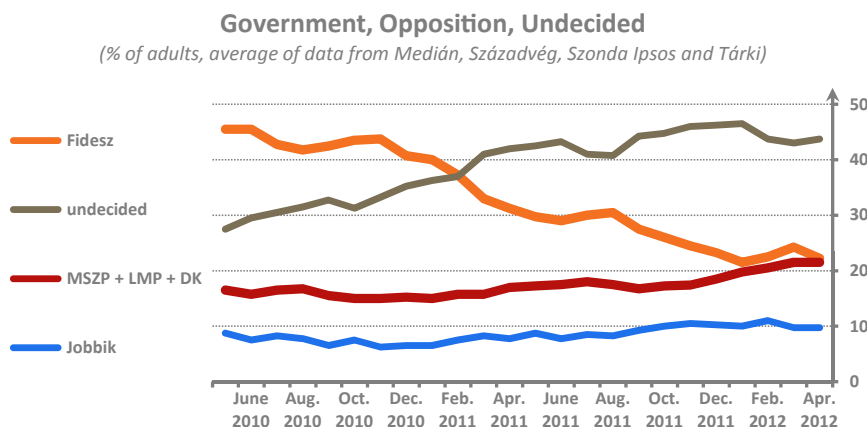


## Party funding and prior registration ahead of the elections

Within the ranks of Fidesz, a growing perception of losing the trust of the public has occurred and confidence about an election victory in 2014 is gradually waning. The party leadership is therefore making efforts to improve the election prospects of Fidesz by administrative means (e.g. redrawing electoral districts in a way that is favorable to the governing party). This notion is further underlined by the proposal of the prime minister to suspend the state funding of political parties, as well as by the plan to introduce the mandatory registration of voters ahead of the elections, a policy proposal forecast by Political Capital in a previous analysis.

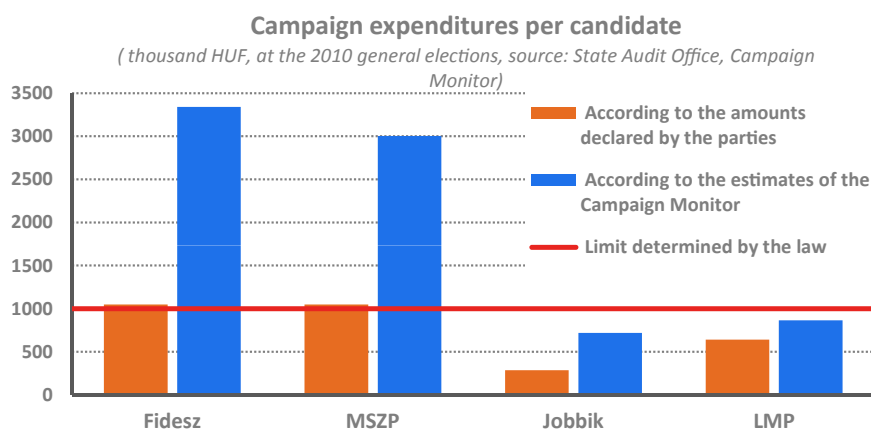


### The suspension of party funding from the state budget

On May 17, 2012, PM Viktor Orbán made a proposal suggesting that parliamentary parties be excluded of all funding from the state budget for the years 2013 and 2014.

- **The PM's proposal is opposed by many within the governing party (among them is János Lázár, currently leader of the Fidesz parliamentary group, soon-to-be leader of the Prime Minister's Office), hence a softening of the original proposal is possible during the coming weeks.** The final outcome, however, will be a restructuring of the party funding system, and as the actual party in power never pursues the whitening of the system, **a significant decrease in legal resources available to parties is in store.**
- **As a consequence of the state funding being cut out or reduced, political parties will become even more exposed to business circles demanding favors and services in return for their financial support.** The tradition of political parties being financed by individuals has not been established in Hungary, such sources will therefore not fill the financing void left by state funds being removed.

