



Improve the Transparency of Political Media Campaigns!

Our main proposals:

- **In the new campaign financing system, it is necessary to harmonize the inconsistent rules with regards to the application of the rebates that media can give to political actors. Alternatively, the discounts must be banned entirely**
- **During the campaign periods, broadcasters should be obliged to release all the information on political advertisement revenues within 30 days after Election Day.**

There is no reform without transparency. One of the most enduring moot issues of campaign expenditures is the political actors' connection with mass media, which also remains hard to monitor. Although lower-budget campaigns seeking low-cost advertising through internet-based solutions lead to an increase of direct voter contact through various levels of communication, heavy reliance on broadcast media (television and radio advertisements), as well as the use of public space and traditional ATL campaign methods are still preferred by the political actors.

Under the relevant provisions in force the campaign spending limit hardly exceeds HUF 400 million for the parties that make full use of the option of nominating candidates. This amount is supposed to be enough to cover the endless series of mass events and regular media appearances, when placing a half-a-minute-spot on television costs millions of forints. According to independent estimates, parties spend as much as 500% more on advertisement during campaign periods than usually, which is certainly stretching the limits of the legal framework. In 2006,

parties' spending on advertisement was more than HUF 7.3 billion during the 72-day-period of the legislative election campaign alone

DECLARED ADVERTISEMENT COSTS OF THE 2006 LEGISLATIVE ELECTION

Party	<i>declared ad spending</i>	<i>estimated ad spending</i>	<i>list price ad spending</i>
MSZP	401	909	1180
Fidesz-KDNP	401	769	1871
SZDSZ	464	338	878
MDF	306	261	630
MIÉP/Jobbik-Harmadik Út	no data	15	35
Munkáspárt	32	12	29
Centrum	no data	7	14

(in HUF million) Sources: HVG, TNS Media Intelligence, party declarations and reports

List price, discounts and rebates

Under the provisions of the media law, commercial media may sell airtime for political advertisements beyond the allowed airtime they can sell for advertisements. It is suspected therefore that these media made significant discounts to the parties, well below the list price, or even the usual media buying price (net price). The relevant provisions only mention that “it is at the discretion of the broadcasters to create equal conditions with regards to the ads of all the political candidates”. As there is no strict regulation regarding the potential discounts and preferential pricing for the political actors, campaign fairness and transparency undoubtedly suffer. There is no guarantee for equal opportunities for the parties, neither for the transparency of expenditures as the various media channels only randomly volunteer to release the campaign spending figures.

**PARTIES' ADVERTISEMENT SPENDING ON RTL KLUB IN THE 2006 LEGISLATIVE ELECTION
CAMPAIGN
(LIST PRICE, WITHOUT DISCOUNTS)**

Party	February	March	April
MSZP	0.00	65.44	83.34
Fidesz	40.6	48.79	28.92
SZDSZ	30.15	27.75	17.1
MDF	0.00	13.17	19.41

(in HUF million) Source: R-Time sales group

In the new campaign financing system the harmonizing of inconsistent rules is necessary with regards to the application of the discounts and rebates that media can give to political actors. Alternatively, the discounts should be banned entirely. In terms of transparency and equal opportunities, it is irrelevant whether political parties carry on their campaign activities in the paid media or restrict campaigning to the public media. What matters is that the same advertising airtime buying conditions must be applied by all broadcasters to all parties. The stricter regulation may be also supplemented with the obligation of broadcasters to release all the information on advertisement revenues from such sources, 30 days after Election Day.