

# PARTY TRANSFORMATION AND PARTY MEMBERSHIP DECLINE

## The Case of The Netherlands

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### Introduction

As students of Dutch party politics have suggested the Dutch party system as it developed in the first half of the century was a perfect reflection of *verzuiling*: a pillarised society where two cleavages, one religious and the other socio-economic, acted to determine social and political loyalties. Moreover, the Lipset-Rokkan 'freezing hypothesis' could be applied with obvious ease here.<sup>1</sup> Since the 1960s, however, changes have been taking place in the Netherlands that could be summed up as: the disintegration or weakening of *verzuiling* and the increasing individualization of Dutch society.<sup>2</sup> These developments in the second half of the century point to a 'thawing' of the previously frozen party system and had a dramatic impact on Dutch party politics. One of these dramatic impacts is a decline in the level of party membership.

The Netherlands is not alone in experiencing decline in party membership. In several West European party systems, decline in the level of party membership has been very evident in the past thirty five years or so. In the case of the Netherlands, scholars have observed that 'the membership of the Dutch parties has declined from a level that was never particularly high by general European standards [with] the drop [being] most pronounced among the religious parties'.<sup>3</sup> Indeed at the party level, the Netherlands witnessed a major change in the 1970s when the three traditional confessional parties - the *Katholieke Volkspartij* (KVP, Catholic People's Party), *Christelijk Historische Unie* (CHU, Christian Historical Union), and the *Anti-Revolutionaire Partij* (ARP, Anti-Revolutionary Party) merged into the *Christen Democratisch Appèl* (CDA, Christian Democratic Appeal).<sup>4</sup> Despite significant changes at the individual party level, Koole observed that 'while individual parties have tended to become more vulnerable, the party system as a whole has remained quite stable'.<sup>5</sup>

This vulnerability at the individual party level presents a unique opportunity to examine its impact on how Dutch political parties organize themselves. As mentioned earlier, Dutch political parties have witnessed tremendous decline in their party membership size. The decline is evident when one examines the

raw membership figures and the proportion of party members to the total electorate. In the 1960s, 9.4 per cent of the electorate belong to a party. By 1994, however, this figure has dropped to a measly 2.9 per cent.<sup>6</sup>

The logical question to ask then is: What is the impact of the decline in the levels of party membership on party organizations? More specifically, what is the impact on the party's organizational complexity and the centralization of power? Indeed, there seems to be an expectation in the literature that party membership size has some impact on party organization when scholars note that parties undertake changes in order to stem the loss of members.<sup>7</sup> An earlier exploratory study of the impact of party membership size on six British and Danish parties found that 'declining party membership size may affect complexity and centralization of power for some but not all political parties'.<sup>8</sup> In this study, we will see if this is the case in the Netherlands as well.

In the following section, I will put the issue of party membership size within a theoretical framework first expounded by Robert Michels and then subsequently discussed in the organization theory literature.<sup>9</sup> I rely on Michels' personal observations of the German Social Democratic Party (SPD) for a theoretical framework. The richness of his observations allow for the construction of a model that traces the growth of complex structures on the growth of membership in political parties. In the second section of this article, the nature of the data and the analysis will be discussed. Using currently available data on the Netherlands, I test the hypothesis and analyze the results. In the third section, I discuss these findings by placing the Dutch political parties in comparative perspective. I conclude by reassessing the theory in light of the additional evidence provided by the empirical analysis of the Dutch parties.<sup>10</sup>

## **1. Theoretical Issues - The Impacts of Party Membership Size**

The prominence of party membership size, as an important factor affecting party organization can be traced back to Michels' work on Germany's SPD more than 80 years ago. In that classic work, Michels first suggested that dramatic expansion of party membership stimulates the development of complex organization and hierarchical structures.<sup>11</sup> He argued that complex organization arises because 'such a gigantic number of persons belonging to a unitary organization cannot do any practical work upon a system of direct discussion'.<sup>12</sup> Furthermore, he asserted that a system of representation is needed in order to effectively carry on the affairs of this gigantic body. From these statements, we can infer that some form of hierarchical and complex structure may be developed to make organizational activity more efficient and effective.<sup>13</sup>

While Michels' theory of the impact of party membership size is fundamentally rooted in his personal observation of the SPD, he does not qualify his assertions to be limited only to one particular party or party family. An

empirical study of 23 parties from advanced industrial democracies supports Michels' claim that large party membership tends to be associated with more complex party organization.<sup>14</sup> It is important to note, however, that while we can logically infer from Michels that growing party membership influences the development of complex and hierarchical party structures, it is not evident that the relationships observed during period of growth can simply be the reverse in periods of decline. That being said, there seems to be an expectation that decline of membership may bring about a change within parties.<sup>15</sup>

Panbianco suggested that if organizational complexity increases with increase in party size then a decline in party size should lead to a corresponding decline in complexity.<sup>16</sup> As to other forms of complex organizations, business firms have also 'flattened' the company pyramid in order to be more efficient. The idea of efficiency has been found in Michels' writing about the nature of organizations as based on 'the principle of least effort...[and] the greatest possible economy of energy'.<sup>17</sup> To the extent, then, that it is safe to draw parallels between party organizations and business organizations, this may lead one to posit:

Hypothesis 1: As party size declines, organizational complexity will decline.

