

SLOVAKIA

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INTRODUCTION

The Constitution of Slovakia was enacted by the National Council on 1 September 1992 and was published under No. 420/1992, Collection of Laws (Col.).

Basic provisions that allow political activities are included in the third part of the section on basic rights and freedoms, under the title “Political Rights”:

Article 29

(1) The right of free association shall be guaranteed. Everyone has the right to associate freely with others in unions, societies or other associations.

(2) Citizens may establish political parties and political movements and associate therein.

(3) The exercise of rights pursuant to paragraphs 1 and 2 may be limited only in cases laid down by a law if it is necessary, in a democratic society for national security, for the protection of public order, for the prevention of crimes or for the protection of the rights and freedoms of others.

(4) Political parties and political movements, as well as unions, societies or other associations shall be separate from the State.

Article 30

(1) Citizens shall have the right to participate in the administration of public affairs directly or through freely elected representatives. Aliens with permanent residence on the territory of the Slovak Republic shall have the right to vote and to be elected to self-administration bodies of municipalities and to self-administration bodies of higher territorial units.

(2) Elections shall be held within periods of time not exceeding the regular electoral term provided by a law.

(3) The right to vote shall be exercised through universal, equal and direct suffrage by secret ballot. The terms of exercise thereof shall be laid down by a law.

(4) Citizens shall have access to the elected and public offices under equal conditions.

Article 31

Legal regulation of all political rights and freedoms and the interpretation and use thereof shall enable and protect free competition of political forces in a democratic society.

The parliamentary electoral system is based on the principle of proportional representation (the Slovak National Council Election Act No. 80/1990 Col, amended). Parliamentary seats are distributed among political parties according to their share of the votes. Members of Parliament are elected for four-year terms by secret ballot in free elections.

A political party or movement with at least 10,000 members may submit a list of candidates. If membership of a party is below the required number, a petition must be submitted with a number of signatures equivalent to the shortfall. The 10,000-member requirement (or substitution of missing members by individual signatures) does not apply to those political parties already represented in the National Council, based on the results of the last elections.

The new political party needs a preparatory committee of three people older than 18. The committee submits the petition with signatures of the party, statutes (name, residence, purpose, rights and obligations of members, managing bodies and corresponding powers, finances, etc.) to the ministry of the interior. If the ministry rejects the application, then they must submit a proposal to a regional court.

A law altering and amending Act No.80/1990 Col. on elections to the Slovak National Council was approved by the National Council on 24 August 1999 (No.223/1999 Col.). According to this amendment, political parties may agree to submit a common list of candidates and thus create a coalition. The provisions of the law on political parties applies equally to coalitions. Fulfilment of the above-mentioned conditions (10,000 members, etc.) applies to coalitions in the same way as to single political parties. A basic condition for the MP mandate allocation is that a political party must obtain at least 5 per cent of the total number of votes cast (in the case of a coalition consisting of two or three political parties it has to obtain at least 7 per cent and in the case of a coalition consisting of at least four parties, 10 per cent).

Business activities

Political parties and movements are liable for obligations concerning property and assets; members of the party or a movement are neither responsible for nor can they guarantee the obligations of that party or movement. Political parties and movements must not conduct business in their own name. They can, however, contribute to the establishment of a corporate body or participate as partners or members of an already established corporate body. They may also constitute a corporate body or become sole partners of a corporate body, under a special law allows that applies in the case of a sole founder or partner. A party or movement may only use its share of the profits of such corporate bodies in furthering the programme targets set out in its statutes. It may not distribute profits among its present or past members. A party or a movement may only be involved as a member or a partner in a corporate body that carries out the following business activities:

- publishing and press companies;
- publications and promotions activity;
- lotteries and tombolas;

- production and sales of objects promoting the programme and activity of the party;
- organisation of cultural, societal, sporting, recreational, educational or political events.

