

FreeEx Digest

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**POLITICAL PARTIES, MONEY AND THE MEDIA
- A TOXIC RELATIONSHIP**



Kingdom of the Netherlands

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“There is not enough transparency on the broadcasting of content paid for by political parties outside electoral campaigns, and access to information by journalists remains deficient. (...) The transparency of political party financing and the enforcement of related rules are limited.”

European Commission report regarding Rule of Law in Romania (2022)

“Media freedom and pluralism need to be strengthened. In particular, the use of public funds by political parties to finance media and influence their content on the basis of secret contracts is of the utmost concern. It potentially undermines the principle of free media and the proper functioning of democratic institutions. (...) In consequence, the Assembly calls on the Romanian authorities (...) in the field of media, to: ensure proper implementation of the existing legislation on access to information; (...) ensure specific safeguards for editorial independence and introduce legal requirements to disclose secret contracts between political parties and the media that involve the transfer of public funds to the latter.”

Resolution of the Parliamentary Assembly of the Council of Europe on Romania (2022)

Abbreviations

AEP - Permanent Electoral Authority

AUR - Alliance for the Union of Romanians

CNA - National Audiovisual Council

GRECO - Group of States against Corruption (Groupe d'États contre la Corruption)

ODIHR - Office for Democratic Institutions and Human Rights

OSCE - Organization for Security and Co-operation in Europe

PNL - National Liberal Party

PSD - Social Democratic Party

RSF - Reporters Without Borders (Reporters sans Frontières)

RTV - România TV

TVR - Romanian Television (Society)

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Financing of political parties and electoral campaigns

These days, on the agenda of the Senate is a proposal to amend the Law on financing the activity of political parties and electoral campaigns (Law no. 334/2006). The draft law ([L313/2023](#)) was submitted to Parliament in May this year by a group of [Social Democratic Party \(PSD\)](#) parliamentarians and takes over – not in full – the project of the [Permanent Electoral Authority \(AEP\)](#), which had remained stuck in the Government's drawers since the end of last year.

The bill brings a number of improvements in several respects, such as the budgetary thresholds that parties and candidates can invest in advertising expenses, the level of donations, loans and contributions that a political party or a candidate can receive, and the requirements for transparency in the reports that the parties compile for AEP (more detailed information), but overall it remains profoundly deficient in essential matters. As shown by the [Center for Public Innovation](#) and [Expert Forum](#), the bill does not solve the [lack of transparency](#) on how political parties invest money in the media and it keeps a [high amount of subsidies](#) that parties can receive from the state budget, while small, local parties are discriminated against in access to these subsidies. Additionally, AEP does not receive sufficient oversight tools and the independence and professionalism of the institution's employees are not guaranteed. For example, the condition of political neutrality of the director general of the Department of control of the financing of political parties and electoral campaigns of AEP is eliminated by the bill. All this while the management of the AEP remained, with the support of the government parties, a deeply objectionable one, as both the president (appointed this year) and the secretary general (recently resigned from the president position) had [integrity issues](#).

There is almost no chance that the Parliament will adopt, in its current political formula, legislative provisions that would really aim at respecting fundamental principles – such as legality, equal opportunities, transparency of income and expenditure, independence of political parties and candidates from donors, the integrity of political and electoral competition – provisioned by the Law on the financing of political parties and electoral campaigns.

All these are in contradiction with the fact that European and international bodies and organizations are calling on Romania to improve both the content of the law and its application, [insisting on transparency of media funding by political parties](#). Moreover, part of the Romanian media and civil society organizations are working to remove the embargo on information about the spending of funds by the political parties.

The law will have to be discussed on a fast track in the Senate, as the term of tacit adoption is to be fulfilled after the parliamentary recess, 5 days after the resumption of the parliamentary session.

Non-transparent funding of the media by some political parties distorts the public agenda and the tax payers are deceived by non-transparent politically sponsored content that is falsely promoted as journalism. Moreover, there are serious indications that some parties are paying for smear campaigns against their opponents, campaigns that are misleadingly presented as journalistic content. For this reason, several journalists who have followed the issue of press funding by some of the political parties believe that public subsidies should no longer cover parties' spending on the press (with the exception of the electoral campaigns), a position to which ActiveWatch also adheres. Some of these journalists believe, however, that public funds can be used for political advertising aside the electoral campaigns if there is full transparency of contracts with the press and a real control on these contracts by the AEP, if the experts who have contracts with the parties are presented to the public in their true capacity, and if the content that is paid by parties is clearly marked for the public. Also, subsidies allocated to parties for advertising should decrease, and the law on access to information should no longer be bypassed by parties.

Expenditures of political parties on political advertising should not be subsidized by public funds aside electoral campaigns

In recent years, the revelations made by the press and NGOs about political parties' spending of public money from subsidies on "press and propaganda" have revealed mechanisms so opaque that they seem impossible to eradicate. Exposing citizens to content subsidized by parties and presented as journalism is not only disrespectful of media ethics, but also of established constitutional principles: free and fair elections, the right to information, the right to freedom of expression.

In the process of writing this digest, several of the journalists we consulted came to the conclusion that the use of subsidies for "press and propaganda" aside electoral campaigns must be stopped immediately.

In ActiveWatch's view, even during electoral campaigns, these subsidies should be allowed to be used to promote candidates and parties strictly in the form of political advertising (spots, electoral posters) which must be adequately marked. Electoral broadcasts in the audiovisual media, for which parties pay access but which are editorial in format, giving the public the false impression that they are journalistic content, should no longer be allowed.

Here are some of the reasons why we believe that these mechanisms of media funding by political parties are deeply flawed and must be corrected by 2024, a year with four rounds of elections:

Political parties refuse to reveal how they spend money on media

Although political parties use public money and although they are obliged to report to AEP how they spend this money, they constantly take advantage of the confidentiality clauses of the commercial contracts they conclude with intermediary companies or directly with media companies to hide how and for what purpose they direct money to the press.

Even when they lose [lawsuits on the law on access to public interest information](#) (see [the cases won](#) by the [Center for Public Innovation](#) and the [Investigative Media Center](#)), parties refuse to enforce court decisions. The same applies to [organizations of national minorities](#), which are also subsidized from the state budget. The sanctions provided for in the law on access to public interest information are minor, so the motivation (and obligation) of parties to respond to requests under this law is practically nil. Moreover, according to the PSD bill to the law on party financing, fines could also be paid from public money. In fact, the draft amendment provides for fines ranging from 35,000 lei (minimum threshold) to 55,000 lei (maximum threshold), which could be considered purely symbolic compared to the amount of subsidies from the state budget. Therefore, the future regulatory framework provides ineffective tools to correct some of the misconducts related to the activity and transparency of political parties.

From the numerous articles published by journalist Cristian Andrei ([Europa Liberă România/Libertatea](#)) – who has been persistently following the subject of political party financing for the past few years – it appears that, instead of becoming more transparent in detailing their expenses, these parties are becoming increasingly opaque. Opacity seems to increase in direct proportion to the public budgets that the Social Democratic Party (PSD) and the National Liberal Party (PNL) invest in the media.

The press is bought through masked contracts

In September 2022, Recorder revealed how the Vertigo company, through which PSD directs money to the press, pays RTV Properties Management, which owns the România TV website, invoices for “online services”. “A vague enough phrase to conceal anything”, Recorder journalists comment.

Recorder journalists, thanks to an anonymous source, also came into possession of a contract concluded between the Stalex PR company, employed by PNL, and the Ridzone Creative company, part of the România TV trust. The contract took place in August-September 2019, in the run-up to the presidential electoral campaign, and concerned the production of 13 videos of speeches by PNL leaders at a party congress and two other party meetings. Each clip cost €5,000, with a total contract of €65,000 excluding VAT. However, according to Recorder, PNL produced its own footage of these events, which it broadcasted live on the internet for free pick-up by any media outlet. “It's the kind of suspicion that should also be in the purview of prosecutors. There are hundreds of such contracts between parties and press trusts, involving millions of euros of public money, and it is not known what kind of services they contain. In other words, what was actually provided in exchange for the money”, Recorder journalists say in the reportage [“The price of silence. An investigation into the accounts of the party press”](#), considered [one of the best journalistic materials of 2022](#).