Contrary to the argument just presented, Ford asserts that changes in the structure of an organization during decline do not reverse those that occur during periods of growth.<sup>18</sup> That is, organizations will not decline in complexity while declining in size.<sup>19</sup> Ford posits that this may be due to so-called coalitional politics within the organization itself resulting from actors' or groups' attempt to maintain their relative position in the face of the decline in available resources.<sup>20</sup> That is, as groups seek to insulate their own 'turf' from becoming victims of change, organizational change becomes difficult, if not impossible. Analogously, Scarrow suggests that within political parties 'organizational change is more difficult...[since] such change usually requires an investment of time and skills...organizational resources, [and] party money...which are often in short supply in any party'.<sup>21</sup>

This might apply even more to parties of declining size.

From the above argument it follows that:

Hypothesis 1a: As party membership declines, the level of organizational complexity remains unchanged.

Turning the impact of size on centralization of power, empirical evidence has shown that the larger the organizational size, the more centralized the power at the top of the hierarchy.<sup>22</sup> In general, these studies have made the assumption that organizational attributes behave in the same way in both growing and declining organizations.<sup>23</sup> From this literature one can infer that:

Hypothesis 2: As party membership declines, the level of centralization of power declines.

Yet, significant developments within political parties may have curtailed the impact of party membership size on the centralization of power. As a result the observed direct relationship between the two attributes may not necessarily hold in periods of decline. One of the most significant developments that we have observed in political parties is the professionalization of political parties. Beer argued that the 'professionalization of major party functions...raise the possibility of substantial technocratic shifts in the structure of power [in parties]'.<sup>24</sup> Indeed, as Zielonka-Goei aptly states: '[i]f we accept that party leaders and ordinary members have different, and potentially conflicting views and expectations, then both phenomena [declining membership of parties and increasing professionalization] are likely to help shift the intra-party balance of power in the direction of the party leadership'.<sup>25</sup>

Analogously, Selle and Svasand suggest that: 'the increasing volatility, or lack of deeply-felt loyalty, also gives the party leadership greater political maneuverability, both in terms of reorganization (organizational change) and reorientation (political and ideological change), because the direct control and possible sanctions of members are not very strong. The lower cost of exit probably also changes the relationship between exit and voice in favor of increasing exit at the expense of voice'.<sup>26</sup>

From the above it follows then that:

Hypothesis 2a: Controlling for party professionalization, as party membership declines, centralization of power remains unchanged.

In the following section, I briefly discuss the data to be used for the empirical test of the hypotheses just formulated.

## **2. Data and Methods**

To empirically test the hypotheses, I employ data obtained from Janda's International Comparative Political Parties (ICPP) project and updated them using Katz and Mair's Party Organizations Project.<sup>27</sup> Parties included in this study are the PvdA, VVD, Dutch Communist Party, D66, KVP, ARP, and CHU. While the latter three parties have merged into the Christian Democratic Appeal in 1977, an analysis of these three parties provide a glimpse of the changes that have occurred as a result of changes in party membership.

Our main independent variable - party membership size - is operationalized as the number of direct individual members of the political party from 1960 to 1990. These data come from Katz and Mair's Party Organization Project.

I adopt Janda's definition of the degree of organization as 'the complexity of regularized procedures for mobilizing and coordinating the efforts of party supporters in executing the party's strategy and tactics'.<sup>28</sup> Using this definition, organizational complexity encompasses the formalization of procedures and structural differentiation of the organization. This implies, therefore, that the more elaborate the political party structure, the more complex the organization. While there are seven indicators for organizational complexity in Janda's ICPP dataset, I identified the three indicators — structural articulation (variable 8.01), intensiveness and extensiveness of organization (variables 8.02 and 8.03) — that best reflect Michels' idea of bureaucratization and complex structures. A composite score for organizational complexity was created by averaging the scores of each party across the three indicators.<sup>29</sup> In the case of the Dutch parties, complexity and centralization scores were taken from the ICPP project and were updated using information from the Katz and Mair Party Organization data.<sup>30</sup>

