### The winner takes it all

analysis on the impact and the risks of the new electoral system

Fidesz has implemented the most significant changes in the electoral system since the transition in 1989-1990. Below, we summarize the most important changes based on their impact on the electoral results. To sum up, we can say that the April 6 elections will be free but not fair: there are several changes in the system that benefit Fidesz – but it does not mean that Fidesz cannot be defeated at the polls.

#### The impact of the modification of the electoral system

## Features of the election system benefiting the largest party of the day: shift in the direction of a majority systems

In many respects the modification of the election system favors the party in the strongest position at the time of voting. In 2014 that advantage will probably go to Fidesz, although in later elections these features may actually backfire and turn against Fidesz. At the same time, these measures carry practical advantages promoting government stability by reducing the chances for the formation of coalition governments (of the six administrations since the regime change, this is the first non-coalition government) and increasing the odds for the formation of governments with a super majority (the current government is the second one with a two-thirds majority).

- 1. Instead of on party lists, 53% of parliamentary mandates will be decided in individual districts as opposed to 46% in the past.
- 2. After the elimination of the second round, individual seats may be won with a relative majority of the votes ("first past the post" system).
- 3. The effects favoring the winner will be further boosted by a so-called **winner compensation**: votes cast for losing candidates are not only added to the list, but in a strange twist votes not needed for a mandate will be recycled as well. In other words, if the winner receives 20,000 and the runner-up 15,000 votes, the party fielding the winning candidate will be allocated 4999 fractional votes.
- 4. It will be much easier to meet requirements for fielding candidates, which means that votes may be scattered among small-party candidates and increase the chances of the candidate representing the party with a relative majority.

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- As opposed to 750 in the past, this time a candidate must collect only 500 signatures in districts almost twice the size in the past, i.e., to field 106 candidates a party needs to collect a total of 53,000 signatures. While in the past a candidate needed the support of every 60<sup>th</sup> today it needs the support of only every 150<sup>th</sup> voter. At the same time, for a party list 27 candidates will suffice, which translates into 13500 signatures (in Budapest and in at least nine counties). Putting up a candidate is made even easier when a single voter may support more than one candidate.
- New regulations also encourage small parties to enter the fray by offering generous campaign funding for single candidates and party lists. With as few as 27 individual candidates a small party may receive HUF 176 million in campaign financing and if it manages to run a national campaign (fielding 106 individual candidates) the total may run up to HUF 703 million. This encourages the emergence of so-called 'sham parties'.

#### Changes that bring benefits to Fidesz

#### 1. The new, gerrymandered constituency map

Concurrent to the enactment of a new Hungarian electoral law, a brand new and politically manipulated <u>constituency map</u> also came into effect that clearly benefits Fidesz.

# In a relatively tight race district borders become significant; in the event of a 1 to 4% opposition lead the system can correct to favor the right. However, in the case of a wider margin they have little relevance.

- A possible sign of political manipulation may be the fact that populations in left-leaning districts are typically 5-6 thousand larger than those in right-leaning districts – which means that leftist votes matter slightly less.
- According to Political Capital's mandate calculations (and in line with other projections) in case of equal support at the national level Fidesz would be allocated 10 more singlemember mandates than its rival.

#### 2. The election rights of Hungarian citizens living abroad

With the introduction of eased naturalization and the elimination of the requirement to prove residence in Hungary in order to vote, Fidesz primarily aims to capture the votes of ethnic Hungarians living in the Carpathian basin (Transylvania, Serbia and Slovakia) and, according to recent surveys, its plan stands a good chance of succeeding. Calculating with over half a million recently naturalized Hungarian citizens and the rate of voter registration, 100 000 to 200 000 are certain to vote, and as many as 300 000 to 400 000 of those acquiring Hungarian citizenship since 2011 may cast their vote.

- Surveys conducted in neighboring countries clearly show that most ethnic Hungarians have little interest in Hungarian domestic politics, although the vast majority of those wishing to have a say support Fidesz.
- Depending on voter turnout in Hungary and abroad and the distribution of votes among the parties, votes cast abroad may decide the fate of 1 or 2 and maximum 3 to 5 mandates.

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#### Between August 1 2013 and February 16 2014, 156,520 non-resident Hungarians registered to vote.

The National Election Office has no information about the specific countries as those who wish to vote only have to provide their address of notification. Almost the one-third of them (51,955) gave an e-mail account or a fax number, so it is hard even to guess their home countries. This is the same with those 2021 people who gave a Hungarian return address. 2036 gave return addresses in countries that prohibit dual citizenship, so the National Election Office does not detail how many have given addresses in Austria, Slovakia or Ukraine. The majority of the people gave Romanian addresses (72,056), the second place goes to Serbia with 22,256 registrations (not counting those with the e-mail option). The remaining 5,698 people are scattered in 65 countries.

In the first three months of the registration (between August 1 and October 31), it was only possible to register in mail. Since November 1, registration online has been possible. Influenced by this, the pace of registration has slightly accelerated. Registration lasts until 22 March, the day 15 days before the elections.

#### 3. The media environment and campaign regulations

A distorted media market and equally skewed campaign regulations represent the biggest advantage for the governing party. Since Fidesz leads in the polls by a wide margin and undecided voters represent a threat to the party, Fidesz has a vested interest in limiting the number of political messages reaching the electorate through the media.

