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The Annual Report on the State of Transparency of Political Parties in the Western Balkans for 2021

Western Balkans
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Introduction

Starting from 2019, WFD's Western Balkans regional office has been working on developing a comprehensive index of transparency of political parties. Together with a group of regional experts, WFD has continued its work in the course of 2020 in order to develop the Political Party Transparency Index (PPTI). The index consists of 67 individual indicators which are placed in three connected pillars: Internal party democracy (IPD), financial transparency and public outreach. During 2021, the PPTI was applied for the first time in partnership with 23 political parties from the Western Balkan (WB) region. As a result, this Annual Report on the State of Transparency of Political Parties in the Western Balkans for 2021 has been produced.

The PPTI takes into account the specific and distinct cultural and political heritage of the region. Therefore, it is an endeavour that offers a potential tool for the political party members as well as other interested stakeholders (media, civil society organisations, citizens, etc.) to compare, analyse and offer recommendations to improve the accountability and transparency of political parties in the region. It could provide an incentive for the political parties to democratise themselves from within and help their societies to push transparency practices further.

Based on comparative practises from IPD studies in neighbouring countries such as Croatia and Slovenia before and after their accession in the EU, better transparency practices by political parties mean more democracy in the society, more accountability to the otherwise murky party practices, less clientelism and better adaptability by their societies in relation to EU accession process. In addition, having in mind that WB countries are at a different stage of the EU accession process, the PPTI index could present an additional incentive for further democratisation in the region and the convergence of political party practices with the goal of more democratic and transparent societies.

In a long run, the PPTI could become an open platform, accessible to the wider public. It could be a valuable resource for journalist and academics, and virtually to every citizen. This "democratisation" of information on political parties, along with a comparative regional perspective, can make political parties more accountable to the citizens and to authorities. It is important also to take into account that fostering regional cooperation and the exchange of experiences among political parties in the region are extremely beneficial. The index provides a forum for discussing practices, exchanging experiences, improving the performance of the political parties and bringing party officials closer together regardless of their ideological differences or the country they come from.

Having in mind some of the initial objectives of the PPTI, this research document provides an overview of the region's political parties and their internal practices, assessing their capacity by outlining their strengths and weaknesses according to all three PPTI pillars. It also offers parties a comprehensive path for their future work and improvement. The PPTI could bring standards of party practices closer to the established processes in more developed democracies such as the U.K., U.S.A. and the EU. Furthermore, it could improve and strengthen the link between the political parties and the citizens/voters in the region.



Transparency of political parties in the Western Balkans: trends, patterns and discrepancies

Looking solely at our PPTI research process, where 23 political parties from the region participated, the average score for all 23 parties is 57.9 per cent. This score confirms our assumption that there is still a lot of room for improvement in all three PPTI pillars. The best average scores are in the financial transparency pillar, where the average score is 25.6 per cent (out of 40 per cent)¹. Next is the internal party democracy pillar where the parties scored 22.6 per cent (out of 40 per cent) on average. Surprisingly, the worst pillar is public outreach where parties scored less than half on average: 9.7 per cent out of 20 per cent.

There is no clear pattern when assessing the overall score of political parties country to country. Essentially, we could not track a country that has a distinctively better party performance than other countries. However, in each of the WB countries we could distinguish certain parties that outperform the others by relatively substantial margins (at least in some pillars) nationally and/or cross-country. It means that the level of party development in all three pillars is to a greater extent related to the individual political party performance rather than to the specific features of a given country such as political culture, advancement in the EU accession process, democratic development, governing party/opposition party position etc.

Based on the results extracted from the PPTI research, and applying the previously established PPTI methodology, we discern several trends and patterns from the performance of the political parties in the Western Balkans and put them in a comparative perspective.