For the 'centralization of power' variable, I also adopt Janda's concern for identifying the 'location and distribution of effective decision-making authority within the party'.<sup>31</sup> I am mainly concerned here with how the local party organs relate to the national party organs as far as effective decision-making authority is concerned, that is, the vertical dimension of intra-organizational relations. Janda's ICPP data provide for eight indicators of centralization of power. I have reduced the number of indicators to those that best reflect the vertical distribution of power among structures within political parties. The three indicators - selection of national leader, selection of legislative candidates, and formulation of policy - are the most obvious indicators of how (de)centralized a political party is. For the purposes of this study, I maintained Janda's coding scheme for these indicators and an index for centralization of power was computed for the Dutch parties by summing up the scores across these three indicators; the higher the score, the more centralized the party.<sup>32</sup> Besides the independent variables listed and discussed above, there are two other variables often cited in the parties literature as exerting their own independent effects on organizational complexity and centralization of power. Scholars argue that the professionalization of political parties may move more power to the center of the party which subsequently leads to the decline in local organizations.<sup>33</sup>

It has also been suggested that public financing of political parties may affect the distribution of power within parties.<sup>34</sup> More precisely, public financing of political parties is supposed to create a more centralized party organization. In the Netherlands, state subsidies to political parties are given to party research foundations and other ancillary organizations rather than party head offices, yet the amount received by parties in general remains quite substantial.<sup>35</sup> It is therefore important to control for the effect of this variable in order for us to determine the true effect of party size and party professionalization on political parties. Public financing of parties, then, is operationalized as the amount of

state subsidy provided to political parties. Data for state subsidies are from Katz and Mair's data set.

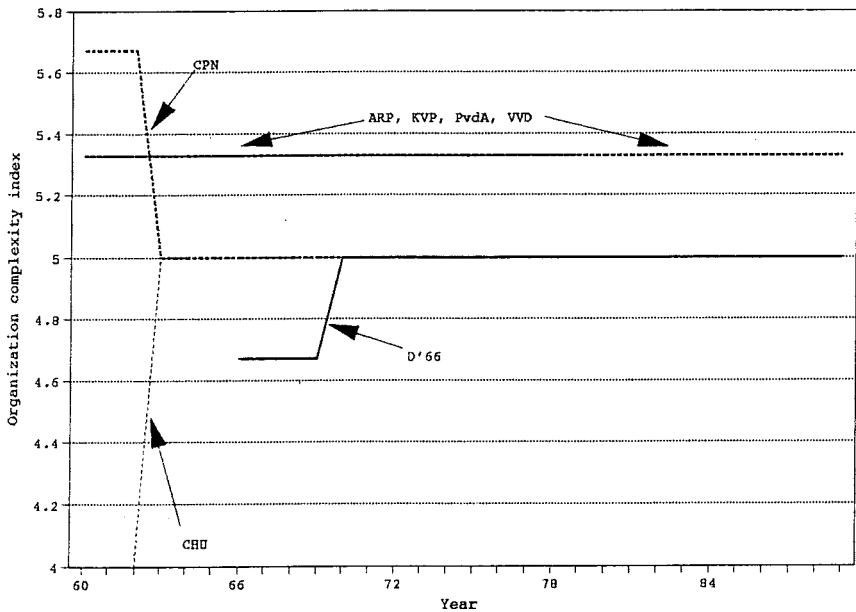
A surrogate for 'party professionalization' was also developed from Katz and Mair's data set using the figure reported as the number of party employees. Although this is an imperfect indicator, as it only measures a particular dimension of party professionalization, it is the currently available cross-national and time-series information.<sup>36</sup>

### 3. Results and Analysis

#### *Organizational Complexity*

Hypothesis 1 leads us to expect that there is a positive relationship between party membership size and changes in organizational complexity. Hypothesis 1a, on the other hand, leads us to expect that (after accounting for other factors) there is no relationship between party membership size and organizational complexity. That is, a null relationship should hold. In an earlier study of six British and Danish parties, the empirical results show that with the exception of the Danish Social Democrats, party size was not a statistically significant factor in explaining changes (or non-changes) in organizational complexity.

Figure 1. *Organizational Complexity, 1960-1989*



When we extend the test of the hypotheses to seven Dutch parties, the evidence suggests that declining party membership cannot really explain organizational complexity here either. Figure 1 details the changes in organizational complexity that has occurred within the Dutch parties from 1960 to 1990. As one can certainly notice there is not much recorded change in the organizational complexity of the Dutch parties during the period under examination, except for D66.<sup>37</sup> Parties for the most part have remained organizationally extensive and intensive and have retained very well-defined party structures. In fact most of the recorded change for D66 tends towards increasing complexity of its party organization.