Political party funding costs are currently not very high because there are few elections in the country and private electronic media are not allowed to participate in election campaigns.

Year 2001

Political party	income	expenditure	membership	subscriptions	donations
HZDS	52,5	-	17		0,345
SDL	40,8	38	17		0,3
SDKU	30,248	34,718	3,392		5,498
KDH	11,853	12,915	1,875		9,714
SMK	12,994	12,099	0,181		0,072
SOP	17,945	15,839	2,695		4,350
SNS	13,849	12,902	0,212		0,154
SMER	-	-	10,668		3,403

Note: sums are in millions of Slovak crowns

Source: daily sme, internet, tasr

I. THE PROBLEM OF POLITICAL FINANCE SINCE 1980

1. The major corruption scandals

Corruption scandals involving political parties are rare, but this does not mean that party funding is not problem in Slovakia.

In November 1999, the ruling coalition, the Christian Democratic Movement (KDH), was hit by revelations that TV Com, the company that publishes *Fakty* magazine, placed a total of 67 KDH officials on its payroll, officially designating regional party secretaries as “heads of promotion teams” and district secretaries as “promotional staff”.¹ This case, together with business relationship between TV Com and a major foreign investor, were investigated by the police anti-corruption department in 2001. As of July 2002 no further proceedings had taken place.

In February 2000 it emerged that the Party of the Democratic Left (SDL), another party of the last ruling coalition) owned a stake in Prima-Print, a private printing company. In 1999, Prima-Print was awarded a four-year contract by Slovenská poisťovňa (SP), a state-run insurance company, to supply printed materials. According to media reports, the

¹ *Pravda*, 5 November 1999.

contract was signed for SP by Rudolf Janáč (President of SP) and Vladimír Hudec (a member of the board), both nominated by the SDL.²

1. The major changes in legislation on political finance

After communism, a new political system was established. There were no regular political parties, so it was necessary to prepare and approve suitable legislation for establishing and financing political parties and supporting their work. The Law on Association in Political Parties and Movements was approved on 2 October 1991. The electoral system was created by Act No. 80/1990 Col. on elections to the Slovak National Council.

On 31 October 2000, Parliament approved an amendment to the 1991 Law on Association in Political Parties and Movements. The amendment set more precise rules for party fundraising and for the sources of their income, abolished anonymous donations, set requirements for political parties' annual financial reports and introduced stricter sanctions for failing to comply with them.

On April 6, 2001, the 1991 Law on Association in Political Parties and Movements was amended again. This amendment obliges political parties to present annual statements of finances that have been audited by a randomly-selected auditor in the case of double-entry bookkeeping, or annual income expense statement and statement of assets in the case of single-entry bookkeeping.

2. The major recent court decisions

There have been no court decisions involving the financing of political parties.

3. Major public debates since 2000

The media and NGOs (e.g. Transparency International Slovakia, Aliancie for support of fair play) are playing an important role in raising the issue of financing of political parties.

The government's Anti-corruption Central Co-ordination Unit has produced further proposals for reforming party finance. According to this proposal, each party would receive a basic state contribution multiplied by the percentage of total votes gained in the previous election, up to a certain limit. The fixed contribution would be retained. Donations exceeding ten times the minimum monthly wage would have to be declared in writing. Voluntary membership contributions would be forbidden, removing one of the main methods for avoiding declaration of donations. Membership contributions of more than 15 times the minimum wage per member would be forbidden. Supervision and control of party finances would be performed by an independent body established by the National Council. Fines for violating financing rules would be up to 23,233 euros.

² *Pravda*, 9 February 2000.

The initiative has not yielded any results yet. Also, the proposal was not formally discussed with parties during its preparation.

Political parties blame the lack of transparent financing on insufficient state contributions. The debate about financing among politicians is a debate about increasing state contributions.

II. TRANSPARENCY

1. Reports on finance by parties and candidates

According to the 1991 Act, political parties and movements are obliged to submit their financial reports annually up until 31 March.