General overview and trends

The initial results from the PPTI measurement for 2021 confirm the assumption that there is a strong pattern of similarities between the political parties in the Western Balkans (WB) countries. Overall, WB political parties can be broadly summarised as less democratic than their peers in EU member states and in the U.K., nurturing rather strong autocratic practices stemming from the leadership, containing semi-authoritarian provisions in their party statutes which in turn potentially open the door for cronyism, especially in selecting candidates for the parliaments. Political parties in WB tend to be mass parties with many members and activists, with a less ideological and more catch-all approach, which could be an indicator for an inclination to a more clientelist approach. Apart from several parties which were sanctioned for financial misdemeanours, the rest conform to the financial requirements of their respective national legal frameworks. However, the so-called business-party nexus, regardless of the widespread perception among the expert public in the WB, cannot be clearly established through the PPTI.

The electoral model in WB countries seems not to significantly affect the democratisation and transparency of the political parties. In most WB countries, there is some variant of the proportional representation electoral

¹ This score in this pillar could be explained by the fact that PPTI methodology currently has a limitation in this field: the majority of financial indicators are related to the national legislation obligations.



system, mainly seen as to better express the complicated ethnic and minority structures of WB societies. This model indeed provides fairer representation; but it is detrimental to the internal party procedures in selecting candidates who would be later elected as MPs. Most of the time, the party headquarters and especially the party leadership (the president and the small circle around him/her) have the first and the final say on who will be the candidates on the electoral ballots. This happens even regardless of the provisions in the party statutes, which leads us to connect it with the non-participative and non-democratic political culture in the region.

When analysing the political parties by pillars, it could be noted that in Montenegro, Albania and to some extent in Bosnia and Herzegovina and North Macedonia the level of IPD is slightly better than in the rest of the countries. In the financial transparency pillar, the situation is slightly reversed. Political parties from Serbia and from Kosovo*², and to some extent from Albania, perform relatively better in comparison to their peers in the region. Since the majority of financial indicators are related to the national legislation obligations, it seems plausible to establish a functional link between these two. However, good performance and conforming to the national legislation does not necessarily mean that political parties are perceived as less prone to potential corruption or illegal financing from the wider public and local civil society organisations, as clearly outlined in different international reports. In the public outreach pillar the situation is rather different. Here we can note a discernible pattern in which bigger parties and those with larger capacities perform generally better than the smaller or newly established parties. Still, smaller parties are sometimes capable of finding alternative and innovative ways to reach the public, precisely because they lack capacity in other fields related to party functioning. This trend is noticeable in almost all countries evaluated by the PPTI.

When devising and implementing the PPTI, we ran into a competitive aspect among political parties willing to address issues and indicators stipulated in the PPTI so they can perform better and get better score in the PPTI. The competitive aspect was not the intention of the researchers at the onset but seemed to make an impact for some parties. However, during the consultations and discussions with political parties, we have noticed that the process of measuring numbers of cases acted as an awareness-raising matter for the parties and incited them to fulfil some indicators that they previously did not deem important or beneficial for them. Generally, some indicators, especially in the public outreach pillar and partly in the financial transparency pillar, allow fast and effective adjustments and parties can improve their image in a relatively short time. However, in IPD aspects, one cannot expect “quick wins” since the IPD is a matter of more tectonic changes in the structures and functions of a political party, as well as a matter of choice by party members and especially party leadership. Simply put, the IPD is the “hardware” of the party, and public outreach and financial transparency could be described as the “software” of the parties.

The distinction between big and small parties is relevant and it should be taken into account when assessing political parties and especially in indexing their performances. Naturally, big parties have more capacity to fulfil more criteria in party performance (not only in this PPTI but in general), but smaller parties are more flexible and more prone to innovation and to devising alternative ways to get to the voters. Smaller parties tend to be more democratic and more open for internal debates, sometimes allowing official factions in their statutes. In the IPD pillar, smaller parties often outperform the bigger ones; but bigger parties are more likely to win elections and therefore they need to find a balance between functional and effective organisation and a flourishing IPD, which often translates into a firmer grip of the party apparatus by the party leadership. Overall, smaller parties have the luxury to push forward the democratisation process and to set standards for the bigger parties.