- **The elimination of state funding for political parties will hardly spare 3 billion HUF (around 10 million euros) for the state budget annually, hence a minuscule amount within the general budget. It is this argument that opposition parties are emphasizing, their position is however weakened by the fact that the PM's proposal enjoys considerable public popularity, with the Hungarian electorate showing enormous receptivity to anti-party populism.**
- Yet on the long term, the proposal may as well reinforce allegations of corruption leveled at Fidesz, a tendency that has been gaining momentum for a while. On top of that, the issue may generate an international scandal similar to that surrounding the media law. State funding for political parties is a principle enjoying widespread consensus throughout the European Union, and its immediate and durable elimination distorts the political competition itself to a great degree.
- **By this proposal, it is also among the PM's intentions to "spread" the allegations of corruption directed at Fidesz onto the other parties:** with legal sources being cut back significantly, opposition parties will also be forced to set their sights on other financing alternatives, a tendency exposing them to attacks from government-bound media. **Along with possible corruption scandals, condemning funds arriving from foreign organizations and companies – even if fully legally – would perfectly fit the communication strategy of Fidesz generating differences between "foreign" and "domestic" as general categories.**



- **Together with cutting back on party funding, the government is most likely to restrict the scope of legit campaigning tools:** the elimination of political advertising in public places, electronic and print media is a genuinely plausible scenario. Again, Fidesz would probably try to justify such a decision by stressing the need to cut back on costs, yet it is clear that such a change would just as well improve the position of the governing party, as it possesses a much greater media background and a much better developed organizational network enabling direct outreach to citizens.

## The introduction of mandatory registration for citizens ahead of the elections

**According to our resources, the majority of the Fidesz leadership is in favor of the proposal suggesting that only those Hungarian citizens be entitled to vote at the general elections, who have registered to the index of voters a number of months (1 or 2) prior to the date of the general elections.** Should they fail to register until the deadline set, they are not entitled to vote.

- **There is no professional argument justifying the introduction of prior electoral registration.** No legitimate criticism has so far emerged with regard to the Hungarian population registry at previous elections, cases when voters were unduly omitted from the voters' roll were just as well extremely rare. **What is more, the information leaked about this proposal indicates that compared to parallel practices abroad, a particularly early closure to the registration period is being planned ahead of the elections. This would double the campaign period, hence a much greater financial and organizational challenge would be posed to political parties, further increasing the importance of the negative effects of state funding being reduced, or eliminated.**
- **Fidesz is looking to introduce prior electoral registration in order to increase the significance of determined and conscious voters at the elections.** This would mainly be an advantage to the governing party itself with regard to the 2014 elections, since their policies have hit groups of lower social status in the first place, whereas their own voter base is still regarded as the most committed, and Fidesz is also the most efficient in mobilizing their voters. (Fidesz has not lost any by-election where the voter turnout was low since the early 2000's.)
- **Nevertheless, the plan may pose significant risks to Fidesz:**
  1. Contrary to the general belief, politically active, well-off voters with relatively high levels of education are overrepresented in Jobbik's camp as well, thus the far-right party may come out as the other winner of prior electoral registration. What is more, Jobbik now possesses an organizational structure that, from several aspects, matches that of Fidesz.
  2. A scenario suggesting that the less committed of Fidesz-voters will sit back in resignation come 2014 should not be ruled out either, whereas a general sentiment to take the government down may enable uncertain voters to be mobilized during the registration period. In this case, Fidesz might as well lose the elections two months before they actually take place.

Political Capital and Social Development Institute is working on a project that is partially funded by the OSI Think-Thank Fund. The program that is called "New electoral system in Hungary: watchdogging, advocacy and raising awareness" focuses on the electoral reform in Hungary. The website of the project, [www.valasztasirendszer.hu](http://www.valasztasirendszer.hu) collects all available information on the Hungarian electoral reform process for experts, journalists, NGOs, diplomats and politicians who show interest in the topic.

The site was launched in September 2011 and is regularly updated with analyses, publications, research and data.

Please find our analyses in English at <http://www.valasztasirendszer.hu/?cat=215>