The recorded changes shown in Figure 1 are too few and disparate to claim that declining party membership has had an impact on organizational complexity. As Koole has observed: '[s]ince the 1960s, differences between the formal structures of the party organizations tended to erode, with all of the parties formally adopting a mass party structure, building branches at the local levels and relying on a national congress as the highest authority within the party'.<sup>38</sup>

The graph in Figure 1 seems to corroborate this point since most Dutch parties have relatively similar levels of organizational complexity.<sup>39</sup>

Why do we not observe changes in the level of organizational complexity despite significant decline in party membership in the Dutch parties? The evidence from the Dutch parties provides more support for the explanation that inertia sets in during periods of declining party membership. One source of this inertia is the scarcity of resources needed to initiate major organizational change within the parties.<sup>40</sup> Indeed, while parties have been able to secure a more stable funding source — in the form of state subsidy — the amount of funding remains insufficient to finance all types of party activities.<sup>41</sup> In the Netherlands, while state subsidies were introduced in the 1970s, Dutch political parties remain heavily dependent on membership fees as a source of party income. Although state subsidies comprise about 10-20 percent of Dutch party finances, parties may have been seriously affected by the reduction in party revenues resulting from the decline of party membership.

Besides insufficient party finances, another source of inertia can most likely be attributed to coalition politics within political parties. As party membership declines (or changes), the distribution of resources within a political party may be affected. That is, as party membership declines, the availability of certain resources may decline as well. Pfeffer and Salancik explain that since organizations are 'coalitions of varying interests' conflicting groups will vie for their share of diminishing resources by protecting their own turf.<sup>42</sup> This behavior by intra-party groups may slow down or even prevent organizational changes.<sup>43</sup>

Thus, an examination of the number of branches that Dutch parties have organized provides evidence to support the claim that political parties are very slow to change their organizational complexity. The PvdA, for example, in

1960 had 938 local branches (at the municipal level) and by 1989 it has 733. This decline would appear to indicate that parties are shrinking in their extensiveness but is actually due to administrative reforms that reduced the number of existing municipalities to 714.<sup>44</sup> Comparatively speaking, all indicators suggest that Danish parties have also maintained a high number of party branches despite declining party membership.

Koole explains that depillarization and secularization of Dutch society may explain why parties like VVD and D66 have expanded their number of local branches.<sup>45</sup> One can, of course, also logically infer that the volatility in voter support and the competitiveness of the party system in both the Netherlands and Denmark, discourage political parties from shrinking their representation in the countries' administrative districts lest they court electoral disaster. Indeed in an earlier work, Koole argued that as a result of depillarization and the competitiveness of the Dutch party system, there is an increasing effort on the part of the Dutch political parties to search out new voters and attract them to the party.<sup>46</sup> It is not difficult to infer, then, that strong party organizational structures are required and can eventually aid in the endeavor to stabilize party support among the voters. Even if these structures may have weakened over time as a result of limited manpower and low level of participation by members, the mere presence of these structures in municipalities, for example, can serve as a reminder to the electorate of the presence of the party.<sup>47</sup>

In sum, the expectation that organizational complexity declines with party membership decline does not seem to be supported by our data. With the addition of seven Dutch parties to the evidence of six British and Danish parties, the empirical evidence seems to provide more support for the explanation that intra-organizational dynamics (e.g. coalitions and resource availability) may contribute to inertia in parties.

### *Centralization of Power*

Hypothesis 2 leads us to expect that there is a direct and positive relationship between party membership size and centralization of power. Hypothesis 2a, on the other hand, leads us to expect a null relationship between party membership and centralization of power once other factors are controlled. An earlier study of six British and Danish parties show that except for the British Labour Party, party membership size is not a statistically significant predictor of changes in centralization of power. In fact, there has been no recorded change (or no changes for the Danish parties) in the level of centralization of power for the British Conservatives and the four Danish parties included in the earlier study (see Figure 2). The evidence from the Dutch parties regarding the level of centralization of power seems to indicate a different dynamic. Figure 3 shows the levels of centralization of power for the Dutch parties included in this study.



