial organization”. Although two regional organizations could be two village organizations, the city is still considered to be the main unit. So, in this case, the score is 3.

The nationalization of the structure. The territorial organizations of DUHR have the possibility to elaborate upon their own statutes and programs, which still have to follow the
hierarchical structure established by the central bodies (art. 23-25). This right gives a partial degree of freedom to the branches, which cannot be found in any other parties. However, this liberty to maneuver is significantly limited by the provision (art. 12) according to which territorial organizations, opinion groups, and associated members have the obligation to execute the decisions of the central bodies and abide by their stances on certain issues. Through this specific provision, the branches, but also the other members, are having control exercised upon them, although not to the extent of the monitoring conducted by the Conservative Party. This makes DUHR responsible for direct control over its local organizations. However, the possibility of founding opinion groups within the organization could be a clear indication that DUHR is more flexible than any Romanian political organization. Therefore, the final score for this indicator is 5, and not 6.

The candidates’ selection for the parliamentary elections of DUHR is achieved via preliminary general and direct elections, according to the decisions taken by the leaders of the territorial organizations (art. 94). If there is no such settlement at the territorial level, it is necessary to establish an accord between the Operative Council of the Union and the Assembly of the delegates from the county level, as stipulated in the decisions of the CRU.

DUHR is the sole political organization that I have analyzed where the candidates’ selection is performed at the local level. In those cases where there is no such established selection procedure, the candidates’ selection is performed at the local level. In those cases where there is no such established selection procedure, the (Janda 1980: 117). en there is the possibility of striking an agreement between the local and central organizations. In addition, the way in which the candidates are nominated at the local level has to be arranged according to the rules set forth by the Council of the Representatives of the Union. However, this aspect still does not reduce the liberty that the county organizations have in their selection process. So the score for this indicator is 0, though
the scale limitedly mentions members and partisans (due to the fact that American parties were taken into consideration for analysis).

*The leadership concentration.* Detailing the structure of the leadership is not an easy task. DUHR is the most complex organization that has been analyzed in this investigation. At the top level of the Union there is: the Operative Council, composed by nine members, the Executive Presidency formed by the representatives of the Union at the highest level, the Union’s president, the executive president, and the president of the CRU. The used indicator is based on the possibility of identifying a leader who has a superior status to anyone else and who can politically engage the party. So it is significant only if one person can identify him or herself with the party, and thus can represent it on the basis of appointment by the organization or political party.

The president of the Union is elected for four years and must be promoted by at least 1000 individual members or two territorial organizations. The president has an expert cabinet at his or her disposal, represents the Union, establishes the external political line, can hold any of the bodies accountable for their decisions, politically coordinates the organization, and proposes the executive president, who has administrative functions and supervises the parliamentary group. All of these rights make the president more powerful than anyone else within the organization. But in DUHR, the top level also presents the Executive Presidency and the president Council of the Representatives of the Union. The president of the Union is the leader of the organization, but his position is not as hegemonic as in the case of the Conservative Party. Therefore, the score for this indicator is 6.

Consequently, DUHR accumulates a total of 25 points. It is very structurally articulated at the central level, organized down to the level of a village, with a formal membership. The power
from the central level is not as concentrated as in the case of the other parties, and so DUHR is the most decentralized political organization that was analyzed.

4.2.4 The National Liberal Party

According to the statutory regulations (art.12), the National Liberal Party’s members have to possess knowledge of the statutory provisions, and to participate in the organization’s activities. Obligations referring to recruiting new members, or to members’ private behavior, are provisioned, and thus, along with the Democratic Union of the Hungarians from Romania, it can be considered to be the party with the most formal membership.

The National Liberal Party’s structural articulation is given by five national organs. First, the Congress of the party elects the president, thirteen members of the Central Permanent Bureau, and thirteen members of the Executive Committee, decides on eventual fusions, approves the statute, and has the ability to revoke the president at the proposal of the Permanent Delegation. The Permanent Delegation is composed of the president of the party, the members of the Executive Committee, the honorific president, the founding president, the territorial organizations’ presidents, and the leaders of the parliamentary groups. The Executive Committee rules the party between two sessions of the Permanent Delegation. The Central Permanent Bureau selects the parliamentary candidates for the branches that obtained unsatisfactory electoral results. The National Liberal Party’s national debate forum is the Council of the National Representatives, which proposes candidates for the presidential elections. Since the National Liberal Party has five national organs with provisioned functions and membership, it receives the maximum score for this indicator: 11.
The *intensiveness of organization* is given by the electoral circumscription organization, which is the smallest unit of the party, requiring a minimum of five members. The National Liberal Party scores 5 for this indicator.

