Journal of Liberty and International Affairs | Volume 9 · Number 2 · 2023 | eISSN 1857-9760
Published online by the Institute for Research and European Studies at www.e-jlia.com

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(*) Corresponding author
Peer review method: Double-blind
Original scientific article
DOI: https://doi.org/10.47305/JLIA2392426k
Received: 17.04.2023 · Revised: 01.06.2023 · Accepted: 02.06.2023 · Published: 10.07.2023

ON THE TRANSPARENCY OF ELECTORAL CAMPAIGN FINANCING IN ALBANIA AND NORTH MACEDONIA

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Abstract: *This paper analyzed the legal framework regarding transparency in financing political parties for the election campaign in Albania and North Macedonia. The main object was the identification and analysis of the changes in the legislative solutions that are implemented in these two countries for issues related to (i) the method of reporting the financing of the election campaign, (ii) the periodicity and time of reporting, (iii) the publication of donations with private funds, (iv) the institutions of monitoring and auditing financial reports, (v) publication of financial reports and (vi) sanctions for violators of the law. The assessment of the level of law enforcement, as a reflection of the differences in the two countries' efforts toward the development of democratic elections, was part of the objectives of this study. The comparative analysis was the main methodology used in this paper. Based on the results of this analysis, it can be confirmed that the national legislation for the financing of election campaigns in Albania and North Macedonia is: (i) drafted following the requirements and standards defined in international documents, (ii) the differences are a reflection of the process of democratic development of these two countries. The quality in the implementation of the legislation was identified as a factor with hindering effects on the transparency of the financing of political campaigns. The commitment to improve the legislation aiming, in particular, additional capacities development for controlling and law-enforcing institutions, as well as the engagement in education and strengthening the culture for implementing the rule of law, are necessary for both countries.*

Keywords: *Electoral Campaign; Finance; Transparency; Law; Albania; North Macedonia*

INTRODUCTION

Free and fair elections, which allow individuals to express their sovereign will in selecting their representatives in both central and local government, are influenced by several fundamental democratic principles. These principles are enshrined in the United Nations Universal Declaration of Human Rights and the International Convention on Civil and Political Rights. Elections serve as the sole means in a democratic society by which political parties strive to attain their fundamental goal of participating in the nation's governance. To effectively carry out their essential functions, political parties require suitable funding. In this regard, as noted by Ingrid van Biezen (2003): "It is important to emphasize that because of the potentially distorting effect money may have on the democratic process, it is important that the role of money in politics is properly regulated by public law" (p. 12).

In order to increase the confidence of citizens in their political systems, the Council of Europe member states pay special attention to the drafting and updating of the legal framework governing the financing of political parties and their electoral campaigns. Open and transparent political financing is as important to the democratic state as the free and fair election process (Ninua and Sadashiva 2009). The transparency of resources linked to political financing is

recognized as a universal principle in Article 7 of the United Nations Convention against Corruption (UNCAC): "enhance transparency in the funding of candidates for elected public office and, where applicable, the funding of political parties".

Consequently, drafting the national legislative framework, which will increase transparency and accountability in financing electoral campaigns, is of utmost importance.

The Organization for Economic Cooperation and Development (OECD 2016) alleges that "finance is a necessary component of the democratic process. It enables the expression of political support and competition in elections. However, money may be a means for powerful narrow interests to exercise undue influence, resulting in inadequate policies against the public interest".

According to the Council of Europe (CoE), Venice Commission, and Organization for Security and Cooperation in Europe (OSCE) (2020), the legislative framework for the financing of political parties and their election campaigns must address and provide solutions to issues related to (i) balance between private and public funding; (ii) restrictions on the use of state resources, (iii) restrictions and limits on private contributions, (iv) spending limits for electoral campaigns (v) requirements that increase the transparency of party funding and credibility of financial reporting (vi) independent regulatory mechanisms and appropriate sanctions for legal violations, (vii) prohibition or restriction of foreign funding (Venice Commission 2020, 59).

The election campaign financing contains risks that may affect the quality of democracy, governance, and the rule of law (GRECO 2009; Babameto 2021). Therefore, states shall inspect and control mechanisms regarding the way how political parties are financed and how they spend their money during political campaigns.

According to Falguera et al. (IDEA 2014), free and fair elections, democratic politics, effective governance, and corruption are all linked to political finance. The financing of political parties and their electoral campaigns can affect each of them positively or negatively.