This report includes:

- an annual statement of finances certified by an auditor (selected by lot) in the case of double-entry bookkeeping, or an annual income expense statement and statement of assets in the case of single-entry bookkeeping,
- income of the party,
- donations to the party (including name, address and personal number of donor),
- information regarding tax duties.

If a political party does not submit the required information by 31 March, the National Council can provide additional time for them. The financial report must, however, be completed and produced by 30 October.

If a political party violates its duty to submit a financial report or provide relevant information, the ministry of finance can impose a fine of up to 100,000 SK (approximately 2,380 euros). This fin may be imposed repeatedly until the report, including all necessary information, is submitted.

The election campaign is regulated by an Act limiting expenditures of political parties and movements, adopted in 1994. Political parties and movements are obliged to submit their election campaign reports within 30 days of an election.

The report must contain all of the expenditures of the political party or movement in the election campaign, with details about which expenses were paid by the party or movement and which were paid by a third person. The report also contains details of any services provided free of charge.

This system is not effective. A political party can spend up to 12 million Slovak crowns (approximately 285,700 euros) on the election campaign. If expenditures of any party exceed this amount by more than 5 per cent, the ministry of finance can impose a fine, which is double the sum by which the permitted limit was exceeded.

The main problem in this system is that it is difficult to prove expenditure. Advertising companies are obliged to provide information about income from parties and about their price lists. Often, political parties and these companies declare lower prices in order to keep within the cap on spending. The campaign expenditure limit is not appropriate to the new political and economic conditions.

According to the daily Narodna obroda³, one third of political parties have broken the Act on Political Parties and Movements. Twenty-five political parties did not submit their reports in recent elections, while another 15 have no permanent address.

2. Access to Reports

The annual financial report has to be published in the media before 30 June of each year. If not, however, there are no penalties (fines) imposed, which means that in practice this provision is not enforceable. The information provided in these reports often meets procedural requirements only, and is inexact since parties leave parts of their income out of the reports.

The election campaign report is not published, but necessary information is made available in line with the Freedom of Information Act. Information must be provided free of charge, with the exception of payments not higher than the cost to reproduce and deliver the information to the applicant.

1. Publication of sources and amounts of donations

Information about donations and their sources is included in the annual financial report. It includes the name, permanent address or residence and identification number of donors.

2. Declaration of Assets

The 1995 Constitutional Act on conflict of interests defines the role of public officials.

The President of the Slovak Republic, members of the National Council, ministers of government, the chairman of the supreme audit office and his vice-chairman, judges of the constitutional court, the chairman of the supreme court and his vice-chairman, the general prosecutor and his deputy, the chairman of the President's office, the chairman of the national council's office, chairmen of the high-ranking offices, the state secretary, members of the council of the national bank and the director of the Slovak information office must declare their assets to the to the chairman of parliament. This declaration includes all estates and moveable property only more expensive than 1,500,000 skk. These reports are not public available and there is no public register there.

The act provides for the following enforcement mechanism: if a public official acts against any of the provisions of this law, the National Council can decide with a minimum of 90 votes to force the public official in question to cease his illegitimate activities or risk losing his position. This proceeding has never been used and is not effective in practice.

At the time of writing a new proposal on conflict of interest regulation is being prepared by a working group (government, parliament and NGOs).

III. FINANCE

³ Narodna obroda, 20.4.2002

Year 2001

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SDKU	30,248	34,718	3,392		5,498
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Note: sums are in millions of Slovak crowns

Source: daily sme, internet, tasr

1. Donations

a) Limits on individual donations to candidates or political parties

Only Slovak citizens are allowed to donate money to political parties and movements. There is no limit on the amount of donations from one person.

b) Limits on corporate donations to candidates or political parties

Only Slovak corporate entities are allowed to donate money to political parties and movements. There is no limit on the amount of donations from one entity. State bodies and state-owned enterprises cannot support political parties or candidates.

c) Legislation and/or Court Decisions on Lobbying or Trading in Influence

We do not know of any.