² * This designation is without prejudice to positions on status, and is in line with United National Security Council 1244 and the International Court of Justice Opinion on the Kosovo declaration of independence.



Internal Party Democracy (IPD) pillar

Of all three assessed pillars in the PPTI, the IPD pillar seems to be the main point of contention in devising prudent, democratic and transparent intra-party practices. This is somewhat expected, since IPD is the core of the matter in political parties' functioning. The average score from the PPTI measurement for 2021 in the IPD pillar is 22.6 per cent out of 40 per cent. The scores in this pillar are in the range from 28.2 per cent to 16.2 per cent.

The IPD poses a dilemma and a choice whether a political party is capable of maintaining the balance regarding efficiency and democracy. Neither of the two excesses is probably good. Recent research shows that extreme party democracy could mean the surfacing of extreme politicians in office. By extreme we do not mean radical or non-democratic per se, but rather ideologically extreme and thus popular within the party base³.

IPD is crucial in assessing the general democratic development of a country. Political parties that nurture democratic practices within their own political and partisan realms tend to "export" these practices once they are in power or in engaging with other political parties (forming government coalitions, pre-electoral coalitions or building consensus over important country issues, seeking for qualified majority etc.).

The first distinction lies in the overall capacity of the political parties. From the data extracted from the PPTI, it could be noticed overall that older and well-established mass parties are more capable and better equipped in devising a vibrant party life than the smaller and/or newly established parties, especially in the domains of IPD and financial transparency. On the other hand, smaller parties who struggle for a share in the "voters market" often excel in communication and public outreach practices.

One of the most contentious aspects among the political parties in the WB is whether they should organise direct party elections (or primaries) for the selection of their leaders. The vast majority of political parties in the WB still oppose direct elections. However, virtually in all of the assessed countries we can find pioneers in the field of direct party elections, and it seems that these pioneers set standards for the future and indirectly put pressure on other parties to adopt such practices. It is the case of North Macedonia, Montenegro, Albania and Kosovo*. Nevertheless, and regardless of whether a party organises direct elections, the election of the party leader is still a problematic issue for most of the parties in the WB. Namely, most of the party elections are centred around a single candidate for party leadership, probably discouraging other potential candidates from running for the post. Preparing the ground and context for party elections in which more than one candidate will run for the post remains an essential task for the future.

³ More information is available at:

https://myweb.fsu.edu/hanhassell4/HassellPartiesasModerators.pdf?campaign_id=30&emc=edit_int_20220817&instance_id=69556&nl=theinterpreter®i_id=94934521&segment_id=101645&te=1&user_id=0a734fbc2a7734b6ac428aa3b92e1e39,
and
https://scholarworks.boisestate.edu/cgi/viewcontent.cgi?article=1196&campaign_id=30&context=polsci_facpubs&emc=edit_int_20220817&instance_id=69556&nl=theinterpreter®i_id=94934521&segment_id=101645&te=1&user_id=0a734fbc2a7734b6ac428aa3b92e1e39.



As for the horizontal structures (mainly for women and youth), most of the parties have rather developed women and youth structures, with different levels of autonomy. Some parties in some countries are bound by the national quotas in the electoral laws; but many of them seem to be moving beyond the quotas to ensure better and more all-encompassing representation in horizontal structures. Rarely, political parties in the WB enable other horizontal structures to flourish in the party, such as veterans, syndicates or other marginalized minorities (sexual minorities, social minorities etc.)⁴.

Vertical structures (local branches) are unevenly developed in almost all WB countries. Here, it is obvious that bigger political parties are more capable to maintain functional local branches and give them more autonomy in devising (local) policies, while smaller parties focus their activities in larger cities and/or target specific voters. In the global context of blurred ideological lines, WB parties make no exception. Few parties maintain firm ideological stances and even fewer conduct substantial ideological discussions within the party fora. However, one slight ideological pattern might be discerned from the PPTI results: right wing parties tend to have better organised horizontal structures, better presence on the ground, sharper ideological positions, and better networking with the European ideological siblings (sister parties and large European party families).