The current literature pays special attention to transparency and accountability problems in financing electoral campaigns. In a large part of these publications, there is a significant difference between the quality of dealing with these problems in the legislation and the level of implementation. As a rule, legislative solutions are aligned with the requirements of international documents. Such solutions deal with the rules and conditions of the political parties, which aim to increase transparency and accountability for financing electoral campaigns. Meanwhile, implementing the legislation for monitoring, controlling, and auditing the funding is not always drafted following the given requirements. Consequently, it is impossible to clearly and accurately identify the funding sources and their use by political parties for the electoral campaign (IDEA 2019). In particular, this situation is even more serious concerning non-public funds donated to political parties.

The identification of the differences that exist between the legislation and its implementation, as well as the assessment of their consequences in fulfilling the standards in the electoral processes, are issues of high interest for researchers (Pinto-Duschinsky 2002; Roper 2002; Ingrid van Biezen 2003; Jouan 2012; McDevitt 2013; Hila 2013; Babameto 2021; Wood and Grose 2021; Bërdufi and Krasniqi 2022; Duri and Resimić 2022, Zhupanoska et al. 2022, Kume 2022; Naumovska and Dimitrovska 2022).

Albania and North Macedonia are countries with new experiences regarding democracy and the rule of law. The changes in the political system that occurred at the beginning of the 90s confronted these countries with the challenges of building a pluralistic system, which is achieved through the realization of democratic elections. Political parties use significant financial resources to achieve their objectives as the main subjects in the elections. Such resources are always exposed to the risk of unidentified funds or funds from private donors that aim to create spaces for interference in public decision-making. Such a risk is also related to the opportunities created for intervention based on geopolitical interests in the Western Balkans region. These circumstances increase the need for drafting a more effective legal framework for financing the election campaign in Albania and North Macedonia and a total commitment to its implementation.

AIMS AND METHODOLOGY

Aims

The aims of this study consist of the following issues:

1. An analysis of the legal solutions provided in Albania and North Macedonia regarding the transparency of election campaign financing will be conducted.
2. The alignment of legislative solutions with international requirements and standards will be examined.
3. A comparative assessment will be conducted to evaluate the level of implementation of the legal framework in Albania and North Macedonia to identify strengths and weaknesses in key areas.

Research Questions

1. Is the national legislation for the transparency of election campaign financing in Albania and North Macedonia aligned with the requirements and standards outlined in the international documents?
2. Is there a difference in the handling and solutions of issues regarding the transparency of election campaign financing in Albania and North Macedonia?
3. Are there differences in the legal instruments foreseen in the national legislation in Albania and North Macedonia for the transparency of the financing of the election campaign?

Methodology

The analysis of the national legislation of Albania and North Macedonia for the identification of the instruments and mechanisms that are foreseen for the transparency that should accompany any financing, public or private, for the election campaign and the evaluation of their compliance with the requirements of international standards, was carried out as a desk study. The evaluations given in the final reports for the elections drawn up by the international

observer missions of the OSCE/ODIHR were used to judge the level of implementation of the legal framework. For the quantitative assessment of transparency and accountability in campaign financing, we used the methodology compiled by Transparency International and the Carter Center (Ninua and Sadashiva 2010). According to this methodology, the CRINIS index was further evaluated as a quantitative tool that measures the level of transparency in the financing of political parties. The methodology implies examining the regulatory framework on transparency of political financing and its implementation *vis-à-vis* international standards.

The level of transparency is quantified by taking into consideration ten dimensions: (1) internal bookkeeping; (2) reporting to the oversight agency; (3) scope of reporting; (4) depth of reporting; (5) reliability of reporting; (6) public disclosure; (7) preventive measures; (8) sanctions; (9) state oversight and (10) public oversight.

The general level of transparency and accountability of financing of electoral campaigns was evaluated as an overall average of the ten above dimensions. For quantitative evaluation, a scale of 1-10 was used. A score of "10" indicates fulfillment of all expected criteria regarding transparency and accountability, and "0" indicates fulfillment of none of the criteria. Scores are grouped into three evaluation categories: insufficient (0-3.3), average (3.4 to 6.7), and satisfactory (6.8 to 10). The comparative analysis of the CRINIS index and the quantitative evaluations of its dimensions, calculated for legislation and its implementation, were used to judge the differences between countries related to legislative solutions and the level of their implementation.

