The World of Campaign Finance

A Reader's Guide to the Funding of International Elections

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&
The Center for Responsive Politics
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Campaign finance reform is once again on the political agenda in the United States. President Clinton, who made much of the issue during his own campaign, has pledged major reforms of the existing system. Congress too, seems to have gotten the message that reform is necessary and is showing more concern for the issue than they have in years. Many argue that campaign finance reform must come before any substantive decisions of the new administration are made.

To date, however, public debate about campaign finance reform in the U.S. has proceeded in much the same way debate on other pressing domestic issues (for example, health care, technology policy, adult vocational training) did until quite recently—in deep ignorance of how other liberal democracies confront the issue.

The report that follows aims to alleviate this problem. It provides basic information on the structure and operation of campaign financing for national elections in most of the industrialized democracies of the world. The report is bare-bones and, as the Executive Summary indicates, raises, perhaps, as many questions as it answers. Even this cursory overview, however, suggests that most other countries assure a much more equitable system of campaign finance than does the United States.

They do so chiefly through direct public subsidies, typically administered through political parties, to the election process. By providing a "floor" on public spending for parties and their candidates, these other systems both recognize and begin to address the unhealthy link between private wealth and political competitiveness and the influence of private financing in a public election system. Direct public subsidy of the national election process is widely supplemented, in most other countries, with the provision of "in kind" assistance in the form of free media. Moreover, public subsidy of electoral activity is itself supplemented, in quite a few countries, with direct support to parties and their affiliated organizations between campaigns.
In federal elections in the United States, by contrast, partial public subsidies are provided only at the presidential level. Even there, because of soft money loopholes for political parties and "independent" expenditures, and the fact that the subsidies themselves are structured as a match for millions in private contributions, the system has substantially failed to eliminate the impact of private money on our public system. Those public subsidies that are provided, moreover, go directly to the presidential candidates themselves, rather than to the political parties. Free media is required nowhere.

Speaking of American politics in comparative terms, it is common, and correct enough, to characterize ours as a relatively candidate-centered system, dominated by private money, in which accountability runs from candidates to contributors rather than to the people or the party the candidate claims to represent. Looking at U.S. campaign finance regulation in comparative terms, it is easy to see just how those unhappy results are produced.

According to recent polling sponsored by the Center for a New Democracy, better than 70 percent of the public now favors competitive public financing for all federal elections. An even larger percentage favor use of in-kind supports, in particular free media, to "level the playing field" of party politics.

The American public now appears willing to accept the obvious: If we want fair and equitable elections, accountable politicians and equal access to decision makers in this country, we are going to have to pay for it. What follows, we hope, will suggest ideas on just how that might be done.

Lane Kenworthy and Shaila Lakhani gathered the information and wrote the report; Lane Kenworthy prepared the executive summary. Maya Gibson was responsible for final editing and layout.

Ellen S. Miller
Center for Responsive Politics
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Center for a New Democracy
EXECUTIVE SUMMARY

During the early 1970s, Congress passed a series of laws regulating political financing in U.S. presidential elections. These reforms, which first took effect in the 1976 election, aimed to circumscribe the influence of special interests on the executive branch by limiting their role in the financing of presidential election campaigns.

The reforms intervened in the process of campaign finance in two ways: by providing partial public financing to presidential candidates and by regulating their expenditures and income. Major-party candidates receive a campaign subsidy — in the form of matching funds during the primary elections and an equal lump-sum grant for the general election. The parties also receive public financing to stage their nominating conventions. In return, candidates are restricted in the amount of money they can spend on their campaigns and in the amount they can receive in private contributions from a specific individual or organization. In practice however, the restriction on raising private funds has been of limited effectiveness because of the raising and spending of “soft money.”

The United States was not the first country to reform its system of political financing, and compared to those in other liberal democracies our reforms have been quite limited — primarily because they do not apply to Congress. The United States is one of only three advanced industrialized nations with neither public financing nor expenditure restrictions for elections to its national legislature. A law was passed in the early 1970s limiting spending in congressional campaigns, but a Supreme Court decision (Buckley v. Valeo) in 1976 ruled that spending limits are an unconstitutional restriction on free speech unless they are voluntary. Despite several attempts, the U.S. government has failed to institute public financing for congressional elections.
Campaign finance reform is once again on the political agenda in the United States. Opinion polls indicate substantial support among the public for comprehensive reform, and President Clinton has pledged to put the issue high on his policy agenda. Alteration of the rules governing financing of presidential elections—particularly concerning "soft money"—is needed. But most pressing is enactment of systemic reform of congressional campaign financing.

Debates on policy reform in the United States are too often conducted in ignorance of the experiments and experiences of other advanced democracies. The aim of this report is to help ensure that this will not be the case with campaign finance reform. The report provides information on the rules and practices governing political financing in 20 industrialized democracies: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States.¹

The report is organized as a reference guide. For each country we provide information on the basic structure of the electoral system, the sources of finance for parties and candidates, the rules and restrictions governing political finance, the forms of public financing that are offered, the total amount spent in election campaigns, and the administration and enforcement of financing laws. The focus is on elections at the national (or federal) level, although we include some information on public financing of elections to regional and local government.

This executive summary offers a brief overview of the report, highlighting the similarities and differences in the political financing practices of the 20 countries.

National Patterns of Political Finance

There are two principal mechanisms through which industrialized democracies intervene in the process of political finance: (1) public financing and (2) restrictions on expenditures and/or contributions. Public financing aims to eliminate the inherent conflict of interest caused by private financing of candidates and the inequities caused by the inability of challengers to raise comparable funds; finance restrictions aim to limit the availability of private funding. Fifteen of the 20 countries featured in the report do the former in one mode or another; nine do the latter. Only two nations do neither.

¹ Italy's political financing system was substantially altered just as this report was going to press. The comments regarding Italy's system, therefore, reflect the system prior to April 1, 1993.
Five different types of public financing are offered to parties and/or candidates: a subsidy for campaign expenses, an annual grant to political parties to finance ongoing activity, grants to party-affiliated organizations, special tax treatment of private political contributions, and free media time during election campaigns. The two main types of political finance restrictions used by countries are limits on campaign expenditures by parties or candidates and limits on private political contributions.

As Table 1 indicates (NOTE: All tables are located at the end of the Executive Summary), the countries fall into five groups. The first group, consisting of Australia and Canada, offers public financing only for campaigns. The second — which includes Austria, France, Germany, Israel, Italy, and Spain — provides a subsidy for both campaigns and regular party activity. The third group, consisting of the four Scandinavian nations plus Belgium, does not offer a subsidy specifically for campaign spending but does provide a substantial grant for ongoing party expenses, usually complemented by funding for party-affiliated organizations. The Netherlands is a unique case; its financing practices are similar to those of the Scandinavian model, but it offers public support solely for party-affiliated organizations, rather than for political parties per se. The fifth group includes five countries — Ireland, Japan, New Zealand, Switzerland, and the United Kingdom — which offer no public financing other than free media time during election campaigns. Finally, the United States is listed by itself.

Public financing is combined with regulation of political finance in a variety of ways. In the first group, Canada limits campaign spending but Australia has no restrictions. Use of restrictions is mixed among the six “double funding” countries. Three of these nations place limits on campaign spending and two limit contributions. The countries in this group feature far and away the most extensive political finance intervention among advanced democracies. France restricts both spending and income and offers four of the five types of public funding. Austria and Germany have no restrictions, but offer four and five, respectively, of the types of public financial assistance. Israel and Spain each restrict campaign spending and offer the highest levels of financial support for campaign expenses and regular party activity among the 20 countries.

The Scandinavian model tends to be unregulated. Among these countries, only Belgium places any restriction on spending or contributions. Three of the five countries with no public financing — Japan, New Zealand, and the United Kingdom — do restrict campaign spending. Only two of the 20 nations — Ireland and Switzerland — have completely unregulated and unsubsidized systems of political finance.

The system in the United States features partial public financing
and limitations on expenditures and contributions for presidential elections; for elections to Congress, only a restriction on contributions applies.

**Public Financing**

There are five main types of public financing that countries offer to parties and/or candidates: money for campaign expenses, an annual grant to parties to finance ongoing activity, grants to party-affiliated organizations, special tax treatment of private political contributions, and free media time during election campaigns. Of these, only the first is offered in the United States, and only for presidential elections.

**Campaign Funding**

The first type of public financing is money provided for campaign expenses. As Table 2 shows, nine nations offer such funding. The money is usually paid as a reimbursement, though in a few countries (Germany, Israel, and the United States) part of the subsidy is distributed in advance.

Typically the subsidy is disbursed to parties. Only Canada, France, and the United States distribute the money directly to candidates. Canada has a mixed system, with both parties and candidates receiving money.

In most of the countries the amount of the subsidy provided to a party or candidate is determined by the vote share received or the number of parliamentary seats won, or both. There are some exceptions, however. Italy distributes a fifth of its subsidy equally, with the remainder allocated according to vote share. In France, each qualifying candidate receives an equal lump-sum grant; the same is true for the general presidential election in the United States. Canada reimburses parties and candidates a specified percentage of their actual expenditures.

The aim of public campaign financing is to help level the political playing field and reduce the influence of special interest money in politics, but to do so without subsidizing frivolous parties or candidates. To this end, most countries establish a minimum threshold of the total vote which must be achieved in order to be eligible for the subsidy. In France, for instance, a candidate for parliament must receive at least 5 percent of the district vote to qualify; in Canada the threshold is 15 percent. Germany reimburses parties which obtain a minimum of 0.5 percent of the nationwide vote; parties in Israel qualify if they win at least one parliamentary seat, which requires 1.5 percent of the national vote.

The countries vary substantially in the share of total campaign
expenditures for which the subsidy accounts. In Austria, France, Canada, and Australia the subsidy is relatively modest, covering around 25, 33, 35, and 45 percent of expenses, respectively. In Germany, Israel, Italy, and Spain, by contrast, public money accounts for around three-quarters of campaign spending. In the 1988 election, public subsidies accounted for approximately 50 percent of spending by U.S. presidential candidates, but only 35 percent of total spending (including soft money expenditures) on the presidential campaign.

Five of the nine countries also provide campaign financing for elections to subnational (regional, state, local) government. In the United States about half of the states provide some form of subsidy to candidates for state-level government. Germany and Spain also offer public financing for elections to the European Parliament.

Among the nine countries, Germany and Israel were the first to introduce public campaign financing, in 1967 and 1969 respectively. Canada, Italy, Spain, and the United States each did so in the 1970s. Australia began the practice in 1983, Austria in 1990. In several cases, such as Canada and Australia, public financing at the subnational level preceded its introduction for national elections.

**Regular Support for Political Parties**

The second type of public political financing is an annual grant provided to political parties to finance ongoing activity. Although this money can be used for campaign expenses, it is not allocated specifically for that purpose. As Table 3 indicates, this type of funding is offered in 11 countries. In Austria, France, Germany, Israel, Italy, and Spain the grant complements public financing for election campaigns, while in Belgium, Denmark, Finland, Norway, and Sweden it serves as the chief form of public financing.

Most nations providing this type of public financing have party-centered political and electoral systems, in which voting is for parties rather than candidates. Only one, France, has candidate-centered elections. In fact, of the 12 nations that feature party-based elections, 10 offer a regular grant to parties. And another, the Netherlands, provides a similar grant to party-affiliated organizations. Switzerland is the lone exception to this rule.

In some cases this money is allocated partly to the parties themselves and partly to their parliamentary caucus. Usually, however, the distinction is unimportant, as the money is available to be used for whatever purposes the party decides.

Typically, only parties which are currently represented in the
parliament receive this subsidy. France is an exception in this regard, as it distributes half of its grant among all parties which offered candidates in a specified number of districts in the previous election to its National Assembly. The grant is most commonly distributed in proportion to party strength — as measured by share of parliamentary seats held or share of votes received. Four countries (Austria, Belgium, Italy, and Sweden) distribute part of the money equally among all parties in parliament.

Countries vary widely in the percentage of party income that is accounted for by the public subsidy. In Austria and Germany it generally covers about 25 percent of revenues for the major parties. In Denmark, Finland, France, Italy, Norway, and Sweden it typically accounts for about 50 percent. The grant is most influential in Israel and Spain, accounting for about 70 percent and 90 percent of party revenue in these two countries, respectively. In many of these nations the subsidy provides an even higher share of income for smaller parties. In those where only a few parties gain representation in the parliament (such as Austria and Germany), however, it tends to be irrelevant for small parties.

As with campaign financing, many countries also provide a subsidy to parties based on representation in subnational legislatures. In several nations, including Austria and Sweden, the amount allocated at the subnational level exceeds that at the national level. Typically the subnational grant is distributed to state or local party branches, rather than to the national party headquarters.

Germany first introduced the regular party subsidy in 1959, followed by Austria in 1963. The four Scandinavian countries each began it in the mid to late 1960s. Israel, Italy, and Spain followed during the 1970s. France began regular financing of parties only in 1990.

Support for Party-Affiliated Organizations

The third type of public political finance, utilized by seven of the 20 countries, consists of a grant provided to party-affiliated organizations, such as research and educational institutes, or women's and youth organizations. In six of these seven countries this type of subsidy complements the annual grant given to political parties. In the Netherlands the grant to party-affiliated organizations is the principal form of public political financing; there is no subsidy for campaign expenses or for regular party activity.

In Austria, Germany, and Norway, the only countries for which specific figures on the amount of these grants are available, the subsidy to party-affiliated organizations approaches or exceeds the amount disbursed to the parties themselves.
Tax Treatment of Private Contributions

Six countries provide a fourth type of public financing — special tax treatment of private political donations. Australia, Belgium, France, and the Netherlands offer a tax deduction, in which the amount is deducted from total income in determining the tax one owes. In Canada and Germany the benefit takes the form of a tax credit — i.e., the amount is deducted from the tax actually owed. In the United States, contributions to candidates of up to $50 ($100 for a joint return) received a 50 percent tax credit beginning in 1972, but the Tax Reform Act of 1986 eliminated this credit.

Each of the six countries imposes a limit on the amount of donations eligible for special tax treatment. Party membership dues and political donations in the Netherlands are deductible up to 10 percent of an individual's income, or six percent of profits for a corporation. In France the limit is 1.25 percent of income for individuals and 0.2 percent of sales for companies. The maximum tax credit in Canada is $500; in Germany it is $600. (Note: In converting foreign currencies to U.S. dollars throughout this report, we have used purchasing power parities, calculated by the Organization for Economic Cooperation and Development, rather than exchange rates.)

In Canada the tax credit accounts for roughly a quarter of the total public subsidy for political financing, which also includes a campaign subsidy and a regular grant to parties. No figures on the amount or cost of the tax benefits are available for the other four countries.

Free Media Time

The fifth basic form of public political financing is free media time during election campaigns. The United States is the only developed democracy which does not offer this type of support to parties or candidates. Televised debates between the main U.S. presidential candidates are now commonplace, but they must be privately financed. And this type of forum is seldom made available to those running for Congress.

Television is of course the most important medium, though a number of countries provide free time on radio as well. Typically, parties or candidates are given a specified number of slots — ranging from two to thirty minutes in length — during prime time, with which they can do whatever they please. In some nations the amount of time granted to parties is proportionate to the number of seats each presently holds in the legislature, while others distribute the time equally among parties or candidates which meet certain qualifications. Several use a mixed sys-
tern, with equal time given to each of the main parties and a lesser amount to minor parties. Instead of providing time slots, the Scandinavian countries hold televised discussions and debates in which party representatives participate.

This free media time can be of significant financial assistance. Using U.S. rates (based on reported prime time advertising rates and the amount Ross Perot paid for his 30-minute and 60-minute spots during the 1992 campaign) to calculate the value of the television time offered, it is worth approximately 33 percent of total campaign spending in Australia and Israel, 20 percent in Austria, 15 percent in Canada, France, and the United Kingdom, and 5 percent in Germany.

In 15 of the 20 nations paid political advertisements on television are prohibited. In a number of these countries, however, the ban applies only to public stations. Since in most of Europe the main television stations are publicly controlled, paid political advertising on television has been virtually nonexistent. The emergence of commercial stations may alter this picture somewhat.

Other Support

A number of countries provide other types of direct or indirect public campaign financing. In most nations the government pays for voter registration. France, Israel, Japan, Spain, and the United Kingdom also offer free mailings, transportation, and/or meeting spaces.

In the United States the national, congressional, and state campaign committees of each party receive a reduced postal rate. Members of Congress have free mailing privileges, though House and Senate rules prohibit mass mailings (defined as more than 500 pieces of similar, unsolicited mail) in the 60 days prior to an election.

Source of Public Funds

The United States is unique in basing its presidential public financing system on a tax checkoff mechanism, whereby citizens can choose not to contribute to public financing of election campaigns by checking the appropriate box on their income tax return. In other countries the money is simply allocated from the general treasury. In some nations the subsidy amount is changed by an act of parliament every few years; in others it is automatically indexed for inflation. In Italy the amount is left to the discretion of parliament each year.

Finance Regulation

The two main types of political finance regulation now in use around the world are limits on campaign expenditures by parties or
candidates and limits on private political contributions. Of those countries which regulate financing, most focus on the former. Nine of the 20 countries restrict spending, while only four restrict political contributions. Other than the United States, no country restricts contributions without also limiting spending.

**Limits on Spending**

Table 4 summarizes the spending restrictions in the nine nations which have them. Most of the countries that limit campaign spending have candidate-centered elections, in which voting is for candidates rather than parties. In fact, eight of the 20 countries have candidate-centered elections, and six of those — Canada, France, Japan, New Zealand, the United Kingdom, and the United States (for presidential elections) — place limits on campaign spending. Australia and Ireland are the two nations which have candidate-centered elections but do not restrict campaign expenditures by candidates.

The average amount of the spending ceiling for legislative candidates ranges from $6,200 in New Zealand, $15,000 in the United Kingdom, and $22,000 in Canada, $75,000 in France to $100,000 in Japan. Generally, the ceiling varies across electoral districts according to the number of voters.

Belgium, Canada, Israel, and Spain restrict campaign spending by parties. The limits in Belgium, Canada, and Spain are $1.3 million, $8 million, and $14 million, respectively. In Israel the limit is determined by the amount of the election subsidy.