These two examples of contracts are among the few that have come to public attention. They show us that dismantling and untangling this opaque *modus operandi* in the relationship between parties and the press seems almost impossible.

During electoral campaigns, parties and candidates pay for access to programmes that have the appearance of editorial journalistic content

In 2022, [Recorder](#) also published the contents of a contract concluded in 2019, during the presidential electoral campaign. This contract shows that PSD paid up to €3,000 per minute, excluding VAT, for electoral promotion broadcasts. One such show, moderated by Victor Ciutacu (România TV), features PSD presidential candidate Viorica Dăncilă. The programme cost €100,000 of public money. “Many people watch such broadcasts and have no idea that the party paid for the airtime, and the moderator is not in the position of a journalist free of any constraint, but in the position of a host who has to put the client who paid for the broadcast in a favorable light”, Recorder journalists explained. Moreover, under the same contract, PSD paid €69,000 excluding VAT for the transmission of a press conference held by Viorica Dăncilă. “The electoral debate tag also appeared on other TV stations that broadcast the press conference, suggesting that not only România TV received money from the party for broadcasting this moment”, Recorder journalists added.

According to data obtained and published by Europa Liberă a few months after the end of the 2019 presidential campaign, PSD [paid România TV \(RTV\) around €640,000 for promotion during the campaign](#). Also, €410,000 were paid to Antena 3, according to the same source. Europa Liberă noted at the time that RTV received the highest amount – almost €1,500,000, i.e. almost half of the [money spent on TV promotion by PSD and PNL presidential candidates](#). It should be noted, just by way of example, that in 2019, according to Forbes, [Ridzone Computers, the company that held the license of România TV, reported a turnover of €12.9 million, up 81% compared to 2018, and a net profit of €5.7 million](#). It turns out that the money from PSD and PNL in the presidential campaign alone accounted for 12% of RTV's turnover that year. If we were to relate this amount only to net profit, it would represent 26% of it. RTV was followed at a long distance by Antena 3, which obtained around €550,000 from the two parties during the electoral campaign, with the largest amount coming from PSD. However, the annual figures that go into the budgets of these media outlets are difficult to quantify because of the patchwork of companies involved in these contracts.

The system was also maintained in the [November 2020 parliamentary campaign, where the amounts demanded by broadcasters reached more than €100,000 for one hour of an electoral broadcast involving a candidate](#).

At the same time, right during that electoral campaign, [two CNA members admitted to Europa Liberă that even they did not know whether a TV programme was free or paid](#). “Televisions don't tell us which programmes were paid for. We don't

really know everything that goes on in the negotiations between television and the parties. Changes are needed in the future law to make things clearer”, said CNA member Dorina Rusu to Europa Liberă.

“If there is no obligation, we can't check which programmes are paid for. The law says that this campaign is paid. When you know the law, you know that every candidate who appears in this position pays. People will find out if you and others tell them. Moreover, it is not CNA's problem. There is currently no such legal obligation to announce that a payment has been made for that programme. Maybe in a future campaign, someone will think about it”, added CNA member Răsvan Popescu for Europa Liberă.

Ovidiu Voicu, executive director of the Center for Public Innovation, told the same publication at the time that: “How much a television asks for is its business. For two years now, parties have had the right to use subsidy money for campaigning, it's a huge amount. The whole idea of fairness is being canceled and that's very bad for democracy. This should stop if we are to avoid ending up in an oligarchy where a few parties monopolize power. There is a link between the subsidy and the money given to televisions. There are a few customers who can afford to pay huge amounts and the televisions are asking for it”.

Media content paid for by parties is not marked

One of the aspects of media funding by political parties that journalist Cristian Andrei (Europa Liberă/Libertatea) has been following is the marking of media content which is paid by parties. From numerous interviews and discussions the journalist has had with people in the leadership of PSD and PNL, it appears that these parties do not want this type of content to be marked as party-sponsored. Former PNL Secretary General (September 2021 – April 2022) Dan Vîlceanu, who was in charge of the party's media contracts from that position, told Europa Liberă that articles paid for by the party were not marked in any distinct way on the websites where they were published and contained only the position of the PNL representative or the party. Furthermore, he said that these articles were not written by the party. For his part, PSD treasurer Marius Iancu said in a dialogue with Europa Liberă that he does not think the public should be able to tell when an article is paid for by PSD. The leader of the PSD group in the Chamber of Deputies (currently interim president of the Chamber of Deputies), Alfred Simonis, also told Europa Liberă that he supports transparency in the spending of public funds, but that transparency should not lead to a situation where political competitors find out a party's communication strategy and therefore the marking of articles paid for by the party should only be done 30 days after publication.

This mechanism works with the full complicity of the press. A simple illustrative example is that of Laurențiu Ciocăzanu, the current head of news at the public television station TVR, who does not consider it unethical for a journalist to write articles paid for by a political party and, what is more, for these articles not to be

[marked as paid advertising, as revealed by the newspaper Libertatea](#). Ciocăzanu's comments came after Libertatea revealed that he had written articles for the website ziaristii.com in 2021, which were part of a contract with PNL, and they were published without being marked as political advertising. At the time, Laurențiu Ciocăzanu was a journalist and a shareholder in the company that owns the publication. The total value of the contract was more than €30,000.

Even if the AEP bill, assumed by PSD and standing on the agenda of the Senate, contains provisions on advertising marking (details in the next section), it remains to be seen to what extent these provisions will be maintained in the final form of the bill.

A regulation on political advertising on social media as well as in traditional media will soon be implemented at EU level. According to the forthcoming regulation, among other things, [political advertisements will have to be adequately labeled to distinguish them from editorial content](#) and will be accompanied by a transparency notice, which will state the identity of the sponsor, their contact details, the period of publication, the amounts spent and their sources. The regulation is currently being [negotiated](#) between the positions of the [European Parliament](#) and the [European Council](#).

There are reasonable suspicions that parties invest money in smearing campaigns against opponents

The Misreport publication revealed this year that companies connected to PNL and PSD are paying for online smear campaigns. [One such campaign](#) was carried out by Green Pixel Interactive in January 2023 and targeted journalist Emilia Șercan. The articles published on ghost sites, which had the appearance of journalistic publications, discredited Emilia Șercan after she revealed the plagiarism of liberal minister Lucian Bode. In parallel, the same websites amplified the messages of Minister Bode, defending himself against the accusation of plagiarism. The campaign did nothing but contribute to the [kompromat action started last year against Emilia Șercan](#). After Misreport journalists contacted Green Pixel Interactive during the course of the investigation, the two ghost sites were deactivated and their Facebook pages were deleted. PNL refused to respond to requests of information from ActiveWatch and Reporters Without Borders, respectively from Emilia Șercan, in which the party was asked about its contracts with Green Pixel Interactive. After being sued by Șercan, PNL replied only that it had not concluded any contracts involving public money with this advertising agency, without denying that it had paid for that campaign and without providing the requested information.

[Green Pixel Interactive also had a contract with PSD](#), according to a 2019 National Anticorruption Directorate (DNA) ordinance published on Captura's Facebook page and picked up by Libertatea. According to this ordinance, DNA is investigating how PSD spent subsidies granted from the state budget in 2019 (an electoral year).

Also, PressOne revealed in 2020 how [two companies that had contracts with PSD used nine so-called journalistic websites to promote articles on Facebook that were favorable to the party. The same recipe was used these days during the teachers' strike](#), when some of these nine websites promoted articles critical of the teachers' demands and of a union leader, as Misreport journalists revealed.

The sums invested in the press distort the media market

In 2022, [the total advertising market](#) (TV, radio, online, print, outdoor, cinema) was worth €642 million, according to Initiative Media estimates. Also in 2022, PSD and PNL together spent €18.8 million on press and propaganda (PSD – 54 million lei, representing 58% of the total expenditure of this party, PNL – 39 million lei, representing 70% of its expenditure), according to data aggregated by Expert Forum and published in May 2023 in [a detailed report on the financing of political parties](#). It may seem a small amount compared to the total media advertising market, but in fact the budget is huge, especially considering that these funds are targeted at [certain media outlets with small turnovers](#).