A BRIEF OVERVIEW OF LEGISLATION RELATED TO ELECTORAL CAMPAIGN FINANCE

Transparency in the financing of political parties in Albania is provided by the constitution. The Constitution of the Republic of Albania, approved by a general referendum on 28 November 1998, as amended to 2020, in Article 9(3) stipulate, "The financial sources of parties, as well as their expenses, are always made public" (Venice Commission 2016). Albania is the only country in the Western Balkans whose Constitution has such a provision. According to this constitutional provision, the legal framework regarding the financing of political parties, Law No. 8580, dated 17.02.2000 "For Political Parties", amended and Law No. 10019, dated 29.12.2008 "Electoral Code of Republic of Albania", as amended, pays special attention to the provisions that create the necessary legal basis for transparency and accountability of political parties financing and their electoral campaigns.

In North Macedonia, the financing of political parties and their electoral campaigns is regulated by Law "On financing political parties" (2004), last amendments (2020), and Electoral Code (2006), last amendments (2021).

The legislation for financing political parties and their election campaigns in the countries analyzed regulates the financing of political parties from financial and material resources, public and private.

The national legislations in Albania and North Macedonia contain provisions that regulate issues related to the relationship between public and private financing for the electoral campaign, the limits of financing with non-public funds, the obligation to declare these funds and their source, the conditions that a private donor must fulfill, institutions that have the right

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and obligation to monitor and audit the financing of the electoral campaign, penalties that are applied for violations of the law. In all of these countries, financing electoral campaigns from foreign governments, international institutions, bodies, organizations of foreign states, and other foreigners and funds from joint ventures with dominant foreign capital is prohibited. The legislation in these countries also includes provisions prohibiting using state resources in favor of or against a political party or candidate.

In Albania, the law specifies that private funds exceeding an amount of 100,000 Lekë (approximately 720 EUR) should be donated only through a designated bank account opened by the political party. It also prohibits donating private funds from individuals or entities who do not declare their identity or whose identity is not clearly defined to the beneficiary political party. According to the Albanian Electoral Code, the Central Election Commission (CEC) is the public institution responsible for financial control. The CEC formulates and approves rules for compiling and auditing financial reports and imposes sanctions for irregularities and failure to declare donors or the number of donations.

The Electoral Code (2006, amended) of North Macedonia defines the rule according to which the maximum value of expenses that political parties are allowed to make for the electoral field must be calculated. Article 15, Law "On financing political parties" determines that the free-of-charge services for a political party, the services for political parties paid by a third party, and the sale of goods and services to political parties for prices lower than the market prices shall be considered donations. The political party or candidate must reflect them in the financial report for the electoral campaign. According to the law, political parties must regularly report their finances. Annual financial statements are submitted to the State Audit Office and the Public Revenue Office (Law on Financing Political Parties Articles 25, 27, 27a; (2004, amended)). In Electoral Code (2006), amended, Articles 84b and 85 detail the deadlines when political parties must submit reports on income and expenses for the electoral campaign to the State Election Commission, State Audit Office, and the State Commission for Preventing Corruption and they shall publish them on their websites. This is a different legislative solution from what is applied in Albania. Articles 20, 28, and 32 in Law on Financing Political Parties (2004, amended) define sanctions for political finance infractions that are all administrative sanctions, such as fines for political subjects, candidates, or their finance managers.

The answer to the first research question is provided by comparing the above legislative solutions with the requirements in the international documents (IDEA 2017). The legislative bodies in Albania and North Macedonia have paid special attention to drafting a legal framework that meets the requirements of international standards related to the transparency of the financing of political parties. How these national legal frameworks deal with the problem of transparency in the financing of election campaigns and the mechanisms foreseen for its realization reflect the recommendations and international technical assistance, especially the OSCE/ODIHR and the Council of Europe, which has been present in these three countries.

ANALYSIS OF LEGISLATION AND ITS IMPLEMENTATION BASED ON THE CRINIS INDEX

CRINIS Index: Overall Averages

Based on the value of the CRINIS index (Figure 1), the two countries are classified as countries with an "average" level of transparency in electoral campaign financing.

The two countries are estimated to have addressed and provided legislative solutions to issues related to transparency in the financing of election campaigns following the requirements and standards in international documents and the EU legislative framework. According to the "law" component of the CRINIS index, all two countries are classified at the "satisfactory" level. Meanwhile, it should be noted that the value of this index for Albania is higher than for North Macedonia. Such a fact can also be explained by the increased presence and technical assistance of international organizations, OSCE/ODIHR, CoE, etc., in Albania, in the process of drafting the legislation for the elections and, in particular, for the financing of the electoral campaign (Persen and Kamolli 2016). The changes made in the Albanian legislation, the Electoral Code, and the Law on Political Parties, which do reflect the recommendations given by international institutions and experts, have significantly improved the Albanian legislation in terms of the financing of political parties and the election campaign (Persen and Kamolli 2016; Babmeto 2021).