Figure 2. Centralization of Power, 1960-1990

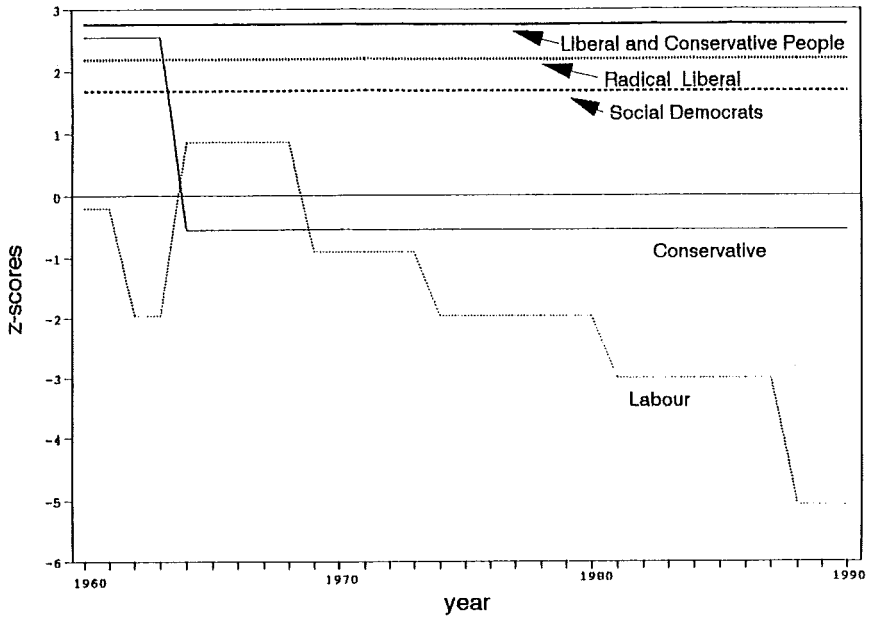
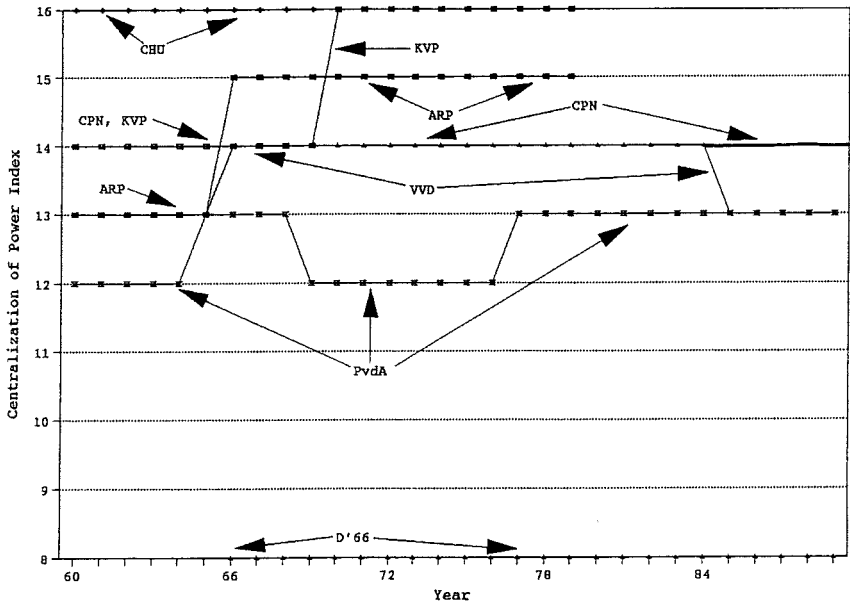


Figure 3. Centralization of Power, Dutch Parties



As one can see in Figure 3, there are differences in the levels of centralization of power among the seven Dutch parties in the sample. D66 is by far the most decentralized of the Dutch parties. It is also interesting to note from Figure 3 that there is a considerable amount of fluctuation in the level of centralization of power among Dutch parties. At the risk of oversimplification, one can infer that there seems to be some movement towards relatively greater levels of centralization of power (as operationalized in this study) among Dutch parties.<sup>48</sup> How much of these fluctuations can be explained by party membership size?

Of the Dutch parties included in this study, the CHU, D66, and CPN did not change in centralization of power in the period 1960-90. Consequently, declining party membership could not possibly explain why centralization of power has remained unchanged for these three parties. The four other parties, on the other hand, have recorded changes in the level of centralization of power. Table 1 shows the regression results for centralization of power.

*Table 1. Regression Results of Party Organizational Attributes on Centralization of Power*

Variables	PvdA	KVP	ARP	VVD	British Labour
Size	2.65*** (0.75)	-1.55*** (0.29)	-2.04 (1.80)	0.114 (0.30)	1.50* (1.03)
Professionalization	0.012 (0.01)	0.06** (0.04)	-0.06 (0.15)	0.14*** (0.04)	-0.19* (0.12)
Subsidy	0.28** (0.15)	-0.03 (0.03)	0.03 (0.03)	0.02 (0.02)	-
Constant	-22.56*** (8.13)	31.48*** (2.85)	38.50** (17.91)	9.37*** (3.39)	-20.29* (14.23)
R-squared	0.91	0.85	0.79	0.81	0.796
Durbin's H	1.07	1.37	0.54	-0.97	1.36

Note: Figures in parentheses are standard errors  
 \*  $p < 0.10$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$  (all one-tailed)

The estimates for the British Labour Party are presented for comparative purposes and are taken from Tan, 'Party Change and party Membership Decline', *op.cit.*.