Unfortunately, a detailed calculation of the percentages that these parties contribute to the turnover of some media outlets is impossible due to the [opacity](#) in the spending of these funds.

In addition, most of the time, [the money is channeled to TV websites](#) because direct payments to TV stations aside electoral campaigns would raise suspicions, as buying editorial content is prohibited by the broadcasting law.

According to data to which [Europa Liberă](#) and [Recorder](#) had access, during 2021, the websites of several TV news channels received from PNL, through intermediaries, monthly sums in the amount of tens of thousands of euros. To these were added other online media websites, which also received, in recent years, sums in the amount of thousands of euros, with payments sometimes made monthly. For example, Recorder had access to contractual documents between PNL and the websites România TV and Economica (both owned by the same trust) showing that [PNL paid €1,000 for the publication of each of 120 positive news articles about its activity](#). The paid articles were not marked as advertorials. If this contract, worth a total of €120,000, was indeed paid by PNL, it represented 7.5% of the cumulative turnover of the companies that owned the România TV and Economica websites, or 30% of the cumulative profits of these companies¹.

Although this summary focuses on the behavior of the main parliamentary parties in their relations with the press, we stress that these commercial relations would not be possible without the active participation of media outlets that mislead their own audiences. The cohabitation between the press and politics is long-standing, and

¹ The calculations are only indicative, because we lack the exact details of the execution of this contract; the company that owns the website economica.net reported total revenue/turnover of 0, and losses in 2021.

there are numerous episodes in recent media history where some media outlets have become mere PR or political marketing agencies and have been instrumentalized to serve party interests at the expense of the public interest. With the formalization of these partnerships based on public funds, which are spent non-transparently, we cannot help but notice that the press which also works paid with the public money of the parties is more than a commercial (business) partner. It is an accomplice in the use of this public money against the interests of the citizens who pay their taxes.

We have listed above some of the reasons why we believe that the use of public money by political parties for “press and propaganda” activities is toxic and does not serve the public interest. Of course, there are counter-arguments. Subsidizing political parties with public money aims, among other things, precisely at reducing corruption. The post-1989 history of relations between politicians, businessmen and the media is full of such corrupt mechanisms: money bags brought to the party [in exchange for advantageous contracts on public money](#), the use of the media as a political bargaining tool to protect the interests of media moguls (including as a shield against the judiciary), the propelling into Parliament and Government of very small scale parties whose only asset was the media in their endowment, the meddling of intelligence services in the media for obscure purposes, a general mechanism of feeding the press with public money in the form of unpaid taxes to the state or dedicated public advertising contracts and other such mechanisms. They still exist, but subsidizing political parties with public money does not solve the problem of these corrupt mechanisms, as some examples above show, but only perpetuates it.

The paradox becomes even more acute if we look at PSD and PNL, which in recent years have invested the largest sums in press and propaganda, although for more than 18 months the two parties have been in a governing coalition. Basic common sense cannot explain the need to promote some governing parties, given that their work is implicitly of general public interest.

In our opinion, amending the law on the financing of political parties and electoral campaigns will not lead to an improvement of these mechanisms if the amendments proposed by civil society organizations (detailed below) are not adopted.

The only hope for a slow recovery of these mechanisms also comes from Brussels. The forthcoming Regulation on political advertising should lead to more transparency in public communication.

What do journalists think about press funding by political parties

We asked some of the journalists who have followed the subject of media funding by political parties in recent years what they think about this mechanism and how they feel it affects their work or their relationship with the media-consuming public. Once again, their answers give us the certainty that independent journalism in the public interest will resist, despite these unfair practices, and will continue to shed light on the spending of public money.

ActiveWatch: How do you perceive the media funding mechanism from political party budgets?

Dan Tapalagă, C4Media journalist:

The principle of funding parties from the state budget is correct, but it has been distorted by directing subsidies to the press in order to buy its silence.

Cristian Andrei, reporter:

The mechanism for press funding from the budgets of political parties lacks transparency, especially when it comes to the big parties – PSD and PNL. A system characterized by secrecy, toxic, where money circulates without knowing the recipients – i.e., the names of the sites.

Secret investors, the parties' presidents, have only one interest: maximum control of information. And if they could, never to explain to whom they gave the money or for what. The major problem is that we have reached a situation where the watchdog of democracy is fed directly from the party treasury. In secret.

The relationship has led to censorship or self-censorship, more directly, to turning one's head away from disturbing topics. We see a strong alteration of the idea of correct information because part of the press writes articles on demand. This is a clear regression from the principles laid down in 2015, when the new law on party funding was passed.

There is unfair competition between websites that secretly take money from parties and those that have not signed up to this system. I think it is our role to expose this entanglement, to know who is writing for money and who is writing for the public.

Codruța Simina, Misreport journalist:

It seems to me both morally and principally wrong to use any amount of public money for any kind of gain for a political party. It is not a mechanism for funding the

press, but one of censorship and bribery.

Ovidiu Vanghele, Investigative Media Center journalist:

I consider it absolutely destructive. Because basically a new form of media funding that is completely occult is emerging. Through this mechanism you end up avoiding the normal system of how the press works: the press sells information and is paid on the basis of audiences, from advertising. When you end up with this funding mechanism, practically the ratings do not really matter anymore. The best example is the case of Iulia Marin and the boycott against RTV. Normally if you boycott and say "stop advertising there", they should feel the consequences. Only they don't care because their funding mechanism is no longer the normal one. That's the drama.

Mihai Voinea, Recorder journalist:

I think the thing we should not tire of saying is that this harmful financial relationship between the press and the parties is a threat to democracy. When I say that, I realize that it sounds like a cliché, but that is precisely the very serious thing, that such a statement has become a cliché and hardly anyone takes any notice of it anymore. But it is a very, very serious thing, because freedom and democracy are lost in small steps, they are not lost overnight, and we must be aware of the seriousness of this situation and the seriousness of this very harmful relationship between the press and the parties. It is everyone's duty to try to change something about this because, as far-fetched as it sounds, it really is about our freedom. A society cannot be free without a free press.

Victor Ilie, reporter:

It's corrupt and non-transparent. It's a super-bureaucracy of public money that used to be only due to the public television, but now it's due to anyone who has a website and wants to take some money from the party to make a bit of propaganda. We found, for a story we published on Recorder last year, a company where the Social Democratic Party collected all the money it had for the press and from there nobody knew how it went on until we showed it. Basically, this company had receipts exclusively from PSD. The company did not have an activity, as it boasted, of advertising production, of advertising. It was an apartment firm with two employees. And all the money that came from PSD went on to the press all over the country, most of it to the central TV stations. And nobody knew about this money. When we asked him about transparency, the president of the party said that he had to talk to the lawyers to be able to unravel this money, that these are commercial contracts and commercial contracts are above the contract with the public.

Cristian Delcea, Recorder journalist:

I have spent so much time on the subject that I find that the anger at this huge affront to Romanian society has eroded. We have come to put the phenomenon in a worn-out folder: 'Political money for the press'. My instincts are reawakened and I realize the true gravity every time I tell a foreign journalist about this practice and the reaction is invariably the same: "Is this legal?". I would keep this question in

mind: how did we come to consider it normal and legal to be manipulated by politicians on our money?

ActiveWatch: What impact do you think the financial relationship between political parties and the media has on the public/electorate?

Dan Tapalagă, C4Media journalist:

Buying the media, editorial content, outside of election campaigns is lying to the public, either by omission or by manipulating the truth that the media is supposed to expose. To buy the media with public money is to lie to the public on their money. So the public pays taxes to be lied to on their own money? To buy the media is to seriously weaken an institution essential to the democratic health of a country.

Cristian Andrei, reporter:

To measure real impact we should have access to information. Would an article marked with a "P" or with the support of the X/Y party have the same success? After revelations in the press, the public has begun to perceive in recent years that the relationship between party money and part of the press is not fair.

At the same time, we can see that the subject of party money to the media has not been discussed at all or to a very limited extent by the main news channels. There is no real debate, no pressure on politicians to change the system.

