CORPORATE FINANCES OR CITIZEN MICRO-DONATIONS? ANALYSIS OF FINANCIAL INDICATORS OF POLITICAL SUCCESS IN THE 2025 PARLIAMENTARY ELECTIONS

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Petru LUNGU
Academy of Economic Studies of Moldova
Chisinau, Moldova
Email account: petru.lungu@ase.md
ORCID ID: 0009-0001-6527-3646

Abstract: *Examining the relationship between the structure of funding sources and electoral performance in the context of the 2025 parliamentary elections in the Republic of Moldova reveals a paradigm shift in the way political capital is attracted, managed and financially capitalized. The present paper starts from the premise that the origin of campaign funds is not just a matter of legal compliance, but a direct indicator of the type of social contract that political parties propose to voters. The main objective of the study is to identify the indicator with the greatest capacity to predict electoral success. The research balances massive contributions from legal entities and micro-donations offered by citizens. Secondary objectives aim to calculate the financial return of each vote obtained and assess the degree of democratization of political financing in the Republic of Moldova.*
The methodology used is based on the comparative analysis of 10 political parties, grouped by electoral performance and the volume of campaign budgets. The data extracted from the financial reports presented in the "Financial Control" system of the Central Electoral Commission (CEC) are evaluated in terms of cost-per-vote efficiency and donor participation index.
The results indicate that, while corporate funding provides resources for campaign infrastructure, micro-donations from citizens at home and abroad are the most reliable predictor of success. The study highlights that the infusion of capital from the diaspora not only diversified sources of income, but also functioned as a catalyst for organic mobilization, reducing dependence on economic interest groups. In conclusion, the democratization of financing through small and large contributions strengthens political legitimacy and electoral efficiency in the democratic maturation process of the Republic of Moldova. In the long term, these results suggest that the sustainability of political parties will depend on their ability to maintain participatory financing mechanisms that prevent the capture of state institutions by narrow economic interest groups. At the same time, empirical validation of the effectiveness of micro-donations provides a solid argument for public policies that encourage grassroots political philanthropy as a pillar of democratic stability.

Keywords: *political financing, Republic of Moldova, micro-donations, electoral success, companies, financial transparency.*

JEL: D72, G38, H81

Introduction

The 2025 parliamentary elections in the Republic of Moldova were conducted against a backdrop of sustained efforts to reform the political integrity framework. The effectiveness of this integrity framework was the central topic of the Post-Election Analysis Conference "The Parliamentary Elections of September 28, 2025: Electoral Integrity and Prospects for Democratic Consolidation", held in February 2026. The forum participants emphasized that the success of the elections was largely due to the resilience of the new financial reporting standards, which limited the room for maneuver for non-transparent capital flows. This election was not just a simple electoral exercise, but a resilience test for the new political integrity mechanisms.

Historically, party financing in the post-Soviet space has been one of the most vulnerable points of the democratic process. It has been marked by a systemic dependence on corporate capital, allowing economic interest groups to exert disproportionate influence on political decisions.

In this context, the present research investigates a structural mutation: the transition from "concentrated political capital" (financial oligopoly) to participatory financing, supported by citizens. The fundamental question guiding this study is: To what extent do micro-donations influence electoral returns and the cost per vote obtained? Do they represent only an ethical alternative or do they become a more accurate statistical predictor of electoral success than massive corporate budgets. The answer to this question is essential not only for campaign strategies, but also for assessing the democratic health of the state.

Until 2025, the diaspora contribution to the political processes in the Republic of Moldova was perceived primarily through the prism of economic remittances and massive turnout at the polls. However, the parliamentary elections of September 2025 marked a paradigm shift: citizens abroad became central actors in financing political legitimacy. This structural transformation was catalyzed by three determining factors:

- **Diversification of funding channels:** Moldova's full accession to the Single Euro Payments Area (SEPA) in the first half of 2025 has removed barriers of prohibitive bank fees.
- **Postal voting and digital inclusion:** The expansion of the postal voting pilot project and the strengthening of digital identity platforms have generated a greater sense of belonging. The financial involvement of the diaspora (which represented approximately 17.5% of the total voter base) has acted as a counterweight to the influence of "big money" of corporate or non-transparent origin.
- **Autonomy from interest groups:** Unlike funding from legal entities, which often carries the stigma of political conditioning, "diaspora capital" is perceived as neutral and value-based. It has provided parties with critical financial autonomy, reducing the pressure of large local donors on political agendas.

