



FINANCIAL TRANSPARENCY

of candidates for mayors in the
2021 local elections





Instituti Demokratik I Kosovës është degë e
Transparency International për Kosovë

KDI's mission is to support development
of participatory democracy and fight
against corruption through the promotion of
transparency, accountability and integrity
at all levels and sectors of society

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Address: St. Bajram Kelmendi, No. 237,
10000, Prishtinë, Kosovë.
Tel.: +383 (0) 38 248 038
E-mail: info@kdi-kosova.org
Web: www.kdi-kosova.org

Layout and design: **envinion**

Authors: **Eugen Cakolli & Agnesa Haxhiu**

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INTRODUCTION

The transparency and accountability of political entities and their candidates regarding their financing and expenditures, in addition to being a very important indicator of the internal governance of political entities, reflects a broader governing culture and democracy of a country.

Transparency and accountability over the way of financing and spending helps in ensuring the public that the political entities and their candidates operate in accordance to the rules and criteria of fair competition. The right to know where political entities that run for government are funded and how much they spend on election campaigns is also stipulated by the Law on General Elections¹ and the Law on Financing of Political Entities². In addition, this right is an international standard of transparency and accountability for political entities.

Although the legal framework in Kosovo obliges only political entities, but not their candidates, to declare their financial reports, financial transparency and accountability of candidates aiming to govern municipalities is an indicator of how they will govern at the municipal level. In developed democracies, the high level of transparency and accountability of candidates directly affects popular support and the determination of the winner of elections. Therefore, the purpose of this study is to reflect the perceptions of mayoral candidates from the recent local elections to open their finances and set a new standard of transparency and accountability at the local level.

At the same time, based on their willingness and readiness to increase financial transparency and accountability, this study will serve as a good basis for starting the discussion on the setting of legal provisions that address this issue within the Law on Financing of Political Entities.

The debate over the advancement of standards regarding the financing of political entities has been going on for some time now, but it has not materialized in a new law due to the lack of political will of almost all parliamentary political entities. On the other hand, the latest Country Report of the European Commission for Kosovo, similar to other years, in the context of advancing the legal framework in the fight against corruption reiterates the need to issue a more advanced Law on the Financing of Political Entities.

¹ For more, see the Law on General Elections, and its amendments. Available at: <https://bit.ly/3H5qcTt>


² For more, see the Law on Financing of the Political Entities, and its amendments. Available at: <https://bit.ly/3mV0mrv>






METHODOLOGY

In the 2021 local elections



166



of political entities ran for the position of mayor.

51 candidates


Following the initiation of the official election campaign period, the Kosovo Democratic Institute (KDI), as the leading organization of the coalition of local NGOs on election observation "Democracy in Action" (DiA), sent an electronic 22-item questionnaire to the candidates for mayor. KDI managed to ensure the contact details of 152 out of 166 that are running for the mayoral elections, including their email addresses or telephone numbers. A small part of the questionnaires had to be administered through telephone conversations with the candidates, while the candidates themselves through the relevant link completed the rest.

Out of all questionnaires submitted to the candidates for mayor, only one third of them responded, namely only 51 candidates. Unfortunately, a significant number of candidates do not have official e-mail addresses used for such communications, but use e-mail addresses of political entity in the respective municipality.




From the date of submission, the candidates for mayor had one week to respond to the submitted questionnaire. Specifically, the electronic questionnaire was submitted to the candidates on October 5, and we waited for responses until October 11, 2021, a period after which no response was received anyway.