The citizen has the right to know when he is reading an article written according to journalistic standards or when he is looking at an article that is part of a contract with a party. It is essential that the citizen is properly informed.

In the election year 2024, paid information can distort the vote. We will therefore see a high level of interest from parties to promote their paid messages.

Codruța Simina, Misreport journalist:

Citizens are basically being lied to on their own money, which, we must admit, is quite a feat.

Ovidiu Vanghele, Investigative Media Center journalist:

It is destructive, catastrophic. Nobody understands anything anymore. The public can no longer understand anything when everything that is transmitted to them is filtered by interests that have nothing to do with the public interest, but with private or political group interests. Which are, in turn, also private interests in relation to the public interest, they are still in contradiction with it, even if they are in the interest of a party.

Right now they are using my money to lie to me. I'm messing with your brains using your money, your resources. How can you receive €80,000 to broadcast the press conference of candidate Viorica Dăncilă in the second round of the presidential election? When you are a news channel? What's more in the public interest than that? How can you pay for this? How do you come to think it's normal, logical and rational for a party to pay money for something like this? That's money paid for something else.

Mihai Voinea, Recorder journalist:

The public is bewildered, confused. Because when TV stations take money from the parties, some of them misinform, others simply skirt the news, others create a smokescreen that mixes bits of truth with false information. In this way, a considerable part of the electorate no longer understands anything about politicians' decisions, because they either don't find out about them or they are presented to them in a distorted way. And if they don't understand much of these decisions, they can't even challenge them.

Victor Ilie, reporter:

People are practically brainwashed with their own money. They no longer care about their personal interests, which are often very pragmatic: the value of their bills, the asphalt on the street in front of their house, whether or not they have sewerage. So, that's basically what the parties spend money on, brainwashing.

If you look at the accounts of a TV station like RTV, for example, you see that it would not survive in a free market, where you have reporters in the newsroom, but you also have a commercial department running around trying to get advertising contracts to support what the reporters are doing. No, at RTV you have less than 10 percent commercial contracts from the big companies that invest in advertising. The rest is political money, either directly from the parties or from the old mechanisms where a contractor takes from an institution run by a political party and gives the TV station the share. For example, on RTV you can see some spectacular contracts from companies building highways, companies that generally have no reason to advertise on TV. I made this rough estimate that at RTV there would be less than 10 percent of commercial advertising money. I was able to make this calculation because at RTV I had access to documents from the accounts of a handful of companies. Because RTV is not just the commercial company that has been licensed by CNA. RTV means a group of companies in the names of employees or people trusted by the owner, in this case Sebastian Ghiță. Just as Antena 3 is not just Intact Media Group or Antena 3 SA, but a group of companies controlled by Dan Voiculescu's daughters – sociological research firms, advertising companies. But you can't figure out the total amount of political money unless you have access to the accounts of several companies in such a group. Because when you calculate percentages of turnover, you have to think that the firms run a lot of public money between them. It's useless to look at the firm that has a license, because it only fulfills a bureaucratic formality, that of holding a license.

Cristian Delcea, Recorder journalist:

Manipulation has two edges. For most of the public, the bargaining between parties and the press brings civic somnolence. How many Romanians today know that a few months ago the Minister of Justice publicly announced a sentence that had not yet been handed down by the judges? (By the way, the sentence that the minister announced, *avant la lettre*, was the one that the judges had given: the individual in question was acquitted *post mortem*). The suspicion of having access to a pending case would have swept any minister out of office, in a functioning democracy. The Romanian mainstream media pretended not to see this story, it was quiet, people didn't know that a minister had revealed a sentence, Cătălin Predoiu didn't lose his head, and today he is Minister of Internal Affairs.

The second edge is on the side of people who perceive manipulation and consciously turn away from conventional media. A study by research company YouGov in collaboration with the Reuters Institute shows that 69% of Romanians with internet access deliberately avoid the news. I spoke today to a young man who noticed a news channel's change of attitude towards a district mayor, for reasons linked to the prosperity of that media trust. The young man removed the station from the list of publications he trusts. I asked him where he continues to get his news from and he replied "from Instagram".

ActiveWatch: Has all the controversy in the public space related to this mechanism of financial "cohabitation" between some media outlets and political parties affected you or your journalistic work?

Dap Tapalagă, C4Media journalist:

The millions of euros pumped into the press by the big parties have severely distorted both the market and the behavior of journalists, who practice widespread self-censorship. Journalists' salaries have been artificially increased NOT with the aim that journalists perform better, but with the aim that they DO NOT do their job.

Cristian Andrei, reporter:

I was lucky enough to work in newsrooms where I didn't have any pressure from the ownership in terms of choice of topics. Europa Liberă and Libertatea are newsrooms where you can openly tackle any subject.

But I'm afraid there is not the same freedom in all newsrooms. From my field work, I see how reporters censor themselves when they discover certain subjects or have to report on them and the justification "the newsroom is not interested" comes in.

In the strictly personal relationship, politicians have become more reticent from the moment they were asked about the money paid to the media and a certain hostility could be observed because of the subject.

Codruța Simina, Misreport journalist:

I think that a political system that implies that it pays the media non-transparently always does great harm to the media, and does so in the long run. I feel this harm every time I go out in the field and I am told that I am either part of the lying press – AUR propaganda – or the paid press. The public loses trust in the source of information, and that's a difficult loss to recover in the long run too, as I said.

Ovidiu Vanghele, Investigative Media Center journalist:

The alternative press is dependent on the mainstream press because we publish, but we need what we publish to be picked up. Because we don't have access to the same wide audience as the mainstream press. And when the mainstream press is buried in abject money, it no longer fulfills this information function. It closes the door on our products to the general public. See, for example, the subject of plagiarism.

Mihai Voinea, Recorder journalist:

It affects all of us who try to do our job, to respect some basic principles of journalism: you cannot call yourself a free journalist if you accept that your salary is paid by the money of those you have to criticize, to sanction their decisions.

Another way it affects us is that when we, at Recorder, produce an investigation, its impact is lessened. Because the role of TV reporters and news reporters is very important: it's to put pressure on decision-makers on certain issues. A few years ago, if we published an investigation, maybe other reporters would question politicians on that topic. Now nobody does that anymore because they're not allowed to. And how can it be allowed if the money that pays reporters' salaries comes from the party? You can publish an investigation, you can put very serious information in the public space, which arouses the anger of many people, but politicians no longer give explanations because nobody asks them.

Victor Ilie, reporter:

Yes, it affects me. I'll give an example of a problem that is old and now, with party money, is becoming the rule. You publish an investigation about a politician and Antena 3 or RTV doesn't pick it up because they don't find it of public interest. But if you do an investigation about their competitors, about those with whom they are in political fights, then they pick it up: "What a great story by Rise Project. What a great story by Recorder!". But is that public interest journalism? No, it's no longer public interest, it's business interest, political interest, ideological interest.

Cristian Delcea, Recorder journalist:

It affects the media market in general because it shapes generations of journalists with dormant senses. They are not required to perform, let alone be ethical. Many of the people now being trained in these 'bought' newsrooms will vitiate the entire profession in the long run. In the short term, we are dealing with a huge infusion of capital that destabilizes the income hierarchy in the media. Senior journalists,

otherwise combative and dedicated to their profession, can easily be lured into these media sanatoriums, where they are only asked to keep quiet in order to collect large sums of money at the end of the month, in total dissonance with the value of their work.

ActiveWatch: What solutions do you think exist to regulate the financial relationship between the media and political parties?

Dan Tapalagă, [G4Media](#) journalist:

Subsidy money should be used by political parties strictly for their functioning (rent, premises, employees, utilities etc., clearly defined in the law). Total ban on public money spent on propaganda outside election campaigns.

Cristian Andrei, reporter:

As a political reporter, I have in mind a few solutions that could be implemented quickly and improve the climate. They may not be the final steps, but they would certainly be steps forward. All of which I have presented in the articles I have published.

Parties to disclose monthly the amounts paid to websites with which they have direct or indirect contracts, the names of the sites, the type of articles and what they were paid for. The measure should be mandatory even if payment is made through an intermediary, two or ten. It is important to find out the final recipient of public money.