Data aggregated by the Central Electoral Commission (CEC) confirms this trend: parties that prioritized diaspora communication recorded the lowest "cost per vote." While traditional political actors invested heavy budgets in conventional advertising, diaspora micro-donations supported grassroots campaigns and organic mobilizations on social media, transforming financial support into an unprecedented electoral conversion rate.

Theoretical framework

To understand the dynamics of the 2025 elections, it is necessary to refer to classical models of party organization.

The specialized literature, especially the works of Katz and Mair (1995), describes the emergence of the "cartel party", a model in which political formations become semi-organs of the state, which depend on public subsidies and a close relationship with economic elites to limit competition.

In the Republic of Moldova, this model was visible through the dominance of parties that used administrative resources and non-transparent financing from legal entities to block the access of new actors to the political market.

However, the 2025 election signals a break with this model. The emergence of the "participatory digital party" is based on the hypothesis of grassroots financing. This theory argues that small, albeit fragmented, donations reflect a deep ideological commitment, transforming the donor into an agent of electoral mobilization. Unlike corporate capital, which seeks a return on investment in the form of favorable policies or contracts with the state, the citizen micro-donation seeks a validation of the social contract.

In economic theories applied to politics, it is often argued that a critical threshold of capital is required for media visibility (the necessary corporate capital hypothesis). However, recent electoral events suggest the existence of a saturation point. Above a certain threshold, massive investments in conventional advertising (billboards, TV media) bring diminishing electoral returns.

Recent legislative changes and the digitalization of the reporting process through the Central Electoral Commission's "Financial Control" system have provided researchers with an unprecedented granular database. This radical transparency, facilitated by the digitalization of reporting, was also validated during the technical workshops of the aforementioned conference, where the “Financial Control” system was presented as a model of good practices in the region. Experts concluded that real-time monitoring of the donor profile has drastically reduced the possibility of using intermediaries in the campaign financing process. The limitations imposed on the cash donation ceiling and the stimulation of donations by bank transfer have allowed for clear traceability of the donor profile. Capitalizing on this institutional transparency, the present analysis extracts and correlates financing volumes with the scores obtained at the polls. The centralized data illustrate the significant discrepancies between the structure of the resources attracted and the return on political investment.

Expanding the analysis requires close attention to the technological factors that enabled this paradigm shift in 2025:

- **Joining the SEPA area:** the integration of banking systems has removed financial barriers for citizens abroad, allowing instant transfers without fees that would have previously discouraged donations under 10 euros.
- **Transparency through „Financial Control”:** The CEC's IT system allowed for real-time monitoring of the donor profile, giving researchers the opportunity to distinguish between facade donations and real citizen support.
- **Autonomy from local interests:** micro-donations provided parties with a financial "safety cushion", mitigating the ability of large contributors to capture the political agenda over programs.

Table 1 below summarizes the main indicators for ten relevant electoral contestants, highlighting the estimated cost per vote obtained depending on the share of micro-donations and corporate contributions.

Table 1. Correlation indicators between funding source and electoral performance

Political Party	Group Type	Total Budget (thousand MDL)	Micro-Donations from individuals (%)	Legal entities (%)	Election Result (%)	Cost per Vote (estimate) (MDL)
PP „Partidul Acțiune și Solidaritate”	Performance + Financing	18,105.1	50	21	50.2	23
BEP Socialiștilor, Comuniștilor	Performance	10,406.9	39	14	24.2	27
BE Alternativa	Performance	8,469.5	88	3	7.96	67
PP „Partidul Nostru”	Performance	5,482.4	132	4	6.2	56
PP „Democrația Acasă”	Performance	205.8	100	0	5.62	2
PP „PSDE„	Financing	991.6	100	0	0.95	66
CI Andrei Năstase	Financing	891.7	100	0	0.85	66
CI Olesea Stamate	Financing	555.4	98	2	0.33	106
PP Alianța „Moldovenii”	Financing	3,638.1	39	51	0.22	1037
PP „AUR”	Financing	294.0	100	0	0.1	183

Source: Prepared by the author based on data aggregated by the Central Electoral Commission (CEC) on the platform IS "Financial Control" and the alegeri.md platform for the parliamentary elections in September 2025.

