

Index for Transparency of Party Financing in Bulgaria

The Index

The Index for Transparency of Party Financing includes two types of information. The **first component** is based on the *objective pattern*, laid down and disseminated regularly in the reports of the National Audit Office on the correctness of the financial reports, submitted by the parties and representing their funding and expenditures. The value of this indicator is determined as correlation of the parties who have and those who have not submitted their financial reports to the National Audit Office in due time.

The **second major component** of the Index includes generalized information from a *sociological survey on the perceptions and assessments* of the level of transparency and limitations of accountability in party financing. Here the results from the research of the expert interviews on the four selected target groups occupy a central position. A respective percentage is given for each of the groups in the forming of the overall Index for Transparency of Party Financing.

This approach in data processing guarantees the preservation of the respondents' personal opinions to a maximal extent, provides for reliability of the outcomes, facilitates their verification, and, at the same time, contributes to the achievement of a high level of compatibility and comparability to other indicators of the same type as the CPI of Transparency International.

Methodology of the Sociological survey

Four main groups have been inquired as experts who have a direct relation both to the practice of party financing and its interpretation. These groups have been selected on the basis of the specific positions that they occupy in this process.

The first group, whose opinions and evaluations are included in the target scope of the survey, is the group of **entrepreneurs**. The practice indicates that problems drawing the public attention and allowing for the stable presence of the suspicions on non-legitimate party financing involve, in the first place, relations between the business and the parties. The second target group included in the course of project implementation and Index elaboration is the group of the **NGOs**. The third target group consists of the **parties** alone. The fourth group comprises experts, whose evaluations on the level of transparency in party financing are included in the elaboration of the complex indicator – the **journalists**. The survey included journalists from local, regional and national media.

The survey was carried out in the period October – December 2004 in the cities of Sofia, Pleven, Dobrich, Montana, Sliven, Smolyan and Blagoevgrad. The respondents include 220 representatives of the four selected groups.

Representatives of each of the selected groups were inquired on the basis of a half-standardized interview questionnaire. Every inquirer had an individual registration card for each separately conducted interview.

Index Value

The Index for Transparency of Party Financing in Bulgaria for 2004 is

2,25, with values ranging between 0 (lack of transparency) to 10 (maximum transparency).¹

The objective indicator of the level of transparency in party financing, calculated in this index, is **1,98**.

According to the official information of the National Audit Office up to October 2004, 267 parties out of a total of 333 registered parties (or 80.18% out of all registered ones) have not submitted financial accounts about their activity throughout the past period.²

The perceptions indicator of the level of transparency in party financing, calculated in this index, is **2,53**.

In their subjective evaluation and perception of the level of transparency in party financing, the respondents tend to estimate the existing situation higher than the value of the objective proportion between the parties, who have submitted their accounts to the National Audit Office, and these who have not.

The indexes for the separate groups have different values. According to political parties functionaries financing transparency has the highest rate in comparison with the other groups – 4,01 (with perception value of 2,25 for 2003). Among entrepreneurs the index value rates 2,25 (with perception value of 0,71 for 2003). The values measured among the representatives of the non-governmental sector determine the calculated index of this group within the score of 2,09 (with perception value of 1.30 for 2003), and among journalists – 1,79 (with perception value of 1,76 for 2003).

There is a particular increase in the values of the subjective perceptions within the Index at the expense of the distinct decrease of the objective component value.

The results of the survey outline some major lines of consent among the representatives of the different groups:

- almost without exceptions, the experts reckon that in the moment it is not possible to surmount the public perception of the dependence of political activity on hidden and non-transparent financing;
- the representatives of all target groups share the understanding that there is a necessity of legislative amendments in regards to the normative basis regulating party financing;
- the prevailing part of the respondents accept that the public does not dispose of sufficient information about the principles and control of political parties financing;
- there is a distinctly outlined appreciation of the necessity for positive change in the principles and transparency of the process of party financing.

Applicability of Results

During the last few years anti-corruption legislation have already made it possible to monitor and assess the existing practices for financing of party activity. Also it is already possible

¹ The Index measured in 2003 on the basis of the same procedure is 2.44. The subjective value of the Index in 2003 rated 1.52, and the objective – 3.36.

² According to the data delivered by the National Audit Office in 2001, only 112 out of 298 registered parties submitted their financial accounts to the National Audit Office. In 2002 so did 106 out of 305 registered parties, and in 2003 only 66 parties out of 333 registered parties submitted their accounts.

to build an informed public opinion about the extent to which the political organizations abide by the requirements of law and create transparent and stable accountability rules in their work.