Aside from the United States, Finland and France are the only two countries which hold direct elections for the executive branch. France limits spending by its presidential candidates to $18 million, or $21 million if a runoff is required. That amounts to approximately $.32 per citizen ($.37 in the case of a runoff). Finland does not restrict campaign expenditures. The United States limits for presidential candidates in 1992 were $28 million for the primary elections and $66 million for the general election. For the combined primary and general elections, the total amounts to approximately $.37 per capita, or roughly the same as the French limit.

As in the United States, spending restrictions in other nations often fall prey to "soft money" expenditures by parties and independent organizations. An additional, and perhaps more important, problem in countries like Canada, Japan, and the United Kingdom is that the limits apply only to the formal campaign period (often the month or two prior to the election), so that a considerable amount of "pre-campaign" spending escapes the limits.
Limits on Contributions

Restrictions on private political contributions in the four countries which have instituted them take the form of limits on the amount parties or candidates can receive from particular individuals and/or organizations for an election campaign. In France candidates can receive no more than $4,500 from an individual and $7,500 from an "association de financement" (similar to an American PAC) per election; parties are limited to $7,500 per individual and $75,000 per "association" per year. Japanese candidates are restricted to $7,500 per election from specific individuals or organizations. In Spain the limit for candidates is $9,000 per election from both individuals and organizations; parties are allowed to receive an additional $81,000 per year for non-election-related expenses. The United States limits for presidential and congressional candidates are comparable to those in the other three countries— $2,000 from individuals and $10,000 from political action committees.

Japan and the United States also place limits on the total amount of money individuals and/or organizations can donate in a single year. In Japan the limit is approximately $150,000 for organizations and $100,000 for individuals. In the United States individuals are restricted to $25,000, but there is no limit on the total amount PACs can contribute.

A few countries place restrictions on the source of private political donations rather than, or in addition to, their size. In France, Israel, and the United States, corporations are not permitted to contribute money directly to parties or candidates. They must do so instead through a political action committee or some equivalent organization. In Germany parties cannot receive money from trade associations.

Disclosure

A third type of political finance regulation is disclosure. Fourteen of the 20 countries require that parties or candidates report their expenditures and/or income to the government or to an independent regulatory agency. The countries without such a requirement are Denmark, Ireland, the Netherlands, Norway, Sweden, and Switzerland. Eight nations also mandate disclosure of the identity of political contributors. Typically, this applies only to donations exceeding a specified minimum amount—$100 in Canada, $200 in Australia and the United States, $10,000 in Germany. Israel and Spain require that the identity of all contributors be disclosed.

Campaign Spending

Table 5 displays figures for total campaign spending per capita in 16 of the 20 countries. Data for the other four was unavailable. For a few
countries the information is somewhat dated, and the numbers are not perfectly comparable because of differences in reporting, but they offer a reasonably accurate picture of national variation in campaign expenditures.

As the table indicates, per capita spending is higher in the United States than in most other countries. This difference owes to a number of factors. First, while the United States selectively limits campaign contributions, it places no limits on spending in congressional elections and the expenditure limits for presidential elections are easily bypassed. Candidates drawing from their personal wealth, independent expenditures, bundling of limited contributions, and other practices result in huge amounts of money flowing into the election system.

Second, the United States does not provide free media time for candidates. As noted earlier, in other nations the free television spots offered to parties or candidates have a monetary value (at U.S. advertising rates) of perhaps 10 to 20 percent of the total amount spent on campaigns. In the United States, television advertising accounts for around 20 percent of total campaign expenditures.

Third, the major parties in the United States select their candidates for Congress and the presidency via primary elections and caucuses. In the 1988 presidential election, the primary process accounted for a greater share of total spending than did the general election campaign; this was likely the case in 1992 as well, although the numbers are not yet available. Primary election expenditures are also significant for congressional campaigns, though not to quite the same extent. In no other country do primary elections play an important role in the candidate selection process. (They are used occasionally in New Zealand and Israel, and Belgian and Danish parties choose candidates by direct vote of party members.) In most cases candidates are chosen by local and/or national party committees or conventions. Each of the major parties in the United States also holds an expensive convention to formally nominate its presidential candidate. In 1988 the two conventions cost $40 million, or about 5 percent of total campaign spending.

The fourth factor has to do with differences in the information available about campaign spending. The United States figures for total spending include "soft money" expenditures by state and local party organizations and by independent groups. In 1988 these accounted for approximately 15 to 20 percent of total campaign spending, and their importance was surely no less in the 1992 election. Estimates for these types of expenditures are not available for any other country; instead, the figures include only spending reported by parties and/or candidates.
Fifth, and perhaps most important, is that the United States holds separate elections for its executive branch. Spending on presidential campaigns accounts for about half of total U.S. campaign spending every four years. Most other nations have parliamentary systems, in which only the legislature is directly elected by the populace. Finland and France are the only other nations with a directly-elected executive.

Opponents of extending public financing in the United States to congressional elections often contend that doing so would be prohibitively expensive. But other nations with similar campaign costs — Austria and Israel, and perhaps also France and Germany — have been willing and able to do so without disastrous fiscal consequences.

Indeed, a rough calculation suggests that a system of total public financing of U.S. congressional campaigns could be implemented at relatively low cost — some calculations have suggested for as little as $5—$10 per taxpayer per year.

The United States in Perspective

While none of the systems surveyed is in any sense "perfect," most have made far more serious efforts than the United States to free their political systems from the corrupting influence of private money. Among the democracies surveyed here, the United States is one of only three (with Ireland and Switzerland) that features neither public financing nor expenditure restrictions for elections to its national legislature. And it is the only country that does not attempt to compensate for money differentials by providing free media time to candidates.

Campaign finance reform has four principal goals: to provide a financially level playing field for parties and candidates; to reduce the influence of interest group money in politics; to establish fairness and equity in elections and the ability of all kinds of candidates to compete; and to provide accountability by elected officials to all citizens. This report shows that the current U.S. system of campaign finance not only fails to meet these goals, but falls far short of efforts made by most comparable democratic nations.
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<td>Italy</td>
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<td></td>
<td>Spain</td>
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<tr>
<td><strong>Scandinavian Model</strong></td>
<td>Belgium</td>
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<td>Denmark</td>
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<td>Finland</td>
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<td>Sweden</td>
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<tr>
<td><strong>The Dutch Exception</strong></td>
<td>Netherlands</td>
<td></td>
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<tr>
<td><strong>Private Funding Model</strong></td>
<td>Ireland</td>
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<td></td>
<td>Japan</td>
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<td>New Zealand</td>
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<td></td>
<td>Switzerland</td>
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<tr>
<td></td>
<td>United Kingdom</td>
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</tr>
<tr>
<td><strong>United States</strong></td>
<td>President</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Congress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Share of total campaign spending</td>
<td>Paid to ...</td>
<td>Amount based on ...</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------</td>
<td>-----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Australia</td>
<td>40-50%</td>
<td>Parties</td>
<td>Vote share</td>
</tr>
<tr>
<td>Austria</td>
<td>25%</td>
<td>Parties</td>
<td>Vote share</td>
</tr>
<tr>
<td>Canada</td>
<td>35%</td>
<td>Candidates &amp; parties</td>
<td>Amount spent</td>
</tr>
<tr>
<td>France</td>
<td>33%</td>
<td>Candidates</td>
<td>Equal</td>
</tr>
<tr>
<td>Germany</td>
<td>80%</td>
<td>Parties</td>
<td>Vote share</td>
</tr>
<tr>
<td>Israel</td>
<td>70-80%</td>
<td>Parties</td>
<td>Seats won</td>
</tr>
<tr>
<td>Italy</td>
<td>50-75%</td>
<td>Parties</td>
<td>1/5 equally</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4/5 acc. to vote share</td>
</tr>
<tr>
<td>Spain</td>
<td>50-75%</td>
<td>Parties</td>
<td>Part acc. to seats won</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Part acc. to vote share</td>
</tr>
<tr>
<td>United States</td>
<td>35%</td>
<td>Presidential candidates</td>
<td>Matching funds for primary elections; equal lump-sum for general election</td>
</tr>
<tr>
<td>Country</td>
<td>Share of total income for major parties</td>
<td>Amount based on ...</td>
<td>Year begun</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------------------</td>
<td>---------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Austria</td>
<td>25-50%</td>
<td>1/5 equally, 4/5 acc. to seats held</td>
<td>1963</td>
</tr>
<tr>
<td>Belgium</td>
<td>?</td>
<td>Part equally, Part acc. to vote share</td>
<td>?</td>
</tr>
<tr>
<td>Denmark</td>
<td>50%</td>
<td>Part acc. to seats held, Part acc. to vote share in national &amp; subnational elections</td>
<td>1965</td>
</tr>
<tr>
<td>Finland</td>
<td>50%</td>
<td>Seats held</td>
<td>1967</td>
</tr>
<tr>
<td>France</td>
<td>50-65%</td>
<td>1/2 equally, 1/2 acc. to seats held</td>
<td>1990</td>
</tr>
<tr>
<td>Germany</td>
<td>25%</td>
<td>Seats held</td>
<td>1959</td>
</tr>
<tr>
<td>Israel</td>
<td>70%</td>
<td>Seats held</td>
<td>1973</td>
</tr>
<tr>
<td>Italy</td>
<td>40-60%</td>
<td>2% equally, 75% acc. to seats held, 23% mixed - equal &amp; acc. to seats held</td>
<td>1974</td>
</tr>
<tr>
<td>Norway</td>
<td>60%</td>
<td>Vote share</td>
<td>1970</td>
</tr>
<tr>
<td>Spain</td>
<td>90%</td>
<td>1/3 acc. to seats held, 2/3 acc. to vote share</td>
<td>1978</td>
</tr>
<tr>
<td>Sweden</td>
<td>50-75%</td>
<td>1/4 equally, 3/4 acc. to seats held</td>
<td>1966</td>
</tr>
<tr>
<td>Country</td>
<td>Apply to</td>
<td>Ceiling</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------</td>
<td>----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>Parties</td>
<td>$1.3 million</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Candidates</td>
<td>$22,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Parties</td>
<td>$8 million</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>Presidential candidates</td>
<td>$18 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Natl. Assembly candidates</td>
<td>$75,000</td>
<td></td>
</tr>
<tr>
<td>Israel</td>
<td>Parties</td>
<td>1.5 times the campaign subsidy</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>Candidates</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>Candidates</td>
<td>$6,200</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>Parties</td>
<td>$275,000 per province, $14 million total</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Candidates</td>
<td>$12,000-$15,000</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>Presidential candidates</td>
<td>$28 million for primary elections</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$66 million for the general election</td>
<td></td>
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TABLE 5. Per Capita Campaign Spending

<table>
<thead>
<tr>
<th>Country</th>
<th>Total campaign spending per capita (Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>$1.40 (1990), $1.05 (1987), $.80 (1984)</td>
</tr>
<tr>
<td>Austria</td>
<td>$3.98 (1990)</td>
</tr>
<tr>
<td>Belgium</td>
<td>$1.80 (1981)</td>
</tr>
<tr>
<td>Denmark</td>
<td>$.35 (1990)</td>
</tr>
<tr>
<td>Finland</td>
<td>$2.60 (1987, estimate)</td>
</tr>
<tr>
<td>France</td>
<td>$.95 (1988, Presidential election estimate)</td>
</tr>
<tr>
<td>Germany</td>
<td>$2.50 (1990)</td>
</tr>
<tr>
<td>Ireland</td>
<td>?</td>
</tr>
<tr>
<td>Italy</td>
<td>?</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$.24 (1981)</td>
</tr>
<tr>
<td>New Zealand</td>
<td>?</td>
</tr>
<tr>
<td>Norway</td>
<td>$.70 (1989)</td>
</tr>
<tr>
<td>Spain</td>
<td>?</td>
</tr>
<tr>
<td>Sweden</td>
<td>$1.10 (1991, estimate)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$4.2 (1983)</td>
</tr>
</tbody>
</table>
Overview

Australia has a parliamentary system with a bicameral legislature. Elections are primarily candidate-centered; a mix of winner-take-all and proportional representation is used. Campaign spending is unrestricted. There is a public subsidy for campaign expenses, which accounts for 40-50 percent of total campaign spending, and parties receive free media time during elections.

Basic Features of the Electoral System

Government structure: Australia has a parliamentary system. The legislature is bicameral, with a House of Representatives and a Senate. The government, composed of the prime minister and cabinet, is chosen by the majority party or coalition in the House of Representatives. The House has 148 members (one per 115,000 citizens) who serve 3-year terms unless the government calls an election earlier. The Senate has 76 members who serve 6-year terms, with half the seats standing for election every three years.

Election procedures: Elections to the House of Representatives are based on a winner-take-all preferential voting system in single-member districts. Voting is for candidates, not parties. Voters are required to rank the candidates listed on the ballot in terms of their preference. If no candidate receives a majority of first-preference votes, the lowest-scoring candidate is eliminated and her or his votes are redistributed to the other candidates according to the second preference listed. This process of elimination continues until a candidate receives an absolute majority.

The process for the Senate is similar, except that proportional representation is used in addition to the preferential voting system. Voters can either rank order individual candidates or cast their ballot for
a party list. To be elected, a candidate must receive one-seventh plus one of the total votes cast within a state. The votes of candidates with more than the necessary quota are redistributed to other candidates according to the next listed preference, and low-scoring candidates may be dropped and their votes redistributed as in the House elections, until six candidates achieve enough votes for election. Each state in Australia elects 12 members of the Senate (six in any one election) and each of the two territories elects two members.

Candidate selection: Candidates for parliament are generally selected by local (district for the House, state for the Senate) party committees. There are no primary elections.

Candidate eligibility: To run for election, a candidate must be a citizen and eligible to vote. She or he must be nominated either by a party or by 6 people entitled to vote in the candidate’s district. A candidate must also supply a monetary deposit ($250 for the House, $500 for the Senate), which is returned if she or he receives at least 4 percent of the district vote.

Voter eligibility and turnout: Voting for citizens age 18 and over is compulsory. Turnout commonly exceeds 95 percent.

Length of campaign period: The formal campaign period lasts about four to five weeks.

Political parties: Australia’s two dominant parties are the Labor Party (ALP) and the Liberal Party (LP). The Liberal Party generally operates in coalition with the National Party (NP). Since World War II, no other parties have won seats in the House of Representatives, though smaller parties frequently capture 5 to 10 percent of the nationwide vote. Multi-member elections have enabled some representation of smaller parties in the Senate.

Sources of Political Finance

Sources of party finance: Political parties rely on private contributions and membership dues for their regular income. There is no regular public subsidy to parties.

Sources of campaign finance: Public funding generally accounts for 40-50 percent of total campaign expenditures. The remainder comes primarily from private contributions and secondarily from membership dues. Parties allocate funds to the candidates on a need basis, typically providing the majority of their finances.
Finance Regulation

Expenditures: Australia places no legal ceiling on campaign spending.

Contributions: There are no limits on the source or size of private political donations.

Disclosure: Electoral law requires parties and candidates to report to the Australian Electoral Commission all contributions and expenditures, along with the identity of donors of $1,000 or more to parties and $200 or more to candidates. Parties have created a variety of campaign finance organizations to funnel large contributions from individuals or groups who wish to remain anonymous; but the law has recently been amended to eliminate these loopholes in future elections.

Public Financing

Campaign funding: Parties which are registered with the Australian Electoral Commission and have received at least 4 percent of the vote within a district are reimbursed for campaign expenditures based on the number of votes received by their candidates. To be registered, the party must be represented in parliament or have at least 500 members. The reimbursements are paid to state party branches, except in the case of independent candidates who qualify for the subsidy. As of 1990, the subsidy provided 91 cents for each House of Representatives first preference vote and 45.5 cents for each Senate first preference vote if the elections for both legislative bodies were held on the same day. If elections were held on separate days, the subsidy paid 65 cents for each Senate first preference vote. The rate of subsidy is adjusted periodically according to changes in the consumer price index. The total public subsidy distributed in 1990 was $12.9 million (about $9.3 million); accounting for approximately 40 percent of total campaign spending. (The subsidy accounted for 48 percent of total spending in the 1987 elections, 58 percent in the 1984 election.) About 85 percent of the total subsidy was awarded to the three major parties. Public financial support for campaigns was first introduced at the federal level in 1983. One of the six states, New South Wales, also offers a campaign reimbursement for elections to the state legislature.

Regular support for political parties: Australia does not provide a regular subsidy to political parties.

Parenthetical estimates are in U.S. dollars.
Support for party-affiliated organizations: The government does not provide financial assistance to party-affiliated organizations.

Tax treatment of private contributions: Political contributions of up to $100 are tax deductible.

Media: Parties are given free time on the government-owned Australian Broadcasting Commission television and radio stations during election campaigns. Each of the two major parties receives 90 minutes of time — a 30-minute slot for a policy statement and 30 two-minute spots. Three two-minute spots are given to other parties which contest at least 10 percent of the seats in the election and either received five percent of the nationwide vote or won at least one seat in the previous election. At U.S. rates, the total time allotted would cost perhaps $8 million, or approximately 33 percent of total campaign spending in the 1990 election.

Paid political advertisements on television are permitted. In 1990 the major parties spent over $15 million (about $11 million), an average of 45 percent of each party's budget, on television and radio advertisements. Legislation passed in 1991 prohibited paid political advertising during the formal campaign period, but the law was overturned by Australia's High Court.

Other support: There are no additional subsidies, postal or otherwise.

Source of public funds: The funds come from the general treasury.

Campaign Spending

Total spending: Campaign spending in the 1990 election totaled approximately $33 million (about $24 million). Per capita spending amounted to approximately $1.40. The figures for the 1987 and 1984 elections were $21.5 million ($17 million) and $14 million ($12.3 million); per capita totals were $1.05 and $0.80, respectively.

Administration and Enforcement

Regulatory agency: Administration of public financing and enforcement of the relevant regulations is carried out by the Australian Electoral Commission. Several states have separate regulatory structures for state-level elections.

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1 Per capita spending was calculated in U.S. currency.
Overview

Austria has a parliamentary system with a bicameral legislature. Elections are party-centered and based on proportional representation. Campaign expenditures are unrestricted. There is a public campaign subsidy, which covered 25 percent of total spending in the most recent election. Parties represented in the federal, state, and local parliaments receive an annual grant, which accounts for 25 to 50 percent of income for the three main parties. Parties are also given free media time during elections.

