

Increasing the disparity between actors, estimating the total value of the campaign and preliminary reports

General conclusions

The election campaign was marked by the use of public resources for the purpose of promoting the list gathered around SNS. It is primarily about distributing money, at least 400 million euros, to various categories of citizens, but it is also an intensive official campaign.

State bodies have not fulfilled the tasks for which they are responsible. As a result, presented cases of substantiated suspicions of rule violations were not investigated and punished during the election campaign itself. It did not happen afterwards, either. In addition to the fact that the Public Prosecutor's Office and the Agency for the Prevention of Corruption failed to act proactively and investigate possible illegal actions based on their official duties, they did not do so on time, even based on the submitted reports. Part of these conclusions also refers to the applications submitted by Transparency Serbia.

Moreover, the Agency, with some of its decisions regarding reports, actively contributed to the fact that the key actor in the campaign – the holder of the "Aleksandar Vučić - Serbia must not stop" list, who is also the president of the Republic of Serbia, contrary to the legal obligation, did not separate his state function from the promotion of the electoral list. Also, the Agency's decisions related to the payment of promotion on social networks directly by public officials provided a clear roadmap for all those who want to bypass the obligations, restrictions and prohibitions of the Law on the Financing of Political Activities on how to do so.

The Higher Public Prosecutor's Office in Belgrade, although competent for prosecuting the criminal offence of giving and receiving bribes in connection with voting, indicated during the campaign that it would investigate criminal offences if it received reports from election commissions. However, there was no basis for it in the regulations. From the statement presented by this public prosecutor's office after the election, it is not evident that it is at all investigating the most famous case of vote-buying (disclosed as part of the CINS journalistic research, in connection with the recruitment to work in SNS's call-centre), where a criminal complaint was filed.

Aleksandar Vučić dominated the campaign, acting as president, not only in numerous guest appearances in the media and live appearances in the central information programmes of the public broadcaster and commercial TV stations with national frequencies (eight in the last seven days of the campaign alone) but also at the SNS rallies where he was announced in the capacity of the President of Serbia. His dominance and the extremely negative treatment of the opposition are also visible in the report on the front pages of the daily press.

The Value of the Campaign and Assessment in Comparison to Previous Elections

Value Expectations

Data collected by Transparency Serbia on TV advertising and data from preliminary reports indicate that this campaign – although only parliamentary, Vojvodina and part of local elections were held – is more expensive than the sum of last year's parliamentary, presidential and Belgrade elections.

Several factors have a crucial influence on the cost of this election campaign, as was the case in all previous elections in Serbia.

The main influencing factor is the amount of money from the budget available to the election participants. In this regard, one should take into account that there is budget money distributed to cover the costs of the election campaign, but there is also money that parliamentary political parties receive from the budget for a different purpose – for financing their regular work, that is, everything that is not an election campaign. Private sources of financing (e.g., donations, membership fees, etc.) are used significantly less in Serbia. Even when shown in the financial reports on campaign expenses, there are very reasonable doubts that private sources are really the contributions of the persons listed as donors.

Political entities adjust their financial statements to the amount of budget grants that belong to them based on participation or success in elections so that they do not have to return the unspent part of that money to the budget, that is, to reduce part of the expenses that they have to justify with other sources of financing. Since the budget amounts of funding for the elections in Vojvodina and local elections are negligible compared to those allocated for the republican elections (e.g. from the Vojvodina budget in 2023, RSD 34.5 million/EUR 294 thousand are provided for financing the election campaign, from the budget of Belgrade less than RSD 75 million/EUR 640,000, and from the budget of the Republic RSD 1,142 million/EUR 975 thousand), the value of the campaign in certain elections is most affected by whether the parliamentary elections are held together with the presidential elections or not. Namely, when presidential AND parliamentary elections are held simultaneously, the amount of subsidies from the republic budget is doubled, and all parties that have presidential candidates in addition to the parliamentary list benefit from it. Therefore, it was a realistic expectation that the reported costs of the 2023 campaign would be significantly lower than those of 2022.

On the other hand, the increase in the campaign's value, when it comes to parliamentary opposition parties, could be influenced by the fact that they could now (unlike the 2022 election) also count on previously received budget funds to finance regular work. Due to the boycott of the 2020 elections, those funds were unavailable to them on the eve of the 2022 elections.