The Index for Transparency of Party Financing turns out to be another instrument for the media and the citizens to put pressure on parties and make grounded claims to the parties for change in the system of financing of political activity in Bulgaria.

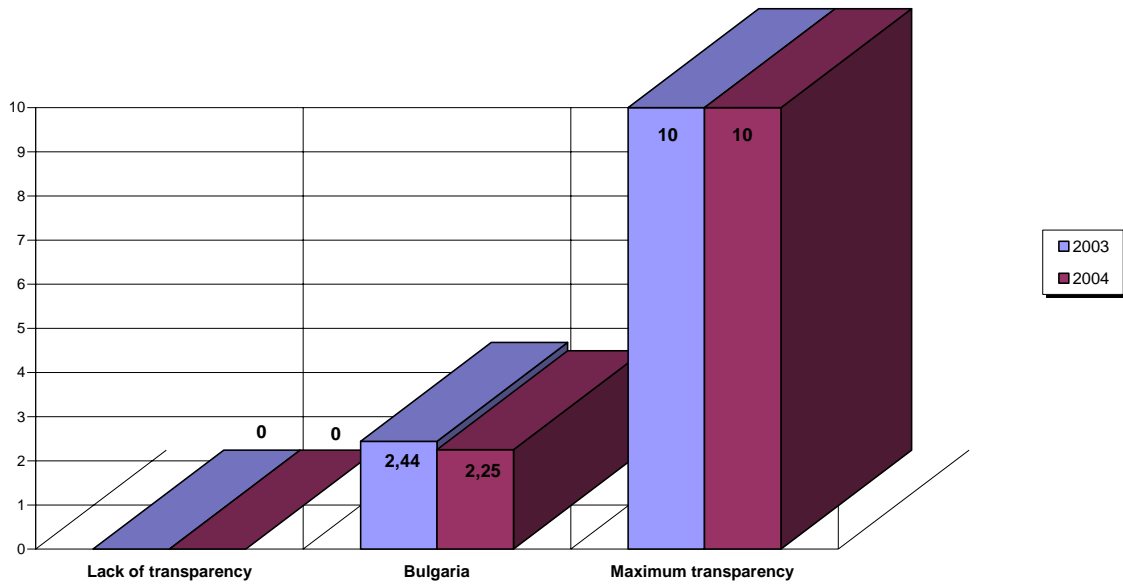
In a practical aspect, the indicators included in the Index could serve as landmarks for the level of political corruption and respectively, as a basis for taking counteraction measures against the existing problem.

In the first place, the survey allows data comparison over longer time periods and identification of positive, respectively – negative, tendencies in party financing.

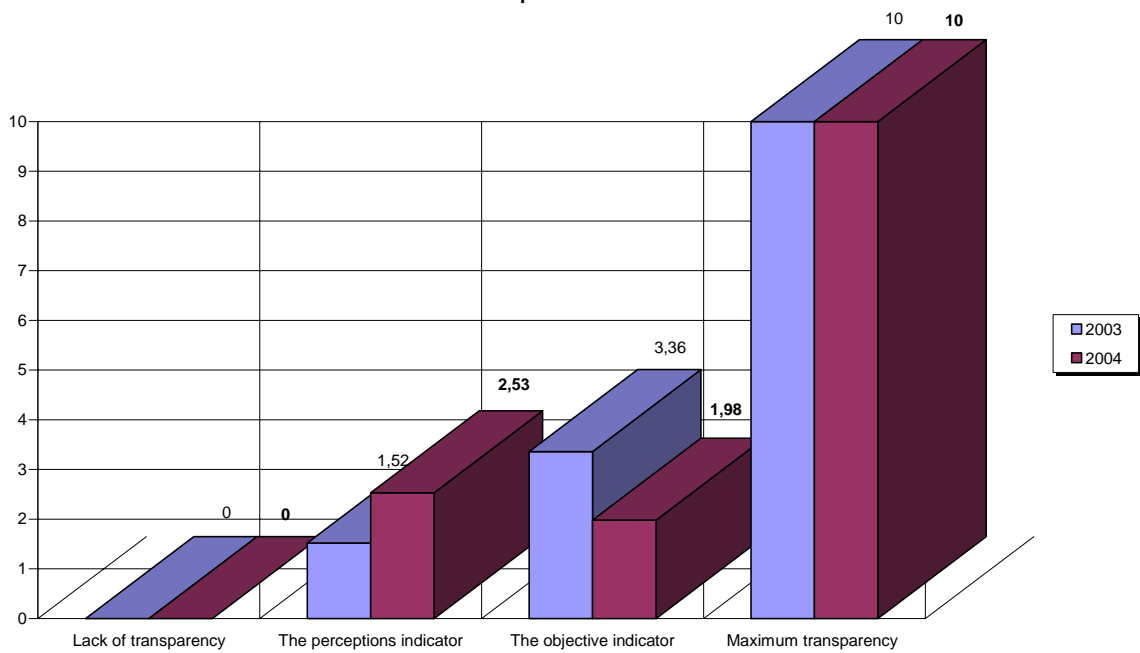
In the second place, the Index could serve as a source of precise information during elaboration of expert analyses, assessments and recommendations for taking contra measures against political corruption in the country.