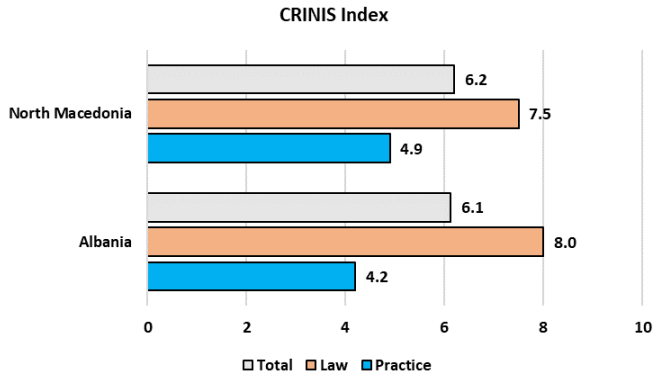


Figure 1: CRINIS Index: Overall Averages (Source: Author's depiction; Taseva 2013)

The developments and the positive progress in the legislation for financing political parties and their election campaigns in the two countries analyzed have not been accompanied by increased quality in its implementation. According to the "practice" component of the CRINIS index, Albania and North Macedonia are classified at the "average" level for the quality of the law implementation. Albania is evaluated at a lower level, about 8.7% lower than North Macedonia.

Comparing the results published by Taseva (2013) with the results published by Zhupanoska et al. (2022) shows that political parties in North Macedonia during this period have not managed to make significant progress in the transparency of the financing of their electoral activities and campaigns. Referring to the values of the Transparency Index for these financings,

Zhupanoska et al. (2022) point out that political parties in North Macedonia are classified at the "satisfactory" level. This level is equivalent to the "average" level according to the CRINIS index (Taseva 2013).

As pointed out by Lipcean et al. (2022), to increase transparency in electoral campaign financing, it is not enough to draft adequate legislation aligned with the standards and requirements of international documents. It is important to find effective solutions for the mechanisms that should be used for its implementation. Lipcean et al. (2022) emphasized that, especially in countries in the process of democratic development, these mechanisms must possess the qualities and the capacities that make for their implementation to be influenced as little as possible by political parties. In the case of Albania, such a solution has not been achieved. Among the factors that have influenced this situation is the Central Election Commission (CEC), whose members are proposed and represent political parties. As a result, in implementing the task of monitoring and auditing the election campaign financing, this institution has failed to avoid the pressure exerted by the political parties. This situation is also present in the institutions that the legislation in North Macedonia charges with the task of implementing the legislation for the transparency of the financing of the election campaign (Zhupanoska et al. 2022).

Based on the above results, in response to the second research question, it can be affirmed that the given legislative solutions for the transparency of the election campaign financing and the level of their implementation in Albania and North Macedonia are different.

Analysis of the Dimensions of the CRINIS Index

Analyzing the quantitative evaluations for the ten constituent dimensions of the CRINIS index provides the opportunity to judge the instruments and the ways defined in the national legislations, which aim at transparency in the financing of the election campaign as one of the important requirements and standards for democratic elections. The aggregate average values of the ten dimensions of the CRINIS index, evaluated for Albania and North Macedonia, are given in Figure 2.

They relate to the "internal bookkeeping" dimension; all two countries are classified at the "average" level. According to their national legislation on the accounting of non-profit organizations, political parties are obliged to keep accounting books and a registry of their assets. Such a register is necessary for developing the party's activity, particularly for the electoral campaign. For this reason, political parties pay attention and are always committed to developing the capacities for the good administration of their finances following legal conditions.

Albania and North Macedonia are classified as the "average" group for the "reporting to the oversight agency" dimension. This dimension judges how it is handled in the national legislation and how it is implemented in practice the request for information and transparency that must be fulfilled by all service providers and donors for financing political parties and their election campaigns.