All articles part of a contract with a site to be distinctly marked with a "P" sign, from advertising (publicity), or "article supported by the party X/Y". Violation of the law and failure to mark articles should be sanctioned by the Permanent Electoral Authority, which controls party finances.

The amount allocated to promotion in the media must decrease. PSD and PNL used almost 100 million lei in 2022, from public money, for promotion in the media and political propaganda.

The Permanent Electoral Authority must check the contracts with the media to verify whether there is a causal relationship between the issues addressed and the contracts that were signed. CNA should oblige TV channels to state whether political analysts/sociologists invited on air or recorded have contracts with any party through the websites they run.

Besides these improvements that could be made, parties must comply with law 544/2001 on access to public interest information. Lawsuits won by journalists show that the law on access to information of public interest is often violated by party leaders.

Codruța Simina, [Misreport](#) journalist:

The best solution would be for parties to stop receiving public money. If they really need to, they should publicly justify spending every last penny of it, forced by law.

Ovidiu Vanghele, Investigative Media Center journalist:

The solution is to remove the possibility of using this mechanism. Which is absolutely vile and destructive. People have the impression that they are in front of a journalistic act, which is done in the public interest. But now the media is no longer done in the public interest. And this is not known, it is not assumed: "We now work for PNL, we work for Bode"... People find out on the street that Bode has plagiarized, that Ciucă himself has plagiarized and tries to cover up his plagiarism. People don't believe it unless they hear it on TV. So this media ends up twisting reality, altering it completely, making false what is true.

Mihai Voinea, Recorder journalist:

I don't know if there is any other country in the civilized world where parties give money to the media outside the election campaign. And in Romania we are talking about very large sums, paid constantly. I think this practice should simply be banned: parties should not be allowed to give money to TV stations, websites, newspapers or any media organization, except during election campaigns.

At Recorder we have addressed this issue and from the reactions we had on this topic it was very clear to us that society is outraged and does not agree with this practice. In an interview that Marcel Ciolacu gave to Recorder on this subject, he had to admit that political parties receive too much money from state subsidies and even promised – without keeping his word – to launch a debate on this issue. If one looks at how the parties use the subsidy money, one will see that a large part of it goes to the media, and another large part remains unspent. Basically, the meaning of these subsidies, which were designed to help parties function as organizations, pay their utilities and other basic expenses, has been completely changed. And I think we should consider whether these subsidies still make sense, since they now serve a completely different purpose than the one for which they were intended.

Victor Ilie, reporter:

Completely destroyed and rebuilt again. I don't think there is any solution. A few years ago I was more optimistic, but now I'm demoralized, I don't think there is any solution. I thought that if we gave public money to parties we could then make it more transparent and we could all see what was happening with it. But nobody cares that Antena 3 took a million euro from PSD, that RTV took 2 million from PNL and PSD. That seems to me to be the general opinion of people who make no difference between me and Ciutacu and so on. In fact, they are much stronger because you see them every night on TV and they seem to fight for the public interest, not for the interest of the owner or the politician who made the payment. As Victor Ciutacu said when I asked him if he didn't think the public was interested in finding out how much money parties put into RTV and he replied: "Maybe your public!". So, that's what it's all about. Bubbles don't just exist on the internet, they have always existed, and characters like Victor Ciutacu or politicians like Marcel Ciolacu keep people in a "cesspool" of ideas.

Cristian Delcea, Recorder journalist:

Amendment of the Law on financing of political parties. Article 25: 'Revenues from subsidies from the state budget may be used for the following purposes'. Repeal letter C: 'expenditure on press and propaganda'.

Social Democratic Party amendments to the Law on party financing. Criticism from civil society

We detail below the main provisions introduced by the draft law proposed by PSD parliamentarians, as well as the very important amendments proposed by two civil society organizations: the [Center for Public Innovation](#) and [Expert Forum](#). We support our colleagues' amendments. We reiterate ActiveWatch's position – based on our documentation and on the opinions of some of the journalists who have followed the issue of press funding by parties – that public money should not be used for press and propaganda spending outside election campaigns and, even then, they should be used under strict conditions, including transparency, to avoid the buying of editorial space by parties and candidates.

1. LEVEL OF SUBSIDIES

The level of subsidies received by political parties from the state budget is maintained - Criticized provision

The AEP draft assumed by PSD maintains the current level of the sum allocated annually to political parties from the state budget at a minimum of 0.01% and a maximum of 0.04% of gross domestic product (GDP). Both Expert Forum and the Center for Public Innovation are calling for this threshold to be lowered. The Center for Public Innovation says the sum should be at least 0.01% and at most 0.04% of the state budget. "With the increase in gross domestic product, the absolute amount of subsidies for parties has risen sharply, far beyond the possibilities of parties to spend the money relevantly. Because the level of revenue collection to the state budget has not increased accordingly, the share of subsidies to parties, which is based on GDP, has increased massively. This raises serious ethical issues and undermines citizens' trust in parties and democracy. We recommend reverting to the <<state budget>> reference and lowering the minimum and maximum thresholds for party subsidies", says the Center for Public Innovation (art. 18).

For its part, Expert Forum demands that AEP should not be able to initiate proposals for budget rectifications without prior requests and without political parties having spent the amounts already received, and that it should be obliged to publish, in the annual budget procedure, the justification for the calculation of the

annual amount for subsidies. In 2022, Expert Forum submitted a [letter](#) to the parliamentary parties and AEP, supported by 15,000 people, calling for increased transparency and accountability in the approval, allocation and spending of funds.

The level of subsidies received by parties with results in local elections is maintained - Criticized provision

Both Expert Forum and the Center for Public Innovation criticize the exclusion from public subsidies of parties that have won only local council or mayoral seats.

The Center for Public Innovation also calls for an increase in the share of the budget allocated to political parties with results in local elections (increase from 25% to 40% - article 20). Correlated to this, the subsidies allocated to parliamentary parties should decrease from 75% to 60% (art. 19).

2. POLITICAL ADVERTISING

Margins for expenditure on political advertising and election campaigns, made from subsidies - Criticized provision

The PSD draft provides a formula for the distribution of expenditure made from subsidies, which does not exist in the current law. Thus, only 30% of the total amount of subsidies from the state budget for the fiscal year in question could be used for political advertising expenditure, out of which a maximum of 40% allowed for the funding of the election campaigns. The Center for Public Innovation is calling for a 20% reduction in campaign spending in order to increase the fairness of electoral competition. Both the Center for Public Innovation and Expert Forum demand that subsidies not spent within 3 years of receipt be returned to the state budget (art. 25).

The definition of political advertising - Revisions

The PSD draft merges press and propaganda spendings with the organization of political activities' spendings into a single category: political advertising spendings.

Art. 25, para. 1 (law in force):

(1) Revenues from state budget subsidies may be used for the following purposes:

(...)

c) expenditure for press and propaganda;

d) expenditure on the organization of political activities;

(...)

Art. 25, para. 1 (PSD draft):

(1) Revenues from subsidies from the state budget shall be used for the following purposes:

a) expenditure necessary for the functioning of political parties;

- b) expenditure on the staff of political parties and expenditure on the payment of intellectual property rights;
- c) expenditure on political advertising;
- d) expenses of political parties for financing election campaigns and referendum campaigns, under the conditions of this law.

Art. 25, para. 4 (PSD draft):

Expenditure on political advertising includes:

- "a) press and propaganda expenses;
- b) expenditure on the organization of political activities".

The draft also introduces a definition of expenditure on political advertising, which does not exist in the current law (art. 45², para. 4). According to a new provision proposed by the AEP draft assumed by PSD, political advertising must be marked separately under the conditions established by the decision of the Permanent Electoral Authority (art. 45², para. 5).

Art. 45², para. 4 (PSD draft):

"(...) expenditure on political advertising means expenditure of any kind for the preparation, placement, promotion, publication or dissemination, by whatever means, of messages of political parties or of any other natural or legal persons representing them, acting on their behalf or promoting their political objectives, irrespective of the medium used."

The definition of electoral propaganda is also a novelty introduced by the PSD draft.