This 22-item questionnaire



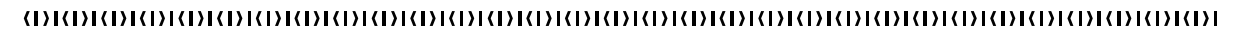
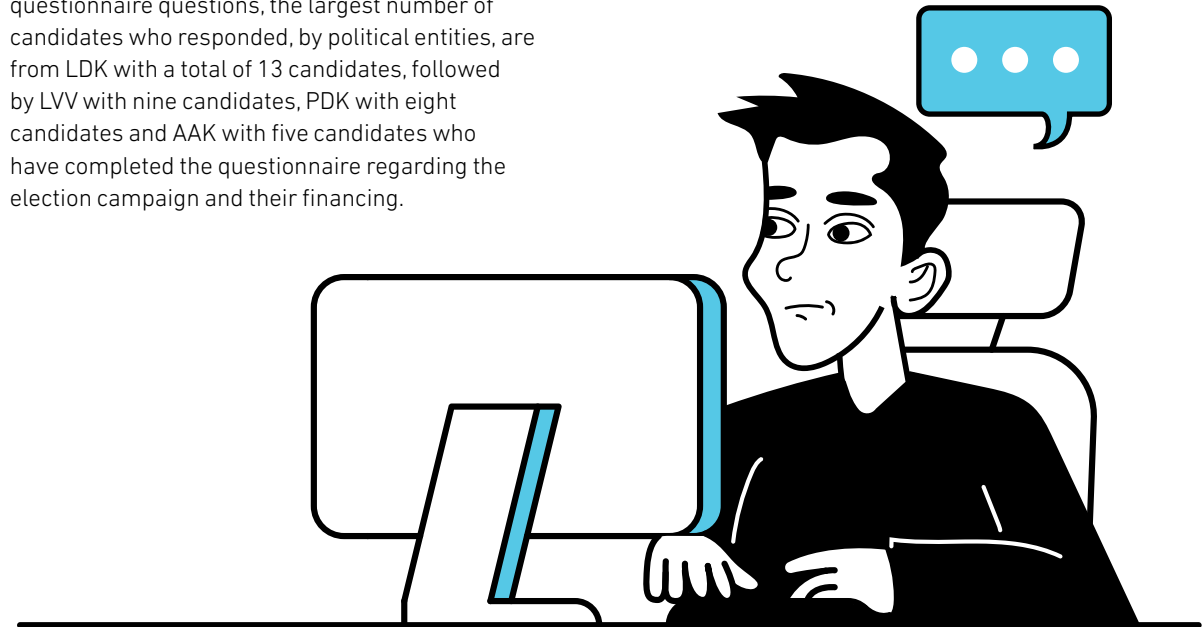
was aimed at assessing the overall transparency of the mayoral candidates' campaign,



, how they conducted the election campaign and the planning and forms of campaign financing.