Financial transparency pillar

Financial scrutiny is equally critical aspect in party functioning, as most of the corrupt practices stem from murky or illegal finances, concealed donors and excessive spending during the elections. However, there are at least two aspects that need to be considered while assessing financial scrutiny in parties in the WB. First, the legal provisions are relatively tight and all-encompassing for all countries in the region. That is the reason why many political parties perform relatively well in terms of financial obligations. Secondly, political parties always find ways to finance their activities while bending the legal provisions. The PPTI showed that political parties perform rather well regarding their legal financial obligations under the national legal provisions, but very few of them go beyond these legal provisions. Regarding the results, the average score in this pillar is 25.6 per cent out of maximum of 40 per cent. Parties have scored in this pillar ranging from 36.2 per cent to 11.4 per cent.

Curiously, we have witnessed party officials arguing that they stopped being financially transparent beyond legal provisions because it generated more interest among journalists investigating their finances, while the other parties that complied only with the minimal standards were spared added media scrutiny. Additionally, the PPTI has limited methodological access to assess deeper financial aspects when compared to other indexes more focused on finances, one being the Transparency International Corruption Perception Index.⁵

An important feature that prevails in almost every country and virtually every political party is the significant discrepancy between indicators showing the level of financial transparency and the public/expert perception of it in the respective country. Namely, it is obvious that all countries share relatively tight and comprehensive national legal provisions in financial scrutiny and most of the parties comply with these legal obligations. In that respect, parties are performing rather well; but the perception of corruption and murky financial practices are still prevalent among the public and in public surveys. Here something needs to be done, and parties need to take this issue seriously in order to improve their images as well as their practices. Going beyond the standard legal obligations, reporting proactively on finances, listing debts and suppliers, publishing financial information in open (machine readable) formats, revealing donors and being responsive to the public/media would be a good starting point.

⁴ For instance, positive examples from our PPTI research is outlined in the Nasa Stranka and SDP parties from Bosnia and Herzegovina.

⁵ More information is available at: <https://www.transparency.org/en/cpi/2021>.



In finances, like in most other aspects, WB's bigger parties are better equipped and could perform relatively better in the PPTI, but there are still smaller parties (especially the newly established ones) that perform extremely well because it matters to them to be distinctively different from other parties, having in mind the widespread perception of corruption among the public.

Public Outreach pillar

The PPTI does not show a clear pattern in the evolution of communication practices among political parties in the Western Balkans. Parties have a vast array of communication practices and different approaches in reaching the wider public and the voters. Still, most of them focus on traditional ways of campaigning ("boots on the ground", GOTV, billboards and TV advertising), rather than finding innovative ways of campaigning. Use of social media is however very common in targeting specific groups of potential voters. Many political parties from the WB do not pay too much attention to their official websites (not regularly updated, with limited functionality, and few direct communication tools). Still, there are exceptions when looking into separate websites that parties use for election purposes, which are more detailed and better organised. Having this in mind, the average result in this pillar is only 9.7 per cent from 20 per cent. The best party in this pillar scored 15.7 per cent while the worst party scored 4.3 per cent.

In regard to public outreach, smaller parties are bound to find innovative ways into reaching their voter base, and bigger parties could learn from them. Finally, establishing more substantial cooperation with sister parties from the U.K. and from other EU countries could prove very beneficial in terms of exchanges of experience and sharing best practices in communication.



About the PPTI methodology

The Political Party Transparency Index is a tool that can measure the level of transparency of a political party based on relevant indicators. The methodology for measuring political party transparency was developed by WFD on the basis of international practice and includes numerous questions and indicators on communications transparency, financial transparency or transparency of decision-making and internal party democracy.