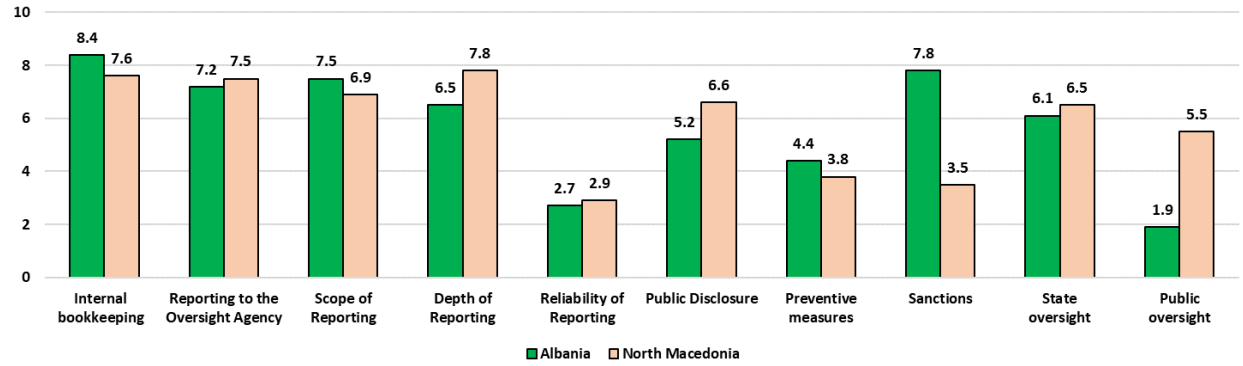


Figure 2: CRINIS Index: Aggregated Averages (Source: Author's depiction; Taseva 2013)

The Albanian Electoral Code requires political parties to report to the CEC any financial support, in money or kind, that they receive from private donors for the election campaign. The publication, in real-time, of private financing, the obligation to accept private financial funds only in a specific bank account that the political party is obliged to open four months before the day of the elections, the standardization by the Central Election Commission (CEC) of the format that political parties must use for the declaration of non-public funds and their use, are legislative solutions that enable transparency in the financing of the election campaign. The Electoral Code devotes a special place to issues related to the role of the media in elections and their monitoring. The CEC shall approve and publish the Media Monitoring Methodology no later than three months before the election date. CEC is the institution for reviewing and making decisions on the problems presented in the periodic reports of the media regulatory body.

According to Article 85 of the Electoral Code, political parties in North Macedonia are required to render financial reports on their election campaign to the State Audit Office (SAO), the State Commission for Preventing Corruption (SCPC), the State Election Commission (SEC) and the assembly. The political parties are obliged to submit periodical financial reports to these institutions. Otherwise, media companies submit reports within 15 days after the completion of the elections. These reports show information about the advertising space used by each organizer and the number of assets used for advertising.

Regardless of the requirements of the legislation for periodic funding reporting, political parties in North Macedonia do not publish periodic and easily accessible financial statements and reports (Zhupanoska et al. 2022). The same situation is with the political parties in Albania (Babameto 2021).

The above legislative decisions show that in these countries, political parties, as recommended in international documents, are obliged to report on the election campaign financing. Meanwhile, it should be noted that there are differences between these solutions. The North Macedonian legislation, which provides for reporting to three public agencies and the parliament, creates more favorable conditions compared to those created by the legislation in Albania for transparency in the election campaign financing.

According to the "scope of reporting" dimension, two countries are classified at the "satisfactory" level. Their legislation foresees the obligation for political parties and their candidates to report public and donations funding and expenses from private donations and

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public subsidies. The law compels parties to record all campaign expenses and to compile a balance of payments sheet for the election period.

The "depth of reporting" legislation in Albania and North is relatively strong since all the information on each donation and expenditure must be properly identified and itemized. Legal requirements for reporting expenses are also satisfactory because reports must include information such as the date of each expense, the amount of each expense, the name of each vendor, and the official registration for each vendor. However, implementing the law in practice is not at the same level in these countries. This is the reason why, for the "depth of reporting" dimension Albania, unlike North Macedonia, is classified at the "average" level. Political parties in Albania often avoid the obligation to report all the expenses they make for the election campaign. As a result, the differences between reported values and actual expenses are large and easily perceptible by the public.

Due to its close ties to transparency, one key element of reporting is its "reliability", or the belief that a report's data is accurate. Meanwhile, measuring the reliability of data is difficult. The law cannot do this, so in the legislation of the three countries, such an issue is not addressed. Data reliability can only be assessed through the analysis of perceptions and opinions, which in many cases, are influenced by the political preferences of the people being interviewed. Two countries analyzed the opinion on the reliability of the political party's election campaign reports, resulting in an "unsatisfactory" score.