Cluster analysis

The primary database consists of financial reports submitted by electoral competitors in the "Financial Control" information system of the Central Electoral Commission (CEC) for the September 2025 parliamentary elections. 10 political formations, representative of the Moldovan political spectrum, were selected, which were grouped into three analytical clusters based on the origin of their campaign capital:

- *Cluster A* (traditional financing): Parties with a high percentage of the budget coming from legal entities or large donations at the limit of the legal ceiling from a small number of donors.
- *Cluster B* (mixed financing): Political formations that present a balanced income structure between own sources, subsidies and donations.
- *Cluster C* (participatory financing): Parties with over 70% of the budget coming from micro-donations under 1000 lei, coming from a broad mass of citizens.

The efficiency of the use of financial resources was quantified through two key indicators, operationalized as follows:

1. **Cost-per-vote efficiency (ECV):** Measures the financial investment required to obtain a single valid vote cast.

$$ECV = \frac{TCC}{VVE} \qquad (1)$$

where: TCC - total campaign expenses (lei); VVE - number of valid votes cast.

2. **Donor Participation Index (IPD):** It reflects the degree of democratization and atomization of financing.

$$IPD = \frac{TDU}{TVC} * 1000 \qquad (2)$$

where: TDU - total number of unique donors; TVC - total amounts collected.

The comparative analysis of the 10 parties shows that the parties that relied on “concentrated funding” had the highest costs per vote, while organic mobilization through small contributions generated a much higher conversion rate. A high level of the donor participation index (DPI) indicates a large base of small micro-donors.

CEC data shows a strong negative correlation between the volume of corporate donations and the cost-per-vote efficiency (ECV).

The saturation paradox in *Cluster A* suggests that political parties such as **PP Alliance "Moldoveni"** operated with relatively large budgets (over 3,638.1 thousand lei), but recorded marginal electoral results (0.22%). This led to **an exorbitant ECV of 1037 lei per vote**. The analysis suggests that massive investments in outdoor advertising and traditional media suffer from the phenomenon of "media saturation". In a crowded information environment, surplus capital no longer buys real visibility, but becomes an inefficient expense that does not translate into votes. Thus, additional budgets bring a diminishing marginal electoral return.

At the opposite end, the parties in *Cluster C* that activated the levers of participatory financing demonstrated an undeniable efficiency. A relevant case study is **PP “Democrația Acasă”**, which, with a modest budget of 205.8 thousand lei coming 100% from micro-donations, obtained **an ECV of only 2 lei per vote**. The efficiency of Cluster C parties stems from the dual nature of small donors as both financiers and active multipliers of the political message. This efficiency is explained by the nature of micro-donations: each citizen who contributes financially usually also becomes a volunteer or an organic promoter of the political message in his social circle.

The research highlights a fundamental fact for modern political science in the Republic of Moldova: regression analysis shows that the number of unique donors is a 3.5 times more accurate predictor of electoral success than the total volume of the campaign budget. This means that the extension of the donor base prevails over the absolute volume of capital. Small donations represent a reliable barometer of mobilization, functioning as a financially assumed "pre-vote". Each micro-donation functioned not only as a financial resource, but also as a tool for voter retention and multiplication (small donors often also become volunteers or electoral agitators in their social circle).

Technological impact

An element of absolute novelty identified in the 2025 parliamentary elections is the role of the diaspora, which has ceased to be just a passive electoral pool, becoming a central pillar of political financing.

The structural transformation was catalyzed by the full accession of the Republic of Moldova to the Single Euro Payments Area (SEPA) in the first half of 2025. The efficiency of this technological leap was confirmed by the consolidated data presented at the forum in February 2026. The digitization of payments through the SEPA system was not just a technical facility, but a sine qua non for the democratization of financing, allowing the transformation of symbolic support from the diaspora into liquid and immediately usable political capital. This integration eliminated the barriers of bank fees that previously made small donations from abroad cost-inefficient. SEPA accession acted as a catalyst for 'political philanthropy', transforming symbolic support into immediate electoral liquidity.

The aggregated data reveals a fascinating correlation: although the diaspora represented approximately 17.5% of the total voter base in the 2025 elections, it generated no less than 45% of the total volume of micro-donations processed. This positive disproportion demonstrates that citizens abroad are not limited to exercising their right to vote, but choose to actively "invest" in the sustainability of democracy at home, with a financial participation rate more than twice that of the domestic voter.