The PPTI is based on several indicators relevant to or worthy of consideration for most political parties in the WB region. It is divided in three large cohorts of indicators constituting three main pillars that encompass most of the transparency issues:

- A) Internal Party Democracy (IPD),
 - B) Financial accountability and transparency,
 - C) Public outreach i.e. transparency practices of political parties towards the public.
- A) The IPD index looks into: **participation** (who takes part in making important decisions, such as choosing the party's leader, MP candidates and local party leaders); **representation** (the extent to which women, minorities, residents of the periphery, young adults, senior citizens and non-party affiliates are represented in party structures and electoral lists); and **competition** (internal competitive elections, competition at the headquarters level and at local level, the indices and regularity of convening PP's official bodies).
- B) Financial accountability and transparency mean publicly available information on financial donations, contributions, grants, in-kind donations etc. They also include: the availability of the party budget, the costs and revenues (organic and geographical distribution), fulfilment of obligations and commitments towards relevant state bodies (State Electoral Commission, State Audit Office and abiding by the relevant laws on party and campaign financing).
- C) Public outreach includes: **the transparency of information** (whether it is possible to obtain information about the party, such as its statute, website information, responsiveness to members' inquiries and openness to the public, the ease with which such information can be obtained and used for further purposes); **the presence in public** (social media, user-friendly tools, discussion forums, interaction PP-citizens on policy platforms etc.), and **PR approaches**.

In the PPTI, these three dimensions of political party transparency do not weight equally. The IPD aspect and the financial accountability aspect are weighted at 40 per cent each, and the public outreach dimension is weighted at 20 per cent, in order to reach the 100 per cent of total score. This is done because the importance of the first two indexes is more critical for the democratisation of political parties and for their development in general. Also, in the age of digitalisation and populism, it is conceivable that there might be political parties which show strong autocratic tendencies but are very good at promoting their policies through new and innovative media. It should be also noted that the scoring in the PPTI was devised so it is almost impossible for a party to reach maximum points in all pillars, as some of the indicators are related or taken from political parties' practices in the most developed democracies worldwide. Setting the bar higher could be a welcoming incentive for the further improvement of WB political parties.

Conclusions and way forward

In an developed democracy, parties tend to be more open to the public and to their members, and more accountable under the laws regulating their activities. Although there is no unified EU model on how political parties should behave, standards and practices accompanied by strong legislation make political parties more transparent and more accountable. Political parties rarely show readiness and incentives to reform from within. But the substantial level of disillusionment and cynicism of citizens regarding the political processes emphasise the need for political parties to open themselves and be more transparent and accountable.

One can notice that there is an increasingly strong impetus from society (voters, civil society organisations, independent researchers, academia, media etc.) to enhance the transparency and accountability of political parties through various legal amendments (especially in the domains of party financing and loosening the party-business nexus. There are also incentives for party reforms and internal democratisation, professionalisation and depoliticisation of the public administration in order to tackle clientelism, and improve the transparency of political parties for their party members and for the wider public.

In the Western Balkans, political parties' comfort zone faces a double challenge, external and internal. The external challenge resides in the ambition of all WB countries to join the club of developed European nations, thereby obliging themselves to respect certain democratic standards, of which transparency and accountability are the most important for political parties. The internal challenge is related to the widespread disillusionment of citizens with the way political parties function, which in turn results in cynicism, abstention from voting and anti-systemic behaviour (protests, support for radical parties, civil unrest etc.). Because of these challenges, political parties are bound to change themselves. And they are changing at a different pace. Some of these changes might seem like pure facelifts; but some parties do make substantial changes in order to strengthen their legitimacy. This is a process that should continue and be constantly upgraded.