As shown in table 1, party membership size is only statistically significant for the KVP (wrong sign of the estimated coefficient) and the PvdA. Professionalization is statistically significant (with the correct sign) for the KVP and the VVD, and state subsidy is statistically significant (expected sign for the estimated coefficient) for the PvdA. As in the earlier study of the British and Danish parties, the empirical results for the Dutch parties are mixed. None of the independent variables are statistically significant across all political parties. The mixed empirical results beg the question: Why? In particular one wonders why is party membership size statistically significant for only the KVP and the PvdA? Of the three confessional parties that merged into the CDA, the KVP (like the British Labour Party) was most affected by the decline in party membership. In 1960, the KVP claimed a party membership of 385,000 and in 1979 it only had 49,000 members. The 1979 figure represents only 12.7 per cent of the 1960 figure. Contrary to the expectation of hypothesis 2 and unlike the British Labour Party, however, the KVP did not decentralize but instead became more centralized during the period of membership decline.<sup>49</sup> This supports Koole's observation that the decline in party membership may have resulted in a more centralized party.<sup>50</sup>

In the case of the PvdA — like the British Labour Party — the estimated coefficient for party membership is statistically significant and bears the correct sign that is expected from hypothesis 2. The PvdA has adjusted and readjusted the distribution of power within the political party (see Figure 3). The decline in membership, together with the growing strength of radical factions within the party, have led to some level of decentralization of power. According to Wolinetz, however, the PvdA has moved to become less participatory and more centralized at least by 1986.<sup>51</sup>

Turning to a comparison of the Dutch parties with the British and Danish parties, I have suggested in an earlier work that one plausible explanation for the Danish parties not undertaking changes in their level of centralization of power (as opposed to the British parties) may be related to the state subsidies that Danish parties received. I argued that, 'while no movement in the centralization of power index has been recorded for the Danish parties since 1960, it is safe to infer that the ability of Danish parties to secure public financing (as opposed to relying on membership financing) may have allowed them to remain at their highly centralized level'.<sup>52</sup>

Though Dutch public opinion is not very supportive of direct public financing of parties, indirect subsidies to parties are very important to party finances.<sup>53</sup> Moreover, they are often channeled to fund normal party activities.<sup>54</sup> The 'sharing' of these state subsidies may have stabilized revenue sources for Dutch parties to some extent; but more importantly it may have contributed to more centralization of power.

While this appears to be a plausible explanation, examination of the Dutch data, however, does not provide strong support for it (see table 1). Of the parties with recorded changes in centralization of power, only the results for the PvdA

show that state subsidies are statistically significant.

In sum, the results of the empirical tests of the hypothesis fail to confirm the primacy of party membership in explaining changes (or no changes) in the level of centralization of power in parties. With the examination of 13 Dutch, British and Danish parties, the empirical results provide only mixed support for the hypothesis. However, this outcome serves to inform us that other factors (such as professionalization and state subsidy) need to be carefully considered if we want to explain why levels of centralization of power differ or change.

#### 4. Conclusion

What is the impact of declining party membership on organizational complexity and centralization of power? This is the question that I have posed at the outset. The literature presents us with two contrasting perspectives in addressing this question. One set of studies of complex organizations and parties suggests that organizational size is the primary independent variable from which other changes derive. Another set of work casts doubts on the claims that organizational size has any independent impact on other organizational attributes at all.<sup>55</sup> How do the empirical findings of this study address this debate?

Neither the evidence presented in an earlier study on six British and Danish parties, nor the systematic analysis of time-series data on seven Dutch parties, provide clear-cut support for either the *primacy of size* thesis or the *irrelevance of size* thesis. The empirical evidence - from a total of 13 parties in Denmark, the United Kingdom and the Netherlands - shows that the impact of declining party membership on organizational complexity and centralization of power is not uniform across all political parties.

In order for us to understand why some parties change in the face of declining party membership while others do not, I offered other factors that need to be considered. These factors include the role of factions in creating inertia to organizational change, and the effect of declining resources in the changes in how parties organize themselves.

The extension of the research to Dutch parties has served to accumulate more evidence regarding the impact of decline in party membership size. Nonetheless, it is clear that in order for us to examine the impact of other factors I have suggested above future research would most likely require a more qualitative as well as quantitative work.

#### Notes

1. M.L. Zielonka-Goei, 'Members Marginalizing Themselves? Intra-party Participation in the Netherlands', in: *West European Politics*, 15 (1992), 93-106.
2. R. Koole, 'The Vulnerability of the Modern Cadre Party in the Nether-

