

Costs of political campaigns in Slovakia



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ABSTRACT: Modern democratic election campaigns in Slovakia have almost 20 years of tradition. The aim of the article is to familiarize the reader with brief analysis of legislative framework of all types of election campaigns (presidential elections, parliamentary elections, the European Parliament elections, self-governing region elections, municipal elections and referendum) together with structural analysis of election costs in parliamentary elections in 2006. At the same time, we evaluated the effectiveness of election costs from various points of view: costs of the election campaign for 1 obtained vote; costs of the election campaign for 1 obtained seat in the Parliament; overall income from the state budget for the political party in relation to means invested in a campaign.

KEYWORDS: campaign costs, election legislation, political advertising, campaign effectiveness, cost structure



INTRODUCTION

The article is concerned with various views upon costs of the election campaign in the Slovak Republic. It offers a basic review of legislative frames of marketing activities of political parties and candidates in connection with presidential elections, parliamentary elections, the European Parliament elections, self-governing region elections, municipal elections and referendum. On the example of the Slovak parliamentary elections in 2006, it offers a concise analysis of costs of parliamentary election campaign from the point of view of overall amount and internal structure. It evaluates and compares the effectiveness of financial means spent from the points of view of costs on one gained vote, one obtained parliamentary seat and on the direct financial income of the political party for the results in elections during one election period.

It will be pointed out that the various tools of political marketing are the most obvious in election campaign. Election campaign is a period when political parties and candidates communicate with voters intensely, attempt to maintain, mobilize and motivate convinced voters and to gain the greatest share within the group of undecided voters. One of the most important factors when implementing an effective election campaign is legislative environment adjusting campaign, amount of

money, which political parties or candidates are able or willing to pay and internal structure of the costs.

In our article we offer a survey of legislative frameworks in various types of election in the Slovak Republic, especially from the point of view of the limits of the campaign costs, duration of campaign and moratoria concerning opinion polls and political advertising. In the next part we will analyse election costs of parliamentary political parties in the Slovak elections in 2006. Several views on effectiveness of election campaign of individual subjects will be provided as well.

LEGISLATIVE FRAMEWORK OF ELECTION CAMPAIGNS IN SLOVAKIA

Parliamentary elections

Usually, once in 4 years, in the elections to the National Council of the Slovak Republic (Parliament), 150 deputies are elected in the proportional election system. Elections last one day. Election campaign lasts 21 days prior to elections, campaign expenditures are not limited (until 2006 elections the limit was 369 000 €; 1 € = 32.5 Slovak crowns). Opinion polls cannot be published on the election day. Contesting political parties have 30 minutes for their presentations in public service Slovak Television and Slovak Radio. It is accomplished by means of moderated pre-election discussions. Political parties can use also private electronic media. Political party has to submit to the Ministry of Finance of the Slovak Republic 2 reports about election costs: preliminary one – for the period from the election announcement until beginning of the campaign, final one – for the whole period from the announcement until the election day. Contesting political parties and movements have to pay election bail amounting to 15 400 €, which is returned only in case of 2% votes gained in the elections.

Presidential elections

The presidential elections in the Slovak Republic occur once in 5 years. If in the first round none of the candidates receives more than 50% of votes, two candidates with the highest number of votes go to the second round. The candidate with the higher amount of votes in the second round becomes the President. Election campaign begins 15 days prior to elections, and for the second round it begins at the moment of announcing the first round results. Campaign ends 48 hours before the beginning of elections (in both rounds). Campaign is permitted in public services and private media. Opinion polls cannot be published 3 days before the beginning of elections. Expenditures of candidate are limited by law to 123 000 €.

European Parliament elections

European Parliament elections take place once in 5 years. From 2009 the Slovak Republic will have 13 Members in the European Parliament. The election campaign

begins 21 days before the elections, the law does not specify neither election moratorium nor campaign expenditures. Public opinion surveys cannot be published on election day.

Self-governing region elections

Once in 4 years, in self-governing region elections, 8 chairmen and various numbers of deputies of the self-governing region are elected. Election campaign begins 17 days before the elections and ends 48 hours prior to elections. The law does not specify neither campaign expenditures nor pre-election public opinion surveys.

Municipal elections

In municipal elections, mayors and municipal deputies are elected once in 4 years. Election campaign begins 17 day before elections and ends 48 hour before the start of the elections. Opinion polls cannot be published later than 7 days before the elections. The law does not specify the limit of campaign costs.

Referendum

Campaign begins 12 days prior to the referendum day and ends 48 hours before the beginning of the referendum. Public opinion polls can be published at least 3 day before referendum. The law does not specify the limit of campaign costs. The features of campaign are analysed in Table 1.