Basic Features of the Electoral System

Government structure: Austria has a quasi-parliamentary system. The legislature is bicameral, composed of the Nationalrat (National Assembly, or lower house) and the Bundesrat (Federal Assembly, or upper house). The official but chiefly ceremonial head of state is the president, who is popularly elected every six years. The president appoints the chancellor, who is the de facto head of government. The chancellor, who in turn selects the cabinet, is normally the leader of the strongest party in the Nationalrat. The Nationalrat has 183 deputies (one per 43,000 citizens) who serve 4-year terms. The government can call for earlier elections, but that rarely happens. The Bundesrat has 63 members who also serve 4-year terms. The Nationalrat is the main legislative body. The Bundesrat can veto legislation, but the Nationalrat need only pass the measure again with a simple majority for it to become law.

Election procedures: Nationalrat elections are based on proportional representation in two levels of multi-member districts. Voting is for parties, not candidates. The allocation of seats occurs in two stages. The first takes place within the 9 individual provinces, with seats being
assigned based on party share of the vote. Approximately 90-95 percent of Nationalrat seats are selected at this level. The number of seats elected by each province is determined by population size. In the second stage, the provinces are aggregated to form two national electoral districts. Votes not allocated at the province level carry over to the second stage, where seats are again distributed proportionately according to party share. Only parties that win at least 1 seat at the province level are eligible for the second stage.

The Bundesrat is elected indirectly by the provincial legislatures according to proportional representation. Again, the number of seats elected by each province is determined by population size.

**Candidate selection:** Candidates for parliament are generally selected by regional party committees. There are no primary elections.

**Candidate eligibility:** Any citizen age 20 or older can run for parliament. No monetary deposit is required.

**Voter eligibility and turnout:** Citizens age 19 and older are eligible to vote. Voting in presidential elections is compulsory. Voter turnout for both Nationalrat and presidential elections commonly exceeds 90 percent.

**Length of campaign period:** Election campaigns typically last no more than a few months.

**Political parties:** Austria has two dominant political parties: the People’s Party (OVP) and the Socialist Party of Austria (SPO). These parties regularly account for 90 percent of the seats in the Nationalrat. The only other party to have achieved representation in the Nationalrat since 1955 is the small right-wing Freedom Party (FPO). The Austrian political system exhibits unparalleled consensus. Over 80 percent of legislation is adopted unanimously by the Nationalrat. Other parties include the Communist Party (KPO), the United Greens (VGO), the Alternative List (ALO), and the National Democratic Party (NDP).

**Sources of Political Finance**

**Sources of party finance:** Membership dues and public subsidies account for the bulk of party finances, with private donations covering the remainder. Public grants generally account for 25 to 50 percent of the income for the three main parties.

**Sources of campaign finance:** Membership dues are the principal source of party campaign finances. Much of the remainder comes from
private donations. A newly-instituted public subsidy accounted for 25 percent of spending in the 1990 election. Candidate finances come almost entirely from their party.

**Finance Regulation**

**Expenditures:** There is no legal ceiling on campaign spending.

**Contributions:** There are no limits on the source or size of private political donations.

**Disclosure:** Parties are required to report all expenditures and contributions and disclose the identity of donors.

**Public Financing**

**Campaign funding:** Austria introduced a subsidy for campaign expenses in 1990. Parties are reimbursed in proportion to their share of the vote. The total amount of the subsidy allocated for the 1990 election was 110 million schillings (about $8 million).

**Regular support for political parties:** The government provides an annual grant to parties with at least 5 seats in parliament. Approximately 20 percent is divided evenly among the parties, and the rest is allocated in proportion to the number of seats each party holds. A total of 430 million schillings (about $31 million) was awarded in 1992. Subsidies are also awarded to parties represented in the state and local legislatures. The state-level grants totaled 820 million schillings (about $58 million) in 1992. The subsidy was first introduced at the national level in 1963 and expanded in 1975. State level subsidies began in 1960.

**Support for party-affiliated organizations:** The government offers financial assistance to party "academies", which function as service institutions for the parties. Each party academy is given an initial grant of equal amount, and the rest of the money is distributed in proportion to party share in the parliament. A total of 82 million schillings ($5.9 million) was allocated in 1990 to the four party academies. Public subsidies are also provided to organizations (youth, student, women's, etc.) linked to the parties. This type of public financing was begun in 1972.

**Tax treatment of private contributions:** Political contributions receive no special tax treatment.

**Media:** The government provides free media time to parties on a regular basis. Each of the major parties receives 3 1/2 hours of television time and 24 hours of radio time per year, usually allotted in 5-
minute spots. During election campaigns each of the parties receives an additional 1 1/2 hours on television. At U.S. rates, the total time allotted to parties during election campaigns would cost perhaps $6 million, or approximately 20 percent of the total campaign spending in the 1990 election. Paid political advertising on television and radio is prohibited. The government also provides a press subsidy, totaling 105 million shillings ($7.5 million) in 1989, part of which goes to party newspapers.

Other support: There are no additional subsidies, postal or otherwise.

Source of public funds: The funds come from the general treasury.

Campaign Spending

Total spending: Spending in the 1990 election campaign totaled 430 million schillings (about $30.7 million). Per capita spending amounted to approximately $3.98.

Administration and Enforcement

Regulatory agency: There is no independent regulatory agency which oversees political financing.
Overview

Belgium has a parliamentary system with a bicameral legislature. Elections are party-centered and based on proportional representation. Campaign spending is restricted, but there is no public subsidy specifically for campaign expenses. Parties with representation in parliament receive an annual grant. There is also a tax deduction for campaign donations, and parties are provided free television time during elections.

Basic Features of the Electoral System

Government structure: Belgium has a parliamentary system. The legislature is bicameral, with a Chamber of Representatives (lower house) and a Senate (upper house). The two houses of parliament choose the prime minister, who in turn selects the cabinet. The Chamber of Representatives is composed of 212 members (one per 48,000 citizens) and the Senate has 181 members. Members of both houses serve 4-year terms unless the government calls an election earlier or the governing coalition collapses. The houses are coequal; bills must be passed by both to become law.

Election procedures: Elections to the Chamber of Representatives are based on proportional representation in two levels of multi-member districts. Votes may be cast either for a party or for individual candidates. Most seats are allocated according to the share of votes received by parties and/or their candidates in districts within the Belgian provinces. Remaining votes are carried over to the province level to determine the final seats. There is no minimum vote share requirement for a party to obtain representation. The number of seats elected by each district and province is adjusted periodically according to population changes. (Prior to 1971 the number of seats in the Chamber rose as
the Belgian population increased, so that each member represented 40,000 citizens. Since 1971 the number of seats has been fixed 212.)

Of the 181 members of the Senate, 106 are popularly elected, 50 are appointed by provincial councils, and 25 are co-opted by their already-elected colleagues.

**Candidate selection:** Candidates for parliament are generally selected through direct vote by party members.

**Candidate eligibility:** Any citizen at least 25 years of age may run for office. No monetary deposit is required.

**Voter eligibility and turnout:** Voting is compulsory for citizens age 18 and over. Failure to vote results in a fine and, if repeated over four consecutive elections, in loss of the right to run for office. Voter turnout typically reaches 95 percent.

**Length of campaign period:** The formal campaign period lasts 40 days.

**Political parties:** Until the 1960s Belgium had three dominant parties: the Christian Social Party, the Liberal Party, and the Socialist Party. Cultural, linguistic, and other social divisions have opened up the party system considerably over the past three decades. Following the 1991 elections, 13 parties had seats in the Chamber of Representatives. Each of the three major parties is now split into two distinct parties along linguistic lines — French (Walloon) and Flemish. Other parties include the Flemish Green Party, the French Green Party, the Communist Party, the Democratic Union for the Respect of Labor, the Flemish Bloc, the Francophone Democratic Front, the People’s Union, the Walloon Rally, the Ecological Party, and the Party of Labor.

**Sources of Political Finance**

**Sources of party finance:** Party income comes from public subsidies, membership dues, and private contributions.

**Sources of campaign finance:** There is no public subsidy for campaign expenses. Parties rely on private donations and membership dues.

**Finance Regulation**

**Expenditures:** Party campaign spending is limited to 50 million Belgian francs (BF) (about $1.3 million). Expenditures for the candidate
at the top of the party list within a district cannot exceed BF 500,000 plus BF 2 per registered voter. For other candidates on the list, the spending limit is BF 200,000.

**Contributions:** There are no limits on the source or size of private political donations.

**Disclosure:** Parties must report all expenditures to the Ministry of the Interior.

**Other restrictions:** Electoral law prohibits use of advertising panels larger than four square meters and multicolor photos or texts, distribution of gadgets or small objects, publication of full-page advertisements in newspapers, and campaigning by telephone.

**Public Financing**

**Campaign funding:** Belgium offers no special financial assistance for campaign expenses.

**Regular support for political parties:** The government provides an annual grant to parties represented in parliament. Part of the subsidy is distributed equally to all parties and part is allocated according to party share of votes. Each party receives BF 3 million (about $75,000) plus BF 10 ($ .25) per vote received in the previous election.

**Support for party-affiliated organizations:** The government does not provide financial assistance to party-affiliated organizations.

**Tax treatment of private contributions:** Since 1985, tax deductions have been awarded for campaign contributions made by non-profit organizations established to provide financial assistance for political parties. The party must hold at least five seats in parliament, and there is a limit of one such organization per party.

**Media:** Parties are given free access to television during election campaigns, with the time distributed in proportion to party share in parliament. Paid political advertisements on television are prohibited.

**Other support:** There are no additional subsidies, postal or otherwise.

**Source of public funds:** The funds come from the general treasury, with half the money allocated by each chamber of parliament.
Campaign Spending

Total spending: In the 1981 election, parties reportedly spent a total of BF 670 million (about $18 million). Per capita spending amounted to approximately $1.80.

Administration and Enforcement

Regulatory agency: There is no independent regulatory agency which oversees political financing.
Overview

Canada has a parliamentary system with a bicameral legislature. Elections are candidate-centered and based on a winner-take-all system. Campaign spending by candidates and parties is restricted. Public campaign subsidies, which are provided to both candidates and parties, account for about 35 percent of total election expenditures. There is also a tax credit for political donations, and parties receive free television time during elections.

Basic Features of the Electoral System

Government structure: Canada's system is parliamentary. The legislature is bicameral, composed of the House of Commons (lower house) and the Senate (upper house). The majority party or coalition in the House of Commons selects the prime minister, who in turn appoints the cabinet. The House has 295 members (one per 90,000 citizens) who serve 5-year terms unless the government calls an election earlier or the governing coalition collapses. The Senate consists of 104 members who serve until age 75. The Senate has de jure powers equal to that of the House of Commons; however in practice it defers to the House on most matters.

Election procedures: Elections to the House of Commons are winner-take-all plurality contests in single-member districts. Voters cast their ballot for one candidate, and the one receiving the most votes wins. Each electoral district represents a roughly equal share of the Canadian population, although some smaller districts are over-represented. District boundaries are adjusted periodically according to population shifts.

Senators, who represent Canada's various regions, are appointed by the governor general on the advice of the prime minister. Twenty-four members are from Ontario, 24 from Quebec, 24 from each of the four
Western provinces, 24 from the maritime provinces, six from Newfoundland, one from the Northwest Territories, and one from the Yukon.

**Candidate selection:** Candidates for parliament are generally selected by local party members at nominating conventions. There are no primary elections.

**Candidate eligibility:** A candidate must be nominated 28 days prior to the election and endorsed by at least 25 electors in the district. Candidates do not have to live in the district they are contesting. By the time of nomination, the candidate must have appointed an official agent and an auditor. A deposit of $200 must be submitted, which is returned if the candidate wins the election or polls at least 15 percent of the district votes.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout averaged 73 percent in elections in the 1980s.

**Length of campaign period:** Election campaigns for the House of Commons last 50 days.

**Political parties:** Canada’s two main parties are the Liberal Party and the Progressive Conservative Party (PC). Usually one of the two parties has had an outright majority in the House of Commons, and so has been able to form a government alone. The New Democratic Party (NDP) is the only other influential party at the national level. A variety of minor parties participate in elections, but seldom win seats in the House.

**Sources of Political Finance**

**Sources of party finance:** Party funds come principally from private contributions, about half of which are from individuals and half from corporations. Public grants play a negligible role in financing ongoing party activity.

**Sources of campaign finance:** Public subsidies accounted for 34 percent of total reported campaign expenditures in the 1988 election, and 35 percent in 1984. Subsidies are provided to both candidates and parties. They generally cover 40 to 45 percent of expenses for candidates and 22 percent for the major parties. Candidates are financed by a combination of private donations, allocations from their parties, and public grants.

**Finance Regulation**

**Expenditures:** Canada does place a ceiling on campaign spending. Candidates are permitted to spend approximately $1 for each of the
first 15,000 voters, $.50 for the next 10,000, and $.25 for the remaining voters within their district. That amounts to an average limit of $36,250 ($27,700) per district. Parties may spend a total of approximately $8 million. These ceilings are adjusted periodically according to changes in the consumer price index. The regulation applies only to "formal" campaign expenditures aiming to directly promote or oppose a particular candidate or party, so a good deal of pre-campaign spending escapes the limitation.

**Contributions:** There are no limits on the source or size of private political contributions to parties and candidates.

**Disclosure:** Parties and candidates must submit a report to the Chief Electoral Officer disclosing election expenditures and the identity of all contributors of more than $100. Party reports must be submitted each year.

**Public Financing**

**Campaign funding:** Canada provides a subsidy for campaign expenses to political parties and to individual candidates. Candidates are reimbursed the lesser of 50 percent of their actual expenses or 50 percent of the expense limit. To qualify, a candidate must receive at least 15 percent of the vote in a district. About half of all candidates typically receive a reimbursement; most of these are from the three major parties.

Parties are reimbursed for 22.5 percent of their election expenditures. To qualify, a party must field at least 50 candidates in the election and spend at least 10 percent of the maximum ceiling.

The total subsidy to candidates and parties amounted to $18.7 million (about $14.3 million) in 1988 and $15.1 million ($11.9 million) in 1984.

Most of the Canadian provinces also provide a campaign subsidy for candidates and/or parties. The total amount distributed at the provincial level in 1988 was $13.7 million ($10.5 million).

Public campaign financing was first introduced at the federal level in 1974.

**Regular support for political parties:** There is no significant public subsidy for party activity. Parties represented in parliament do, however, receive a modest annual grant for research expenses, distributed in proportion to the share of seats each party holds. To qualify, a party must have at least 12 seats in the House of Commons. In fiscal year 1991, the Conservative Party received $1,085,800, the Liberal Party $926,700, and the New Democratic Party $647,000.
Support for party-affiliated organizations: The government does not provide financial aid to party-affiliated organizations.

Tax treatment of private contributions: Individual campaign donations receive a tax credit, provided the party receiving the donation has at least 12 seats in the House of Commons or fields candidates in at least 50 districts in an election. These requirements are met by the three major parties along with several smaller parties. Parties may issue tax receipts at any time; candidates can do so only after receiving a party's nomination. The maximum deductible amount is $500. The total value of the tax credit in 1988 was approximately $8.8 million ($6.7 million), or a quarter of the total public subsidy for political financing.

Media: Each television and radio network must make available a certain amount of free time — between one and four hours, depending on the station — for party use during election campaigns. The time is allocated among parties according to the number of seats won, votes received, and candidates fielded in the previous election. In 1988 nearly 13 hours of free time was provided. At U.S. rates, that would cost approximately $6.5 million, or about 15 percent of total spending in the 1988 campaign.

A limited amount of paid political advertising is permitted during the 28 days immediately preceding an election. Each radio and television station must make 6 1/2 hours available for sale during those 28 days, and the quantity of time a party can purchase is determined in the same manner as the party share of free time. Spending on advertising (primarily television and radio, but also print) typically accounts for more than half of party election expenditures.

Other support: There are no additional subsidies, postal or otherwise.

Source of public funds: The funds come from the public treasury.

Campaign Spending

Total spending: Reported campaign spending totaled $55.5 million ($42.4 million) in the 1988 election and $43.3 million ($34.1 million) in 1984. Per capita expenditures amounted to approximately $1.63 in 1988 and $1.36 in 1984.
Administration and Enforcement

Regulatory agency: The Chief Electoral Officer, an independent administrative authority, is responsible for overseeing political financing. The Election Expenses Act of 1974, amended in 1977 and 1983, is the main piece of legislation regulating political finance in Canada at the federal level. Each province has its own separate structure regulating elections to provincial government.
DENMARK

Overview

Denmark has a parliamentary system with a unicameral legislature. Elections are party-centered and based on proportional representation. Campaign expenditures are unrestricted, and there is no public funding specifically for campaign expenses. Parties represented in the national and subnational legislatures receive an annual grant, which accounts for approximately 50 percent of income for the larger parties and up to 90 percent for smaller parties. Organizations affiliated with the political parties also benefit from a public subsidy, and parties are given free media time during election campaigns.

Basic Features of the Electoral System

**Government structure:** Denmark has a parliamentary system. The legislature, or Folketing, is unicameral. Based on the recommendation of the majority (or the largest minority) party or coalition in the Folketing, the monarch appoints the prime minister and cabinet. The role of the crown is largely ceremonial; the prime minister is the effective head of government. The Folketing has 179 seats (one per 29,000 citizens). Members serve 4-year terms unless the government calls an election earlier (which happens frequently).

**Election procedures:** Folketing elections are based on proportional representation in 17 multi-member districts. Candidates are listed on the ballots, but votes are tabulated for parties. 135 seats are allocated according to party share within each district. The number of seats elected by each district is determined by population size. Four other seats are accounted for by Greenland and the Faroe Islands. The remaining 40 seats are allocated in such a way as to make representation in the Folketing conform as closely as possible to party share of the nationwide vote. To qualify for representation at this second level, a party must
either win at least one seat at the district level or receive at least two percent of the nationwide vote.

**Candidate selection:** Candidates for parliament are generally selected through direct vote by local party members.

**Candidate eligibility:** Any citizen eligible to vote can run for parliament.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout ranges from 80 to 90 percent.