- lands', in: R. Katz and P. Mair, eds., *How Parties Organize: Change and Adaptation in Party Organizations in Western Democracies*, London, 1994, 278-303.
3. M. Gallagher, M. Laver and P. Mair, *Representative Government in Modern Europe*, New York, 1995 (second edition), 247.
  4. G. Irwin and K. Dittrich, 'And the Walls Came Tumbling Down: Party Dealignment in The Netherlands', in: R.J. Dalton, S.C. Flanagan and P.A. Beck, eds., *Electoral Change in Advanced Industrial Democracies*, Princeton, 1984.
  5. Koole, *op.cit.*, 280.
  6. G. Voerman, 'De ledentallen van politieke partijen', in: *Jaarboek 1995 Documentatiecentrum Nederlandse Politieke Partijen*, Groningen, 1996, 192-206; see also: P. Mair, 'Party Organizations: From Civil Society to the State', in: Katz and Mair, *op.cit.*, 1-22.
  7. S. Wolinetz, 'Internal Politics and Rates of Change in the Partij van de Arbeid, 1957-1994', in: *Jaarboek 1995 DNPP*, Groningen, 1995, 113-126; Koole, *op.cit.*, 279.
  8. A.C. Tan, 'Party Change and Party Membership Decline: An Exploratory Analysis', in: *Party Politics*, 3 (1997), 363-377.
  9. R. Michels, *Political Parties*, London, 1962 (originally: *Zur Soziologie des Parteiwesens in der modernen Demokratie*, Leipzig, 1911).
  10. I would like to thank Paul Lucardie for his comments and suggestions on an earlier version of this paper. The usual disclaimer applies.
  11. Michels, *op.cit.*, 62-65.
  12. *Ibidem*, 65.
  13. H. Kitschelt, *The Logics of Party Formation: Ecological Politics in Belgium and West Germany*, Ithaca, 1989, 69.
  14. A.C. Tan, 'The Impacts of Party Membership Size: A Cross-National Analysis', in: *Journal of Politics*, 60 (1998), 188-198.
  15. Wolinetz, *op.cit.*, 120.
  16. A. Panebianco, *Political Parties: Organization and Power*, Cambridge, 1988, 189.
  17. Michels, *op.cit.*, 61.
  18. J.D. Ford, 'The Administrative Component in Growing and Declining Organizations: A Longitudinal Analysis', in: *Academy of Management Journal*, 23 (1980), 415-630.
  19. J.E. Tsouderos, 'Organizational Change in Terms of a Series of Selected Variables', in: *American Sociological Review*, 20 (1955), 206-210; see also: J.H. Freeman<sup>7</sup> and M.T. Hannan, 'Growth and Decline Processes in Organizations', in: *American Sociological Review*, 40 (1975), 215-228; J.D. Ford, 'The Occurrence of Structural Hysteresis in Declining Organizations', in: *Academy of Management Review*, 5 (1980), 589-598.
  20. Ford, 'The Occurrence of Structural Hysteresis in Declining Organizations'.

21. S. Scarrow, 'The Organization of Party Membership: How Functions Shape Form'. Paper presented at the Workshop on Democracies and the Organization of Political Parties, ECPR Joint Sessions, University of Limerick, Ireland, 30 March - 4 April 1992, 36.

22. P.M. Blau, 'A Formal Theory of Differentiation in Organizations', in: *American Sociological Review*, 35 (1970), 201-218; see also: P.M. Blau and R. Schoenherr, *The Structure of Organizations*, New York, 1971.

23. Ford, 'The Administrative Component in Growing and Declining Organizations', 618; see also: Freeman and Hannah, *op.cit.*.

24. S. Beer, *British Politics in the Collectivist Age*, New York, 1969, 418.

25. Zielonka-Goei, *op.cit.*, 474.

26. P. Selle and L. Svasand, 'Membership in Party Organizations and the Problem of Decline of Parties', in: *Comparative Political Studies*, 23 (1991), 459-477.

27. The International Comparative Political Parties (ICPP) Project is a cross-national data collection project on 147 parties in 53 countries that existed during 1957-1962, see Kenneth Janda, *Political Parties: A Cross-National Survey*, New York, 1980. Katz and Mair's Party Organizations Project is a data collection project focused on parties in 12 Western democracies. Like the ICPP project, the Party Organizations Project focused on collecting party level variables. Unlike the ICPP project which focused on secondary sources, however, the Party Organizations data are based on official party documents.

28. Janda, *op.cit.*, 98.

29. For details on the coding procedures, see Janda, *op.cit.*, 98-102. For the indicator 'structural articulation', I simplified Janda's three-dimensional 11-point scale to a 6-point scale based on two dimensions of the number of identifiable national organs and clarity of functional responsibilities. The recoded schemes give low scores to lesser national organs and vague functional responsibilities between the national organs. I recoded Janda's score for all 23 parties in the sample based on the following scheme:

ICPP	This study
0	0
1	1
2 or 3	2
4 or 6	3
5 or 7	4
8 or 10	5
9 or 11	6

30. It is important to note that the ICPP project uses secondary sources while the Katz and Mair uses official sources.

31. Janda, *op.cit.*, 108.

32. Note that this is different from how I operationalized the variables in the earlier study but it should not substantially affect it.

33. Beer, *op.cit.*; Zielonka-Goei, *op.cit.*.

34. H.E. Alexander, *Comparative Political Finance in the 1980s*, Cambridge, 1989; J. Mendilow, 'Public Party Funding and Party Transformation in Multiparty Systems', in: *Comparative Political Studies* 25 (1992), 90-117; K.-H. Nassmacher, 'Structure and Impact of Public Subsidies to Political Parties in Europe: The Examples of Austria, Italy, Sweden and West Germany', in: H.E. Alexander, ed., *Comparative Political Finance in the 1980s*. Cambridge, 1989, 236-267.