The *nationalization of structure* is maximal, since the national organs exercise direct control over the local organizations, through the Permanent Delegation which supervises and controls the local branches’ activities. Therefore the score is 6.

The *selection of candidates* is divided between the local organizations and the national organs, according to an efficiency criterion. The local organizations have a certain amount of freedom in the selection process if, and only if, they mach or outrun the mean of the party’s general electoral score. Otherwise, the national organs decide upon the selection of candidates. The selection is undertaken by the Central Permanent Bureau, and has to be validated by the Permanent Delegation. Thus, when the efficiency criterion is met, and the local organizations select the candidates, the National Liberal Party scores 3. When the selection is the attribute of the national organs, it scores 8. Without guaranteeing for the accuracy, one may consider for this indicator the mean of 5.5.

The *leadership concentration* gravitates around the party’s president, who is empowered to make statements in the name of the party, represents the party in its official activities, convokes and presides over all central organs of the party, leads the negotiations with other parties, and presides over all party’s organs (local, regional, central) if he attends their meetings. Thus, the National Liberal Party’s president scores 7, lower than the president of the Conservative party, but higher than the DUHR’s president, for not being dependent, to the same extent, on other party organs.

Thus, if we take the mean score of the candidate selection indicator (5.5), the general
score of the National Liberal’s party would be 34.5. However, it would be more precise if the
general score would vary between 32 and 34.5 when the selection of candidates is done
predominantly by local organizations, and between 34.5 and 37 when the selection is dominated
by the national organs. However, besides this particularity, the National Liberal Party has a high
leadership concentration, the highest structural articulation, the highest level of nationalization of
structure, and thus can be fairly considered as a centralized party.

4.2.5 The Social Democratic Party

According to the 1999 statute of the former Party of Social Democracy in Romania, the
members had both substantive rights and active obligations. For example, the members used to
benefit from the party’s protection whenever they were the subject of unjust attacks. This right
was eliminated in 2005 from new statute of the now Social Democratic Party. In terms of
obligations, the new statute eliminated formal provisions, such as the compulsory knowledge of
the party statute, but maintained substantive obligations, including the duty to recruit new
members.

Being both the inheritor of the former communist party’s infrastructure, and ideologically
situated on the left, the Social Democratic Party had both the possibility and willingness to
gather extensive and well structured party organizations. Thus the smallest organizational unit
has between 20 and 25 members, afferent to a territorial milieu of approximately 100 members.
Since in some cases one may find this substantive ratio, it can be concluded that the party is
organized according to the cell basis model. However, these small units are not formed around
functional criteria, but are rather territorial. Their density is due to the party’s inherited
infrastructure, and leftist ideological orientation which attracted a relatively constant popularity in the constant context of economic hardship. Thus it scores maximum (6) for the intensiveness of organization.

The structural articulation is given by four national party organs. These are: the congress named the National Council, composed of 575 members and elected for two years; the Executive Council, composed of 95 members and validated by the National Council; and the Permanent Bureau, which is the decisional organ. There is no major difference between the 1999 statute and the 2005 one, when talking about the functions of these organs. However, a reduction in the number of members was undertaken in order to achieve more functional efficiency. For the same reason, the Permanent Bureau has more specific functions, and the mandate of the National Council was reduced to two years. Thus, as in the case of all other parties, the Social Democratic Party scores maximum for this indicator (11).

The nationalization of structure is problematic to establish, since there are no exact provisions, besides the hierarchy established by the statute. The only situation in which the national organs can directly interfere with the local organizations occurs when the National Council resolves eventual divergences between the Executive National Council and the branches. However, since the decisive role in solving local – national debates belongs to a national organ, one can proclaim the primacy of the national level, and give the maximum score 6.