**Length of campaign period:** The campaign period normally lasts three to five weeks.

**Political parties:** No Danish party has obtained an outright parliamentary majority since 1906. Until the early 1970s the country had four dominant parties: the Conservative People's Party (KF), Liberal Party (V), Social Liberals (SV), and Social Democrats (SD). Since World War II, the Social Democrats have been represented in the government approximately 65 percent of the time, the Liberals 35 percent, the Conservatives 25 percent, and the Social Liberals 25 percent. Since the early 1970s parliament has been highly fragmented, with eight to 10 parties typically holding seats. Denmark has not had even a majority coalition government since 1971. Other parties include the Center Democrats (CD), Christian People's Party (KrF), Progress Party (FP), and Socialist People's Party (SF). Parties register for elections by collecting a number of signatures equal to 1/175 of the votes cast in the previous election.

**Sources of Political Finance**

**Sources of party finance:** Roughly half the income of the larger parties comes from public subsidies. The remainder is accounted for chiefly by donations from organizations (trade unions, corporations, etc.) and membership fees. For smaller parties public assistance accounts for up to 90 percent of revenues.

**Sources of campaign finance:** There is no public funding specifically for election campaigns in Denmark, although parties are free to use the regular public subsidy for this purpose. Candidates are financed largely by their party.

**Finance Regulation**

**Expenditures:** Denmark places no legal ceiling on campaign spending.
Contributions: There are no limits on the source or size of private political donations.

Disclosure: Parties must provide an annual account of their income by source, but are not obligated to disclose their expenses or the identity of contributors.

Public Financing

Campaign funding: The government offers no special financial assistance for campaign expenses.

Regular support for political parties: Denmark provides an annual grant for political parties, allocated in two approximately equal parts. The first part is distributed according to party share of seats in the Folketing. The amount is increased annually to keep pace with inflation. For the second part, parties receive 5 Danish kroner (DKr) (about $.55) for each vote received in the last Folketing election, 2 DKr per vote obtained in the last county election, and 3 DKr per vote received in the last municipal election. To qualify, a party must have received a minimum of 1,000 votes in the last Folketing election. The total amount of subsidy distributed to parties in 1990 was DKr 72 million (about $8 million). The first type of party grant was begun in 1965; the second type was added in 1986.

Support for party-affiliated organizations: Educational associations and youth organizations linked to political parties receive an annual subsidy. The total amount of this support is not known.

Tax treatment of private contributions: Political contributions receive no special tax treatment.

Media: Free access to public television and radio stations is provided during election campaigns, with the time distributed equally among all registered parties. Paid political advertisements are permitted on local radio stations, but prohibited on television. Some newspaper advertising is used, although the independent newspapers are often partisan.

Other support: There are no additional subsidies, postal or otherwise.

Source of public funds: The funds come from the general treasury.
Campaign Spending

Total spending: Although no solid figures are available (since parties are not required to disclose their expenditures), it is estimated that Danish parties spend a total of approximately DKr 15 to 20 million (about $1.9 million) on election campaigns. Per capita spending amounts to about $.35.

Administration and Enforcement

Regulatory agency: There is no independent regulatory agency which oversees political financing.
Overview

Finland has a presidential-parliamentary system with a unicameral legislature. Parliamentary elections are party-centered and based on proportional representation. Campaign expenditures are unregulated, and there is no public funding specifically for campaign expenses. Parties represented in the legislature receive a regular subsidy, which accounts for approximately 50 percent of party income. Organizations affiliated with the political parties also benefit from a subsidy, and parties receive free media time during elections.

Basic Features of the Electoral System

Government structure: Finland has a presidential-parliamentary system. The president is popularly elected and appoints the government, which consists of a prime minister and cabinet. The president, who serves a 6-year term, is the effective head of government. The unicameral parliament, known as the Eduskunta, has 200 members (one per 25,000 citizens) who serve 4-year terms unless the president calls an election earlier.

Election procedures: As of 1994, the president will be elected by direct popular vote with a majority requirement. If no candidate receives an outright majority on the first ballot, a runoff will be held between the top two vote-getters. (Until 1982 the president was selected by a 300-member electoral college, itself elected by popular vote based on proportional representation. In 1988 a transitional system was used, in which a candidate was elected directly if he or she received a majority of the popular vote, or otherwise was chosen by the electoral college.)

Eduskunta elections are based on proportional representation in 14 multi-member electoral districts and one single-member district. Candidates are listed on the ballots, but votes are tabulated for parties.
Seats are allocated according to the parties share within each district. The specific candidates who fill the seats are determined by votes received. Each district elects between seven and 30 members, the number being determined by population size.

Candidate selection: Candidates for parliament are generally selected by local party committees, and presidential candidates are chosen by national party conventions. There are no primary elections.

Candidate eligibility: Candidates for president must be native-born Finnish citizens. No monetary deposit is required.

Voter eligibility and turnout: Citizens age 18 and over are eligible to vote. Voter turnout is typically 70-80 percent for Eduskunta elections; in the 1991 elections it was 72 percent. Turnout in recent presidential elections has averaged over 80 percent.

Length of campaign period: Intense campaign activity for parliamentary and presidential elections is generally confined to two or three months.

Political parties: Finland’s four major parties, which together have accounted for over 80 percent of Eduskunta seats in every parliament since World War II, are the Center Party, the National Coalition Party, the Left Wing League (or Left Alliance, formerly the People’s Democratic League), and the Social Democratic Party. The Center Party and Social Democratic Party have held the presidency for most of the past two decades. Other parties frequently winning representation in the Eduskunta include the Christian League, Constitutional Party, Rural Party, Swedish People’s Party, and the Greens. New political parties must be registered by the Ministry of Justice by providing a list of 5,000 party supporters. Associations of voters, founded by at least 100 qualified voters, may also offer parliamentary candidates.

Sources of Political Finance

Sources of party finance: For most parties about 50 percent of income comes from public subsidies. The remainder is accounted for by membership dues and private donations. Businesses, and to a lesser extent unions, account for the vast majority of private political donations; individuals account for a negligible share.

Sources of campaign finance: There is no public funding specifically for election campaigns in Finland, although parties are free to use the regular public subsidy for this purpose. The bulk of campaign spending is done by parties on behalf of the party list, but candidates frequently raise and spend money themselves.
Finance Regulation

Expenditures: Finland places no legal ceiling on campaign spending.

Contributions: There are no limits on the source or size of private political donations.

Disclosure: Parties must report their income and expenditures annually to the Ministry of Justice, but need not disclose the identity of contributors.

Public Financing

Campaign funding: Finland offers no public financial assistance for campaign expenses.

Regular support for political parties: The government provides an annual grant to parties with representation in parliament, distributed according to party share of the seats. The total amount allocated to parties in 1989 was FIM 75 million (about $11.8 million). Public funding of parties was first introduced in 1967.

Support for party-affiliated organizations: Educational, youth, women’s, and other organizations linked to political parties receive an annual subsidy.

Tax treatment of private contributions: Political contributions receive no special tax treatment.

Media: Parties are given limited access to television during election campaigns. Typically representatives from all parties are interviewed and participate in panel discussions. Paid political advertisements on television and radio are permitted. The government also provides a small subsidy for press and publications.

Other support: There are no additional subsidies, postal or otherwise.

Source of public funds: The funds come from the general treasury and are allocated annually by parliament.

Campaign Spending

Total spending: No information is available on campaign expenditures per se. Party spending in 1987 totaled FIM 225 million (about $38 million). Assuming that a third of this amount was spent on election expenses (likely an overestimate), per capita campaign spending for 1987 amounted to approximately $2.60.
Administration and Enforcement

Regulatory agency: There is no independent regulatory agency which oversees political financing. The Ministry of Justice is in charge of overseeing the income and expenditures of parties which receive public funding.
FRANCE

Overview

France has a presidential-parliamentary system with a bicameral legislature. Elections to parliament are candidate-centered winner-take-all contests. Campaign spending by candidates, but not by parties, is restricted, as are contributions to candidates and parties. Candidates receive a public campaign subsidy, which covers approximately 25 to 50 percent of total campaign spending. Political parties also receive an annual grant, which accounts for 50 to 65 percent of party income. There is also a tax deduction for political donations, and candidates receive free media time during election campaigns.

Basic Features of the Electoral System

Government structure: France has a presidential-parliamentary system. The head of the executive branch is the president, who is elected by popular vote for a 7-year term. The president appoints the prime minister and the cabinet. The French legislature is bicameral. Its main body, the National Assembly, has 577 members (one per 98,000 citizens) who serve 5-year terms, unless the president calls an election earlier or the governing coalition collapses. The Senate has 283 seats. Senators serve 9-year terms, with a third of the body standing for election every three years.

Election procedures: The president is elected by direct popular vote with a majority requirement. If no candidate receives an outright majority on the first ballot, a runoff is conducted between the top two vote-getters.

National Assembly elections are winner-take-all contests based on a modified majority system in single-member districts. Voting is for candidates, not parties. If no candidate obtains a majority of the votes, a runoff is held with only a plurality needed to win. To qualify for the
runoff, a candidate must receive approximately 18 percent of the district vote; generally only two candidates compete in the runoff election. Each district represents an approximately equal share of the French population. In 1986 a proportional representation system was introduced, with seats allocated according to party share in each department (province); however following the 1986 election, the earlier system was reinstituted.

Senators are selected by electoral colleges within the various French departments. Two different electoral systems are used. In heavily populated departments with more than five Senate seats, electors vote for a slate of candidates and winners are determined by proportional representation. In smaller departments, the modified majority two-ballot system is used.

**Candidate selection:** Candidates for parliament are generally selected by local party committees. Presidential candidates are chosen by national party committees. There are no primary elections.

**Candidate eligibility:** Any citizen eligible to vote can run for office. A presidential candidate must collect signatures of 500 elected provincial officials from at least 30 different departments; no monetary deposit is required. A candidate for the National Assembly must supply a deposit of Frs 1,000 ($150), which is refunded if she or he gets at least 5 percent of the district vote.

**Voter eligibility and turnout:** Citizens age 18 and older are eligible to vote. The government registers all voters by mail. Turnout averages 75 to 85 percent.

**Length of campaign period:** The Presidential election takes place 20 to 35 days prior to expiration of the Presidential term, or 20 to 35 after it becomes vacant by resignation. The most extensive campaigning takes place during this time, but candidates generally begin much earlier. The formal campaign period for the National Assembly consists of the three weeks prior to the election, but again campaigning normally begins much earlier.

**Political parties:** The dominant parties in France are the Socialist Party (PSF), Rally for the French Republic (RPR, or Gaullists), Republican Party (PR, or Conservatives), and Communist Party (PCF). Only twice has a single party held a majority in the National Assembly, and all French governments since the inception of the Fifth Republic in 1958 have been coalitions. A multitude of other parties usually win a small number of seats in the legislative bodies.
Sources of Political Finance

Sources of party finance: Public subsidies account for 50 to 65 percent of revenues of the PSF, RPR, and PR. Membership dues and private donations account for most of the remainder. The Communist Party relies on membership dues for approximately two-thirds of its income.

Sources of campaign finance: Public subsidies account for 25 to 50 percent of campaign expenditures for the major presidential and parliamentary candidates. The remainder comes from party allocations and private donations.

Finance Regulation

Expenditures: France does place a ceiling on campaign spending. For presidential candidates, the maximum amount is Frs 120 million (about $18 million) in the six months immediately preceding an election. It is increased to Frs 140 million (about $21 million) if there is a runoff. For National Assembly candidates the limit is Frs 500,000 (about $75,000).

Contributions: Candidates can receive contributions of no more than Frs 30,000 (about $4,500) per individual per election by candidates. Corporations and labor organizations can contribute money only through an "association de financement" (similar to a political action committee), whose donation ceiling is Frs 50,000 (about $7,500). Donations cannot comprise more than 20 percent of total election expenditures.

Parties are limited to Frs $50,000 (about $7,500) per individual and Frs 50,000 ($75,000) per association de financement per year.

Disclosure: Within 60 days following an election, presidential candidates are required to report their expenditures to the electoral court, the Conseil Constitutionnel; parliamentary candidates report expenditures to the president of the National Assembly, who in turn submits them to the electoral court. Parties must report their income and expenditures annually to the National Commission for Election Campaign Accounts and Political Funding. The identity of donors need not be disclosed.

Public Financing

Campaign funding: Presidential candidates receiving at least 5 percent of the vote are reimbursed Frs 30 million (about $4.5 million) for campaign expenses (Frs 35 million if a runoff is held); those with less than 5 percent receive Frs 6 million ($900,000). A total of Frs 182 million (about $25 million) was distributed among the nine candidates for the 1988
presidential election; this accounted for approximately 50 percent of total reported campaign spending.

Parliamentary candidates receiving at least 5 percent of the district vote are reimbursed Frs 50,000 ($7,500). Those getting less than 5 percent do not qualify for the subsidy.

The campaign subsidy for presidential and parliamentary elections is distributed only to candidates and was first introduced in 1988.

**Regular support for political parties:** France provides an annual grant to political parties. Half the amount is distributed, according to vote share, among all parties which presented candidates for the National Assembly in at least 75 electoral districts (approximately one out of every eight districts) in the previous election. The other half is distributed to parties with representation in the National Assembly and/or Senate according to party share of the seats. The total amount allocated in 1992 was Frs 277 million (about $42 million). This subsidy began in 1989.

**Support for party-affiliated organizations:** There is no public financial assistance to party-affiliated organizations.

**Tax treatment of private contributions:** Political donations by individuals or corporations to political parties or candidates are tax deductible up to 1.25 percent of income for individuals and 0.2 percent of sales for a company.

**Media:** Presidential and parliamentary candidates are given free access to television during election campaigns. Each presidential candidate receives 100 minutes of time. At U.S. rates, the value of that time for the nine candidates in the 1988 election would total about $9 million, or perhaps 10 to 20 percent of total campaign spending. Traditionally, there is also a televised face-to-face confrontation between the two runoff presidential candidates. Paid political advertising on television is prohibited.

**Other support:** The government provides free postage for circulars that the parties and candidates send to voters. Parties and candidates are also reimbursed for campaign expenses on posters for official campaign billboards, distribution of the election address, and the printing and mailing of ballots (for which candidates are responsible). To qualify for the reimbursement, a party or candidate must receive at least 5 percent of the vote.

**Source of public funds:** The funds come from the general treasury.
Campaign Spending

Total spending: Because parties are not required to detail their campaign expenditures, little is known about spending in French elections. For the 1988 election, the nine presidential candidates declared total expenditures of Frs 354.4 million (about $54 million), or approximately $.95 per capita, but spending by parties no doubt added to this amount. No estimates are available for parliamentary elections.

Administration and Enforcement

Regulatory agency: Political financing is regulated by the National Commission for Election Campaign Accounts and Political Funding (CCFP). The CCFP reports infringements to the electoral court.
GERMANY

Overview

Germany has a parliamentary system with a bicameral legislature. Elections are party-centered and based on proportional representation. Campaign expenditures are not restricted. There is a public campaign subsidy, which covered 80 percent of total spending in the most recent election. Parties represented in the federal and state parliaments also receive an annual grant, which accounts for an average of 25 percent of party income. Organizations affiliated with the political parties also benefit from a subsidy, and there is a tax deduction for political contributions. Parties also receive free media time during election campaigns.

Basic Features of the Electoral System

Government structure: Germany's system is parliamentary. The legislature is bicameral, composed of the Bundestag (lower house) and the Bundesrat (upper house). The Bundestag elects the chancellor, who heads the government. (There is also a president, elected by the Bundestag along with representatives of the German states (Lander); however the functions of this office are largely ceremonial.) The chancellor in turn appoints the cabinet. The Bundestag has 663 members (one per 120,000 citizens) who serve 4-year terms unless the governing coalition collapses. The Bundesrat has 68 members who also serve 4-year terms. Its members are delegates from the German state governments and act on their instructions. The Bundestag is the main legislative body. Although the Bundesrat has veto power over laws affecting the states, over 90 percent of all legislation is uncontested by the Bundesrat.

Election procedures: Elections to the Bundestag are based on a system of "personalized" proportional representation. Each voter casts two votes — one for a candidate running in her or his local district and
the second for a party. The overall allocation of seats is determined by party share of the nationwide "second" (or party) votes. The particular candidates who fill the seats are determined in two ways. Half are elected as individuals according to "first" (or candidate) votes; there are 328 single-member districts with candidates elected by plurality. The other half are filled according party share of the "second" vote within the various states. To qualify for representation in the Bundestag, a party must win 5 percent of the national vote or have three of its candidates win at the district level.

Deputies to the Bundesrat are appointed by the German state governments. Representation of the states varies in proportion to population size.

Candidate selection: Candidates for the Bundestag are generally selected by local party members or delegates. There are no primary elections.

Candidate eligibility: Any citizen eligible to vote can run for parliament. No monetary deposit is required.

Voter eligibility and turnout: Citizens age 18 and over are eligible to vote. Registration is automatic. Voter turnout ranges from 80 to 90 percent. In 1990 the turnout was 78 percent.

Length of campaign period: Campaigning begins as early as 10 months before the election, but intense activity is usually restricted to the last month.

Political parties: The dominant parties in Germany throughout the post-World War II period have been the Christian Democratic Union (CDU) and the Social Democratic Party (SPD). The CDU has a sister party in the state of Bavaria, the Christian Social Union (CSU). The Free Democratic Party (FDP) typically wins a minor share of seats in the Bundestag and has participated in most coalition governments during the postwar period. The Greens have recently become the fourth party to gain Bundestag representation.

Germany's most recent election in 1990 was the first to include the former East Germany. The CDU/CSU won 44 percent of the vote, the SPD 35 percent, the FDP 11 percent, and the Greens 4 percent. Other parties accounted for 6 percent of the vote.

Sources of Political Finance

Sources of party finance: In 1988, public funds accounted for an average of 27 percent of the expenses of the major political parties (ranging from DM 34.2 million to DM 205.6 million, or approximately
$16 million to $99 million). Membership dues account for about 25 percent of funds for the SPD and CDU. The remainder comes from private contributions.

Sources of campaign finance: For most parties more than 50 percent of campaign expenses come from public subsidies. For the 1990 election, the subsidy covered 80 percent of total campaign expenditures. The bulk of candidates’ finances come from their party.

Finance Regulation

Expenditures: Germany places no legal ceiling on spending by parties or candidates.

Contributions: There are no limits on the size of private political donations. Parties cannot receive contributions from political foundations linked to the parties, trade associations, or foreign sources.

Disclosure: Parties must report their income and expenditures and disclose the sources of their income annually. The identity of the donors of more than DM 20,000 (about $9,500) within a single year must also be included. Individual candidates are not required to disclose any information.