35. Koole noted that approximately 10 to 20 percent of party expenditures in the Netherlands are covered by state subsidies. More importantly, the indirect nature of state subsidies in the Netherlands has not prevented parties from using funds to research foundations for other party activities (Koole, *op.cit.*, 1989, 210).

36. In an earlier study, I used 21 indicators from the Party Change Project to construct an index of 'party professionalization'. However, since the Party Change Project in its current phase does not include the Netherlands, through the collaboration of Paul Lucardie at the Documentation Center for Dutch Political Parties, a survey was held among Dutch political parties represented in parliament on October 1997 and questionnaires were duly returned by January 1998.

Of the parties surveyed, only the PvdA and the VVD are included in this study. In order to ensure that party professionalization scores among the seven Dutch parties in this study are comparable, I used a surrogate variable that measures the number of staff in the party head office. For both the PvdA and the VVD, the combined correlation between the number of party staff and the level of party professionalization (as measured using 21 indicators from the survey) is a relatively high 0.65. Using the index from the professionalization survey as a control variable for the regression equation for the PvdA does not yield a substantially different result, that is, the coefficient estimates that are significant (party size and subsidies) remain statistically significant.

37. The definition and the operationalization of the variable 'organizational complexity' is important to note here because by the way the indicators are coded some of the changes that other scholars have observed may not be detected. The problem with studies in party organization is that scholars use different definitions of what they mean by organization.

38. Koole, 'The Vulnerability of the Modern Cadre Party in the Netherlands', specifically 280.

39. In fact, when one examines Katz and Mair's Party Organization data book, Dutch political parties have the same organizational chart (or organigram) despite differences in party ideology.

40. S. Scarrow, *Parties and Their Members*, Oxford, 1996.

41. Selle and Svasand, *op.cit.*.

42. J. Pfeffer and G.R. Salancik, 'The Design and Management of Externally Controlled Organizations', in: D.S. Pugh, ed., *Organization Theory: Selected Readings*, London, 1990; see also Ford, 'The Occurrence of Structural

Hysteresis'.

43. Wolinetz suggested that the presence of factions in the PvdA may have slowed down or halted organizational changes in the party. However, by 1986 the power of radical factions had dissipated, permitting changes to be approved without substantial opposition. See Wolinetz, *op.cit.*.

44. See Koole, 'The Vulnerability of the Modern Cadre Party in the Netherlands', 286. Though the decline in the number of branches may be considered a change in the extensiveness of political parties in itself, it is not coded as such when one uses the Janda's ICPP coding scheme for variable 8.03 (See Janda, *op.cit.*, 102). The decline in the number of branches may not reflect a withdrawal from parts of the country but simply a consolidation of some offices or the closure of overlapping and duplicating branches. Janda's coding scheme awards political parties the highest possible code if parties are represented throughout the country.

45. Koole, *ibidem*. While those structures may be present, they may not be active at all. Zielonka-Goei points to the fact that many local branches of Dutch political parties hardly hold any meetings and if they do, hardly anybody attends. As she comments, parties seem to be satisfied that structures and rules exist, and whether one uses them or not is another question altogether. See Zielonka-Goei, *op.cit.*.

46. Koole, 'The "Modesty" of Dutch Party Finance', 202.

47. Zielonka-Goei, *op.cit.*, 102. Koole commented that 'more than ever [Dutch parties are] confronted with tasks of educating members and citizens and persuading voters in a very competitive environment'; see Koole, 'The "Modesty" of Dutch Party Finance', 203.

48. The process of candidate selection is quite decentralized, giving more power to regional bodies, as described by Koole. If we used Janda's coding scheme however, there seem to be some marginal changes in some parties towards some level of centralization from the 1960s onwards. Yet these changes are very slight. However, because we are using an index here, some changes may be compensated by some other changes. With respect to selection of national leaders, no changes have occurred in any major Dutch party.

It is important to note here that the change or absence of change in the variables may be an artifact of how the indicators are coded. Moreover, the definitions used by various authors with regard to these variables differ.

49. Indeed in a recent survey of party members, members of the CDA (which was merger of the ARP, CHU, and KVP) have indicated that their party is the least participatory party when compared with the PvdA and the VVD.

50. Because Dutch parties are heavily dependent on membership dues, the decline in party membership size 'called for a rationalization of the use of the available funds as well as for new resources' (Koole, 'The "Modesty" of Dutch Party Finance', 205). As a consequence, the parties became increasingly centralized.

51. Wolinetz, *op.cit.*.



52. Tan, 'Party Change and Party Membership Decline', 372.
53. However, in 1997 the Dutch government proposed more direct state funding for parties.
54. Koole, 'The "Modesty" of Dutch Party Finance', 210.
55. See Panebianco, *op.cit.*, 190.