Another factor that could have influenced the reduction of campaign costs is the increasing possibility of using various types of targeted advertising for certain groups (social networks, ads on the Internet and other platforms) instead of indiscriminate advertising through traditional media and in physical public space. The third factor expected to influence the potentially lower costs of the campaign was its length. The campaign officially lasted 45 days, with most participants delaying the start of the promotion.

On the other hand, the importance of the elections for its actors, the uncertainty regarding the outcome of the elections in the capital (in which almost the same actors participated as in the republican elections) and the existence of competition for the same electorate within the political bloc commonly labelled as the "right", was

a factor that could have been expected to contribute to higher costs. Finally, the relative increase in campaign costs (not only expressed in Serbian dinars but also euros) was undoubtedly influenced by inflation (i.e. the rise in the price of crucial services used in the campaign).

What Practice Has Shown

According to the insights so far, the factors that led to the election campaign being more expensive prevailed, while the imbalance in the investments of different participants increased significantly.

Regarding opposition parties, promotional activities in the campaign were at or below the 2022 level, with a very significant decrease in the most expensive form of advertising - TV advertising. It can partly be explained by the fact that most TV advertising service providers requested advance payments, and the payment of the first tranche from the budget could only be expected ten days before election day. Nevertheless, this outcome can be assessed as surprising when one considers the relative certainty that those lists that pass the census would receive relatively significant budget funds, enabling a larger-scale campaign.

On the other hand, when it comes to the ruling SNS, it is pretty clear that the party conducted a significantly more expensive campaign than last year, regardless of the much less expected subsidies from the budget coverage. As can already be seen from the preliminary report, SNS transferred money from the account to finance the party's regular work. Apart from the more expensive TV advertising of this list compared to the 2022 elections, there was also an increase in the use of other communication channels (internet platforms). In addition to all that, in connection with the activities of this party in the elections, some expenses were also observed, for which, according to the indicators so far, there is a doubt that they will be shown in the financial statements at all.

Based on the information available, it can be assumed with a high degree of certainty that the 2023 election campaign did not cost less than 20 million euros, even if only the direct and legally permissible expenses of political subjects are considered. This assessment does not include various forms of abuse of public resources, bribery or other undue influence on voters or campaign support indirectly provided by the media and third parties.

The Value of TV Advertising

Publishing Pricelists and Discounts

This year, Transparency Serbia observed RTS 1, Pink, Happy and their cable channels, TV Prva, B92, RTV, as well as some other cable channels (Kurir TV, K1, Euronews, Una TV, Blic TV, Klasik TV, Superstar). The electronic media complied with the legal obligation to announce the tariffs for political advertising before the start of the election campaign, except for Kurir TV and SUPERSTAR, with the fact that some TV stations did not give discounts, or at least did not advertise them (besides the mentioned two, RTV 1, Blic TV, Euronews Serbia and TV Klasik did not provide discounts). TV stations of the United Media Group (N1 and Nova S) did not broadcast political marketing this year, which was announced at the beginning of the campaign. This sample does not include numerous regional and local TV stations or other cable television stations. Still, according to previous experiences, it can be expected that the value of advertising on them will not exceed 10% of the value of advertisements that were broadcast on the monitored TV stations.

On some TV stations that had published price lists with discounts in 2022, advertising is more expensive this year. In the case of TV Pink and its associated cable channels, to obtain lower discounts (from 5 to 20%), the price was increased roughly by one-fifth, while for the highest discounts of 25 and 50%, it was doubled. Last year, for example, over EUR 1,2 million secured the top discount (40%), while this year at least EUR 2,4 million was needed for 50%. RTS maintained the level of last year's discounts on total advertising, and RTV Vojvodina did not give (announce) discounts this year either.

TV Prva and B92 (as in 2022), then TV stations K1 and Tanjug, had the condition of previously paying the entire contracted advertising budget to broadcast advertising messages. TV Pink demanded mandatory advance payment or the realisation of appropriate means of payment security in the amount of 60% of the total value of the campaign before the start of broadcasting ads.