Art. 36, para. 7 (PSD draft):

"Any written, online, audio or video material used in the electoral campaign, which directly or indirectly urges voters to vote or not to vote in an election for a clearly identified candidate or political party, is considered as electoral propaganda material."

Expert Forum criticizes this phrasing saying that it "does not take into account those campaigns that promote issues supported by a party but do not include a specific person or party name. Failure to regulate this situation could lead to general propaganda material not being counted as election propaganda material, even though it contributes to the campaign. Furthermore, this definition does not take into account third parties who may contribute to the campaign".

The level of expenditure on election campaign propaganda is modified - Criticized provision

While the law in force stipulates that expenditure for the production and dissemination of election propaganda materials on radio, television and in the print media may not exceed 40% of the total expenditure that can be incurred in the election campaign, the draft submitted by PSD modifies these percentages as follows: on radio - 10%, on television - 25%, in the print media - 20%, online - 25% (art. 38, para. 4).

The Center for Public Innovation believes that the proposed percentages are restrictive, limiting the freedom of parties to choose their promotion methods, and proposes that for each category the margin should be 30%, allowing parties to define the best communication mix, while also avoiding the use of a single channel.

3. TRANSPARENCY OF EXPENDITURE

Detailed reporting of subsidy expenditure. Transparency to the public - Criticized provision

The draft assumed by PSD requires parties to communicate to AEP, on a monthly basis, the breakdown of expenditure made from state budget subsidies. However, reporting is not to be done in detail, but by broad categories of expenditure (article 27¹), a provision criticized by the Center for Public Innovation.

The Center for Public Innovation also requires political parties to publish on their websites, on a monthly basis, the list of contracts for the purchase of goods and services with a value of more than €5,000, covering expenditure necessary for the functioning of political parties and expenditure for political advertising (subject matter of the contract; supplier/provider/executor - full name for legal persons or the mention "natural person" for natural persons; value of the contract and subsequent amendments; period; status of the contract - completed or in progress).

The Center for Public Innovation points out that the lack of transparency in the spending of public money by political parties is one of the issues repeatedly raised by the civil society and international institutions, including [the European Commission \(Rule of Law Report\)](#), GRECO and the [Parliamentary Assembly of the Council of Europe](#). The provisions proposed above would be similar to the transparency rules for public institutions and other beneficiaries of public funds.

Moreover, the Center for Public Innovation requires political parties to publish on their websites, on a monthly basis, the list of payments for advertising services to media organizations, print and digital media or broadcast. The list should include: the name of the media channel (newspaper, radio station, TV station, website, etc.), the final beneficiary of the payment; the name of the legal person to whom the payment was made; whether the payment was made directly or through a third party - e.g., an advertising agency; the amount paid; the date of the payment; information on both direct and third party payments.

The Center for Public Innovation emphasizes that the transparency of the relationship between political parties and the media is one of the major concerns of journalists, civil society and international bodies. Expert Forum also supports the principle of publishing the list of final beneficiaries providing services and not just the intermediary companies receiving the money.

Detailed reporting of political advertising expenditure

The draft assumed by PSD introduces a new provision on the transparency of political advertising expenditure. Thus, the Permanent Electoral Authority shall publish on its own website, within 45 days of the annual (for subsidized political parties) and biennial (for non-subsidized parties) inspections, summary reports containing at least the following information:

- a) the main findings on income and expenditure during the period examined;
- b) a list of the political advertising service providers used, the services provided, the amount of payments made and details of the public or private sources of funding used;
- c) the infringements found and the penalties imposed;
- d) the measures ordered and the deadlines for their implementation;
- e) recommendations." (art. 44, para. 5)

Furthermore, according to the draft, political parties, political alliances, electoral alliances and independent candidates are obliged to submit quarterly reports on the financing of political advertising to the Permanent Electoral Authority, according to the model approved by decision of this institution. The reports include "all information on the expenditure on political advertising and the natural and legal persons involved in the financing, preparation, placement and distribution of political advertising". The provisions apply accordingly to political alliances, electoral alliances and independent candidates (electoral alliances and independent candidates submit the report within 30 days of the end of the electoral campaign for the election in which they participated). The reports are published by AEP within 30 days of receipt (art. 45²).

It is not clear from these two new provisions to what extent access to information about the final recipient of payments for political advertising services will be disclosed, as long as the text of the law does not clearly specify this obligation (see above the proposals of the Center for Public Innovation for the introduction of clear provisions for the transparency in regards to the final beneficiary of the payment - art. 27² and art. 27³). Expert Forum requests that in the case of contracts for political advertising services where there are third parties performing the services, information about them should also be published: "For example, if an online portal receives payments through an intermediary, the name of the final beneficiary (the online portal) should be published, along with details of the amounts received, the date of payment and the list of services provided".

Transparency of information about online propaganda during election campaigns

According to the law in force, within 30 days from the end of the electoral campaign, electoral competitors are obliged to submit to the Permanent Electoral Authority a statement containing information on the description of online electoral propaganda materials, their production, period and space of broadcast (art. 36, para. 3²). The draft proposed by PSD introduces the obligation for AEP to publish these reports within 30 days of their receipt. The Center for Public Innovation requests that the deadline be reduced to 5 days.

4. CONTRIBUTIONS, DONATIONS, LOANS

Transparency of membership contributions

The level of contributions that a member of a political party can make annually is maintained at 48 minimum wages, but according to the draft assumed by PSD, contributions whose individual value exceeds 3 gross monthly minimum wages will be collected only through bank accounts. Also, members' contributions can only come from their own income (art. 5).

The level of donations that can be received from a single source decreases

The maximum donations that can be received from a natural person in a year decrease from 200 gross minimum wages to 100. Donations received from a legal person in one year decrease from 500 gross minimum wages to 300. Donations can only come from the donor's own income (article 6, para. 2, 3).

Transparency of donations made by members

Donations whose individual value exceeds 3 gross minimum wages will be collected only through bank accounts (art. 9). Also, in theory, the possibility to keep the names of some donors confidential disappears, but Expert Forum and the Center for Public Innovation ask for clarification of this provision in the draft law (art. 11, 12, 13).

Public access to information on contributions, donations, loans - Criticized provision

Political parties are obliged to publish in the Official Journal of Romania, Part I, and to communicate to the Permanent Electoral Authority, for the previous fiscal year, the list of:

- natural and legal persons who have made donations whose cumulative value exceeds 3 gross minimum wages (art. 13)
- natural and legal persons who have granted loans exceeding 100 gross minimum wages (art. 13)
- the total amount of loans received that have a value of less than 100 minimum wages (art. 13)
- income from their own activities (art. 16)

This information is published on the AEP website. In order to keep citizens properly informed, the Center for Public Innovation requests that parties also publish this information on their websites.

The deadline for repayment of loans that a political party increases - Criticized provision

The current level of loans allowed is maintained, during a fiscal year, at a maximum of 0.025% of the revenue included in the state budget for that year, but the repayment term is increased from 3 to 5 years. The Center for Public Innovation and Expert Forum consider that there is no justification for extending the loan repayment term, as there is a risk that the loans could turn into disguised donations (art. 7, para. 3).

The permitted level of loans that a political party can make is maintained - Criticized provision

The Center for Public Innovation requires that the permitted level of loans does not exceed the ceiling of 0.025% of state budget revenues at any time, not just during a fiscal year. The Center for Public Innovation points out that the borrowing ceiling for 2023, for example, would be 690 million lei (€140 million). According to the proposed draft, a party could borrow annually up to this ceiling, which means that over a 4-year electoral cycle, the cumulative ceiling would reach over €500 million (art. 7, para. 6).

The level of loans that can be received from a single source decreases

Loans received from a natural person in one year decrease from 200 gross minimum wages to 100. Loans received from a legal person in one year decrease from 500 gross minimum wages to 300 (art. 7, para. 7, 8).

Loans are not made transparent

In order to prevent potential conflicts of interest by ensuring proper transparency of the debts registered by political parties, the Center for Public Innovation requests in the amendments submitted that political parties submit annually to the AEP and publish on their website the situation of loans taken out in the previous year and of loans in progress, including the following information on the natural or legal person from whom the loan was taken out: total sum borrowed, sum still to be repaid (art. 7, para. 14).

