



összefogás az átláthatóbb kampányfinanszírozásért

joint initiative for a more transparent campaign financing system

An Untenable Situation

During the Spring 2006 elections the five parties now sitting in parliament spent, according to conservative estimates, close to HUF 7,3 billion on their campaigns, with the two largest parties overspending the legal limit of HUF 386 million by as much as tenfold.

While the abuse of the current laws on party- and campaign financing by the parties seriously undermines public trust in Hungary's democratic institutions, it has also become clear that the law in itself generates corruption as it sets unrealistically low limits on campaign spending without providing efficient oversight and enforcement mechanisms. Consequently, there is a need for far reaching reform of the relevant laws on party- and campaign financing to enable the transparent and legal funding of political campaigns on the one hand, and to ensure that those who violate the law are sanctioned appropriately and without exception, on the other.

The aim of the organizers is to raise public awareness of the acute problems of the current practice and the accompanying legal framework, highlight the untenability of the present situation, and to present a list of proposals that would address these shortcomings and improve the situation.

The goal is to contribute to the emergence of genuinely informed public pressure on the parliamentary parties to finally enact a reform package along these proposals.

Campaign Financing by Numbers

Did you know? – The current legal framework regulating campaign financing is clearly inadequate to ensure transparency and accountability in the competition between political parties. Here are ten stunning facts about campaign financing:

1. According to the current laws, parties can spend around **HUF 400 million** on their election campaigns.
2. Placing a single, 1,5-minute ad on television costs around **HUF 1,5 million** in Hungary.
3. According to estimates, the parties currently in parliament spent close to **HUF 7,3 billion** on their campaigns during the 2006 national elections.
4. In election years, parties spend around **500% more** on advertising than in other periods.
5. Currently, **nothing prevents** the participation of ministries, and other publicly-funded institutions in the campaigns.

6. Commercial media can **freely provide discounts** to political parties without revealing the extent of these discounts, potentially harming the principle of equal playing field during the elections.
7. According to experts, **9 forints out of 10** are channeled to party campaigns through potentially illegal channels and from potentially illegal sources.
8. The money spent by parties on campaigns **doubles every four years**.
9. In 2010, parties could spend as much as **HUF 15 billion** on their campaigns
10. **Only 16% of Hungarians** today believe that the parties respect the laws governing their operations.

The Solution

Ultimately, it is only the parties themselves, sitting in parliament, who can improve on the current situation and make their campaigns transparent and fully conform to the law. It is up to them to enact new legislation that would close the loopholes and curb the opportunities for corruption. Above all, the following measures are essential for more transparency and accountability:

1. Introduce the designated “Campaign Account”!

There must be a single, designated bank account from which all campaign spending must be conducted. All credits and withdrawals from this account must be fully verified and made public. Every item related to the campaign must be paid directly from this account and this account only.

2. Increase the ceiling for campaign spending!

Parties should be able to spend ten times more on their campaigns than the current limit, but all spending must be transparent and verifiable and more severe sanctions should be applied to those who overspend.

3. Shorten the campaign period!

Campaign activities should only be allowed during a 60-day period before election day. Political advertising must be allowed only during this period.

4. Strengthen oversight of campaigns!

The State Audit Office must have full access to and oversight of the campaign accounts. The SAO must also have full authority to sanction overspending and campaign activities outside the designated 60-day campaign period. The SAO should use the full extent of its jurisdiction to uncover and sanction wrongdoing during the campaigns.

www.kampanyfinanszirozas.hu