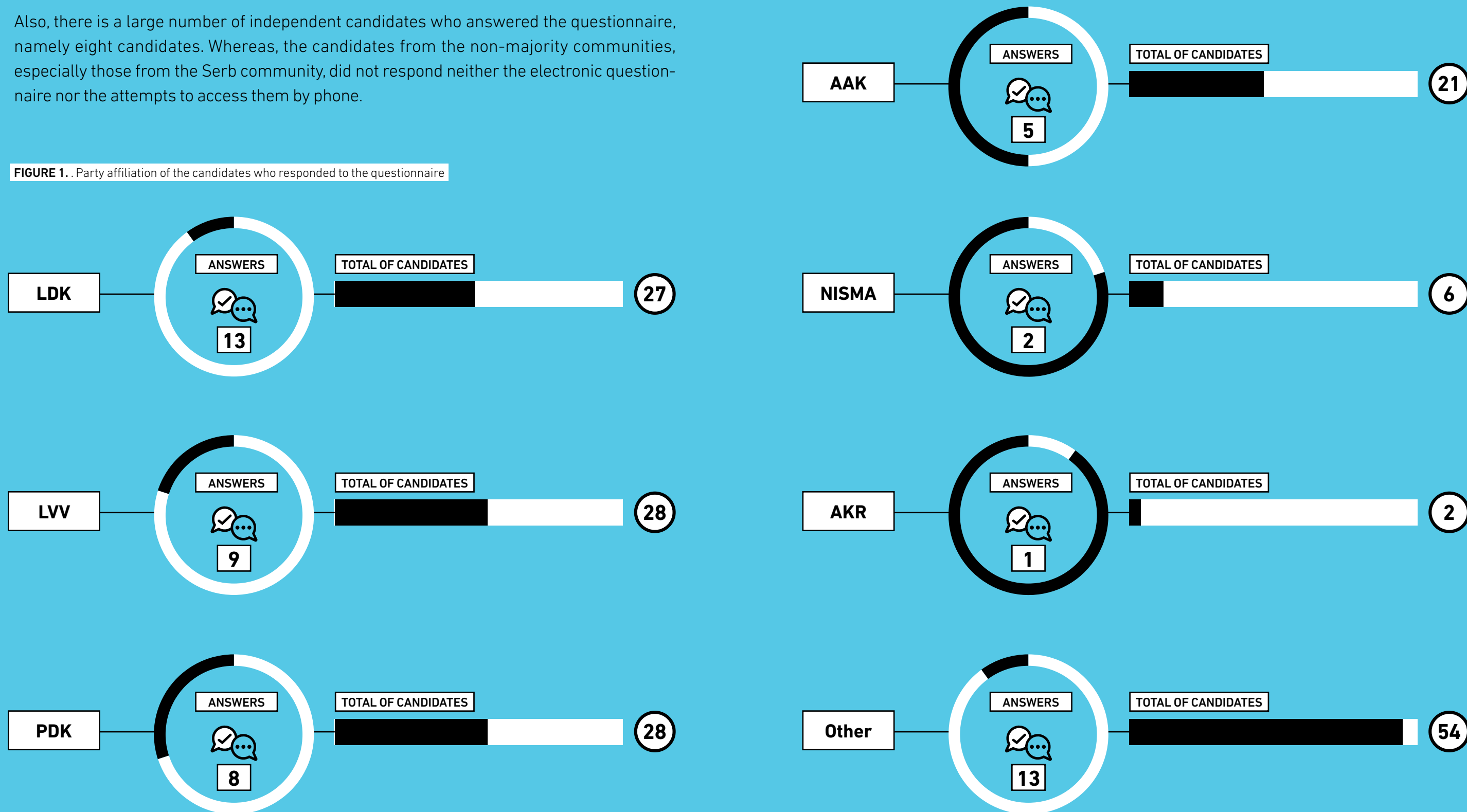


Of all the candidates who responded to the questionnaire questions, the largest number of candidates who responded, by political entities, are from LDK with a total of 13 candidates, followed by LVV with nine candidates, PDK with eight candidates and AAK with five candidates who have completed the questionnaire regarding the election campaign and their financing.



Also, there is a large number of independent candidates who answered the questionnaire, namely eight candidates. Whereas, the candidates from the non-majority communities, especially those from the Serb community, did not respond neither the electronic questionnaire nor the attempts to access them by phone.

FIGURE 1. . Party affiliation of the candidates who responded to the questionnaire

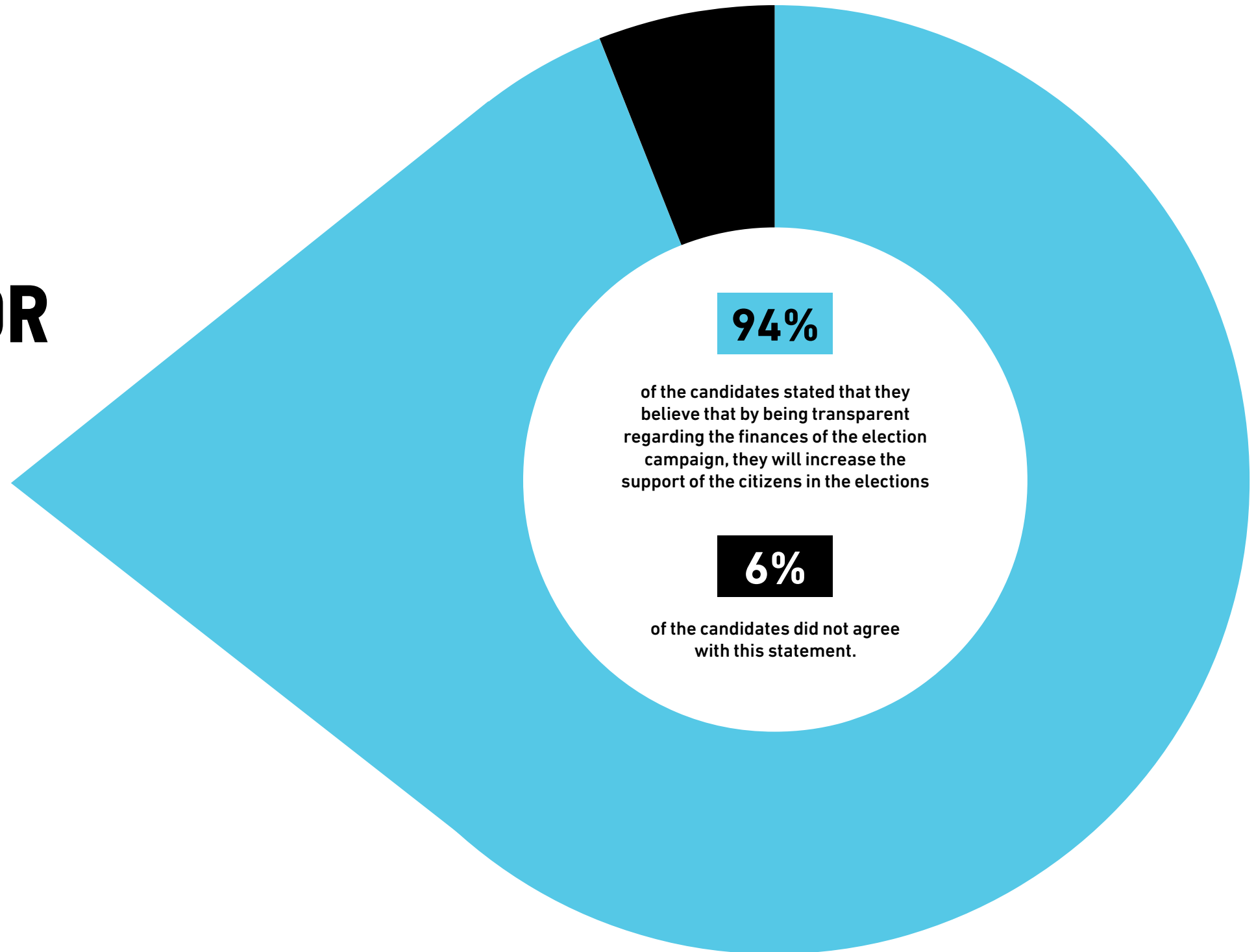
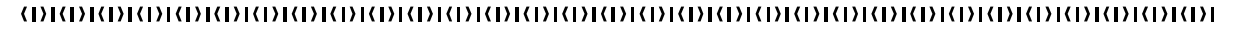