Investment value

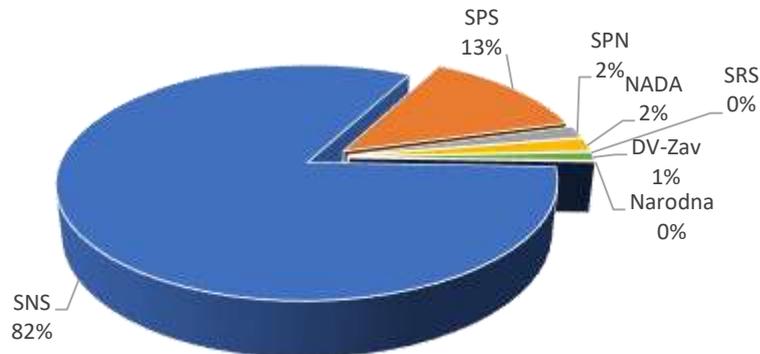
Advertising on TV stations took less time this year, but the total amount of funds exceeded last year's total for the parliamentary and presidential elections combined. According to independent TS monitoring, the six political entities that reported this type of expenditure spent about EUR 9 million on ads on the observed TV stations during the election campaign (compared to last year's record seven million euros). The value is calculated based on published price lists, including VAT and volume discounts.

It is important to highlight here that the broadcasting of the SNS and SPS rallies, as well as the guest appearance of Aleksandar Vučić on the eve of the election silence on TV Pink, are not included in the calculation, so it remains debatable how these programme contents will be treated financially and how their value will be determined. If we added the value of these programmes, calculated according to the advertisement price list, the expenses would increase by around EUR 1.7 million.

Investment structure

This year, there is an even more pronounced disparity among the actors in TV advertising. In 2022, SNS achieved a distinct dominance in this type of advertising with around 60% of total costs; this year, the disparity is even more significant, at 82%. If the value of the rallies broadcast special shows were added to the above sum, the investment gap between individual electoral lists would increase further.

The share of individual electoral lists in the value of broadcast advertisements - public services, national and part of cable TVs



Values of broadcast advertisements by electoral lists - public services, national and part of cable TVs (in EUR)



Money and Advertising – Preliminary Reports

The deadline for submitting preliminary reports on campaign expenses was December 10, 2023. (with balance as of December 2, 2023). This year, the Agency gave precise instructions on which expenses should be shown in the preliminary reports to avoid some of the doubts and irregularities observed in 2022. Thus, the Agency precisely indicated that the preliminary reports should show all costs for activities incurred in a certain period,

regardless of whether payment was made. Nevertheless, as can be concluded by reviewing the preliminary reports, the behaviour of political entities was still unequal.

The Agency has three days to publish those reports. The Agency's website published reports for 13 electoral lists during that period. Several submitted reports were registered as referring to the parliamentary elections but were actually related to the local level.

The following lists did not submit the reports, or at least they were not published:

- Zajedno za budućnost i razvoj – Koalicija za mir i toleranciju
- Koalicija „Dobro jutro Srbijo“ (podnet je izveštaj bez podataka od strane Demokratske unije Roma, koji ne sadrži podatke ni o prihodima, ni o troškovima)
- Manjinska lista „Politička borba Albanaca se nastavlja“
- Lista „Čedomir Jovanović – mora drugačije“
- „Albanska demokratska alternativa – Ujedinjena dolina“

Thirteen lists that submitted reports reported total expenses worth RSD 518.5 million (about EUR 4.5 million), significantly more than for the 2022 presidential and parliamentary elections combined (RSD 331,2 million or EUR 2,8 million). However, the total costs, including the significant advance payments that SNS did not show as such but listed in the remarks, of RSD 382,658,228, increase the total expenses to slightly over RSD 900 million (EUR 7,7 million).

It is one of the strongest indications that this year's election campaign could be more expensive than last year's. However, the reporting of higher costs may also be a consequence of more precise instructions given by the Agency for the Prevention of Corruption in connection with the preparation of these reports.

On the other hand, this year, 13 election participants reported an income of RSD 313,615,423 – less than 2,7 million euros), about RSD 40 million more than in combined preliminary parliamentary and presidential reports in 2022. It shows that most of the election participants this time are in a situation to contract a part of the campaign costs with delayed payment while waiting for budget subsidies and to postpone those types of campaigns where advance payment is a condition for advertising (most commercial TV stations) until the last moment.