Table 1. Election campaigns in Slovakia

Type of elections	Start of the campaign	End of the campaign	Opinion polls	Cost limits
Parliamentary elections	21 days prior to elections	no	not allowed during the election day	no
Presidential elections	– 15 days prior to elections – for the 2 nd round it starts after the first round	– 48 hours prior to elections – 48 hours prior to elections	3 days prior to elections	123 000 €
European Parliament elections	21 days prior to elections	no	not allowed during the election day	no
Self-governing region elections	17 days prior to elections	48 hours prior to elections	no limits	no
Municipal elections	17 days prior to elections	48 hours prior to elections	7 days prior to elections	no
Referendum	12 days prior to elections	48 hours prior to referendum	3 days prior to elections	no

Source: own table based on the Slovak election legislation.

SLOVAK PARLIAMENTARY ELECTIONS IN 2006

According to the latest Law on the Elections to the National Council of the Slovak Republic, each contesting political party has to submit two reports on election costs: preliminary – for the period from the election announcement until campaign beginning, final – for the whole period from the announcement until the election day. This fact allows us to analyse costs of individual political parties for the election campaign and, at the same time, we can compare their effectiveness from the point of view of election costs for one voter, election costs for one seat in the Parliament and compare quantifiable financial benefits that individual political parties gained in connection with the elections.

Election campaign in 2006 was rather peaceful and without any substantial emotions. SMER – Social Democracy (SMER-SD) was thematically distinguished from the government of Mikuláš Dzurinda, whereas Slovak Democratic and Christian Union – Democratic Party (SDKÚ-DS) dominated in terms of opinion polls and in the number of its ministries. On the other hand, SDKÚ-DS considered Robert Fico (SMER-SD) and accomplishing of his pre-election promises to be the greatest danger for the political and economic future of Slovakia. The themes and public presentation of the Christian Democratic Movement of Slovakia (KDH) and People's Party – Movement for Democratic Slovakia (ĽS-HZDS) were so non-conflicting, that with the exception of occasional disputes between these two parties, they did not attract any of the competing parties and thus, they were not made popular and interesting neither with media, nor with voters. Slovak National Party (SNS) and Party of Hungarian Coalition (SMK) performed their standard political fight primarily aimed at mobilizing of their own decided voters.

In the following text we will mention division of forms of marketing activities and calculations of costs for the election purposes of political parties which exceeded the threshold level necessary for entering the Parliament by 5%. Figures are obtained from the reports mentioned above from the Ministry of Finance of the Slovak Republic. The extent of processed information is dependent on the level of explicitness of submitted final reports.

In 2006 SMER-SD did not have an aggressive election campaign, as we might have witnessed it in the past. Campaign of SMER-SD was not emotionally saturated, more lively were only some of the TV discussions which the leader of SMER-SD Robert Fico participated in. SMER-SD made use of services of the company Up-town Production Ltd. in the campaign or it used its own party structure. SMER-SD spent altogether 1 320 000 € in 2006 campaign.

For purposes of opinion polls, evaluation of election campaign and testing of messages, party spent approximately 6000 €. Paid advertising in printed mass media cost 270 000 €, in electronic mass-media it cost approximately 65 000 €. SMER-SD paid 380 000 € for out-door advertising including posters, billboards and small prints, and 8000 € for travelling expenses. A very important item in campaign of

SMER-SD were personal meetings with voters that cost 590 000 € altogether. Final campaign meeting in Bratislava cost almost 83 000 €.

According to the report, SDKÚ-DS spent 1 600 000 € in election campaign in 2006. However, it did not spend any financial means on pre-election public opinion surveys. On paid advertising in printed mass media SDKÚ-DS spent 153 000 €, out of this 120 000 € were used for publishing of their own newspaper *Blue News*. However, according to the NGO called Fair-Play Alliance, SDKÚ-DS did not mention in the final report expenditures for national press advertising amounting to 71 000 €.

For the purposes of political advertising in electronic media, SDKÚ-DS made use of 290 000 €, out of which 99 000 € was spent on radio advertising, 179 000 € on TV advertising and 12 000 € was spent on CD and the Internet campaign.

The most important item in the expenditure structure in election campaign of SDKÚ-DS were out-door advertising and small gifts, that cost 1 000 000 €. SDKÚ-DS spent 41 900 € on travelling expenditures and renting “Blue Bus” and they spent 103 000 € on meetings with voters.