HOW IMPORTANT IS FINANCIAL TRANSPARENCY FOR CANDIDATES?

Based on the declarations provided by the candidates who responded to the questionnaire regarding the election campaign and the financing of the campaign, it is noticed that the perception regarding the importance of financial transparency in relation to the election campaign is the same. When asked whether they think that transparency regarding the financing of the election campaign affects a more accountable government, all candidates, regardless of party, have stated that, yes, financial transparency is a prerequisite for a transparent and accountable government.

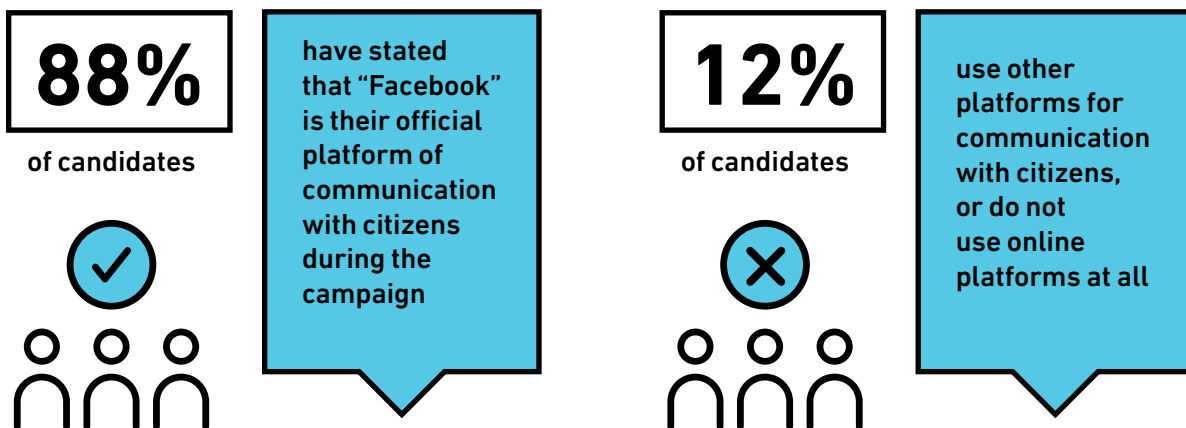
In the light of questions regarding the importance of financial transparency of political parties and political candidates in relation to governance and popular support, almost all candidates who responded to this questionnaire consider that financial transparency affects the increase of popular support. Ninety four percent of the candidates stated that they believe that by being transparent regarding the finances of the election campaign, they will increase the support of the citizens in the elections, while only 6% of the candidates did not agree with this statement.





ELECTION CAMPAIGN ON SOCIAL NETWORKS

Given the high level of use of informative technology and social media in Kosovo, and especially the advantages that these two elements have brought to 'online' campaigning, a significant part of political entities and their candidates, in the local elections of October 14 this year, have mainly oriented their campaign on these platforms.



Given the high level of use of informative technology and social media in Kosovo, and especially the advantages that these two elements have brought to 'online' campaigning, a significant part of political entities and their candidates, in the local elections of October 14 this year, have mainly oriented their campaign on these platforms. This is reflected in the fact that 88% of candidates have stated that "Facebook" is their official platform of communication with citizens during the campaign, while only 12% of candidates use other platforms for communication with citizens, or do not use online platforms at all. However, on the other hand, when asked if voters can find information about their campaign activities on their official profiles in "Facebook", even if they do not have "Facebook" as their main platform for communicating with citizens, 98 % have said yes, whereas only 2% of them have said no.