Last but not least, the survey could be used as a basis for the elaboration of legislative amendments and concrete measures for reducing corruption in Bulgarian political life.

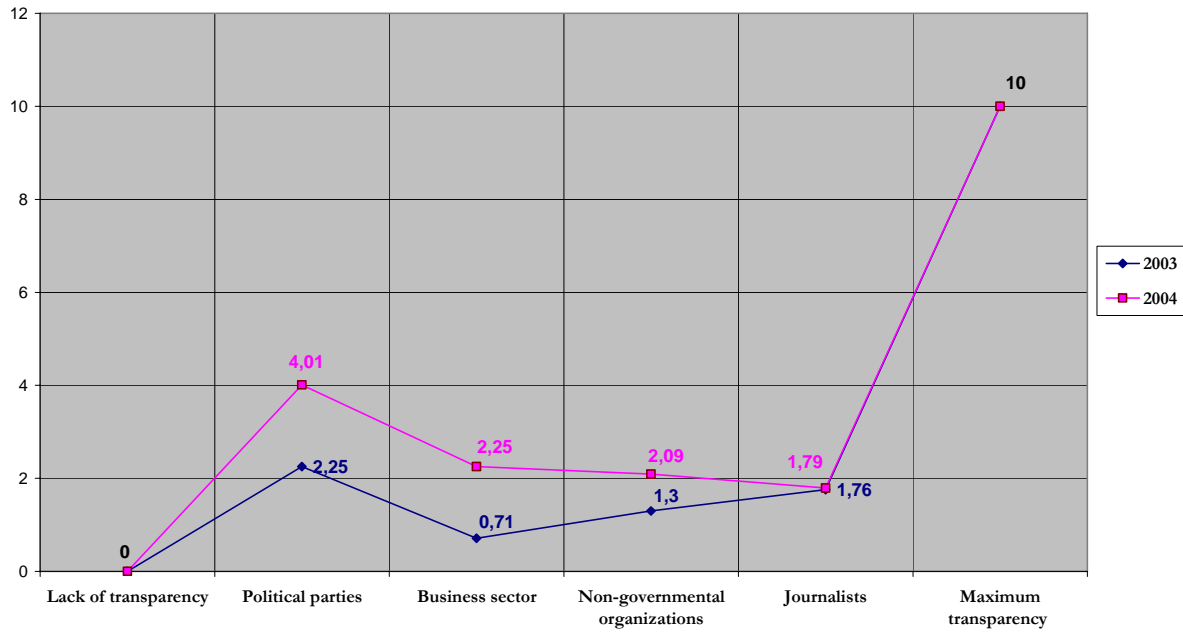
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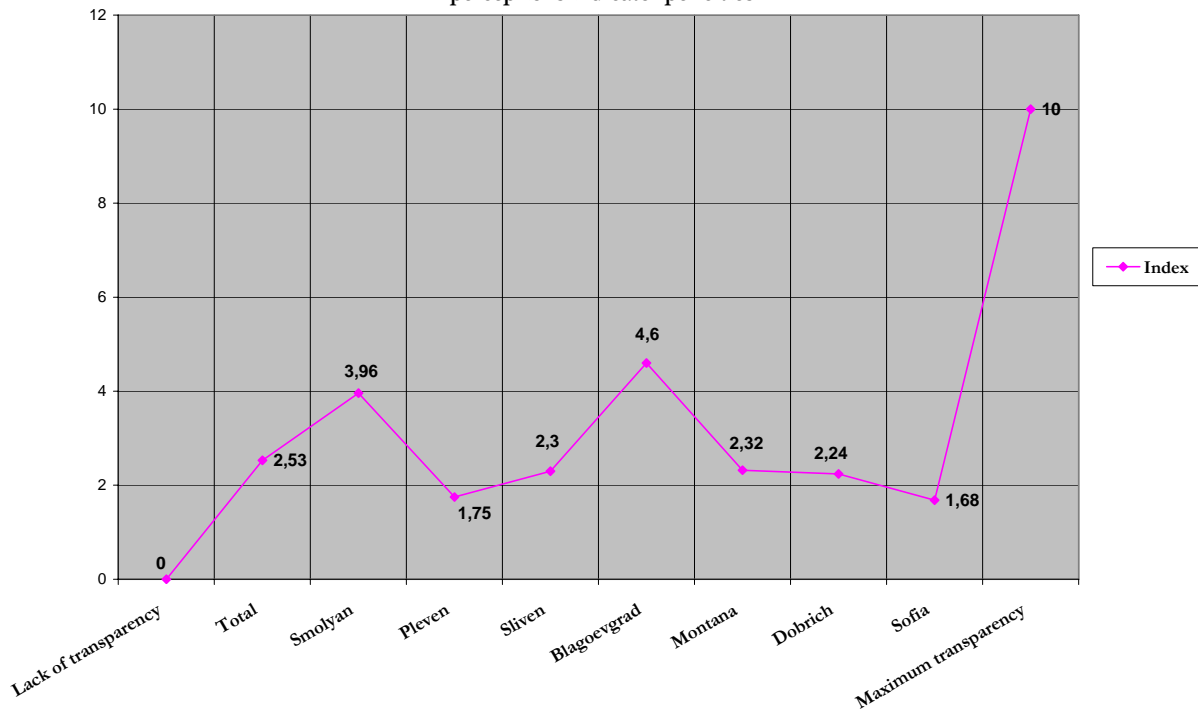
Index for Transparency of Party Financing in Bulgaria distribution per main indicators