Legislation in both countries obliges public institutions to which political parties submit their financial reports to publish these reports on their websites. Meanwhile, it should be noted that the legal framework in Albania for political parties does not provide, in explicit form, such an obligation. Albania's Law on Political Parties does not oblige them to publish their financial statements and reports online. In Albania, the publication by political parties of their financial reports can be considered an obligation derived from the constitutional provision, according to which "the financial sources of parties, as well as their expenses, are always made public" (Article 9). In North Macedonia, there is an explicit obligation for such reporting. According to Article 25 of the Law on Financing of Political Parties, the party must report on each donation based on the register of donations. This report is then submitted to the State Audit Office and the Public Revenue Office of the Republic of North Macedonia.

It is important to note that national legislation in both countries provides alternative ways to publish election campaign financing. Civil society organizations, media, or citizens can engage in the monitoring of party finances. The two countries are classified at the "average" level regarding this dimension. Meanwhile, it should be noted that North Macedonia is in a higher position than Albania. This result underlines that the civil society in this country has developed more capacities than in Albania in demanding transparency from political parties to finance election campaigns.

Regarding the "preventive measure", as the dimension of the CIRNIS index, Albania and North Macedonia are classified at the "average" level. The legislation obliges political parties to transparently donate natural and legal persons through a bank account and include them in their financial reports. The law does not prohibit donations in cash, but for them, the legislation of each country provides a maximum limit. The legislation does not require donors to submit reports about their donations to the election campaigns. Neither do fiscal incentives exist for

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donors to disclose information regarding their donations to election campaigns. Reports on donations are submitted only by the political parties running legislative elections.

Albanian legislation and its implementation regarding "sanctions" are evaluated at the "satisfactory" level. At the same time, for North Macedonia, this dimension's evaluation positions them at the "regular" and "insufficient" levels. The amendments to the Albanian Electoral Code with Law No. 101/2020, dated 23.7.2020, have significantly expanded the scope of sanctions in the case of violations of the provisions of the Electoral Code for the electoral campaign and its financing. The current Electoral Code deals in detail with issues related to the use of public assets for the electoral campaign, public and private, national and local media relations with electoral subjects and their candidates, the obligation to report every donation, regardless of its value, determines the maximum limit in the value of donations that an electoral subject could benefit from, including its candidates, and, for every case of violation in the Albanian legislation, the Electoral Code and the Criminal Code, administrative and/or criminal penalties are provided. Implementing these amendments in the 2021 parliamentary elections demonstrated their value for increasing transparency in the financing of the election campaign.

In North Macedonia, the law establishes financial penalties for the candidates running for elections in different forms. These forms of financial penalties vary from loss of the reimbursement for the expenses for the election campaign, fines for abuses of funds from the budget, fines for misdemeanors of a political party or coalition if they fail to return the funds in the prescribed period to the donors in case of non-submission of the lists of candidates. Regarding the media, the law penalizes media companies for non-compliance with the rules on advertising space in legislative campaigns. However, the law does not place criminal or political responsibility on the offenders but only on symbolic financial fines (Taseva 2013). The value of the "sanction" dimension positions North Macedonia at the "average" level.

The differences regarding the legal framework for sanctions between Albania and North Macedonia are obvious. Based on the important effects of sanctions for creating a supporting ground for the transparency of the election campaign financing, North Macedonia should refer to the Albanian legislative solution.

For the evaluation of "state oversight", according to the CIRNIS methodology, it is necessary to evaluate the level of political independence of oversight institutions and the assessment of their technical capacities for the fulfillment of the law. Referring to the values of this dimension (Figure 2), Albania and North Macedonia are classified at the "average" level. The appointment of members of oversight institutions in the two countries analyzed is based on the principle of political proportional representation. These countries' legislation provides mechanisms that ensure political independence in the activity of these institutions. Political parties' influence on these institutions' work is evident (Babameto 2021; Taseva 2013). In Albania, the CEC is the only institution that the law charges with supervising the financing of the electoral campaign. Despite this, the support of this institution to develop the necessary technical capacities is insufficient. The current legislation, the Electoral Code, does not provide for establishing and operating any special structure in its organizational structure. To complete the task of monitoring and auditing the financing for the election campaign, CEC engages, with temporary contracts, licensed audit specialists (Babameto 2021).

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The State Audit Office (SAO) in North Macedonia oversees the campaign finance. The powers of the SAO are not defined in the constitution, but the State Audit law regulates them. It is estimated that the work results of this institution do not match the expectations[1].