SNS made use of 385 000 € in 2006 campaign. For opinion polls carried out by the company LEADER – Centre of Political Research, SNS spent 31 500 €. Paid advertising in printed mass media cost SNS 36 000 €, on publishing its own election newspaper SNS spent 16 900 €. Campaign in electronic media cost only 16 000 €. On out-door advertising (billboards and posters) SNS spent 237 000 €. Travelling expenses related to the meetings were calculated in the amount of 6100 €, whereas printing of election material, flags, taking photos and other expenditures connected with campaign amounted to 55 500 €.

The amount of costs of SMK on election campaign in 2006 was 534 000 €. Before the elections in 2006, SMK did not carry out any opinion polls. SMK spent more than 125 000 € on paid advertising in printed mass media and 34 400 € on commercials on public service media. Election posters (including billboards) cost 195 000 €. Travelling expenses cost 14 900 €. An important event in the election campaign of SMK were meetings with voters – they cost 105 200 €, production of gifts cost 14 200 €, graphic and additional works cost 25 000 €.

LS-HZDS spent approximately 714 000 € on the election campaign in 2006. Before the elections in 2006, LS-HZDS did not carry out any opinion polls. LS-HZDS spent 100 000 € on paid advertising in printed mass media, 70 500 € on broadcasting of political commercials in electronic mass media and 110 000 € to pay for the election posters, billboards and smaller prints. Travelling expenditures of LS-HZDS were 10 800 €. The most important item in the election campaign budget of LS-HZDS were costs of election meetings, distribution of campaign deliveries and gifts, amounting to 422 000 €.

KDH spent on its election campaign 812 000 € altogether. In the pre-election period it did not carry out any public opinion surveys. Paid election advertising in printed mass media cost 163 000 € and in electronic mass media 48 200 €. Election

posters and billboards of KDH cost 381 000 €. On leaflets and small gifts KDH spent 117 500 €, production and printing of 4 editions of partisan election newspaper cost 35 600 € and production of radio commercial and election song cost 7300 €. Each of the leaders of the election campaign had his own election manager. Costs on these managers amounted to 22 300 € and the organization and services connected with election meeting cost 20 800 €.

If we detach four main groups out of the overall cost structure of election campaign – advertising in printed mass media (including own election newspaper), advertising in electronic mass media (radio, TV, Internet), out-door advertising (posters, billboards, city-lights, etc.), expenditures on election meetings and support, then the review of expenditures (in €) of parliamentary political parties is as presented in Table 2 (the table does not include all types of expenditures).

Table 2. Campaign expenditures in Slovakia in 2006 (€)

Name of the political party	Total campaign costs	Printed mass media	Electronic mass media	Outdoor advertising	Campaign meetings and support
SMER-SD	1 320 000	270 000	65 000	380 000	590 000
SDKÚ-DS	1 600 000	153 000	290 000	1 000 000	103 000
SNS	385 000	52 900	16 000	237 000	55 500
SMK	534 000	125 000	34 400	195 000	144 400
LS-HZDS	714 000	100 000	70 500	110 000	422 000
KDH	812 000	198 600	55 500	381 000	138 300

Source: own calculations based on final reports of political parties concerning the Parliamentary elections.

On the ground of the analysis of the declared costs, we consider the following facts as interesting: 1) During the monitored period only two political parties presented ordering and paying for the public opinion surveys – SNS (31 500 €) and

Table 3. Campaign expenditures in Slovakia in 2006 (%)

Name of the political party	Printed mass media	Electronic mass media	Outdoor advertising	Campaign meetings and support
SMER-SD	20.77	5.00	29.23	45.38
SDKÚ-DS	9.56	18.13	62.50	6.44
SNS	13.74	4.16	61.56	14.42
SMK	23.41	6.44	36.52	27.04
LS-HZDS	14.01	9.87	15.41	59.10
KDH	24.46	6.83	46.92	17.03

Source: own calculations based on Table 2.

SMER-SD (6000 €). 2) It is also interesting to observe the percentage share of main groups of cost structure in relation to the overall costs (Table 3).

It is obvious from the table that LS-HZDS and SMER-SD invested mostly in the direct contact with voters at meetings; SDKÚ-DS, SNS and partially also KDH spent an important part of their campaign budget on outdoor advertising; SMK distributed its money more evenly.

Surprisingly low share in the overall expenditures on election campaign was in case of advertising in electronic media. The reasons for this may be relatively high prices for the production and broadcasting of campaign commercials, bad broadcasting times offered by TV companies, anticipated low ratings, but also relying on “free advertising in electronic media” in prime broadcasting time, namely on news and political debates on TV and radio.