Public Financing

Campaign funding: Parties are reimbursed for campaign expenses. Each party receives 5 DM (about $2.50) per eligible voter based on its share of the actual nationwide vote. The amount is adjusted periodically. Individual candidates are allocated funds from their party’s public subsidy. The parties can draw on their subsidy in advance; if their vote turns out lower than expected, the difference must be paid back. To qualify for the subsidy, a party must receive at least 0.5 percent of the nationwide vote. (Independent candidates qualify if they receive at least 10 percent of the district vote.) The total amount of the subsidy allocated for the 1990 election was DM 338 million (about $160 million), which accounted for approximately 80 percent of total campaign spending. Parties also receive a reimbursement for votes obtained in elections to state government and to the European parliament — again, 5 DM per vote. Government subsidies for election expenses were originally introduced in 1967.

Regular support for political parties: Parties represented in the Bundestag receive a substantial annual grant, distributed in proportion to party share of the seats. In 1988 these subsidies totaled DM 74 million ($35.5 million). An additional DM 69 million was allocated to parties
represented in state legislatures, again according to party share of the seats. This subsidy began in 1959.

Support for party-affiliated organizations: Federal and state governments provide financial assistance to party political "foundations" acting as education and research institutions and foreign aid organizations. The funds are allocated in the form of annual block grants. In 1988 the grants totaled DM 144 million (about $69 million).

Tax treatment of private contributions: Contributions by individuals of up to DM 2,400 ($1,150) per year receive a 50 percent tax credit.

Prior to 1993 party membership dues and donations by individuals were deductible up to DM 60,000. The government also provided an "equalization payment" to parties that did not benefit substantially from tax-deductible contributions. But these provisions were ruled unconstitutional by the German Supreme Court in April 1992.

Media: Parties are given free access to television during election campaigns, with the time distributed in proportion to party share of parliamentary seats. A total of 40 two and one-half minute spots is allocated on each of the two public networks. At U.S. rates, that amount of time would cost perhaps $10 million, or about 5 percent of the total campaign spending in the 1990 election. Television coverage of election campaigns also includes a marathon program in which all four major party leaders discuss and argue their records and policies. Paid political advertising is prohibited on public television stations, but permitted on private stations.

Other support: There are no additional subsidies, postal or otherwise.

Source of public funds: The President of the Bundestag authorizes the payments of the money from the general treasury, after reviewing the applications and deciding when the payments will be made.

Campaign Spending

Total spending: For the 1990 election, the parties reported a total of DM 409 million (about $197 million) in campaign spending. (This figure may overstate the actual amount, because parties sometimes inflate expenditure figures to show that their expenses exceeded the amount of the public subsidy.) Per capita spending amounted to approximately $2.50.
Administration and Enforcement

**Regulatory agency:** There is no independent regulatory agency which oversees political financing. Each year the President of the Bundestag must publish the parties' financial accounts and report to the body on the development of party finances.
IRELAND

Overview

Ireland has a parliamentary system with a bicameral legislature. Elections are candidate-centered. Irish political finance is unregulated and unsubsidized. Campaign spending is not restricted, and there is no public subsidy for campaign or other party expenses. Parties do receive free media time during elections.

Basic Features of the Electoral System

Government structure: Ireland has a parliamentary system. Its legislature is bicameral, composed of the Dail (Assembly, or lower house) and the Senate (upper house). The majority party or coalition in the Dail chooses the prime minister and cabinet. (There is a president, popularly elected for a 7-year term, but with largely ceremonial duties.) The Dail has 166 members (one per 22,000 citizens); the Senate has 60. Members of both houses serve 5-year terms unless the government calls an election earlier or the governing coalition collapses, which typically happens. The Dail is the more important legislative body. If the Senate rejects a bill passed by the Dail, it becomes law if the Dail passes it again within three months in its original form.

Election procedures: Elections to the Dail are based on preferential voting in 41 multi-member districts. Voting is for candidates, not parties. A candidate must receive a quota of votes — the total number of votes cast in the district divided by the number of seats available, plus one — to be elected. Voters indicate a second preference on their ballots, which is counted if the first-preference candidate receives more than enough or too few votes to win a seat. Each district elects three to five seats to the Dail, depending on population size.

Forty-three of the Senate members are elected through proportional representation by an electorate composed of the incoming Dail
members, outgoing Senators, and local political officials. Eleven others are appointed by the incoming prime minister (elected by the new Dail members). The final six are elected by graduates of the National University of Ireland and Trinity College.

Candidate selection: Candidates for the Dail are generally selected by local party committees. There are no primary elections.

Candidate eligibility: Any citizen eligible to vote can run for office. A candidate for the Dail must supply a deposit of $1,000. All candidates from the same party running in the same electorate must be mentioned in every one of their party’s advertisements and printings.

Voter eligibility and turnout: Citizens age 19 and over are eligible to vote. Voter turnout averages 75 percent.

Length of campaign period: The formal campaign period, between the announcement of an election and the election date, is three to four weeks.

Political parties: The dominant parties in Ireland are Fianna Fail, Fine Gael, and the Labour Party. Since 1961, these three have received over 90 percent of all votes. Coalition governments are common; seldom does one of the parties win an outright majority in the Dail.

Sources of Political Finance

Sources of party finance: Irish parties rely predominantly upon membership dues and private donations.

Sources of campaign finance: There is no public subsidy for campaign expenses. Most funding for campaigns comes from regular party income along with private contributions made specifically for campaign purposes. Each of the parties holds a National Collection Day in which it sets up locations across the country where people can make donations. Candidates are funded by the local offices of the party; national party headquarters do not award money to the candidates.

Finance Regulation

Expenditures: Ireland places no legal ceiling on campaign spending.

Contributions: There are no limits on the source or size of private political donations.

Disclosure: Parties and candidates are not required to disclose their income or expenditures.
Public Financing

Campaign funding: Ireland provides no public monetary subsidy for campaign expenses.

Regular support for political parties: There is no significant public grant for party activity. Opposition parties with at least seven seats in Dail do, however, receive a small annual grant to help finance parliamentary work. In 1985 Fine Gail received approximately 153,000 Irish pounds (about $220,000) and the Labour party received about 76,000 ($110,000).

Support for party-affiliated organizations: There is no public financial assistance for party-affiliated organizations.

Tax treatment of private contributions: Political contributions receive no special tax treatment.

Media: Parties are given free access to television during election campaigns, with the time distributed in proportion to party share in the Dail. Paid political advertisements on television are permitted, but the amount is limited by law and subject to agreement between the parties.

Other support: There are no additional subsidies.

Source of public funds: The funds for provision of free media and other in-kind supports come from the general treasury.

Campaign Spending

Total spending: No information on campaign spending is available, since parties and candidates are not required to disclose their expenses.

Administration and Enforcement

Regulatory agency: There is no independent regulatory agency which oversees political financing. Election-related complaints are brought before a Federal court.
Overview

Israel has a parliamentary system with a unicameral legislature. Elections are party-centered and based on proportional representation. Campaign spending is restricted. There is an election subsidy, which generally covers 70 to 80 percent of campaign expenses. Parties represented in parliament also receive an annual grant, which accounts for two-thirds of party income. Parties also receive free media access during election campaigns.

Basic Features of the Electoral System

Government structure: Israel has a parliamentary system. The legislature, or Knesset, is unicameral. The majority party or coalition in the Knesset chooses the prime minister, who in turn selects the cabinet. (The president, also chosen by the Knesset, is the formal, but mainly ceremonial, head of state.) The Knesset has 120 members (one per 40,000 citizens) who serve 4-year terms unless the government calls an election earlier or the governing coalition collapses.

Election procedures: Elections to the Knesset are based on a nationwide proportional representation system. Votes are cast for parties, although candidates are listed and voters can change the order presented by the party. Seats are allocated according to party share of the national vote. A party must win at least 1.5 percent of the vote to qualify for representation.

Candidate selection: Candidates for parliament have generally been selected by national party committees. In 1992, however, the Labor Party instituted a system of primary elections; the Likud and other parties may soon follow suit.

Candidate eligibility: Any citizen eligible to vote and age 21 or older can run for office. Parties must obtain 1,500 signatures from eligible
voters and file a monetary deposit of 23,200 Israeli New Shekel (INS, approximately $10,000) with the election committee, which is refunded if the party receives at least 1 percent of the vote.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout averages about 80 percent.

**Length of campaign period:** The formal election period, between when an election is called and the election date, lasts no more than six months. The period of intense campaigning is usually restricted to the final three weeks.

**Political parties:** As many as 25 parties typically challenge for Knesset seats, and 10 or more frequently win representation. The two dominant parties in Israel are the Labor Party and the Likud, which together represent 63 percent of the seats in the current Knesset (with 18 parties splitting the remaining 45 seats). Never has one party won an outright majority; therefore all governments have been forged by coalition. Coalitions grouped around Labor or Likud have formed every government since the nation's founding in 1948.

**Sources of Political Finance**

**Sources of party finance:** Public subsidies account for more than two-thirds of party revenues. The remainder comes from primarily private contributions and to a lesser extent, membership dues.

**Sources of campaign finance:** Public funding accounts for at least two-thirds of campaign spending for most parties. For smaller parties the share is higher. Candidates are financed by their party.

**Finance Regulation**

**Expenditures:** Israel does place a legal ceiling on campaign spending. Parties are permitted to spend no more than 1.5 times the amount of the public campaign subsidy they receive (see below). There is also a limit on general party expenditures, equal to 1.8 times the general subsidy provided to parties with parliamentary representation (see below).

**Contributions:** There are no limits on the size of private political donations; however parties cannot accept contributions from domestic or foreign companies.

**Disclosure:** Parties are required to report all expenditures, for campaigns and otherwise. They must also disclose the amount of all donations and the identity of all contributors.
Public Financing

Campaign funding: Parties are reimbursed for campaign expenses in proportion to the number of seats each wins in the Knesset. As of 1991, each party was given 475,000 INS (about $205,000) per seat. The amount of the subsidy is adjusted periodically according to changes in the consumer price index. Each party receives approximately 60 percent of the subsidy in advance, according to its current share of parliamentary seats. Another 25 percent is distributed following the election, and the final 15 percent is contingent upon the party turning over its financial records to prove that its campaign expenses were within the legal limit. The 60 percent paid in advance represents a guess as to each party's likely election performance; if a party wins more or fewer seats in an election than it previously had, the 40 or so percent of the subsidy paid after the election is adjusted to take that into account. The subsidy generally covers 70-80 percent of total campaign expenses (78 percent in 1984, 75 percent in 1988). Public campaign funding was first introduced in 1969.

Regular support for political parties: The government provides an annual grant to parties with representation in the Knesset, distributed in proportion to the number of seats each party holds. The yearly subsidy is calculated as 60 percent of the amount provided for campaign expenses in the previous election. As of 1991 the grant was 285,000 INS (about $125,000) per seat. A total of 34.2 million INS (about $15 million) was distributed in 1991. Regular public financing of parties began in 1973.

Support for party-affiliated organizations: There is no public financial assistance for party-affiliated organizations.

Tax treatment of private contributions: Political contributions receive no special tax treatment.

Media: Parties are given free access to television and radio during the final three weeks of election campaigns, distributed in proportion to party share in the Knesset but with a minimum provided to all parties participating in the election. In the 1992 election, each party received 10 minutes of free time on television, plus three extra minutes for each seat it held in the parliament. At U.S. rates, the total time allotted would cost perhaps $10 million, or about 30 percent of total campaign spending in the 1988 U.S. election. On radio each party received a base of 25 minutes, plus six minutes per parliamentary seat. Paid political advertisements on television are prohibited.

Other support: Free transportation is provided for candidates.
Source of public funds: The funds come from the general treasury.

Campaign Spending


Administration and Enforcement

Regulatory agency: Regulation of political finance and public subsidies is carried out by the State Controller. The Central Elections Committee oversees elections.
ITALY

Overview

Italy has a parliamentary system with a bicameral legislature. Elections are party-centered and based on proportional representation. Campaign expenditures are not restricted. There is a public campaign subsidy, which often covers roughly 50 to 75 percent of total campaign spending. Parties represented in parliament receive an annual grant, which accounts for 40-60 percent of income for the major parties and over 80 percent for smaller parties. Parties also receive free media time during election campaigns.

In April 1993 Italians passed several referendum measures which will substantially alter the country's election procedures and public financing practices. The two principle changes are a shift to predominantly winner-take-all elections for the Senate and an end to public financing for political parties. Further changes may be forthcoming via legislation. The following information reflects the system prior to these alterations.

Basic Features of the Electoral System

Government structure: Italy has a parliamentary system. The legislature is bicameral, composed of the Chamber of Deputies and the Senate. The prime minister, who heads the government, is nominated by the president of the republic and elected by majority vote in both chambers of parliament. The prime minister in turn selects the cabinet. The president, who is elected by the members of the two houses of parliament and delegates from each of the country's regions, can dissolve parliament (after consulting with the leaders of the two chambers) and delay (but not veto) legislation. The Chamber of Deputies has 630 members (one per 92,000 citizens) who serve 5-year terms unless the
government calls an election earlier or the governing coalition collapses. The Senate has 315 elected members who serve 5-year terms, and five members who are appointed for life by the president.

**Election procedures:** Elections to the Chamber of Deputies are based on proportional representation in 32 multi-member electoral districts. Voting is for parties, and to a limited extent for candidate preferences within the party list. Seats are allocated to according to party share of quotas obtained within each district. A quota is equal to the number of votes cast divided by the number of seats available plus two. The number of seats elected by each district is determined by population size, ranging from two to 47. Votes left over after the quotas are filled at the district level are pooled nationally, and the remaining seats are allocated according to party share. To qualify for one of these latter seats, a party must receive 300,000 votes nationwide and obtain the minimum quota in at least one district.

Senate seats are allocated via a modified proportional representation system. Candidates run in single-member districts, and those receiving 65 percent of the vote are automatically elected. (A candidate can run in up to three districts.) Remaining seats are distributed based on proportional representation within the larger region, of which there are 20.

**Candidate selection:** Candidates for parliament are generally selected by regional party committees, though national party committees can review and modify the lists. There are no primary elections.

**Candidate eligibility:** A candidate must be an Italian citizen and a minimum of 25 years of age to run for Deputy, and 40 to run for the Senate. No monetary deposit is required.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote for the Chamber; the voting age for the Senate is 25. Voter registration is automatic. Turnout commonly exceeds 90 percent.

**Length of campaign period:** The formal campaign period, between the date the election is called and the election itself, lasts 70 days.

**Political parties:** Italy has a highly fractionalized party system, with as many as 14 parties winning representation in Parliament at any one time. The two largest and most influential parties throughout the postwar period have been the Christian Democratic Party (DC) and the Communist Party (PCI, recently renamed the Democratic Party of the Left). In recent years the Socialist Party (PSI) has received over 10 percent of the vote. A variety of smaller parties exist, including the Democratic
Party of Proletarian Unity (PDUP), Liberal Party (PLI), Radical Party (PR), Republican Party (PRI), and Social Movement (MSI).

Sources of Political Finance

Sources of party finance: The largest source of party revenues is public funding. Public subsidies account for 40-60 percent of reported income for the Democratic Christians, the Communist Party, and the Socialist Party, and over 80 percent for most of the smaller parties. Membership dues account for 20-40 percent of PCI and PSI revenues, 10-20 percent of DC revenues, and less than 10 percent for most of the other parties. The other chief source of financing is private contributions, which amount to 30 percent of DC income but are less for other parties. "Kickback" contributions from state-owned and private firms have at times been an important source of party revenue.

Sources of campaign finance: For the two largest parties, the public campaign subsidy often covers nearly all reported campaign expenditures. For most other parties it accounts for a much smaller share.

Finance Regulation

Expenditures: Italy places no legal ceiling on campaign spending.

Contributions: There are no limits on the size of private political contributions, but parties cannot accept donations from agencies or firms owned by the state.

Disclosure: Political parties must report all contributions and expenditures annually. Parties are required to disclose the identity of donors of more than 5 million lire (about $3,500) in a single year.

Public Financing

Campaign funding: Parties are reimbursed for part of their campaign expenses. The total amount of financing available for an election is determined by the Chamber of Deputies and the Senate. For each election, 20 percent of the appropriated funds is divided equally among all parties which offer candidates in more than two-thirds of the electoral districts, win at least one seat in one district, and receive at least 2 percent of the nationwide vote. The total amount of the campaign subsidy is approximately 30 billion lire (about $21 million). The other 80 percent is divided among the qualifying parties in proportion to their shares of the national vote. Public campaign support was introduced in 1974.
The national government also provides a subsidy for elections to regional government. Funds are allocated to regions according to their share of the national population, and the money is distributed to parties through the same method used for national elections.

**Regular support for political parties:** An annual grant is provided to parties represented in the Chamber and/or Senate. Of the total, 2 percent is distributed equally to all parties, 75 percent is allocated in proportion to party share of seats, and the remaining 23 percent is distributed by means of a mixed system. Again, the total quantity of subsidy available is decided each year by the Chamber of Deputies and Senate. A total of 83 billion lire (about $60 million) was distributed in 1985. This subsidy was also begun in 1974.

**Support for party-affiliated organizations:** The government does not provide financial assistance to party-affiliated organizations.

**Tax treatment of private contributions:** Political contributions receive no special tax treatment.

**Media:** Parties are given free access to television during election campaigns, with the time distributed in proportion to party share in the parliament. Paid political advertisements on public television stations are prohibited; but some political parties are affiliated with private stations on which the party and its candidates may purchase time. Many of the parties have their own newspaper; but with the possible exception of the PCI’s *L’Unita*, none reaches a mass audience.

**Other support:** There are no additional subsidies, postal or otherwise.

**Source of public funds:** The funds come from the general treasury and are distributed by the two chambers of parliament.

**Campaign Spending**

**Total spending:** Figures for total campaign spending in Italian elections are not available.

**Administration and Enforcement**

**Regulatory agency:** There is no independent regulatory agency which oversees political financing. The Chairman of the Chamber of Deputies, and to a lesser extent the Chairman of the Senate, are responsible for administration of the public subsidy and enforcement of the relevant financing regulations.
Overview

Japan has a parliamentary system with a bicameral legislature. Elections are primarily candidate-centered. Both campaign expenditures and contributions to candidates are restricted. Candidates are also limited to a specified number of meetings and mailings. There is no public funding for campaign expenses or regular party activity. Candidates do, however, receive free transportation and mailings during election campaigns. Candidates and parties are provided free television time.