Regardless of the differences in the legal definitions for the institutions responsible for overseeing the campaign finance between Albania and North Macedonia, no fundamental changes are identified concerning this dimension of the CRINIS index.

Albania and North Macedonia's legislation provides no special provisions for regulating issues related to public oversight. Civil society organizations and the media, accredited as domestic observers, oversee these countries' public. In order to evaluate the level of transparency in the election campaign financing, these organizations observe and evaluate the level of law enforcement by political parties, their candidates, and by public, central, or local institutions, focusing more on the use of public assets. The objects of their observation are the relations between the electoral subjects and the media, the expenses incurred for election campaign activities by political parties and their candidates, the implementation of law requirements for financial reporting of political parties on election campaigns, and the monitoring and auditing of financial reports from the institution provided for by the law. NGOs play an important role in detecting flaws in the legislation, identifying holes in the implementation, and proposing solutions. The NGOs' reports on the election campaign financing are important to identify flaws in the legislation. The recommendations given in these reports serve as proposals for legislative solutions that make it possible to increase transparency and accountability in political finance (OSCE/ODIHR 2015). Referring to the quantitative assessment for the public oversight dimension, Albania is classified at the "insufficient" level, and North Macedonia is classified at the "average" one.

Based on the above results, as an answer to the third research question, it can be affirmed that in Albania and North Macedonia, different legal instruments, institutions, and ways are used for monitoring and evaluation of transparency in the financing of the election.

CRINIS Index: Law vs. Practice

As Morgenbesser (2014) points out, in order to judge the level of society's commitment to transparency in the financing of the election campaign in countries that are in the process of developing democracy, it is necessary to make a combined analysis that includes analysis of the legislation and judgments regarding the level of its implementation. Such a methodical approach is necessary for Albania and North Macedonia, countries with transitional democracy or hybrid regimes (Freedom House 2022). As a rule, in these countries, the differences between the legislation and the level of its implementation are significant. As a result, the judgment and the evaluation for transparency in the financing of election campaigns are necessary to be developed as a process that results from the cooperation of law and culture for the respect of

[1] "The reports published by the SAO on election financing are not in accordance with the laws and standards for audit. In its findings the State Auditor's Office failed to obtain their function of supervision and control. The auditors did not establish the appropriate procedures that would lead to pointing out accountability and punishing those that were responsible in the election campaign". See: "Buying Influence: Money and Politics in the Republic of Macedonia", Crinis Research Project - "Shining a light on money in politics". Transparency International Macedonia, 2013.

the rule of law. Table 1 gives the values of the 10 (ten) dimensions of the CRINIS index and the corresponding values of law and practices for each.

Table 1: CRINIS Index: Law vs. Practice (Source: Author's depiction; Taseva 2013)

Dimension	Albania			North Macedonia		
	Total	Law	Practice	Total	Law	Practice
Internal Bookkeeping	8.4	9.6	7.2	7.6	7.7	7.5
Reporting to Oversight Agency	7.2	9.8	4.6	7.5	7.9	7.1
Scope of Reporting	7.5	9.2	5.8	6.9	7.6	6.1
Depth of Reporting	6.5	8.2	4.8	7.8	8.1	7.5
Reliability of Reporting	6.2	8.4	3.6	2.9	0	2.9
Public Disclosure	5.2	7.8	2.5	6.6	9.7	3.5
Preventive Measures	4.4	8.1	1.1	3.8	4.8	2.7
Sanction	7.8	9.4	6.2	3.5	5.3	1.7
State Oversight	6.1	8.2	4.0	6.5	8.7	4.3
Public Oversight	1.9	1.6	2.2	5.5	0	5.5
Overall Average	**6.1**	**8.0**	**4.2**	**6.2**	**7.5**	**4.9**

The difference between the quality of the legislation dealing with transparency issues in the election campaign financing and its implementation is identifiable in the two countries. In Albania, the assessment for the solutions offered by the legislation is about 90% higher than the assessment for its implementation, while this difference in North Macedonia is estimated at 53%.

In Albania, the legislative process related to the financing of election campaigns has been developed as a complex process. Its progress has been influenced by factors of different natures, political, social, economic, tradition, experiences, culture, and behavior of the Albanian society towards the requirements of the rule of law. In many cases, the behavior of political parties in Albania towards this legislative process has been a hindering factor (Petersen and Kamolli 2018). The significant difference between the quality of the legislative solutions that deal with issues of transparency in the financing of election campaigns and their implementation is associated with the election processes in Albania. This fact is constantly emphasized in the final reports of the OSCE/ODIHR international observer missions, which deal with observing the election process in Albania.