2. Public Finance

a) Direct State Subsidies to Parties

Parties now receive three different contributions from the state budget:

- Parties that gain more than 3 per cent of votes receive 60 SKK(1.4 euros) per vote received.
- Parties also receive a contribution towards party activities, equal to one quarter of the annual contribution for votes.

Parties receive in addition 500,000 SKK (11,617 euros) per year per seat gained in the National Council.

b) Indirect State Subsidies to Parties

Once in parliament, each MP can employ one or more assistants. For this purpose he or she is given a sum of 80 per cent of an MP's salary. The state also supports the activities of the MP's office (698 euros per month) and provides technical equipment (computers and printers). MPs have free public transport (including airlines). Political parties with more than eight MPs can create a "political club". The parliament reimburses costs for the activities of this club.

c) Media Space and State Subsidies

Campaigning on private media channels is forbidden. Parties cannot buy media space for their campaign. Campaigning on public media is regulated. Public Slovak television and broadcasting are obliged to provide 21 hours of airtime to political parties or movements during election campaigns. Time is allocated equally between all parties. Private television spots are not allowed during election campaigns.

The provision of free media space in public television and broadcasting applies to all political parties and movements registered in parliamentary elections. The campaign finishes 48 hours before the election.

The owner of the most influential television (TV Markíza), Mr. Rusko, has established a new political party – A.N.O. (Alliance of new citizens). According to media surveys prepared by NGO MEMO 98, this political party was privileged in the last elections. Although Mr. Rusko has sold his shares in this company after entering parliament, he is suspected of influencing the TV station. The new owner of his shares is his good friend, who was offered a low price for the shares

d) Provisions Against the Influencing of Elections Through Abuse of Power and Government Resources

MPs from all political parties and movements are represented on the election body responsible for ensuring that elections are free and independent, the Central Election Commission. The chairman of this commission is chosen by lot. Regional commissions are created in the same way.

3. Limits on Expenditure

Expenditure by any political party in an election campaign may not exceed 278,800 euros.

This limit includes only election campaign, so it is usually to see first campaign or to politician related billboards a few months before starting of campaign.

There are not other limits on expenditure.

IV. OVERSIGHT, SANCTIONS AND ENFORCEMENT

1. Oversight institutions

Parties must submit an annual financial report to the ministry of finance and the National Council. The ministry of finance may impose a fine if the report does not contain requested information or if information contained is false. The ministry is not empowered to control party financing in any other way. The fine can be up to 100,000 Sk.

Act No.239/1994 Coll. regulates spending by political parties in elections. The political party can spend up to 12 million Slovak crowns in the election campaign. If a party exceeds this amount, then the ministry of finance can fine it double the sum by which the ceiling was exceeded.

The Supreme Audit Office does not possess powers to audit political party finances.

2. Independence of Prosecutors and Judges

Although not all aspects of judicial independence have been fully met in Slovakia yet, the current government has made major progress in this area. Under the Constitution and Judicial Code, judges may not hold any other employment or function, with a few exceptions such as educational or scientific activity.

To date there have been no judicial sentences of cases of corruption involving political parties. Judges cannot be members of political parties.

V. CONCLUSION

The system is not perfect and new scandals involving party financing constantly arise. There have been no court decisions involving the financing of political parties, although some politicians have been forced to step down or have not been placed on election lists because of the suspicion that they used non-transparent financing sources.

If the general debate about party financing among politicians is open, their main answer to the problem is to call for greater state contributions to their parties. They do not support a stricter system of controls on party funding. Business influence is strong over some political and economic decisions (for example in highway construction).

The election campaign is not sufficiently well regulated. The limit and related regulations are not appropriate to current economic realities.

SOURCE MATERIAL

Monitoring of electronic mass and print media

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