According to the new statute, the selection of the candidates is an attribute of the National Executive Council, which organizes the primary elections, validates the results of this selection, and confirms the candidates. The new statute provides for the selection of candidates at the local level. Thus, local organs are responsible for the substantive initial selection. However, when taking into account the fact that the final decision on the selection process belongs to the
National Executive Council, the initial substantive responsibility of the local branches becomes rather formal. At this point one can identify a strong organizational resemblance with Katz and Mair’s atomistic model. The local branches are formally empowered in order to avoid possible challenges from the regional level, but the final decision on the selection belongs to a central organ. Even if one might be inclined to mean the first level of the scale (solely local selection) and the last one (national selection), it is substantively appropriate to score the primacy of the national organ, and attribute the maximum score 8.

In the case of the 1999 statute, the leadership concentration was easier to identify. The president coordinated all the national organs. The new 2005 statute coordinates the general activity of the party, the National Executive Council and the National Permanent Bureau, guarantees the statute, and presides the Congress and its sessions.

However, beside these general presidential attributes, the statute provisions specific functions attributed to the immediate inferior party leaders. For instance, the executive president is the president of the Permanent Bureau, and directs its specific activities. The General Secretary also coordinates specific daily activities of the national organs. Both the executive president, and the general secretary are elected directly by the Congress, and thus enjoy the same legitimacy of the president. Because it coordinates the general activity of the party, it generally leads two of the party’s central organs, and he or she’s the only one in a position to represent the party in relation to external organizations, and therefore, the president can be considered to be relatively strong.

However, more executive and specific attributes are transferred to the executive president and General Secretary. First of all, this division between general and executive attributes can be seen as a functional improvement of the national organs, and not as a factor that diminishes their
importance with respect to the local ones. Second, due to the fact that the power is relatively shared between three persons, makes the Social Democratic Party’s president less powerful then the Conservative or Democratic Party’s President, scoring 6 for this indicator.

The general score of the Social Democratic Party is 37, again indicating a relatively high centralized party.

The logic according to which parties’ centralization is integrated in the conditional pattern, is simple: the more centralized a party, the fewer and more stable the leaders (at least in a short or medium run), the more stable their strategies. First the stability of the strategies makes them more predictable, and more informational transparent. Second, leaders with stable and less conflictual political strategies, are more susceptible to collude. All Romanian parties scored maximum or almost maximum for the leadership concentration indicator. It means that the leader of the party is responsible for the general strategy of the party, and sometimes has to consult his immediate subordinates (which are maximum two). The same maximum score was obtained for the nationalization of the structure. This indicator measures the hierarchical superiority and the direct control exercised by the national organs over the local organizations. The articulation of the structure, and the intensiveness of organization, measured how well is a party organized. The better organized, the easier for the national organs to control the local and regional ones. As for the selection of candidates, again the national organs have the decisive role. However, some of the parties formally empower the local organizations, provisioning either primary elections (Social Democratic Party), or transfer part of the selection responsibility to the electorally efficient local organs. This can be considered as equivalent with the atomistic model of organization described by Katz and Mair.
CONCLUSIONS

What I consider to be the most important finding of this paper, is that an eventual emergence of cartel party systems is conditioned by several factors. Given the imperative conditions to be fulfilled, it is highly probable that cases predisposed to cartellization are fewer than cases which are not. The Romanian parties seem push through each step conditional pattern, and the predisposition is empirically enforced by the current governmental coalition.

It is now worthy to resume how the Romanian parties went through the conditional pattern. For the first stage each political party had to be able to gather information about the opponents’ political strategy. This informational accessibility was to be achieved only if processes related to global economic developments, and to the economic effects of catch all policies would have constricted the political-economic competition. Indeed, the economic dependency on Foreign Direct Investments forced the relaxation of the taxation rates, and thus the capacity to expand welfare provisions. This capacity was also diminished by the harmful effect of the incipient catch all strategies. Furthermore the EU integration process imposed several economic guidelines which could have actually be seen as containments. Seen in this context, parties had to adopt a ‘downsizing’ electoral rhetoric and to externalize an important proportion of their economic functions. All together, these factors constrained parties policy attributes in such a way that economic strategies became increasingly predictable.