On the one hand, Japan’s system of campaign financing is highly egalitarian, as each candidate and party is permitted a specific and equal number of meeting and mailings and an equal amount of media time. On the other hand, its limitations on campaign spending and on political donations have little impact—because they apply only to candidates and, in the former case, only to the formal campaign period—rendering the Japanese system essentially unregulated.

Basic Features of the Electoral System

Government structure: Japan has a parliamentary system. The legislature, known as the Diet, is bicameral, composed of the House of Representatives (lower house) and the House of Councilors (upper house). The prime minister, who functions as the head of government, is nominated by both houses of the Diet and formally appointed by the Emperor; if the two houses cannot agree, a joint conference is held, failing which the majority vote of the lower house prevails. The prime minister in turn nominates the cabinet, which is also appointed by the Emperor. The House of Representatives has 512 seats (one per 245,000 citizens). Members serve 4-year terms unless the prime minister calls elections.
earlier, which happens frequently, or the House of Representatives passes a no-confidence motion. The House of Councilors has 252 members who serve 6-year terms, with half the membership elected every three years. The House of Representatives is the main legislative body. If the upper house disapproves of a bill, the lower house can pass the bill over that objection with a two-thirds majority. Such conflicts rarely occur in practice, and those that do are worked out through joint conference.

**Election procedures:** Elections to the House of Representatives are based on plurality vote in 130 multi-member districts. Voting is for candidates, not parties. Most districts elect three to five seats, depending on population size. Voters cast their ballot for a single candidate, and the three to five candidates who get the most votes win the seats for the district. Often there are more candidates from the same party running than there are available seats, so candidates compete as much against other members of their own party as against candidates of other parties.

One hundred fifty-two seats in the House of Councillors are determined through the same process in 47 electoral districts. The other 100 seats are elected by the nation at large through a proportional representation system; here voting is for parties, not candidates. Voters cast two votes in upper house elections — one for a local candidate and one for a national party.

**Candidate selection:** Individual candidates for parliament are generally chosen first by local organizations and then by national party committees. The latter also select the candidates who will appear on the party lists for the proportional representation component of upper house elections. There are no primary elections.

**Candidate eligibility:** Any eligible voter can run for parliament. The age requirement is 25 for the lower house and 30 for the upper house. A candidate must file a deposit of 2 million yen (about $16,000), which is returned if she or he receives at least one-eighth of the votes cast divided by the number of seats in the district. Each party must pay a fee of 4 million yen per candidate which, in the case of the proportional representation component of upper house elections, is reimbursed according to the number of seats a party wins.

**Voter eligibility and turnout:** Citizens age 20 and over are eligible to vote. Voter turnout averages 70-75 percent.

**Length of campaign period:** The formal campaign period occurs during the 15 days prior to an election for the lower house and the 18 days before an upper house election. Since activity and expenditures during
that period are highly regulated, much of the campaigning takes place in the full year prior to the election.

**Political parties:** The Liberal Democratic Party (LDP) has dominated Japanese politics since 1955, holding an outright or coalition majority in all Diets. The main opposition party is the Social Democratic Party (SDP, formerly called the Socialist Party or JSP). The LDP won 46 percent of the votes (56 percent of the seats) and the SDP 24 percent (27 percent of the seats). With its majority, the LDP has been formally able to pass any legislation it wants. But Japanese custom dictates that important decisions be reached through consensus, so bills hotly contested by the opposition are usually revised or dropped. The LDP currently does not have a majority in the upper house. Other parties with minor representation in the Diet include the Clean Government Party (Komeito), Communist Party (JCP), Democratic Socialist Party (DSP), United Social Democratic Party (USDP), and Rengo.

**Sources of Political Finance**

*Sources of party finance:* Parties receive private contributions from a wide variety of sources. There is no public financing.

*Sources of campaign finance:* There is no public monetary subsidy for campaign expenses, so parties and candidates rely on private contributions. Candidates are mostly responsible for their own funding.

**Finance Regulation**

*Expenditures:* Japan does place a legal ceiling on campaign spending by candidates. The restrictions are calculated according to a complex formula which takes into account the number of registered voters and the number of seats in a district. The limit averages approximately $100,000. However, a good deal of spending escapes the limit. This is partly because the ceiling applies only to the formal campaign period, so that expenditures prior to that time are not restricted, and in part because the limit does not apply to party spending.

*Contributions:* There are limits on the source and size of private political donations. Contributions to individual politicians cannot exceed 1.5 million yen (about $7,500), but there are no limits on individual-to-party or party-to-candidate contributions. Businesses and trade unions may contribute up to a maximum of 30 million yen ($150,000) per year, depending on their funding capital or membership. Individuals can donate up to a maximum of 20 million yen ($100,000).
Disclosure: The Political Finance Control Law requires candidates to disclose income and expenditures to the Ministry of Home Affairs if the candidate receives more than 1 million yen ($5,000). Political parties are not required to disclose their income or expenditures.

Other restrictions: Candidates' use of mailings, posters, and meetings is limited strictly. Door-to-door canvassing, publication of the results of polls, serving food or beverages to voters, and repetitive shouting of a candidate's name are prohibited.

Public Financing

Campaign funding: Japan provides no public monetary subsidy for campaign expenses.

Regular support for political parties: The government does not provide a regular grant to political parties.

Support for party-affiliated organizations: No financial assistance is offered for party-affiliated organizations.

Tax treatment of private contributions: Political contributions receive no special tax treatment.

Media: Parties and candidates are given free access to the media during election campaigns. Each qualified party is entitled to eight 15-minute slots. To qualify, a party must hold at least five seats in the present Diet, receive at least 4 percent of the costs in the most recent election, or field at least 10 candidates in the current lower and upper house elections. Each lower house candidate gets five 1 1/2-minute slots on television and three 6-minute sessions on radio; the amount of time given to upper house candidates varies according to the number running. Free advertising space is also provided in newspapers: four ads for each qualified party, five for each lower house candidate, and up to 64 for each upper house candidate depending on the number of candidates running. Paid political advertising on television and radio and in newspapers and magazines is prohibited.

Other support: Each candidate gets free use of a car during the formal campaign period along with one free postcard mailing to voters and a reimbursement for poster and handbill expenses. Each party receives free use of a section in a government published flier, which is distributed to 30 million households.

Source of public funds: The funds for provision of free media and other in-kind supports come from the general treasury.
Campaign Spending

Total spending: Total reported spending in the 1984 elections was 116 billion yen (about $530 million). Per capita expenditures totaled approximately $4.40.

Administration and Enforcement

Regulatory agency: There is no independent regulatory authority which oversees political financing. The Ministry of the Interior is the regulating agency.
THE NETHERLANDS

Overview

The Netherlands has a parliamentary system with a bicameral legislature. Elections are party-centered and based on proportional representation. Campaign expenditures are unrestricted, and there is no public funding specifically for campaign expenses. Public subsidies account for 10 to 20 percent of party income, but they are allocated to the parties' affiliated organizations (research and educational institutes, youth organizations, etc.) rather than to the parties themselves. There is also a tax deduction for political contributions, and parties are provided free media time throughout the year.

Basic Features of the Electoral System

Government structure: The Netherlands has a parliamentary system. The legislature, or States General, is bicameral, composed of the First Chamber (upper house) and Second Chamber (lower house). The King or Queen appoints the prime minister and cabinet, on the advice of whatever party or coalition is able to fashion a majority in the Second Chamber. (The political functions of the monarchy are largely ceremonial.) The Second Chamber has 150 seats (one per 100,000 citizens) and the First Chamber has 75. Members of both houses serve 4-year terms unless the government calls an election earlier or the governing coalition collapses. The Second Chamber is the primary legislative authority. The First Chamber can veto legislation but cannot initiate it or propose amendments. In practice, party composition of the two chambers is similar and conflicts are few.

Election procedures: Elections to the Second Chamber are based on a nationwide proportional representation system. The entire nation is treated as a single constituency. Voting is for candidates within 19
electoral districts, but votes are tabulated for parties. Seats are allocated according to party share of the national vote. There is no formal minimum vote requirement for representation. A party need only receive the electoral quota — the number of votes divided by the number of available seats — to win a seat in the Chamber. Since there are 150 seats, the effective threshold is 0.67 percent of the national vote.

Members of the First Chamber are elected by officials in the 12 provincial assemblies. Nominations are made by the parties and the voting procedure is the same as in the Second Chamber.

Candidate selection: Dutch parties use a variety of methods for selecting their parliamentary candidates. In the Christian Democratic Appeal (CDA), candidates are chosen by local party committees; in the Labor Party (PvdA), by regional party committees; in the People's Party for Freedom and Democracy (VVD), by a national party committee; and in the Democrats '66 (D'66), by direct vote of party members.

Candidate eligibility: Any citizen age 18 or older can run for parliament. Parties not currently represented in the Second Chamber must deposit 25,000 guilders (about $15,000). If a party receives at least 75 percent of the electoral quota, its deposit is returned. On the national nomination day, parties submit their lists of candidates for the various electoral districts. Each list is required to have at least 10 signatures of voters from the individual district as well as acceptance letters from all candidates (maximum of 80 candidates per list).

Voter eligibility and turnout: Citizens age 18 and over are eligible to vote. Before 1970 voting was compulsory. Turnout averages about 85 percent.

Length of campaign period: The formal campaign period, between the nomination day and the election, is 43 days for the Second Chamber and 34 days for the First Chamber.

Political parties: A multitude of parties usually gains representation in the Second Chamber, and Dutch governments are invariably formed by coalition. The three largest parties, which typically account for about 75 percent of the popular vote, are the Christian Democratic Appeal (CDA), the Labor Party (PvdA), and the People's Party for Freedom and Democracy (VVD). The former was formed in 1980 as an amalgamation of the three main religious parties. The latter is the old Liberal Party. Recent electoral success has made the Democrats '66 (D'66) a fourth major party. Other parties winning minor representation in the 1989 Second Chamber elections include the Green Left, Political
Reformed Party (SGP), Reformed Political Alliance (GPV), Evangelical Political Federation (RPF), and Center Democrats.

**Sources of Political Finance**

**Sources of party finance:** The bulk of party revenues comes from membership dues. These account for 50-60 percent of income for the major Dutch parties. Further contributions from members and from other private donors (mostly individuals) account for another 20-30 percent. Direct and indirect government subsidies account for the final 15-20 percent.

**Sources of campaign finance:** There is no public funding specifically for election campaigns in the Netherlands. Parties rely primarily on membership dues and private contributions for campaign funding. Candidate finances come exclusively from their party.

**Finance Regulation**

**Expenditures:** The Netherlands places no legal ceiling on campaign spending.

**Contributions:** There are no formal limits on the source or size of private political donations to the parties, but some parties themselves restrict the quantity of funds they will accept from individuals and organizations.

**Disclosure:** Parties are not required to report income or expenditures, nor to disclose the identity of contributors.

**Public Financing**

**Campaign funding:** The Netherlands provides no public monetary subsidy for campaign expenses.

**Regular support for political parties:** The government provides a minor grant to parties with representation in parliament, to be used for research assistance and staff. The primary form of public financial assistance is provided not to parties per se, but rather to their ancillary organizations, as discussed below.

**Support for party-affiliated organizations:** This is the main form of public financial support for political parties in the Netherlands. Parties receive subsidies for their research institutes, educational institutes, and youth organizations. To qualify, a party must be represented
in the Second Chamber. For research institutes, the state matches funds raised by the party; the government thus covers 50 percent of the costs. For educational institutes and youth organizations, the state covers 70 percent of the costs, while the party must cover 30 percent. There are limits to the amount of public support for which a party is eligible; the ceiling is proportional to the number of seats it holds in the Second Chamber. Public subsidization of party institutes and organizations began in the 1970s.

**Tax treatment of private contributions:** Individual membership dues and personal contributions to parties are tax deductible, provided they are at least 1 percent of the person’s gross annual income, up to a maximum of 10 percent. Donations by companies are deductible up to a maximum of 6 percent of the firm’s profit.

**Media:** The government provides free television and radio time for parties on a regular basis. Each party with representation in the Second Chamber is entitled to 10 minutes every three weeks on the radio and 10 minutes every two months on television. During election campaigns the time is expanded to 20 minutes, and any party that fields candidates in all 19 electoral districts is eligible. Government provision of media access has been in effect since 1925 for radio and 1959 for television.

Paid political advertisements on public television are prohibited. They are permitted on commercial stations, but because commercial broadcasting is relatively new in the Netherlands, paid political advertising is as yet virtually unknown.

**Other support:** The only additional subsidy is a small grant to parties with representation in the Second Chamber, to be used to assist their East European counterparts with educational programs. There are no postal subsidies.

**Source of public funds:** Public funds come from the general treasury.

**Campaign Spending**

**Total spending:** In the 1981 election Dutch parties spent a total of 8.3 million guilders (about $3.4 million). Per capita spending amounted to only approximately $.24.
Administration and Enforcement

Regulatory agency: There is no independent regulatory agency which oversees political financing. The Electoral Council in The Hague advises the Minister for Home Affairs in matters connected with electoral law.
NEW ZEALAND

Overview

New Zealand has a parliamentary system with a unicameral legislature. Elections are candidate-centered winner-take-all contests. Political financing is unregulated and no public funding is provided for election campaigns or for regular party expenses. Parties do receive free media time during campaigns.

Basic Features of the Electoral System

Government structure: New Zealand has a parliamentary system. The legislature is unicameral, consisting of the House of Representatives. The majority party in the House appoints the prime minister, who heads the government. (The governor-general, appointed by the British monarch, is the formal but largely ceremonial head of state.) The prime minister in turn selects the cabinet. The House has 97 members (one per 35,000 citizens) who serve 3-year terms.

Election procedures: Elections to the House of Representatives are based on a winner-take-all plurality system in single-member districts. New Zealand currently has 97 electoral districts (including four Maori districts) which are evenly divided according to population. Each district selects one candidate to the House. Voters cast their ballot for one candidate, and the one receiving the most votes wins. The number of members in the House fluctuates according to the size of the population.

In September 1992, New Zealand held a national referendum on its electoral system. More than 80 percent of eligible voters cast their ballots in favor of changing the current winner-take-all system. Approximately 75 percent of the voters indicated a preference for a mixed-member proportional representation system, in which half the members of parliament are chosen within local electoral districts and the other half are elected according to party share of the nationwide vote (similar to the
system used in Germany). Another referendum will be held during the 1993 elections to determine which system will replace the existing one.

**Candidate selection:** Candidates for parliament are generally chosen by local party committees. Primary elections are held only in certain instances.

**Candidate eligibility:** Any registered voter may run for parliament, unless he or she has had an undischarged bankruptcy or is a contractor with the government and receives more than NZ $400 of public funds. A candidate must be nominated by two registered voters in the district in which he or she is running. Candidates are not required to reside in the districts in which they run. A deposit of NZ $100 ($62) must be submitted, which is returned if the candidate gets at least 25 percent of the votes received by the winning candidate.

**Voter eligibility and turnout:** All citizens age 18 and over are eligible to vote. Turnout averages between 80 and 90 percent.

**Length of campaign period:** Campaigning is restricted to the three months immediately preceding the election. Intensive campaigning typically occurs only in the month prior to the election.

**Political parties:** New Zealand's two dominant parties, which have alternated in power, are the Labour Party and the National Party. Others include the Green Party, New Labour, the Social Credit Political League, Mana Motuhake, and the Values Party.

**Sources of Political Finance**

**Sources of party finance:** Parties rely chiefly upon membership dues and contributions from individuals and organizations (corporations and trade unions). There is no public financing.

**Sources of campaign finance:** There is no public funding for election campaigns in New Zealand. Again, parties rely on membership dues and private contributions. Candidates receive allocations from their party but also raise funds on their own.

**Finance Regulation**

**Expenditures:** New Zealand does place a legal ceiling on campaign spending by candidates. Candidates are permitted to spend no more than $10,000 ($6,200). There are no restrictions on party expenditures.
**Contributions:** There are no limits on the source or size of private political donations.

**Disclosure:** Candidates must report all expenditures within 70 days of the result of the election to the Returning Officer (in the Justice Department). Political parties are not required to disclose this information.

**Public Financing**

**Campaign funding:** New Zealand provides no public monetary subsidy for campaign expenses.

**Regular support for political parties:** The government does not provide a regular subsidy to political parties.

**Support for party-affiliated organizations:** No financial assistance is offered to party-affiliated organizations.

**Tax treatment of private contributions:** Political contributions receive no special tax treatment.

**Media:** Parties are given free access to television during election campaigns. The Labour and National parties receive equal amounts of time; other parties receive smaller amounts according to the number of seats they hold in parliament. Paid political advertising is prohibited on television, but permitted on private radio stations.

**Other support:** There are no additional subsidies, postal or otherwise.

**Source of public funds:** The funds for media provisions come from the general treasury.

**Campaign Spending**

**Total spending:** Campaign spending data are not available and would include, at best, only spending by candidates.

**Administration and Enforcement**

**Regulatory agency:** There is no independent regulatory agency which oversees political financing. The Justice Department oversees election activity and monitors candidate spending.
Overview

Norway has a parliamentary system with a unicameral legislature. Elections are party-centered and based on proportional representation. Campaign expenditures are unrestricted, and there is no public funding specifically for campaign expenses. Parties represented in the national and subnational legislatures receive an annual grant, which accounts for approximately 60 percent of income for the major parties. Organizations affiliated with the political parties also benefit from a subsidy, and parties also receive free media time during election campaigns.

Basic Features of the Electoral System

Government structure: Norway has a parliamentary system. The legislature, or Storting, is unicameral. The majority party or coalition in the Storting appoints the prime minister, who heads the government. (The King of Norway is the ceremonial head of state.) The prime minister in turn selects the cabinet. The Storting has 165 members (one per 26,000 citizens) who serve 4-year terms; elections cannot be called earlier.

Although the parliament is formally unicameral, legislative matters are handled by two separate bodies. The Storting elects 25 percent of its members to form an upper division (Lagting); the remainder form a lower division (Odelsting). Bills must be passed first by the lower division and then by the upper division to become law. The balance of strength between the parties in the Storting is mirrored in the two divisions. Ordinary resolutions, which comprise the bulk of parliamentary activity, are handled by the Storting as a single body.