Although in this election, more than in any other elections, the campaign has been significantly more concentrated to the digital format, partly imposed by the situation with the pandemic; some candidates did not see the need to publish the election platform in the internet. About 33% of the candidates stated that they did not publish the election program on the internet (website, Facebook, Instagram, etc.). Whereas, most of the candidates, namely about 67% of those who responded in the questionnaire, have stated that they have published their election program on the internet.

Given that for the vast majority of candidates for mayor, online media and especially "Facebook" are considered as an important platform for disseminating information related to the election campaign, it is evident that managing these platforms requires both strategy and time. When candidates were asked by whom is your official profile on "Facebook" managed, more than half of them declared that they manage their profiles themselves even during the election campaign, compared to about 45% of other candidates who have stated that another person or marketing company has managed their official profiles on social networks.

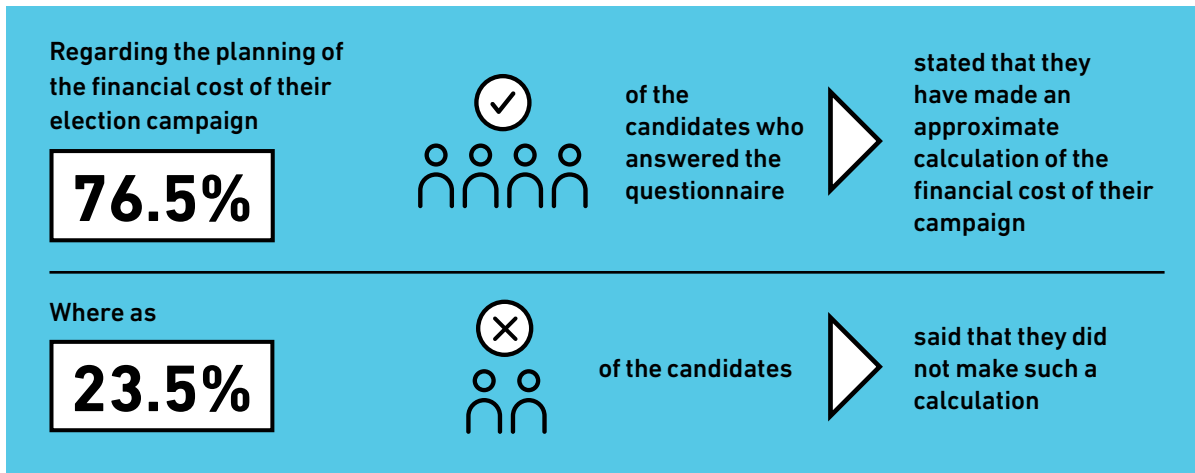
Regarding the involvement of the party or political entity in the management of the election campaign as a whole, about 75% of the candidates stated that their election campaign was managed by the election headquarters, while 23% of them stated that they have managed the election campaign by themselves. Only 2% of the candidates for mayor stated that, in addition to the election headquarters, other companies - specialized in managing the election campaign - have been engaged for such campaigns as well. However, although some candidates have stated that they have contracted marketing companies for the campaign, they have not made public the name of the company.

If considered by political entities, all candidates from LVV have stated that their campaign was managed by the election headquarters of their party, either at the central level or at the level of their structural organization at the local level. From the LDK candidates who responded to this questionnaire, ten of them stated that their campaign was managed by the election headquarters, while only one of them stated that he has managed his campaign. From PDK, six candidates stated that their campaign was managed by the election headquarters, while two others stated that they managed it by themselves. The situation is similar with the AAK candidates, where four of them have stated that their campaign was managed by the election headquarters, whereas another has stated that the management of their campaign was carried out individually.





CAMPAIGN FINANCIAL PLANNING AND THE MANNER OF FINANCING



Although political entities constantly declare that they financially support their candidates equally, based on the answers provided by the candidates, it is noticed that almost all the candidates finance their campaign with their own funds. Over 92% of the candidates stated that own funds are a main source of funding their campaign, whether as sole or partial source of funding. About 40% of the candidates have declared that own budget is the only source of funding their election campaign.

The financing of the candidate's election campaign through the support of the political entity is a distinguishing element of almost half of the candidates, with 25 of them, or 49%, who have stated the support of the political party/entity as a manner of financing. Whereas, only two candidates have

stated the support provided by the party or political entity, as the only source of funding for their campaign. And in the context of campaign financing through the support of the party or political entity of the candidate, it is noticeable that the support through financial means is the least expressed, with only 11 candidates who have declared this form of support from the their political party or entity. In addition to financial means, other forms of support for candidates are also coverage of fuel and transportation costs (declared by 14 candidates), provision of human resources or staff for the campaign (declared by 19 candidates), as well as marketing services which is the main form of support from political entities (declared by 30 of the candidates).