Index for Transparency of Party Financing in Bulgaria
distribution of the perceptions indicator per target groups



Index for Transparency of Party Financing in Bulgaria
perceptions indicator per cities



BREAKDOWN OF SURVEY RESULTS - 2004

Do you agree that the political party financing in Bulgaria is a sufficiently transparent process?

Responses	Target Groups	Political parties	Business sector	NGOs	Journalists	Total
Definitely yes		9,3%	0%	0%	0%	1,9%
Yes, but there are a lot of improvements to be made further on		23,3%	8,5%	8,2%	1,9%	9,8%
Do not know answer		6,9%	13,5%	6,1%	1,9%	7,4%
Rather not		37,2%	30,5%	28,6%	41,5%	34,3%
Definitely not		23,3%	47,5%	57,1%	54,7%	46,6%

Do you agree that there is an effective control system of political party financing in Bulgaria?

Responses	Target Groups	Political parties	Business sector	NGOs	Journalists	Total
Definitely yes		7,0%	0%	0%	0%	1,5%
Yes but the system is not sufficiently effective		27,9%	23,7%	14,3%	3,8%	17,2%
Do not know answer		11,6%	13,6%	10,2%	7,5%	10,8%
Rather not		32,6%	27,1%	26,5%	37,7%	30,8%
Definitely not		20,9%	35,6%	49,0%	51,0%	39,7%

Do you think that there are mechanisms limiting the illegal financing of political parties in Bulgaria?

Responses	Groups	Political parties	Business sector	NGOs	Journalists	Total
Yes		18,6%	3,4%	16,3%	11,3%	11,8%
There are such mechanisms but they are not applied effectively		62,8%	44,1%	40,9%	51,0%	49,0%
No		16,3%	40,7%	26,5%	24,5%	27,9%
Do not know answer		2,3%	11,8%	16,3%	13,2%	11,3%

Do you think that it is necessary amendments to be made in political party legislation in Bulgaria?

Responses	Target Groups	Political parties	Business sector	NGOs	Journalists	Total
Yes		72,1%	49,2%	65,3%	83,0%	66,7%
No		11,6%	10,2%	4,1%	1,9%	6,8%
Do not know answer		16,3%	40,6%	30,6%	15,1%	26,5%

**Index for Transparency Party Financing in Bulgaria
(distribution per target groups)**

POLITICAL PARTIES

Do you agree that accepting money or a favor from businessmen makes you dependent on them?

	2004	2003
Yes, that is generally true	7,0 %	24,2 %
Yes, but only for donations of high value	14,0 %	12,1 %
Yes, but when the donors are members of our party	2,3 %	3,0 %
Yes, that is what some businessmen expect	1,6 %	9,2 %
No, but that is what the public believes	27,9 %	21,2 %
NO, but the opponent parties are speculating with it	14,0 %	12,1 %
Definitely not	23,2 %	18,2 %

Do you rely on long-term partnership with businessmen?