Election procedures: Storting elections are based on proportional representation in 19 multi-member districts. Voting is for parties, not candidates. Most seats are allocated according to party share of the vote.
within each district. The number of seats elected by each district is determined by population size and geographic location (peripheral regions are over represented) and varies between four and 15. Eight seats are allocated to parties in districts where there is a large discrepancy between votes and seats, in order to help make the distribution of seats conform more closely to the nationwide vote.

**Candidate selection:** Candidates for parliament are generally selected by provincial party conventions. There are no primary elections.

**Candidate eligibility:** Any citizen eligible to vote can run for parliament. No monetary deposit is required.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout averages 80-85 percent.

**Length of campaign period:** Intense campaign activity is generally confined to the two months prior to an election.

**Political parties:** Norway has four major parties: the Labor Party (DNA), the Center Party (SP), the Christian People's Party (KrF), and the Conservative Party ("The Right"). The latter three generally form an electoral bloc in opposition to the Labor Party. Between 1945 and 1961 the Labor Party held an outright majority in the Storting. In recent years the "bourgeois" bloc and the Labor Party have alternated in power. Other Norwegian parties, which sometimes achieve minor representation in the Storting, include the Progress Party, the Communist Party (NKP), and the Liberal Party ("The Left").

**Sources of Political Finance**

**Sources of party finance:** For the major parties, approximately 60 percent of revenues comes from public subsidies. The remainder is accounted for by membership dues and private donations.

**Sources of campaign finance:** There is no public funding specifically for election campaigns, although parties are free to use the regular public subsidy for this purpose. Candidates' finances come exclusively from their parties.

**Finance Regulation**

**Expenditures:** Norway places no legal ceiling on spending by parties or candidates.

**Contributions:** There is no limit on the source or size of private political donations.
Disclosure: Parties and candidates are not required to disclose expenditures or contributions.

Public Financing

Campaign funding: The government offers no special financial assistance for campaign expenses.

Regular support for political parties: Parties with representation in national and/or subnational parliamentary bodies receive an annual grant. The national-level subsidy is distributed in proportion to party share of votes in the previous Storting election. The total amount allocated at the national level in 1990 was 59 million Norwegian kroner (NKr) (about $6 million). Part of the subnational-level grant is distributed equally among all parties, and part is allocated according to party share of seats in local and provincial government. The total amount awarded at the subnational level in 1990 was NKr 67 million (about $6.8 million). To qualify for the subsidy at either level, a party must have nominated candidates in at least half the electoral districts and received at least 2.5 percent of the nationwide vote in the previous Storting election. Public support for parties was first introduced in 1970.

Support for party-affiliated organizations: The government provides financial assistance to educational associations and youth and other organizations linked to parties. Approximately NKr 80 million (about $8.2 million) was distributed in 1990.

Tax treatment of private contributions: Political contributions receive no special tax treatment.

Media: Parties that have won representation in either of the past two Stortings or which field candidates in a majority of electoral districts are given free access to television during election campaigns. Parties are not allocated time slots for their own programs or advertisements; instead, party representatives participate in discussions and debates, with each given an equal amount of time. Paid political advertisements on television and radio are prohibited. Parties receive a small press subsidy; the total amount distributed in 1989 was approximately NKr 25 million. Party newspapers also benefit somewhat from the general press subsidy provided by the government.

Other support: Members of parliament benefit from free travel expenses. There are no additional subsidies, postal or otherwise.

Source of public funds: The funds come from the general treasury.
Campaign Spending

Total spending: Election spending in the 1989 campaign totaled NKr 29 million (about $3 million). Per capita expenditures amounted to approximately $.70.

Administration and Enforcement

Regulatory agency: There is no independent regulatory agency which oversees political financing. An impartial committee deals with complaints regarding the distribution of party subsidies.
Overview

Spain has a parliamentary system with a bicameral legislature. Elections are party-centered and based on proportional representation. Both campaign expenditures and contributions to parties are restricted. There is a public campaign subsidy, which covers 90 percent of the campaign expenses of the major parties. Parties represented in the parliament also receive an annual grant which accounts for 90 percent of the income of the two major parties. Parties also receive free media time during election campaigns.

Basic Features of the Electoral System

Government structure: Spain has a parliamentary system. The legislature, or Cortes, is bicameral, with a Congress of Deputies (lower house) and a Senate (upper house). The king is the formal head of state. The head of government is a prime minister, selected by the Congress of Deputies. The prime minister in turn chooses the cabinet. The Congress of Deputies has 350 members (one per 112,000 citizens) who serve 4-year terms unless the government calls an election earlier. The Senate has 208 members who also serve 4-year terms. The Congress of Deputies is the dominant legislative body. The Senate can veto legislation, but its veto can be overridden by a simple majority vote in the Congress of Deputies. Spain’s political system has been democratic only since the death in 1975 of dictator Francisco Franco. Its first democratic elections were held in 1977.

Election procedures: Elections to the Congress of Deputies are based on proportional representation within Spain’s 52 electoral districts, representing 50 provinces and two cities. Voting is for parties, not candidates. Seats are allocated according to party vote share within each electoral district. A party must win at least 3 percent of the vote in a
district to qualify for representation. The number of seats elected by each province is determined by population size, although each elects a minimum of two.

All but a few of the provinces elect four members to the Senate. Voting is for candidates, not parties. Each voter casts a ballot for three candidates. Elections are decided by plurality, with the four candidates receiving the most votes winning. Not all members of the Senate are elected directly by the populace. Each of the 17 regional parliaments sends one representative, plus one more for each million people in its region.

**Candidate selection:** Candidates for parliament are generally chosen by national party committees, based on the recommendations of local party committees. There are no primary elections.

**Candidate eligibility:** Any citizen eligible to vote can run for parliament.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Voter turnout averages about 70 to 80 percent.

**Length of campaign period:** The formal campaign period is limited to the three weeks prior to an election (two weeks for regional and local elections).

**Political parties:** Spain's dominant parties since democratization have been the Socialist Workers Party (PSOE), the Popular Party (PP, formerly the Popular Alliance), and the now-defunct Democratic Center (UCD). Other parties typically winning minor representation in parliament include the Communist Party (PCE), the Convergence and Union (CiU), and the Basque Nationalist (PNV). A variety of other small parties participate in the electoral process.

**Sources of Political Finance**

**Sources of party finance:** For the two major parties, the Socialists and the Popular Party, public subsidies account for approximately 90 percent of all revenue. The rest comes from private donations and membership dues. Smaller parties rely more heavily on donations, dues, and loans. Membership in Spanish parties is not as extensive as in many other European nations, so membership dues tend to account for a relatively small fraction of party resources (in some cases less than 5 percent). The Socialist Party does not receive monetary assistance from its affiliate labor union (the General Workers Union, or UGT).
Sources of campaign finance: The public campaign subsidy accounts for about 90 percent of campaign expenses for the two major parties. Candidates are financed largely by their parties.

Finance Regulation

Expenditures: Spain does place a legal limit on campaign spending within each province. The ceiling is equal to 20 million pesetas plus 20 pesetas for each certified voter in the province. That amounts to an average limit of 30 million pesetas (about $275,000) per province, or 1.5 billion pesetas ($14 million) for the entire country.

Contributions: Parties cannot receive contributions of more than 10 million pesetas (about $90,000) from a single individual or organization in the same year. More importantly, private contributions to a party cannot exceed 5 percent of the total annual public subsidy allocated to parties (see below). This is the main reason why, for parties with a large share in parliament, private donations constitute a small share of income (see above). Contributions specifically for election campaigns cannot exceed 1 million pesetas ($9,000) from a single individual or organization in the same year. Donations from foreign sources are prohibited.

Disclosure: Parties and candidates are required to report all expenditures and revenues to the Tribunal de Cuentas. Parties must disclose the identity of all contributors.

Public Financing

Campaign funding: Parties receive a reimbursement for campaign expenditures based partly on the number of seats won and another based on the number of votes received. The subsidy provides 2 million pesetas (about $18,000) for each seat won in either house of parliament, 75 pesetas for each vote received in a province in which a party won at least one seat in the Congress of Deputies, and 30 pesetas for each vote obtained in a province in which it won a Senate seat. The amount of the subsidy is adjusted periodically to keep up with inflation. Parties can receive part of the money (equal to 30 percent of the subsidy it received for the previous election) in advance of the election. A subsidy is also provided for campaign expenses in regional and local elections and elections to the European Parliament. Public financial support for campaigns was first introduced in 1977.

Regular support for political parties: Parties with representation in parliament receive an annual subsidy. The total amount of the grant is determined each year by the parliament. One-third is allocated
according to party share in the Congress of Deputies and the remainder according to vote share in the previous election. In 1991 the grant totaled 8.8 billion pesetas (about $80 million). This subsidy began in 1978.

Support for party-affiliated organizations: The government does not provide financial assistance to party-affiliated organizations.

Tax treatment of private contributions: Political contributions receive no special tax treatment.

Media: Parties are given free access to television during election campaigns, with the time distributed according to the number of provinces in which a party offers candidates. Parties competing in 25 or more provinces receive three 10-minute slots of national programming time, while those competing in fewer than 25 provinces receive 2 10-minute slots of regional programming time. In addition, parties which compete in enough districts to account for 25 percent of the national vote receive one national and two regional 10-minute slots. Parties are also given free access to radio, with the time allotted in a similar fashion. Paid political advertisements on television and radio are prohibited.

Other support: During election campaigns, parties are permitted free mailings and receive free use of public meetings for two gatherings and free space for posters.

Source of public funds: Public funds come from the general treasury.

Campaign Spending

Total spending: Figures for total campaign spending in Spanish elections are not available.

Administration and Enforcement

Regulatory agency: The Tribunal de Cuentas is responsible for oversight of party revenues and expenditures. Distribution of the annual party subsidy is administered by the parliament.
Overview

Sweden has a parliamentary system with a unicameral legislature. Elections are party-centered and based on proportional representation. Campaign expenditures are unrestricted, and there is no public funding specifically for campaign expenses other than a small reimbursement to parties which win no seats. Parties represented in the national and subnational legislatures receive an annual grant, which accounts for 50 to 75 percent of party income. Sweden's public funding is more decentralized than in most other countries; more than half the subsidy is provided to local-level party organizations. Organizations affiliated with the political parties also benefit from a grant, and there is a large press subsidy which helps finance party newspapers. Parties also receive free media time during election campaigns.

Basic Features of the Electoral System

Government structure: Sweden has a parliamentary system. Its legislature, known as the Riksdag or Parliament, is unicameral. The majority party or coalition in Parliament appoints the prime minister, who in turn selects the cabinet. The Parliament consists of 349 members (one per 25,000 citizens) who serve 3-year terms. An election may occur prior to the scheduled date if the government calls one or the governing coalition collapses, but that rarely happens.

Election procedures: Elections to the Parliament are based on proportional representation in 28 multi-member electoral districts. Voting is for parties, not candidates. (Voters may change the order of the party lists, but the impact on the result is marginal.) The first 310 seats are allocated based on party share within each district. To qualify for a seat, a party must receive at least 12 percent of the vote within a district. The number of seats elected by each district is determined by its population.
The remaining 39 seats are allocated roughly according to party share of the nationwide vote. This second stage attempts to ensure that party representation in the Parliament conforms closely to vote shares in the nation as a whole. To win a seat, a party must receive at least 4 percent of the nationwide vote.

**Candidate selection:** Candidates for parliament are generally selected by local party committees. There are no primary elections.

**Candidate eligibility:** Any citizen eligible to vote can run for parliament. No monetary deposit is required.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout averages about 90 percent but has been declining; in the 1991 election it was 83 percent.

**Length of campaign period:** Campaigns typically last four or five months, but intense activity is usually restricted to the two months prior to the election.

**Political parties:** Sweden has five major parties: the Social Democratic Party (SAP), the Left Party (VP, formerly the Left Party Communists), the Center Party, the Liberal Party, and the Moderate Party. The SAP has sometimes required the parliamentary support of the small Left Party, while the latter three parties generally ally to form a "bourgeois" electoral bloc. The Social Democrats held an outright or coalition majority continuously between 1932 and 1976. Since then the bourgeois bloc and the Social Democrats have alternated in power. A variety of smaller parties exist, but seldom win representation in Parliament.

**Sources of Political Finance**

**Sources of party finance:** Public subsidies account for 50 to 75 percent of income for the major parties, and more for smaller parties. The remainder comes from lotteries and material sales, membership dues, and private contributions.

No information is available on the relative shares of private donations accounted for by individuals versus organizations. The SAP receives financial support from Swedish trade unions, and most of the major parties receive contributions from corporations, although the amount received decreased following the introduction of public financing in the late 1960s.

**Sources of campaign finance:** There is no public funding specifically for election campaigns in Sweden, although parties are free to use
the regular public subsidy for this purpose. Candidates are funded by their parties; they do not raise money independently.

**Finance Regulation**

*Expenditures:* Sweden places no legal ceiling on campaign spending.

*Contributions:* There is no limit on the source or size or private political donations.

*Disclosure:* Parties are not required to report their income or expenditures to the government, but most have done so voluntarily since 1980.

**Public Financing**

*Campaign funding:* Sweden provides only a very limited public subsidy for campaign expenditures. Parties which receive 2.5 percent of the nationwide vote without winning any seats in the Riksdag are reimbursed a modest amount in proportion to their vote share.

*Regular support for political parties:* Parties with representation in national and/or subnational parliamentary bodies receive an annual grant. The national-level subsidy is distributed in two forms. The first, the "party support subsidy," is allocated in proportion to party share of parliamentary seats. To qualify, a party must have won at least one seat in the Riksdag or 2.5 percent of the nationwide vote in either of the two previous elections. (Parties which qualify but do not currently hold any seats in the Riksdag receive an amount based on their share of the vote.) The second, the "secretariat subsidy," is distributed equally among parties represented in the Riksdag, but with a 50 percent bonus going to opposition parties. To qualify for the secretariat grant, a party must have won at least one Riksdag seat in the last election or 4 percent of the national vote in either of the past two elections. The party support subsidy accounts for about three-quarters of the total grant; the secretariat subsidy accounts for one-quarter. In 1990 the subsidies totaled 132 million Swedish kroner (SKr) (about $14 million). Public financing of parties was first introduced at the national level in 1966.

Sweden also provides an annual grant to parliamentary groups (i.e., not to the parties themselves). This subsidy, which is distributed according to party share of the Riksdag seats, totaled SKr 52 million (about $5.5 million) in 1991.

The subnational-level grant is distributed according to party share of seats in county and municipal government. To qualify, a party
must receive at least 3 percent of the regional vote. The total amount allocated in 1990 was SKr 200 million (about $21 million) at the municipal level and SKr 121 million (about $13 million) at the county level. Government grants for parties at the subnational level were begun in 1976.

**Support for party-affiliated organizations:** Youth, women’s, and student organizations and educational associations linked to parties receive public financial assistance.

**Tax treatment of private contributions:** Political contributions receive no special tax treatment.

**Media:** Free and equal time on public television is made available during election campaigns to all parties with representation in parliament. Parties are not allocated time slots for their own programs or advertisements; instead, party representatives participate in a variety of debates and discussions. Paid political advertisements on television and radio are prohibited at present, though the development of commercial channels may change this. Party newspapers also benefit from a general government press subsidy, which totals SKr 510 million (about $55 million).

**Other support:** There are no additional subsidies, postal or otherwise.

**Source of public funds:** The funds come from the general treasury.

**Campaign Spending**

**Total spending:** No figures are available for campaign spending per se. Parties report their total expenditures, but do not single out the amount spent on campaigns. In 1991 parties spent a total of approximately 260 million SKr (about $28 million). Assuming that a third of this amount was spent on election expenses (probably an overestimate), per capita campaign spending for 1991 totaled approximately $1.10.

**Administration and Enforcement**

**Regulatory agency:** There is no independent regulatory agency which oversees political financing. The National Tax Board serves as the national election agency. The Electoral Causes Committee, a parliamentary agency, reviews election-related complaints.
Overview

Switzerland has a parliamentary system with a bicameral legislature, supplemented by frequent popular referenda. Elections are party-centered and based on proportional representation. Political financing is completely unregulated and unsubsidized, with the exception of free media time provided for parties during election campaigns.

Basic Features of the Electoral System

Government structure: Switzerland has a parliamentary-direct democracy system. Its legislature is bicameral, composed of a National Council and a Council of States. The two houses are equal in power; either can veto legislation passed by the other. The National Council has 200 members (one per 34,000 citizens) who serve 4-year terms, and the Council of States has 46 members who also have 4-year terms. The executive is headed by a 7-member Federal Council, which is chosen by a joint meeting of the two legislative bodies. Since 1959, the political parties have agreed to use a 2:2:2:1 formula in selecting the Federal Council, according to which each of the three largest parties gets two seats and one of the smaller parties gets the final seat. There is no single head of the Council; it functions as a collective decision-making body. (One member of the Council is elected president and serves as head of state, but the functions of this office are mostly ceremonial.)

Although parliament is the formal legislation-making apparatus in Switzerland, many important legislative decisions are put directly to the electorate in the form of referenda.

Election procedures: National Council elections are based on proportional representation in 21 multi-member districts and five single-member districts. Voting is for parties, although voters can alter the
order of party lists or strike off the names of particular candidates. Seats are allocated according to party vote share within each district. The number of seats elected by each district is determined by population size. Switzerland has 23 cantons (regions), with three separated into half-cantons; hence the electoral districts represent the 20 full cantons and 6 half-cantons.

The electoral method for selecting members to the Council of States varies by canton. The most common method is simple plurality, in which the candidates with the most votes win. Each of the 20 full cantons elects two members, and each of the 6 half-cantons elects one member.

A referendum can be initiated either by citizens who collect 50,000 signatures (100,000 for constitutional amendments) or by a vote of parliament.

**Candidate selection:** Candidates for parliament are generally selected by local party committees. There are no primary elections.

**Candidate eligibility:** Any citizen eligible to vote can run for parliament. No monetary deposit is required.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout averages about 50 percent.

**Length of campaign period:** Election campaigns typically last no more than three months.

**Political parties:** As many as 40 different parties participate in Swiss elections. The largest parties, which generally account for 80 percent of the seats in parliament, are the Christian Democratic People's Party (CVP), the Radical Democratic Party (FDP), the Social Democratic Party (SPS), the People's Party (SVP), and the Green Party (GP). Electoral coalitions are rare, in part because of the unique arrangement used to form the government.