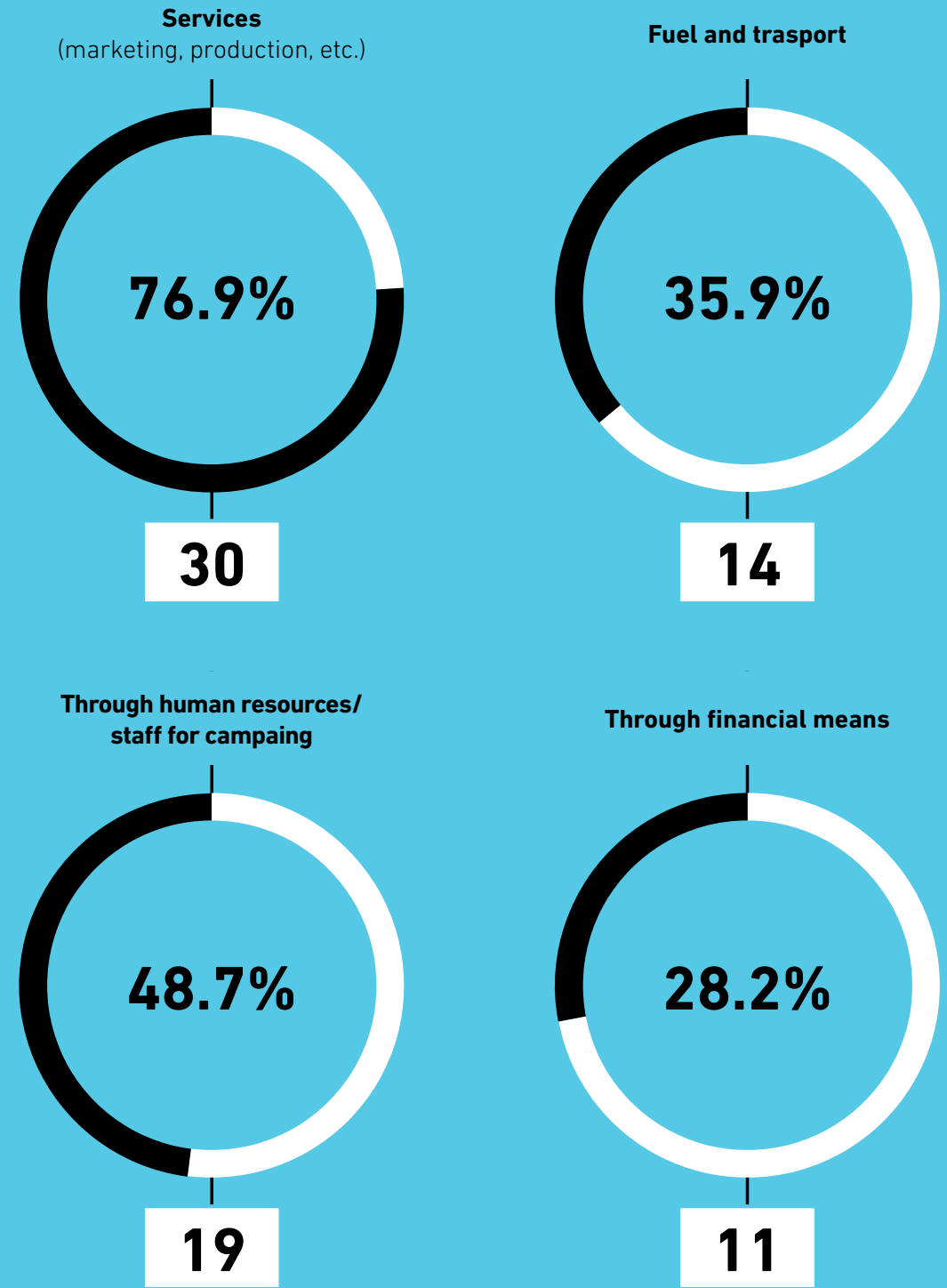


FIGURE 2. . Forms of support for candidates by political entities
(*candidates were able to answer to more than one option)



On the other hand, regarding the campaign financing through other donors, such as friends, family, businesses and others, this form is less expressed – in one third of the candidates, respectively 18 of them. In this category, only two candidates have stated that this is the only form of funding..