Loan agreements for the use of immovable property as premises do not become transparent

The Center for Public Innovation proposes that the law should stipulate that these contracts are information of public interest, which must be published on the political party's own website and may not contain confidential clauses (art. 7, para. 5, 15).

Price discounts to parties and candidates are no longer considered donations

The PSD draft no longer stipulates that price reductions exceeding 20% of the value of goods or services offered to political parties and independent candidates are considered donations (art. 10).

The regime for campaign contributions/donations/loans is modified - Criticized provision

In the PSD draft, the allowed amount of candidates' campaign contributions (from donations and loans) is partially modified from the current law. The ceiling is maintained for most positions or reduced, in general, by a small amount. Only for a few positions are the contributions significantly reduced. Thus, for the candidate for the office of President of Romania, the maximum contribution allowed is 10,000 gross minimum wages, as opposed to 20,000 as stipulated by the law in force (art. 28).

Conversely, the draft provides for the doubling of these sums by parties supporting candidates (art. 30 and art. 30¹). Expert Forum and the Center for Public Innovation criticize the provision – because it doubles the funding ceiling, adding the contributions of candidates to those of the parties – and call for its removal.

In addition, AEP does not publish information on electoral contributions until 30 days after the end of the campaign, a provision criticized by both Expert Forum and the Center for Public Innovation (art. 28, para. 17). Expert Forum explains in its comments that the proposed provision violates the right to information and does not comply with the recommendations of the Venice Commission and ODIHR.

5. PUBLIC PROCUREMENT

The law on public procurement does not apply to political parties or alliances

The PSD draft states that Law no. 98/2016 on public procurement does not apply to political parties or alliances for the purchase of goods, services or works necessary for their activity (art. 25, para. 18).

6. CONTROL AND SANCTION MECHANISMS

Criteria for appointing the director general of the Department for the control of the financing of political parties and electoral campaigns - Criticized provision

The draft submitted by PSD also aims to amend the process for appointing the director general of the AEP's Department for the control of the financing of political parties and electoral campaigns (art. 42, para. 6). Concerning the criteria for appointment of the director, the draft eliminates the requirement not to have been a member of a political party in the last 5 years and the requirement to comply with several provisions mentioned in Law no. 7/2006 on the status of parliamentary public servants (the person has not been convicted of a crime that makes them unfit for public office, has not carried out political police activity as defined by law, and has not been dismissed from a public office in the last 7 years).

Moreover, the PSD draft introduces the requirement that the director general of the department must have at least 10 years of seniority in a public office with control duties within the Permanent Electoral Authority. The Center for Public Innovation believes that this proposal unjustifiably limits the selection of the director general to a limited number of AEP employees, namely those with such seniority. In this regard, the Center for Public Innovation warns that this regulation may create abuses: for example, in order to manipulate the selection contest, the director of the department may remove possible future competition by eliminating subordinates who are close to the 10 years experience threshold. Moreover, criticizing the changes to the law, the Center for Public Innovation points out that "there is no justification for removing the condition of political neutrality" of the department's director general.

Subsidy regime in former communist states

For this thematic dossier, we set out to identify how widespread at European level the practice of parliamentary or non-parliamentary political parties directing public funds from operating subsidies to the media is. In doing so, we used information from the [Financing of political structures in EU Member States report](#) (2021) conducted by the European Parliament, the [European Commission's country reports on the rule of law](#) (2022), the Permanent Electoral Authority's "Guide of good practices on the financing of political parties" (2020), and the country profiles developed by Reporters Without Borders (RSF) in the [Press Freedom Index](#) (2023).

In particular, we have extracted detailed information about EU Member States in Central and Eastern Europe that have a more recent democratic tradition and were part of the former communist bloc.

Thus, we have tried to capture the extent to which interference and financial control exercised by political power or the state over the media are exceptions or recurrent behaviors. On the basis of these sources, the comparative analysis of the party subsidy regime and its role in influencing media behavior shows that, in some of these former communist bloc states, there are robust constraints and verification mechanisms for political parties, and the media cannot be editorially controlled through direct funding.

Although the European media market is facing many economic challenges and the discussion about the transparency of commercial relations between the state and the press is still open in most EU countries, in our documentation we have not identified any country where political parties finance private media in a manner similar to the current Romanian model, in periods without electoral stakes.

Perhaps not coincidentally, this reality is also partly reflected in the rankings of these countries in the global Press Freedom Index developed by Reporters Without Borders.

Zoom out – Subsidy regime for EU parties

According to the [Financing of political structures in EU Member States report](#) (2021), in most countries where political parties receive state resources, assistance is both financial and in-kind. The most common forms of in-kind assistance made available by the state are the provision of premises (in 14 Member States) and that of staff (in 8 Member States).

In general, the total number of parliamentarians in a party represents the main criterion for allocating subsidies. In the Czech Republic, Germany, and Hungary, the coefficient by which subsidies are calculated is higher for parties that are not part of governing coalitions or alliances².

Zoom in – Subsidy regime for parties in former communist states

Bulgaria (ranked 71/180 in the RSF Index)

Population (2021): 6.8 million

In Bulgaria, political parties must have obtained at least 1% of the total votes in the previous elections in order to receive state subsidies.

All donations are reported and disclosed publicly. Anonymous and foreign donations are prohibited. Moreover, religious institutions are not allowed to fund parties for election campaigns. Sanctions for violating Bulgarian law include fines, loss of public funding or political office, confiscation, and re-registration of the party. However, the Group of States against Corruption (GRECO), a body of the Council of Europe, [noted](#) that sanctions are too lenient and inadequate in relation to the seriousness of the illegal acts in the field of party financing.

In parliamentary and presidential electoral campaigns, media promotion expenses are reimbursed within the limit of €20,000.

As regards the general funding regime of the press, the 2023 RSF report notes that state advertising has a significant share in the revenues of media outlets. More gravely, the authors of the report point out that the government distributes public funds from national or European sources in a totally non-transparent manner in order to gain a favorable image in the press.

Czech Republic (ranked 14/180 in the RSF Index)

Population (2021): 10.5 million

In the Czech Republic, political parties receive state subsidies if they simultaneously meet the following conditions: they obtain at least 1.5% of the votes in the previous elections for the Chamber of Deputies and publish their most recent annual financial report. Also, parties competing in elections have equal time to promote their campaigns on Czech public television. Apart from these periods, which are free of charge, political promotion on television is prohibited. In addition, anonymous donations are forbidden, as are donations from foreign sources, partly or fully state-owned entities, political institutes (party foundations), and legal entities of public utility such as NGOs.

² The authors of the report note that data on the allocation scheme in Belgium and Portugal was not available.

All donations are reported and disclosed publicly. Czech law obliges political parties to allow citizens online access to any transactions made through bank accounts where both state budget subsidies and donations are deposited. Moreover, parties and candidates are obliged to open special accounts dedicated exclusively to campaign transactions. Thus, any transaction, whether from subsidies or donations, is public and can be checked [online](#). Political parties that do not comply risk fines, loss of public funding, and party suspension.

Croatia (ranked 42/180 in the RSF Index)

Population (2021): 3.8 million

In Croatia, both political parties that have a representative in Parliament and independent members of Parliament receive as public funding an amount that constitutes 0.075% of the total tax revenue of the state in the previous year, which is distributed equally. Anonymous and foreign donations, as well as those from trade unions or entities that have concluded contracts with the state are forbidden. The law also prohibits donations by religious, humanitarian, non-profit, and/or indebted organizations. Political parties must publicly report both donations and the identities of donors every six months on their websites. Sanctions for non-compliance include fines, loss of public funding, and confiscation.

The OSCE Office for Democratic Institutions and Human Rights (ODIHR) has analyzed the adoption of a new Croatian law on the financing of political parties and campaigns in 2019. ODIHR praised newly introduced measures such as the obligation to publish online reports on donations and campaign expenditure and the obligation to conclude contracts if a donation exceeds €660. However, the institution criticized the lack of transparency of loans for campaign financing since the law does not regulate this situation.

The 2023 edition of the RSF Index notes that in recent years it has become a tradition for major publications to partner with the government in organizing public events. This phenomenon, according to the authors, raises questions about the editorial independence of these media outlets.