That the preliminary reports on campaign costs can lead as well to wrong conclusions due to the different registration methodology this year can best be seen from the fact that the list "Ivica Dačić - Prime Minister of Serbia" reported almost RSD 189 million in expenses, or about 42 RSD million higher than the reported cost of the list "Aleksandar Vučić - Serbia must not stop". A more realistic picture is obtained when the reported SNS advances are added to the expenses.

The third highest reported campaign expenses is the Zavetnici and Dveri coalition, with RSD 71,8 million, followed by "Serbia in the West (Ask the experts)" with RSD 24,3 million and the "Russian Party", with over RSD 19 million.

Like last year, in almost all reports, there are omitted or incomplete descriptions of costs and numerous situations where costs are not shown by item but collectively.

SRS stated only the costs of collecting signatures and the list "Glas iz Naroda - prof. Nestorović" only the costs of promotion and space rental. SDA and "MI-Glas from the People" did not report the costs of collecting signatures, even though it was an activity that ended before submitting the electoral list.

The cost reported by the list "A. Vučić - Serbia must not stop" (RSD 146 million) this year is about 40 million more than the total cost of the parliamentary and presidential campaign of this party in 2022, and with advance payments taken into account – which are 3,5 times higher than reported – as much as RSD 420 million above

last year's expenses. The real costs are probably even higher because this list, for example, for the meeting in Belgrade held on December 2, 2023, which should have been included in this report, did not report the transportation costs of the participants at all, which was widely used. Also, it cannot be concluded from any item of the report that this list reported expenses related to the operation of the Call Center, which CINS wrote about.

For **promotional materials**, 13 electoral participants reported a cost of RSD 177 million, while last year, for both levels of the election, it was RSD 123,3 million. This cost is higher even before the final reports because the SNS list did not include advances in the total value of over RSD 41 million, of which RSD 26 million were for billboards. The SNS list, which has registered 15 billboards, stated the price for only one (RSD 805 thousand for the rental of the display space), while for all the others, it was stated that it was paid in advance and thus it was not included. Last year, SNS expenses for billboards, reported in total for both levels of elections in the preliminary report, amounted to more than RSD 10 million. The Dveri-Zavetnica coalition reported RSD 34 million, and NADA more than RSD 10 million. Both of them mentioned only the cost of renting space for placing billboards, without any other specifications. Apart from them, this type of promotion was also reported by SVM, SPP and the Russian Party. For the **billboard campaign**, 6 newspapers reported RSD 42,3 million dinars. With SNS advances, it amounts to RSD 79,1 million.

The coalition "Serbia against Violence" presented the total cost of promotional materials (almost RSD 7 million) without any further specification (material, quantity, distribution, etc.). In contrast, the costs of public events, signature verification and representation were shown in detail.

This year's **reported advertising costs** amount to about RSD 179 million (EUR 1,5 million) and are higher by about RSD 65 million than last year's total (about RSD 113 million). However, including SNS list advances, they amount to RSD 520 million (almost EUR 4.5 million) and are 4.5 times higher than in 2022. TV advertising was reported by only six participants (SNS, SPS, coalition of Dveri and Zavetnici, SPP, SVM and the Russian Party) and is worth about RSD 130 million (last year RSD 53 million), which is four times higher when including SNS advances (RSD 520 million).

Interestingly, SNS and the "Nacionalno okupljanje" (*National Gathering*) reported all expenses for TV advertising (as well as for radio) as leased time slots, although it was about TV ads.

According to the reports of eight participants, the organisation of the rallies and other public gatherings cost them RSD 53,2 million (EUR 4,5 million).

As for other campaign expenses, the participants reported RSD 96 million, of which RSD 11,7 million was for signature verification.

The Dveri and Zavetnici coalition was the only one that reported expenses for public opinion research - almost RSD 3 million. However, it is unlikely that other participants in the campaign did not have this type of expenditure.

Eight political entities transferred funds from the party's permanent account to a special campaign financing account, of which SNS RSD 520 million and SPS 79 million.

Contributions from natural persons were reported only by SPS – about RSD 26 million (80 million last year) and the Russian Party (RSD 500,000), and donations by legal entities – half a million dinars – were reported by the New Party.

All the above data clearly show that the preliminary reports, although their quality has been improved, do not provide citizens with an adequate representation of how much the parties spent in the campaign while the campaign was still ongoing. It also suggests that a system of transparent reports should be introduced in Serbia, which allows insight into income and expenses on a daily basis (as, for example, is the case in the Czech Republic).