- **Public television and radio stations** are already strongly biased in favor of the governing party, and during the campaign period they are required to grant a limited time for political advertising spots to political parties. In the meantime governmental advertisements are expected to be aired.
- In commercial radio and television political advertising will not be aired. As a consequence of the fact that channels may not charge for airing political promotional materials and may not even make a choice between the parties, none of them chose to air the campaign spots for free, but not to air them at all. (The second-largest commercial television company, TV2 was acquired by a Fidesz-affiliated company in December of last year. The right is clearly overrepresented in commercial television and radio broadcasting political and public-interest programs.)
- Advertisements may be placed in the printed and the online media, although these are required to announce list prices in advance and they may not depart from these in respect to any of the parties. However, the same restriction doesn't apply to public-space advertising: in this case we will never know whether the service provider offers space to specific parties below the list price. The majority of public-space poster sites are owned by Fidesz-affiliated companies.
- The official campaign period starts 50 days prior to and runs through the election date. This
  also means that campaign rules apply only during these 50 days and only for the parties'
  campaign activities. The "government information campaign" or the "civil sphere's"
  political activity currently under way doesn't fall under the scope of the law.
- While there will be no campaign silence, on the last day of the campaign no political ads can be aired in television and radio and activists may not campaign within a 150-meter radius of a polling stations. For Fidesz all this makes personal mobilization easier, an exercise the party is already good at.

#### 4. Preferential mandates granted for national minorities

The 13 national minorities registered in Hungary have been given the theoretical chance to send delegates to Parliament, although in reality only a Roma national minority government has a realistic chance of collecting 20,000 to 30,000 votes needed for a mandate. Since the Roma organization fielding a list has close ties to Fidesz (its leader, Flórián Farkas, is a Fidesz MP) in 2014 the preferential national minority mandate may amount to nothing more than a Fidesz mandate 'earned on the cheap'. However, since the registration data has not shown yet crowds registering as minorities, it is not clear whether Fidesz has the ambition to get this mandate or not.

- The citizen belonging to a national minority must decide whether to cast his ballot for a party's national list or the list of the national minority government (besides the vote for an individual candidate).
- The system eliminates competition: only the national local government of a national minority may field a list.
- A number of Roma organizations urge minority members not to register as minority voters and cast their ballot for a national party list instead.

#### Opportunities for abuse and the risks of the new election system

## 1. New campaign financing system – a hotbed for sham parties, shady business and corruption

Since it has become much easier to meet the requirements for nominating candidates for MP (see details above), it is worth – even for a group of friends – to join and establish a political party, as they can easily get access to state support for campaign financing, to the tune of hundreds of millions of HUF. Even though the more modest support of 1 million HUF ( $\leq$  3,400) that individual candidates are entitled to receive must be accounted for item by item, support granted based on party lists might as well be justified by fictitious invoices. If such a sham party is able to field 106 candidates, they can pocket as much as 597 million HUF ( $\leq$  2 million) even if they do not cherish genuine political ambitions.

The most problematic provisions of the campaign financing law that gives even more room for political corruption:

- While the 1 million HUF campaign support awarded to individual candidates will be transferred to a card issued by the Treasury, **parties with a national list will receive the state support in cash**.
- While the law regulates in detail how individual candidates are required to account for their campaign spending, it **does not oblige parties**, which enjoy a much more generous funding, **to account for their expenses item by item**.
- While individual candidates have to pay back the state support if they fail to win at least 2% of votes, parties will not lose a penny of their several hundred million HUF support even if they do not get one single vote for their list.

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#### 2. Risks of the mail-voting

By its very nature, the system of mail voting reserved for dual citizens (having no residence in Hungary) carries the possibility of fraud.

- As the ballot paper will be in the possession of the voter weeks before the election, his **decision may be directly influenced** by a relative, a neighbor or a party activist.
- No legislation can prevent that party activists **collect bundles of letters sent in by voters** and decide which bundles to forward to the election center located in Budapest and which ones to hold back.
- Citizens willing to sell their votes can also be found outside Hungary, not to mention that beyond the borders it is more tempting to take advantage of them surreptitiously because these voters don't even have to go to polling stations: they simply have to be convinced to register and hand over the bundled letters to party activist; they don't even have to bother with voting as everything will be 'taken care for'.
- However, due to the little weight represented by the votes coming from outside the country, to measure the benefits in mandates such fraud would have to be committed on a large scale, involving hundreds of thousands of voters.

#### 3. The risks of voting in diplomatic missions abroad

As hundreds of thousands of Hungarian citizens with a residential address in Hungary work in several European countries, providing facilities where they may exercise their right to vote may create huge **logistical problems** at Hungarian embassies and consulates. If the premises prove to be too small for holding elections, there is the legal option of renting additional facilities, although this also requires the consent of the host country.

Hungarians who are living abroad, but still have their residence in the mother country cannot vote via mail.

#### 4. Vote buying

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Based on recently passed legislation the organized transportation of voters is completely legal and incidents of vote buying will become more difficult to detect. According to the latest modification of the procedural act, while buses may not be used to transport voters to polling stations, all other vehicles (e.g., passenger cars) will be permitted. In Anglo-Saxon countries it is common practice that parties take their sympathizers to polling stations in groups, however so far this has been banned in Hungary. In the past, once a 'campaign silence' was announced all manner of voter influencing was banned, including transportation. In fact, the transportation of voters often raises the suspicion of election fraud. Although it is difficult to prove that someone accepts money or other benefits to mark the right box on the ballot paper, the transportation of voters has always been considered as a telltale sign. No wonder that the parties caught in the act have been accused of election fraud.