The legal framework regulating election campaign funding in North Macedonia is considered well-developed. Meanwhile, it is important to emphasize that the quality of the legislative solutions is significantly better than their implementation in practice. According to Taseva (2013):

> There is a large discrepancy between the *de jure* and *de facto* situation; control is not efficient, and sanctions are not enforced in practice. There is much to be done in order to make political parties report their funds in a trustworthy and reliable way. The oversight authorities responsible for the application of the controlling mechanism need to strengthen their capacity and to act in a nonselective and non-biased manner that will increase the accountability and responsibility of all political actors and donors (p. 14).

The analysis of the differences between the values of the CRINIS index, corresponding to law and practice, considering the various dimensions of this Index, evidences the fact that political parties, legislative bodies, institutions, and civil society in Albania and North Macedonia do not have essential differences in their behavior to the requests for transparency in the financing of election campaigns. The dimensions for which the greatest differences between the legislation and its implementation are assessed are the same in these countries. Among these dimensions stand out: (i) reporting to oversight agency, (ii) public discourse, (iii) preventive measures, (iv) sanction, and (v) state oversight. This situation is characteristic of countries that do not have enough experience and sufficient capacities to exercise democracy. For countries like Albania and North Macedonia, technical assistance, support, and pressure from international organizations have proven more effective in drafting legislation than in its implementation. A comparative analysis of the evaluations for the CRINIS index and its ten components, focusing on law and practice in these countries, reveals that despite progress, there is still a lack of positive synergy between legislation and its implementation. The lack of transparency in electoral campaign financing undermines public trust in elections and the government.

Based on these findings, the following priorities can be included in the action plans of legislative bodies, government, and civil society in order to make progress in enhancing transparency in electoral campaign finance in Albania and North Macedonia: (i) drafting comprehensive regulations for monitoring and auditing party and candidate finances; (ii) creating opportunities to encourage a broad base of donors and establishing a healthy balance between public and private funding; (iii) supporting the increase in the capacities of independent and autonomous supervisory agencies and clearly defining their competences; (iv) implementing measures to facilitate the monitoring and observation of election campaign financing by civil society; (v) strengthening sanctions for those who violate laws and regulations related to financing with private funds and the misuse of public assets.

CONCLUSION

Albania and North Macedonia have made significant efforts to align their national legislation on transparency of electoral campaign finance with international standards and requirements. Both countries have focused on limiting the negative influence of private financing in the electoral process. However, there are notable differences in the national legislations of Albania and North Macedonia regarding the monitoring, supervision, reporting,

and auditing of political party financing and candidate campaigns. The legislations address various aspects such as reporting methods, reporting periodicity, real-time disclosure of donations from private or in-kind sources, designated institutions responsible for monitoring and auditing financial reports, publication of these reports, and the corresponding legal sanctions. These provisions reflect the experiences of these countries in promoting democracy, their cultural norms, and adherence to the principles of the rule of law and the legal state. The difference between the law and its implementation is significant in the two countries. These differences are consequences of the changes that characterize the current stage of democratic development in these countries.

In order to enhance transparency in electoral campaign financing, which is crucial for the proper functioning of democracy and fostering citizens' trust in the electoral processes, it is essential for political parties, governments, and civil society in Albania and North Macedonia to demonstrate commitment towards improving national legislation that aligns with the country's social, economic, and political needs. Equally important is the strengthening of implementation capacities to ensure effective law enforcement.

Based on the findings of the comparative analysis, the following recommendations are proposed for consideration during the legislative reform process in Albania and North Macedonia:

1. Enhancing the performance of state oversight agencies.
2. Strengthening sanctions by reclassifying violations related to election campaign financing as criminal offenses.
3. Addressing the disclosure of donations through media advertising during the campaign period.
4. Regulating matters pertaining to public oversight.
5. Introducing tax incentives to encourage private donations to political causes.

Implementing these recommendations will improve the transparency and accountability of electoral campaign financing, foster a fair and inclusive electoral environment, and safeguard the integrity of the democratic processes in both countries.

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COMPLIANCE WITH ETHICAL STANDARDS

Acknowledgments:
Not applicable.

Funding:
Not applicable.

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This article does not contain any studies with animals performed by any authors.

Informed Consent:
Not applicable.

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