Deriving from the aforementioned premises and supported by the data extracted from the PPTI, we can draw several conclusions:

- Political parties from the WB region still lack necessary standards and practices in order to reflect democratic norms necessary for a full-grown democracy.
- IPD aspects seem to be vital for the performance of the parties, having in mind that the links between party officials, party members, voters and citizens primarily derives from these practices. More and better developed horizontal structures, enhanced vertical communication within the parties, improved intra-party procedures for selections of party officials and those in office generally make a vibrant party that discusses mounting challenges, is capable of surviving in difficult times and, finally, provides better leadership.
- Financial transparency and constant improvement in this field means better internal financial practices of political parties, more bottom-up control of the party leadership (party members, central committee etc.), and finally better public images of parties. In the long run, these transparency practices always pay off. It may seem counterintuitive at first glance, but more public scrutiny regarding party finances eventually means better electoral performance of a political party.
- In public outreach, new and innovative ways of reaching the wider spectrum of potential voters, along with the standard conservative approaches (door-to-door campaigns, GOTV, townhall meetings etc.), mean the constant refreshment of political parties' images and more attractive offers to the voters.



- The wave of democratisation of political parties (direct elections of the party president, organising primaries etc.) is becoming a European standard and political parties in the region should slowly and carefully reflect upon this matter, having in mind the potential pitfalls but also the potential huge benefits recognised by the voters. Some pioneer efforts in this field by certain political parties from the region constitute an instructive example that could be followed.
- Substantial cooperation with political parties from developed democracies, notably their ideological siblings, means streamlining of the WB parties along the European standards, thus learning by doing and sharing invaluable experience and practices. Being part of a large family of parties means a step closer to EU integration for their respective countries. Political parties play a substantial role in this aspect.
- Better ideological profiling, with stated ideological principles, is a matter of choice for each party. However, firmer ideological positions often mean improved party activism and increased longevity of a party, having in mind that it could sideline some (swing) voters and restrain the party base.

The way forward

The PPTI is not carved in stone. It is conceived as an evolving tool that could serve political parties to improve their practices in certain areas of their work in order to better represent themselves to the citizens/voters, to establish more efficient and at the same time more democratic patterns in their work, and to explore ways and methods to improve their performance during elections. The PPTI is a snapshot of the political party scene in the WB region. The wider informed and less informed public will be able to see, compare, weigh and analyse the level of democratic development in political parties, and by extension in their respective societies. It could be a useful tool for comparing political parties by country, by size, by ideology, by different practices (transparency, IPD, financial accountability, new media and new innovative forms of communication). It should serve as a tool for party members, especially for party leaderships, and those party employees dealing with transparency issues and communications. People could learn from other parties' experiences and methods, employ other parties' tools and approaches, learn how to improve their practices in certain aspects and how not make the mistakes others have made.

The democratisation of political parties brings challenges, but also opportunities. Apart from sharing common features, common heritages (including a communist party heritage) and similar political cultures, political parties in the Western Balkans at least nominally share a common goal: integration into the EU and becoming developed democracies. This common goal might be the crucial reason to measure transparency in political parties and put it into a comparative (and mildly competitive) perspective.



ANNEX: List of political parties included in the PPTI measurement for 2021 year

Albania

Socialist Party (PS)

Democratic Party (DP)

Socialist Movement for Integration (LSI) / Freedom Party

Bosnia & Herzegovina

Party of Democratic Action (SDA)

Nasa Stranka (NS)

Social Democratic Party (SDP)

Kosovo*

Vetevendosje (VV)

Alliance for the Future of Kosovo (AAK)

Democratic Party of Kosovo (PDK)

Democratic League of Kosovo (LDK)

Montenegro

Democratic Montenegro (Demokrate)

United Reform Action (URA)

Democratic Party of Socialists (DPS)

Social Democrats of Montenegro (SD)

North Macedonia

Social Democratic Union of Macedonia (SDSM)

VMRO-DPMNE

Democratic Union for Integration (DUI)

Alliance for the Albanians (AA)

Alternativa (A)

Serbia

Serbian Progressive Party (SNS)

Socialist Party of Serbia (SPS)

People's Party (NS)

Party of Freedom and Justice (PSP)



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