By own means



With the support of the political party/entity



With the support of other donors



■ As one of the forms
■ As the only form

FIGURE 3. The manner of financing the candidates' campaign
*(*candidates were able to select more than one option)*

In addition to the above-mentioned sources, the mayoral candidates who responded to the questionnaire stated that they also accept non-financial contributions for their campaign. Among these contributions, volunteers are the most expressed category, with 37 candidates declaring that among the non-financial contributions they have accepted volunteers. Free organization of rallies and political events,

provision of free advertising space, provision of free production - including video-spots, brochures, business cards or other props – as well as free performances of singers, artists and others, are other types of non-financial contributions declared by candidates.

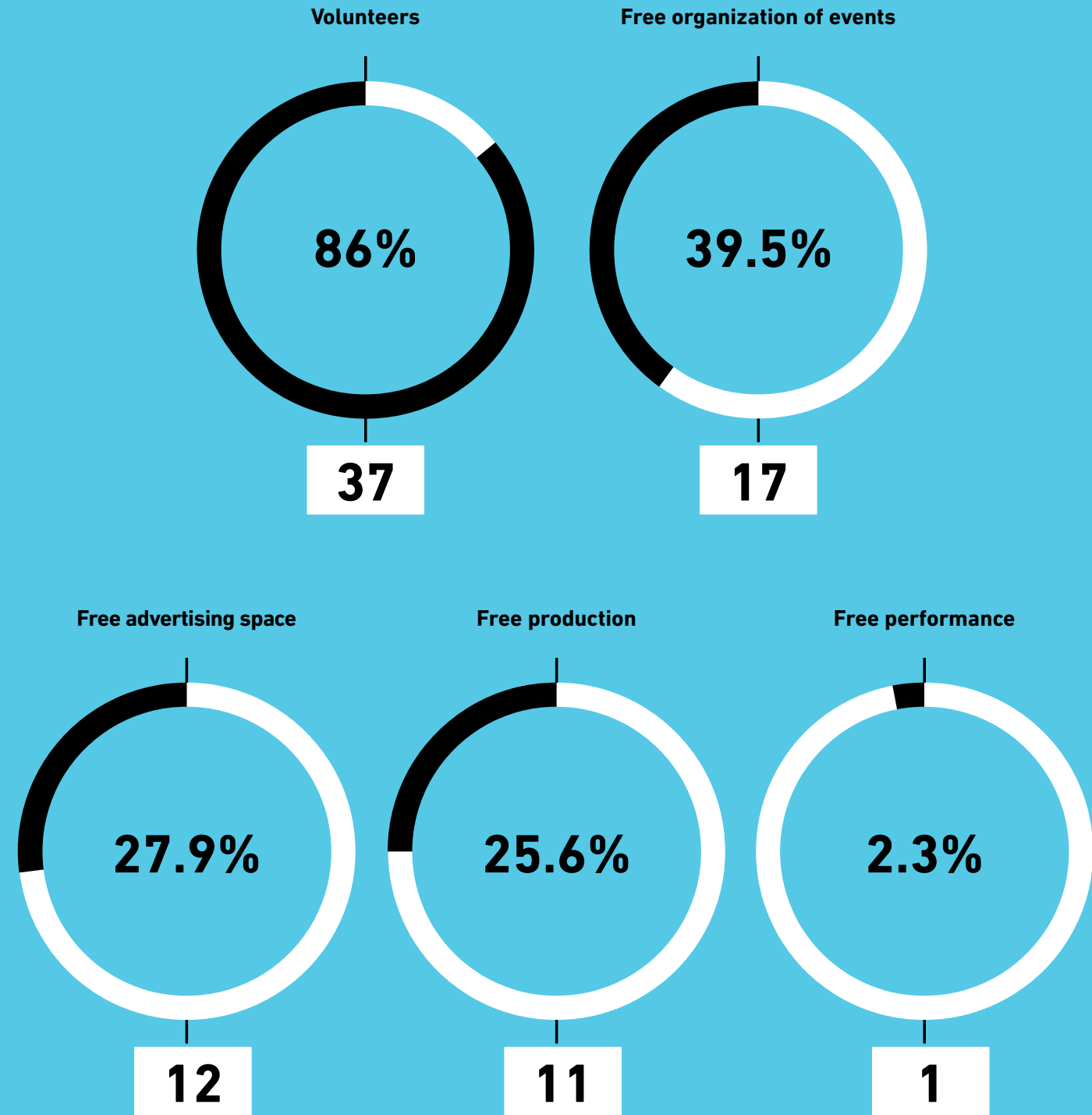


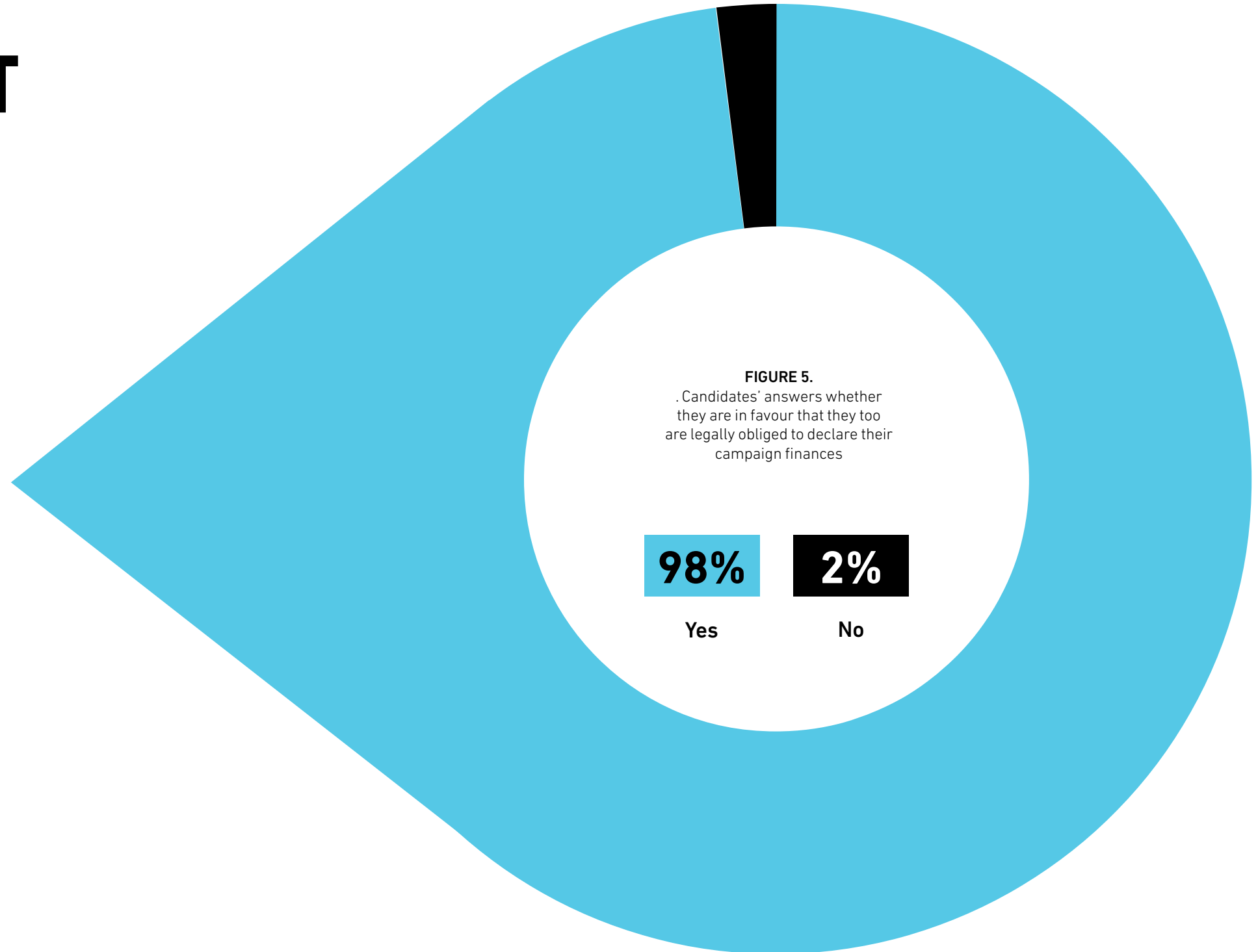
FIGURE 4. Type of non-financial contributions received by candidates
*(*candidates were able to select to more than one option)*



HOW TRANSPARENT ARE THE CANDIDATES REGARDING THE EXPENDITURES OF THEIR CAMPAIGN?

Despite the fact that all candidates recognize the importance and effect of being transparent with the public, especially regarding the financing and expenditures of the campaign, only about a quarter of them – respectively 27.5%, have stated that their political party or entity has made the information on how much is planned to be spent during the campaign, public. However, when the candidates were asked for the link where this data is published, none of them provided specific links where the data on the planned expenses for the campaign are accessible, but were satisfied with providing the links of their profiles and political entity on the social network Facebook, with links to previous year’s financial reports or have stated that those data will be made public after the end of the campaign.

Although currently the legislation in force does not provide an obligation for candidates to declare their finances during the campaign, but this obligation applies only to the political entity as an entity, there is an affirmative attitude of the candidates for this obligation to apply to them individually too. Ninety eight percent of the candidates for mayor, who responded to the electronic questionnaire, stated that they are in favour for the candidates to be legally obliged to declare their campaign finances.



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