Table 4. Election results in 2006

Name of the political party	Share of valid votes cast in %	Number of valid votes cast	Total seats allocated
SMER-SD	29.14	671 185	50
SDKÚ-DS	18.35	422 815	31
SNS	11.73	270 230	20
SMK	11.68	269 111	20
LS-HZDS	8.79	202 540	15
KDH	8.31	191 443	14

Source: www.statistics.sk.

Each political party, which is in the National Council of the Slovak Republic, is given financial contributions from the state budget. Three types of financial contributions are distinguished: contribution for the votes obtained in the elections; contribution for the political activity; contribution for the seat in the Parliament.

Contribution for the votes received in the election is paid at once to each political party, which gained more than 3% of overall valid votes. This contribution for every received vote amounts to 1% of average monthly salary in the national economy in the year before the elections (for the year 2006 it was 5.35 € for 1 vote).

Contribution for the political activity can be annually quantified as $\frac{1}{4}$ of overall contribution for the votes received in the elections. It belongs to each parliamentary party.

Annual contribution for the seat in the Parliament for each political party amounts 30-fold of the average monthly salary in the national economy for not more than 20 seats. The political party receives contribution amounting to 20-fold of the average monthly salary in the national economy for every subsequent seat (over 20 seats).

The review of direct incomes of political parties from the state budget in connection with the parliamentary elections for 4-year time period in € is presented in Table 5.

Table 5. Financial income of the political parties in Slovakia (2006–2010) from the state budget (in €)

Name of the political party	Contribution for the obtained votes	Contribution for the seat in the Parliament	Contribution for the political activity	Overall income from the state budget
SMER-SD	3 593 421	2 551 237	3 593 421	9 738 079
SDKÚ-DS	2 263 686	1 743 345	2 263 686	6 270 718
SNS	1 446 770	1 275 618	1 446 770	4 169 158
SMK	1 440 779	1 275 618	1 440 779	4 157 176
LS-HZDS	1 084 368	956 714	1 084 368	3 125 450
KDH	1 024 956	892 933	1 024 956	2 942 846

Source: own calculations based on the official election results (Table 4) and the Slovak legislation concerning the political parties and their financing.

If we want to evaluate the effectiveness of the election campaign of the individual political parties on the basis of comparison of various inputs and outputs, this analysis brings a viewpoint based on the following 3 criteria: costs of the election campaign for 1 obtained vote; costs of the election campaign for 1 obtained seat in the Parliament; overall income from the state budget for the political party in relation to means invested in the campaign. The results of the comparison are presented in Tables 6–8.

From Tables 6–8 it is obvious that from the perspective of the campaign costs, the most effective campaign was led by SNS followed by SMER-SD and SMK. The least effective were the campaigns of KDH, SDKÚ-DS and LS-HZDS.

Table 6. Costs of the election campaign for 1 obtained vote (in €)

Name of the political party	Costs per 1 obtained vote
SMER-SD	1.97
SDKÚ-DS	3.78
SNS	1.42
SMK	1.98
LS-HZDS	3.53
KDH	4.24

Source: own calculations based on Tables 2 and 4.

Table 7. Costs of the election campaign for 1 obtained seat in the Parliament (in €)

Name of the political party	Costs per 1 obtained seat
SMER-SD	26 400
SDKÚ-DS	51 613
SNS	19 250
SMK	26 700
LS-HZDS	47 600
KDH	58 000

Source: own calculations based on Tables 2 and 4.

Table 8. Overall income from the state budget for the political party in ratio to means invested in the campaign (the amount of €, taken from the state budget, given to the individual political party for 1 € invested in the pre-election campaign).

Name of the political party	Income from the state per 1 € invested in campaign
SMER-SD	7.38
SDKÚ-DS	3.92
SNS	10.83
SMK	7.78
ES-HZDS	4.38
KDH	3.62

Source: own calculations based on Tables 2 and 5.

CONCLUSION

Legislative framework of election campaigns puts limits only in case of the presidential elections in the Slovak Republic (amounting to 123 000 €).

For the first time parliamentary elections in Slovakia in 2006 enabled the political parties to use the whole scale of marketing instruments, including political advertising in private electronic media almost without any limits.

At the same time, the political parties had to publish the election campaign costs. Marketing and political scientists could analyse the internal structure of costs and the overall effectiveness of the used financial means in a greater detail.

Interesting findings from the Slovak election campaign were as follows: low or none costs for public opinion surveys and a very low level of investments in the campaign in the electronic media (both private and public service), in spite of their large possible impact upon the target groups.

In the absolute numbers the highest amount of the campaign expenditures were spent by SDKÚ-DS, SMER-SD and KDH. However, looking at their effective allocation, the election campaign “winners” were SNS, SMER-SD and SMK. However, governing coalition consists of SMER-SD, SNS and ES-HZDS.

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