	2004	2003
Definitely Yes	30,2 %	24,2 %
Yes, we are trying to maintain such relations	41,9 %	30,3 %
This is not a priority of our political party	6,9 %	21,2 %
No, but we might consider such relations	4,0 %	9,2 %
Definitely not	7,0 %	12,1 %

How do you evaluate the current limitations on funding political parties through donations?

	2004	2003
Funding, set by the current regulations, is enough	27,9 %	3,0 %
Limits are justified but funding is not enough	32,6 %	27,3 %
Funding, set by the regulations, is not enough	25,6 %	48,5 %
It is difficult to say	13,9 %	18,2 %

ENTREPRENEURS

For what activities you would like to see the parties spending your donations?

	2004	2003
Printing of materials/Publishing	34,9 %	16,5 %
Support for the administrative body	11,6 %	2,4 %
Overhead expenses	11,6 %	8,2 %
Training of personnel	53,5 %	22,4 %
Media coverage	32,6 %	15,3 %
Office rent	9,3 %	5,9 %
Transport expenditures	11,6 %	14,1 %
Translation expenditures	14,0 %	7,0 %
Others	21,0 %	8,2 %

Note: People have given more than one answer

Would you like your funding of political parties to be bound with a contract with precise rights and obligations?

	2004	2003
Definitely Yes	27,1 %	60,6 %
Yes, but only if such practice exists	27,1 %	12,1 %
It does not matter to me	5,1 %	9,1 %
No, but I think it would be better	13,6 %	3,0 %
Definitely not	27,1 %	15,2 %

Do you know if businessmen have attempted to receive political protection by funding political parties?

	2004	2003
Yes, my business partners have attempted that	10,2 %	3,0 %
Yes, some of my competitors have attempted that	10,2 %	9,1 %
Yes, I have heard of such cases	52,5 %	57,6 %
No, but I have heard people telling it has happened	20,3 %	18,2 %
No	6,8 %	12,1 %

NON-GOVERNMENTAL ORGANIZATIONS

Do you believe that the organizations from the so-called "Third sector" are used for political goals?

	2004	2003
Yes, that is frequently the case	16,3 %	14,3 %
Yes, sometimes	28,6 %	28,6 %
It depends on the organization itself	42,8 %	51,4 %
No	8,2 %	2,9 %
It is difficult to say	4,1 %	2,8 %

Is there a need for more information about the means and ways for funding political parties in Bulgaria?

	2004	2003
Definitely Yes	53,1 %	51,4 %
Yes, but only for the funding of the ruling party	2,1 %	8,6 %
Yes, but that has not been realized by the public	30,6 %	34,3 %
No	12,2 %	5,7 %
It is difficult to say	2,0 %	0 %

What would you do if you find reliable information about illegal funding activities of a political party?

	2004	2003
We will send all the documentation to the investigative bodies	47,0 %	33,3 %
We will organize a public debate about the case	14,3 %	16,7 %
We will give the information to the media	53,1 %	35,4 %
We will arrange a meeting with the party leaders	4,1 %	2,1 %
Other	4,1 %	6,2 %
We will not attempt anything	2,0 %	2,1 %
It is difficult to say	2,0 %	4,2 %

Is there a need for more information about the means and ways for political parties financing in Bulgaria?

	2004	2003
Definitely Yes	58,5 %	83,3 %
Yes, but only for the funding of the ruling party	1,9 %	0 %
Yes, but that has not been realized by the public	28,3 %	16,7 %
No	9,4 %	0 %
It is difficult to say	1,9 %	0 %

Does the media you are working for have a contract with some political parties for covering their activities?

	2004	2003
Yes, with all the parties during elections	22,6 %	19,4 %
Yes, with some parties during elections	22,6 %	19,4 %
Yes, it has a contract for covering party activities constantly	3,8 %	0 %
No, but we are working with some parties more frequently	1,9 %	5,6 %
We do not have contracts with political parties	34,0 %	41,7 %
I do not know	15,1 %	13,9 %

Do you believe that the increase in the level of transparency in funding political parties is an effective leverage for fighting corruption?

	2004	2003
Definitely Yes	37,7 %	44,4 %
It is important but not enough	56,6 %	47,3 %
No, transparency is not likely to constrain corruption	5,7 %	8,3 %
It is difficult to say	0 %	0 %