Thus, the process of reciprocal informational gathering was favored, and the assumption necessary for the Nash political equilibrium to emerge was confirmed. However, the emergence of the Nash political equilibrium was not enough to guarantee the emergence of the cartel party system. As I argued before, the equilibrium is not equivalent to a contained political competition. Within the equilibrium, parties make their best decisions according to their opponents’ strategic
positions. They obtain a better profit if they act after taking into account the rival decisions, first because they can construct a better counter argumentation, and second because they are aware about the opponents’ effects on the political market. These are the reasons why they do not defect from the equilibrium. But defection from the Nash equilibrium is not equivalent to a defection from an eventual cartel. One party defects from the equilibrium if it builds its political strategy unilaterally, regardless the opponents’ decisions. On the other hand, a party defects from a cartel if it adopts a strategy that is opposed to the cartel’s strategy.

The interesting and somehow paradoxical fact is that within the Nash equilibrium, a party can even radically place itself against the opponents without damaging the equilibrium. As long as the divergent position is taken with respect to the others position, the equilibrium is preserved. For instance, a party does not damage the equilibrium if it adopts a radical nationalist rhetoric, say because the opponent/s make’s to many concessions to a minority group. The party is not a defector because it formulated his rhetoric considering and/or against its opponent decisions. This example brings to our attention the cultural dimension of the political competition. It is highly probable that a political competition would be conflictual if dominated by cultural issues. The competition is still encompassed into a Nash equilibrium, but because of it has an important conflictual component the equilibrium will not be followed by cartellization.

This brings our attention to the necessity of another condition to be fulfilled. The political competition of one country must not be dominated by cultural dimensions. If it is, the essentially divergent political strategies would stop cartelization from occurring. This situation is illustrated by the case of Hungary, where the cultural debates are dominant. Seen in this context, one cannot imagine the main opponents colluding. In contrast, the Romanian political competition is dominated by economic issues. Ian McAllister and Stephen White’s empirically study on the
social cleavages established in emerging democracies stands as a proof for the mentioned dominance.

However, at this point, the first sets of conditions have to be reactivated. The economic functions the parties have to be reduced in such a manner, that no major conflicts can characterize the competition. In Romania’s case, for instance, the EU economic strategy ‘recommendations’ are to be followed by every party. Somehow it becomes a common economic strategy, and no essential economic divergences can occur on its bases. Thus, not only these constrictions (and the EU example is not singular), increases the informational accessibility, but it also prevents radical divergent debates.

The same double effects are produced by the analyzed endogenous factor to the parties. Precisely, not only the centralization of the parties favors the reciprocal information gathering (necessary for the emergence of the Nash political equilibrium), but it can also increase the probability of collusion. The logic is simple. The more centralized a party, the fewer and more stable the leaders (at least in a short or medium run), the more stable their strategies. First the stability of the strategies makes them more predictable, and more informational transparent. Second, leaders with stable and less conflictual political strategies, are more susceptible to collude. Scoring high at all indicators, the Romanian political parties proved to be highly centralized. The leadership concentration and the nationalization of structure showed the hierarchical dominance of the national organs. This hierarchical superiority is to be exercised through a highly articulated structure and an intensive coordination. As for the selection of candidates, the decisive role belongs again to the central organs, but sometime the local organizations are also empowered. Such strategy can resemble Katz and Mair’s atomistic model.
Thus, for the case of Romania both exogenous and endogenous conditions were fulfilled. Moreover, as noted, the parties tend to present features specific within a political cartel. Besides the features, the parties also adopted a new majoritarian electoral system, which left out of the Parliament two of the small parties. It is theoretically expected that a majoritarian electoral system would generate a higher disproportionality, and less representativity (Birch 2003, 2005). Hence, both the current left-right coalition and electoral reform, indicate a clear collusion.

However, the collusion would not have been possible if the mentioned conditions would not have been fulfilled. Conversely, the conditional fulfillment does not force collusion, but it can favor it. Thus, applying the advanced conditional pattern to other case studies, would not provide certainties, but would successfully test one country’s predisposition to cartellization.

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