Estonia (ranked 8/180 in the RSF Index)

Population (2021): 1.3 million

Estonian parties receive state subsidies if they achieve at least 2% of the total votes in the elections. Anonymous donations, as well as those from foreign sources or legal entities, are prohibited. All donations are reported and disclosed publicly. Political parties are not allowed to use public resources to finance their campaigns. Those who violate Estonian law risk sanctions in the form of fines.

In 2013, the Political Parties Financing Surveillance Committee of Estonia (ERJK) launched a system through which the public can access the financial reports of

political parties, independent candidates, and electoral coalitions. However, following the 2019 parliamentary elections, ODIHR [reiterated](#) several recommendations, such as clarifying the provisions on the use of public funds during campaigns, introducing the obligation to report third-party spending during elections, and ensuring the independence of ERJK members.

Latvia (ranked 16/180 in the RSF Index)

Population (2021): 1.8 million

In Latvia, each party that achieves at least 2% of total votes in parliamentary elections receives a subsidy of €4.5 per vote, and those that pass the 5% threshold receive an additional €100,000. As of 2020, the amount of subsidies for parties has increased dramatically compared to the previous year. Thus, while the government allocated subsidies of no more than €600,000 to political parties in 2019, the amount distributed in 2020 rose to €4.5 million.

The donation regime for parties is extremely strict, prohibiting anonymous donations and those from legal or foreign entities, as well as from partly or fully state-owned entities. In 2018, cash donations could not exceed the equivalent of €430. Parties are also not allowed to use subsidies for electoral purposes, except for actions during campaigns. Party accounts and the identities of donors must be made public annually.

Sanctions for non-compliance with Latvian law include fines, loss of public funding, suspension or dissolution of the party, and criminal sanctions. Despite numerous filters and constraints in the public funding regime, the 2023 RSF Index shows that the market and media independence are distorted by publications owned and controlled by local public authorities.

Lithuania (ranked 7/180 in the RSF Index)

Population (2021): 2.8 million

In Lithuania, parties eligible for subsidies must reach the minimum threshold of 2% of the votes, and the amount is calculated with a coefficient of €0.54 for each vote. In 2020, the government has allocated €5.7 million in subsidies to all eligible parties. Lithuanian law does not distinguish between operating expenses and campaign expenses, and the government does not additionally reimburse campaign expenses.

The party donation regime is well regulated, with restrictions on anonymity, external sources, and legal entities. The maximum threshold for a donation cannot exceed the equivalent of 10 average monthly salaries. During electoral campaigns, private media organizations are obliged to grant equal conditions for paid promotion to all competitors.

Sanctions for violating Lithuanian law include fines, loss of public funding or political rights, criminal sanctions, and suspension of the party.

Poland (ranked 57/180 in the RSF Index)

Population (2021): 37.7 million

In Poland, parties that achieve at least 3% in the elections to the Chamber of Deputies or electoral alliances that reach the 6% threshold are eligible for subsidies from the state budget. The higher a party's or alliance's percentage of votes in the election, the lower the amount allocated per vote. Between 2015 and 2019, the annual average subsidy for all parties was around €13 million.

A private person cannot donate more than €8,500 to a party, and a candidate's contribution cannot exceed €25,000. Anonymous donations and those from foreign or legal entities are prohibited. Parties that violate Polish law can face the following sanctions: fines, loss of public funding or political rights, confiscation, cancellation of party registration, and criminal sanctions.

Political advertising is strictly regulated during election periods, when public media services are obliged to allocate free of charge airtime to all competitors and private operators are obliged to offer equal conditions to all competitors buying advertising space.

Both the Rule of Law Report (2022) and the Press Freedom Index (2023) state that the main mechanism of influence and control over the press is the state advertising regime, which is discretionary allocated to pro-government publications and media platforms.

Slovakia (ranked 17/180 in the RSF Index)

Population (2021): 5.4 million

In Slovakia, parties that obtain more than 3% of the valid votes in parliamentary elections receive a one-off electoral contribution for the entire term of office. A coefficient equal to 1% of the average monthly salary in Slovakia is applied to each valid vote. Additionally, each year they receive an operating grant equivalent to the electoral contribution and a grant for each eligible mandate. Thus, up to the threshold of 20 mandates, each parliamentary mandate is financed with the equivalent of 30 average monthly salaries. Additional mandates above the threshold of 20 receive a subsidy equivalent to 20 average salaries. In 2020, an election year, parties received more than €35 million in subsidies, including the electoral contribution. By contrast, in 2021, a non-election year, the operating and mandate subsidies amounted to around €12 million.

The donation and contribution regime is extremely strict, consisting of a multitude of constraints. For example, a member's contribution cannot exceed the threshold of €10,000. However, in-kind contributions can reach up to €300,000 from a single donor. Anonymous donations and those from foreign entities are forbidden. Expenditure by parties in electoral contexts cannot exceed €3 million, and political advertising is prohibited outside election campaigns. Those who do not comply with the law risk sanctions in the form of fines.

Slovenia (ranked 50/180 in the RSF Index)

Population (2021): 2.1 million

Slovenia has the lowest eligibility threshold for operating grants, with a minimum threshold of 1%. The subsidy calculation coefficient ranges from €0.12 to €0.33 per vote cast, and in the case of Italian and Hungarian minorities parties, a formula is applied including the two constituencies of minority representatives.

Anonymous donations are forbidden, as are those from trade unions or companies that have contracts with the state. Individual contributions cannot exceed the limit of 10 average monthly salaries.

In addition, public funds or funds from companies in which the state has a stake of more than 25% cannot be used in election campaigns.

Although Slovenia tightened the list of bans on party financing regime in 2013, OSCE recommended in 2018 a more predictable sanctioning framework for possible deviations from the rules. Political parties that violate Slovenian law risk fines and the loss of public funding.

Hungary (ranked 72/180 in the RSF Index)

Population (2021): 9.7 million

Hungary started giving public subsidies to parties immediately after the fall of communism, with 25% being equally distributed to parties represented in Parliament and 75% going to all political parties that participated in the elections and won at least 1% of the votes. Between 1990 and 2012, subsidies accounted for almost 80% of party income. In 2013, anonymous donations and those from legal entities or from abroad were banned. However, a maximum threshold for donations from individuals has not been introduced. In 2020, the Hungarian government reduced annual public funding by 50%, allocating half of state subsidies to the fight against the pandemic. The European Parliament has warned that this measure raises serious concerns about political pluralism.

Parties in Hungary are given equal time to promote their campaigns on Hungarian public television.

The official declaration of much lower sums than actually spent, the lack of full disclosure of donors, and the absence of sanctions against parties are some of the factors that jeopardize the transparency of political party activity. Sanctions for parties that do not comply with the law include fines, loss of public funding, and confiscation.

According to a European Commission [report](#), although independent internal control mechanisms are unsatisfactory and the party and campaign financing process is questionable, the implementation of most of the measures in the 2020-2022 anti-corruption strategy has been delayed. Furthermore, RSF stated that the allocation of state advertising is discriminatory to the benefit of pro-government media.

FreeEx Digest is an editorial project of the ActiveWatch Association, produced by the ActiveWatch team and its collaborators and financially supported by the Embassy of the Kingdom of the Netherlands.

In the upcoming months we will regularly produce summaries of the main issues that can negatively influence the right to correct information and freedom of expression in Romania.

We will talk about cases of journalists who are not allowed to work in the public interest, expose practices and institutions that restrict freedom of expression and try to offer recommendations and solutions for citizens overwhelmed by the huge flow of contradictory or misleading information that fuels our anxiety and prevents us from making informed decisions.

The FreeEx Digest project is inspired by more than 20 years of work in monitoring freedom of the media and contained in the [annual reports on freedom of expression in Romania](#).

FreeEx Digest no. 1 - “Safety of Journalists. Public Lynching and Kompromat” can be read [here](#).

FreeEx Digest no. 2 - “Control and censorship of digital communications” can be read [here](#).

FreeEx Digest no. 3 - “Breaking (News) Democracy” can be read [here](#) (available only in Romanian).

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