**Sources of Political Finance**

**Sources of party finance:** Parties rely heavily on membership dues, and to a lesser extent on donations from individuals and groups. There is also a small public subsidy for parliamentary work. Contributions by individuals account for 80-90 percent of private donations. Organizations tend to allocate the bulk of their political spending toward referenda campaigns.

**Sources of campaign finance:** There is no public financing for election campaigns, so parties and candidates must raise all of their income independently of the government. Over three-quarters of cam-
campaign spending is accounted for by parties, generally on behalf of the party list; but candidates do raise and spend some money on their own.

**Finance Regulation**

*Expenditures:* Switzerland places no legal ceiling on campaign spending.

*Contributions:* There is no limit on the source or size of private political donations.

*Disclosure:* Neither political parties nor candidates are required to disclose their incomes or expenditures.

**Public Financing**

*Campaign funding:* Switzerland provides no public monetary subsidy for campaign expenses.

*Regular support for political parties:* There is no significant public grant for party activity. Parties with at least five seats in parliament do, however, receive a small annual grant to help finance parliamentary work. Each party receives a base of 50,000 Swiss francs (SFr) (about $23,000), plus SFr 9,000 per member of parliament.

*Support for party-affiliated organizations:* No financial assistance is offered to party-affiliated organizations.

*Tax treatment of private contributions:* Political contributions receive no special tax treatment from the federal government, but about a third of the cantons offer tax deductions up to 10 percent of net income.

*Media:* Parties are given free access to television during election campaigns, with the time distributed in proportion to current party share in the parliament. Paid political advertising on television is prohibited. Roughly 40 percent of campaign spending is used for advertisements in the print media.

*Other support:* There are no additional subsidies, postal or otherwise.

*Source of public funds:* The funds come from the general treasury.

**Campaign Spending**

*Total spending:* Estimates of spending in the 1991 election range from 16 to 18 million SFr (about $8 million). Per capita spending amounted to approximately $1.15. Estimates for spending in the 1987 and 1983...
elections are 16.5 million and 15.5 million SFr, respectively. Per capita spending was $1.14 and $1.10 in those elections.

**Administration and Enforcement**

*Regulatory agency:* There is no independent regulatory agency which oversees political financing. Swiss elections are regulated by the Federal Chancellery.
Overview

The United Kingdom, the union of Great Britain and Northern Ireland, has a parliamentary system with a bicameral legislature. Elections are candidate-centered and winner-take-all. Campaign spending by candidates, but not parties, is limited. There are no public subsidies for campaign expenses. Nor is there public funding for regular activities of parties or party organizations, except for a modest grant given to opposition parties to support parliamentary work. Parties do, however, receive free television time during election campaigns as well as a free mailing.

Basic Features of the Electoral System

Government structure: The United Kingdom has a parliamentary system. The legislature is formally bicameral, but effectively unicameral. The main body is the House of Commons (lower house), which has 650 members (one per 90,000 citizens). Members serve 5-year terms unless the government calls an election earlier. The House of Lords (upper house), composed of approximately 1,200 hereditary peers of the realm and appointed members, has the power to delay legislation passed by the House of Commons; but it rarely uses that authority. The majority party or coalition in the House of Commons forms the government by appointing the prime minister, who in turn selects the cabinet.

Election procedures: Elections to the House of Commons are winner-take-all contests in single-member districts. Voting is for candidates, not parties. The requirement is a simple plurality; the candidate with the most votes wins. Each district represents an equal share of the population.

Candidate selection: Candidates for parliament are generally selected by local party committees. There are no primary elections.
**Candidate eligibility:** Any citizen age 21 or older and eligible to vote can run for parliament. A candidate must file a deposit of 500 pounds (about $850), which is returned if she or he receives at least 5 percent of the district votes. Candidates must file an official nomination paper signed by 10 electors.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout averages about 70 percent. In the 1992 election it was 74 percent.

**Length of campaign period:** The formal campaign period, between the announcement of an election and the election date, is 17 days. Pre-campaign activity may last from as much as two years to as little as a month, depending on the predictability of the government's decision to call an election.

**Political parties:** Throughout this century the United Kingdom has had a de facto two-party system, with the Labour Party and the Conservative Party alternating in power. The two have received over 95 percent of all votes cast in elections to the House of Commons since World War II. The Liberal Democratic Party, an amalgamation of the former Liberal and Social Democratic parties, has recently become an influential third party in British politics. A variety of smaller parties exist but rarely win representation in parliament.

**Sources of Political Finance**

**Sources of party finance:** Private donations represent the largest single source of revenues for the two major parties. For the Conservative Party, contributions from business firms account for approximately 30 percent of income in a non-election year and 80 percent in an election year. For the Labour Party, affiliated trade unions contribute about 50 percent of income. The next largest component of revenues is membership dues. Public funds account for a very small share of party finances.

**Sources of campaign finance:** There is no public subsidy for election campaigns, so parties and candidates must rely on private contributions and membership dues.

**Finance Regulation**

**Expenditures:** The United Kingdom does place a ceiling on campaign spending by candidates. Spending is restricted to approximately $12,000 to $15,000 per candidate, depending on the size of the district. However, the limit applies only to the formal 17-day campaign
period; and only to funds spent by specific candidates, which effectively exempts most expenditures by the national party headquarters.

**Contributions:** There is no limit on the source or size of private political donations. A controversial 1984 law requires that trade unions which have established a political fund to make contributions to parties (typically to the Labour party) or candidates must secure membership approval of the fund at least once every 10 years. No parallel requirement exists for corporations.

**Disclosure:** Candidates, but not parties, must disclose all campaign expenditures within 35 days after an election.

**Public Financing**

**Campaign funding:** The United Kingdom provides no public monetary subsidy for campaign expenses.

**Regular support for political parties:** There is no significant public grant for party activity. Opposition parties in parliament do, however, receive an annual grant, the size of which is proportionate to the number of seats a party holds and the share of votes it obtained in the last election. To qualify, a party must have at least two seats in the House of Commons, or have one seat while receiving at least 150,000 votes nationwide in the most recent election.

**Support for party-affiliated organizations:** The government does not provide financial assistance to party-affiliated organizations.

**Tax treatment of private contributions:** Political contributions receive no special tax treatment.

**Media:** Parties with representation in parliament are given free access to television and radio during election campaigns. Parties with no current representation must contest 50 seats in order to qualify for television time. The allocation of time is determined informally by a committee consisting of representatives of the parties and the broadcasting authorities. Typically the Conservative and Labour parties receive equal shares of time and the Liberal-Democrats slightly less. In 1983, for instance, the Conservative and Labour parties each received five 10-minute slots on all television channels and the Social Democratic-Liberal Alliance (the precursor to the Liberal-Democratic Party) received four slots. At U.S. rates, the total amount of allocated time would cost approximately $3 million, or about 13 percent of total reported spending in the 1983 election. Television stations provide this free time without compensation from the government. Paid political advertisements on television and radio are prohibited.
Other support: Each candidate is permitted one free mailing to every registered voter in her or his district. The government also provides free access to meeting halls and pays for voter registration.

Source of public funds: The funds come from the general treasury.

Campaign Spending

Total spending: In the 1983 election the three major parties reported total expenditures of 12.2 million pounds (about $23.5 million). Per capita spending amounted to approximately $.42.

Administration and Enforcement

Regulatory agency: Regulation of British political financing is minimal. That which exists is conducted by several Boundary Commissions. There is no national regulatory agency. The principal legislation governing political finance in the United Kingdom is the Corrupt Practices Act of 1883 and the Representation of the Peoples Act of 1918. The latter was amended slightly in 1983, 1985, and 1989.
UNITED STATES

Overview

The United States has a presidential-parliamentary system with a bicameral legislature. Congressional elections are candidate-centered winner-take-all contests. American political financing practices for congressional and presidential elections differ starkly. For congressional candidates, spending is not restricted and there is no public subsidy for campaign expenses. Contributions to both congressional and presidential candidates are restricted. Major-party presidential candidates receive a campaign subsidy — in the form of matching funds during the primary elections and an equal lump-sum grant for the general election. The subsidy accounted for 35 percent of total campaign spending in the 1988 presidential election. Campaign expenditures by presidential candidates who accept public funding are restricted. No free media time is provided.

Basic Features of the Electoral System

Government structure: The United States has a presidential-parliamentary system. The head of the executive branch is the president, who is elected by indirect popular vote for a 4-year term. The president appoints the cabinet. The legislature, or Congress, is bicameral. The Senate has 100 members who serve 6-year terms, with one-third of the body standing for election every two years. The House of Representatives has 435 members (one per 580,000 citizens) who serve 2-year terms. Bills must be passed by both bodies to become law. The president can veto legislation, but the veto can be overridden by a two-thirds majority of both houses of Congress.

Election procedures: Presidential elections are based on an electoral college system. Voting is for candidates. Each state has a specified number of electoral votes, equal to the number of seats it holds
in the two bodies of Congress. In each state, the candidate winning a plurality of the popular vote receives all of its electoral votes. To win the election, a candidate must win a majority of the nation's electoral votes. (Only once, in 1888, has a candidate been elected who did not win a plurality of the popular vote.)

Senate elections are based on a winner-take-all plurality system within each state. Voters cast their ballots for one candidate, and the one with the most votes wins. Each state elects two members to the Senate.

Elections to the House of Representatives are based on the same winner-take-all plurality system within 435 electoral districts. Each district represents a roughly equal share of the nation's population, and the size of districts is adjusted periodically according to population changes.

**Candidate selection:** Candidates for Congress and the presidency are chosen through party primary elections and caucuses.

**Candidate eligibility:** Candidates for the House of Representatives and the Senate must be 25 and 30 years of age and have been a U.S. citizen for at least seven and nine years, respectively. A candidate for either body must also be a resident of the state in which he or she is running. Presidential candidates must be 35 years of age, a natural-born citizen, and a U.S. resident for at least the previous 14 years. No monetary deposit is required.

**Voter eligibility and turnout:** Citizens age 18 and over are eligible to vote. Turnout for presidential elections has averaged 50-55 percent over the past two decades; in the 1992 election it was 54 percent. For midterm congressional elections, turnout usually falls below 40 percent.

**Length of campaign period:** Including the primary season, the active campaign period for a presidential election lasts almost a year. Primary elections and/or caucuses to nominate candidates to represent the major parties begin 10 months before the presidential election. Campaigns for congressional seats are shorter, with party primaries typically held about three months prior to the election.

**Political parties:** The Democratic and Republican parties have held every presidency and over 95 percent of all congressional seats during this century. A variety of minor parties contest congressional and presidential elections, but seldom win representation.
Sources of Political Finance

Sources of party finance: Parties in the United States raise funds for their ongoing activities entirely through private contributions. They do not raise money from membership dues, and there is no regular financing of parties.

Sources of campaign finance: In 1988 public subsidies accounted for approximately 50 percent of spending by presidential candidates, but only 35 percent of total spending on the presidential campaign (because of "soft money" expenditures, convention costs, and so on). The subsidy covered 31 percent of total prenomination spending and 44 percent of total expenditures during the general election. Most of the remainder comes from contributions by individuals and political action committees (PACs). Candidates also receive some money from their parties.

For congressional candidates, the principal source of campaign funds is individual contributions, which generally account for 60-75 percent of a candidate's campaign revenues. PACs account for approximately 25-40 percent, parties for 5-10 percent, and candidate self-financing for an average of 5 percent. There is no public financial assistance for congressional campaigns.

Finance Regulation

Expenditures: The United States does place a legal ceiling on campaign spending for presidential candidates who accept public funding. For primary campaigns, the limit was $27.6 million in 1992. For the general election, the 1992 ceiling was $65.5 million ($55.2 million of public money plus $10.3 million in the form of expenditures coordinated by the national party). The 1988 limits were $27.7 million for primaries and $54.4 million for the general election. Separate limits are also placed on spending within each state. Candidates who decline public funding are not subject to expenditure limits, but that is rare.

Spending on major party campaigns usually exceeds the ceiling by a considerable amount because there are no restrictions on the amount of "soft money" that can be spent on behalf of candidates — e.g., money spent by independent partisan groups and money spent by state and local party committees on general party activity. Spending by and on behalf of the two major party candidates in the 1988 general election totaled $200.2 million, or $91.4 million more than the legal ceiling.

Roughly half of the 50 states offer some form of public financing to candidates for state-level office; in almost all cases these subsidies are accompanied by expenditure ceilings.
There are no limits on candidate or party expenditures in congressional elections.

**Contributions:** Candidates running for President or Congress cannot receive private contributions of more than $2,000 from an individual ($1,000 in the primary and $1,000 in the general election) and $10,000 from a political action committee ($5,000 in the primary and $5,000 in the general election). Individuals can make political contributions — to candidates, parties, and political action committees — for federal election campaigns of up to $25,000 within a calendar year. There is no limit on the total amount political action committees can donate to candidates or parties.

As with candidate expenditures, the limits on contributions can be bypassed — primarily by making donations to state and local party organizations or independent organizations which spend the money on behalf of candidates. At least 400 individuals are known to have contributed $100,000 or more to influence the 1988 presidential election. Frequently, the people in charge of fundraising for the formal campaigns also organize the raising of such “soft money”.

Parties, too, are limited in the amount they can contribute to particular candidates. National and state party committees can each give $10,000 ($5,000 for the primary, $5,000 for the general election) to a House candidate, while parties’ national and senatorial committees can contribute a total of $17,500 to a Senate candidate. Parties may, however, spend a good deal more on behalf of a congressional candidate, in coordination with that candidate’s campaign. For House candidates parties can spend up to $50,000; the permissible amount for Senate candidates varies by state, ranging from $100,000 in small states to $2 million in California.

Approximately 30 states restrict contributions to state-level candidates by individuals, corporations, labor organizations, and / or PACs.

**Disclosure:** Candidates are required to report all campaign income and spending, disclose the identity of all contributors of more than $200, and itemize all expenditures of more than $200. This information is reported to the Federal Election Commission, which makes it available to the public.

**Public Financing**

**Campaign funding:** The federal government subsidizes campaign expenses for both the primary and general presidential elections. Candidates for a major party’s presidential nomination receive a grant equal to the amount they obtain in contributions from individuals. To
qualify, a candidate must raise $5,000 in individual donations of $250 or less in at least 20 states ($100,000 in all). There is an upper limit on the amount of the subsidy — $13.8 million in 1992 ($11.2 million in 1988). After initial certification, candidates request and receive matching funds every two weeks during the primary season. A “major” party is defined as one whose candidate received at least 25 percent of the popular vote in the previous general election.

Major parties also receive a grant — $11.0 million in 1992 ($9.2 million in 1988) — to help finance their nominating conventions. Parties whose candidates received at least 5 percent of the vote in the previous election are eligible for a smaller subsidy.

For the general election campaign, the presidential nominee of each major party receives a large public grant, provided the candidate does not accept private contributions and does not exceed the expenditure ceiling during the general election campaign. The grant was $55.2 million in 1992 ($46.1 million in 1988). Candidates receiving 5 percent or more of the vote in the previous election are eligible for a smaller subsidy, and those who obtain at least 5 percent in the current election are entitled to a reimbursement; the amount of these grants is calculated according to a complex formula which takes into account the number of votes received by the candidate and the number received by major party candidates.

The total amount of public funds distributed in 1988 was $177.8 million — $67.2 million for the primary campaigns, $18.4 million for the party conventions, and $92.2 million for the general election campaign. The totals for 1984, 1980, and 1976 were $133.1 million, $100.6 million, and $70.9 million, respectively. The figure for the 1992 primary campaigns is not yet available, though is certain to be higher than the 1988 total; $110.4 million was distributed for the general elections and $22.1 million for the nominating conventions. The public campaign subsidy was first offered in 1976.

Congressional campaigns receive no public financial assistance for elections to state or local government.

The campaign finance laws of twenty-three states and six municipalities currently allow for some level of public financing for candidates and/or political parties.

Regular support for political parties: There is no regular public subsidy to parties.
Support for party-affiliated organizations: The government does not provide financial assistance to party-affiliated organizations.

Tax treatment of private contributions: Between 1972 and 1986, contributions to candidates of up to $50 ($100 for a joint return) received a 50 percent tax credit. The Tax Reform Act of 1986 eliminated this credit.

Media: Parties and candidates do not receive publicly-funded access to television or radio. Presidential candidates typically appear in televised debates, but these must be financed privately. Paid political advertising is permitted and typically accounts for more than half of the campaign expenditures by congressional and presidential candidates.

Other support: The national, congressional, and state campaign committees of each party receive a reduced postal rate. This does not apply to candidates. Members of Congress have free mailing privileges, though House and Senate rules prohibit mass mailings (defined as more than 500 pieces of similar, unsolicited mail) in the 60 days prior to an election. There are no other subsidies for campaign or other expenses.

Source of public funds: Public campaign financing is funded chiefly through individuals earmarking $1 ($2 for a joint return) of their annual income tax payment for the Presidential Election Campaign Fund. On average, 25 percent of tax returns do so, which generates approximately $35-40 million each year.

Most states offering public campaign financing also rely on a tax check-off mechanism. Some have used a tax add-on system, in which taxpayers voluntarily add an extra sum to their tax payment. Participation rates for add-on programs, however, have tended to amount to no more than 1 percent. A few states have the ability to draw on the state treasury if the check-off or add-on system yields insufficient funds.

Campaign Spending

Total spending: Campaign spending in the 1988 campaign totaled $958 million ($500 million for the presidency, $458 for Congress), or approximately $3.90 per capita.

Expenditures in the 1984, 1980, and 1976 elections totaled $799 million, $738 million, and $580 million, respectively. The per capita figures for these elections were $3.37, $3.24, and $2.66.

Administration and Enforcement

Regulatory agency: The Federal Election Commission (FEC), an independent administrative authority, regulates political expenditures
and contributions and the distribution of public subsidies. The principal laws governing political finance in the United States are the Federal Election Campaign Act (FECA) of 1971, the Revenue Act of 1971, and the FECA Amendments of 1974, 1976, and 1979. Also critical is the Supreme Court's *Buckley v. Valeo* decision of 1976, which ruled that limitations on campaign spending are unconstitutional unless accompanied by public campaign funding.
Because there is very little published information on political financing outside the United States, we have relied to a large degree on information obtained directly from experts on the countries included in the report. Here we list some general references which have proved particularly useful.