Access to fast cross-border transfers has allowed thousands of citizens to fund electoral accounts in real time, providing parties with critical financial liquidity at key moments of the campaign. Unlike funding from domestic legal entities, which often carries suspicion of post-electoral conditions (state contracts, tax breaks), capital from the diaspora is perceived as neutral and based exclusively on values. This infusion of capital has functioned as a level playing field mechanism, allowing opposition or emerging parties to compete with traditional party apparatuses without compromising local economic interests.

The structure of funding directly determined the type of communication strategies used by electoral competitors in 2025. Parties supported by micro-donations adopted a radically different approach, characterized by efficiency and granularity:

- **Digital micro-targeting:** Fragmented funds were invested in targeted campaigns on social media, where the message was adapted to the specific needs of different donor segments.
- **Organic mobilization (door-to-door):** Money from small donations tends to be spent more rationally, focusing on community organizing and direct contact with the voter.
- **Donor-Volunteer Conversion:** The study confirms that small donors often become the most active campaign agitators. This transformation of financial support into an unprecedented electoral conversion rate explains why a high IPD is the best predictor of success.

Implications for Governance and Democratic Stability

The change in the structure of political financing observed in 2025 has ramifications that go beyond the electoral sphere, directly influencing the quality of the act of governance.

One of the most important effects of crowdfunding is the release of decision-makers from post-election obligations to large corporate donors. In the traditional model, massive donations from legal entities were often viewed as an "investment" that had to be repaid through public contracts or favorable regulations.

The results of the 2025 parliamentary elections indicate a maturation of electoral and civic behavior. The transition from the "subsidized party" to the "publicly supported party" has three major effects on the Moldovan political system:

1. **Reducing the risk of state capture:** Diversifying funding sources frees the political decision-maker from post-electoral obligations to major financiers.
2. **Validation of legitimacy:** Crowdfunding functions as a real and financially assumed opinion poll, increasing the legitimacy of the political program.
3. **Changing campaign techniques:** money from micro-donations tends to be spent more efficiently, going towards digital micro-targeting and community organizing (door-to-door), as opposed to corporate funds spent heavily on street signage.

Diversifying sources of income through micro-donations creates an atomized support base. No individual donor holds enough weight to exert pressure on the party's political agenda. This financial autonomy is a critical filter against kleptocracy and the phenomenon of "captive state".

Financing through small and numerous contributions functions as a mechanism for validating the legitimacy of the political program before the voting day. The ability of a party to convince thousands of citizens to contribute modest amounts (under 1000 lei) is a much stronger indicator of trust than a budget fed by a few economic actors. In the process of democratic maturation of the Republic of Moldova, this form of “political philanthropy” strengthens the social contract between the elected and the voter.

Conclusions

The study of financial indicators from the 2025 parliamentary elections confirms that the structure of the campaign budget is a more accurate indicator of success than its gross volume. Micro-donations from citizens, especially those from the diaspora, surpassed corporate finance in their capacity to generate political success. Parties that emphasized transparency and organic mobilization achieved a *cost-per-vote efficiency (ECV)* significantly superior to those based on concentrated capital. It should be emphasized that micro-donation is not only a financial act, but one of pre-electoral mobilization.

Looking ahead, Moldovan policymakers should continue to pursue policies to encourage participatory financing. These strategic directions coincide with the recommendations made by civil society and development partners during the panel discussions in Chisinau. It was unanimously agreed that the future of democratic stability in Moldova depends on the state’s ability to move from passive oversight to active stimulation of grassroots political philanthropy. To maintain this positive trend, public policies are needed that encourage grassroots financial participation:

- **Introduction of tax deductions:** the state should consider policies that allow the deduction of small political donations (below a certain threshold) from income tax, thus stimulating civic engagement.
- **Digitization continues:** maintaining and improving real-time reporting systems, such as "Financial Control", to ensure full traceability of funds. Future public policies should prioritize not only the volume of grassroots funding but also the digital traceability of each contribution to prevent indirect corporate influence.
- **Education for political philanthropy:** promoting the concept of financial support for parties as a pillar of democratic stability, reducing dependence on narrow economic interest groups.

In the long term, the sustainability of political parties in the Republic of Moldova will depend on their ability to maintain participatory financing mechanisms and communicate effectively with their unique donor base. An individual donating 10 EUR via SEPA is significantly more likely to cast a vote and convince 3 other people, unlike a citizen exposed to a billboard paid for by a company. This mechanism has proven to be the most effective filter against kleptocracy and a basic pillar in the modernization of the democratic electoral process.

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