



# European Community: Campaign Financing of National Elections in Foreign Countries

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## THE EUROPEAN COMMUNITY

The institutional foundation for the present European Community was established by the Treaty of Paris, signed on April 18, 1951, by which six Western European countries--Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, and the Netherlands--established the European Coal and Steel Community. The Treaties of Rome, signed in March 1957, set up the European Economic Community and extended the common market to all sectors of the economies of the six member nations. The Community was enlarged by the addition of Denmark, the Republic of Ireland, and the United Kingdom in 1973, of Greece in 1981, and of Spain and Portugal in 1986.

In July 1987 the Single European Act, which was signed in February 1986, entered into force. This Act amends and complements the Treaties of Paris and Rome and brings about significant changes in the supra-national institutions of the European Community. These major constitutional changes in the working of the Community increase the importance of the European Parliament.<sup>1</sup> It was given more influence over the Community's decision-making process aimed at completing the internal market. With the increase in the power of Parliament, the significance of the elections has increased accordingly.

Members of the European Parliament are elected by universal suffrage for five-year terms by the citizens of the Community's twelve member states. The Parliament is composed of 518 members who form political rather than national groups. There are 81 members each from the four most populous countries (Germany, France, Italy and the United Kingdom); 60 from Spain; 25 from the Netherlands; 24 from Belgium, Greece and Portugal; 16 from Denmark; 15 from Ireland; and 6 from Luxembourg. Direct elections to the Parliament took place in 1979, 1984 and 1989.

Article 138 of the EEC Treaty stipulates that the European Parliament shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all member States and that the Council shall draw up the appropriate provisions, which will be recommended for adoption by the Member States in accordance with their respective constitutional requirements. On 20 September 1976, the Council adopted the Act concerning the election of the representatives of the European Parliament by universal suffrage. Article 7 of this Act calls for the Parliament to draw up a proposal for a universal electoral procedure. Several proposals for a uniform electoral procedure have been debated by the European Parliament, but none have been adopted. Each country has continued to use its own electoral system and national procedures. Eleven countries use systems involving a considerable degree of proportional representation, with only the United Kingdom (except Northern Ireland) using single ballot majority voting by constituency.

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<sup>1</sup> D. Butler and B. Sarlvik, eds., 8 *Electoral Studies*, 205, (December 1989).

## Campaign Financing

In 1979, the year of the first direct elections for the European Parliament, the Parliament made money from its own annual budget available to prepare an information campaign for the different political groups. For the 1984 elections, the money provided by Parliament was divided into two categories. The first category was designed to meet election expenses of the parties and their candidates. The second category was used to pay the costs of the pre-election information campaign to educate the voters about European issues and institutions.<sup>2</sup> The money was only payable to those parties already represented in Parliament. It was left up to the different political groupings represented in Parliament to determine how the money was to be distributed to their constituent parties at the national level.

This campaign financing method proved to be controversial and was challenged in the European Court of Justice in the case brought against Parliament by Les Verts, the French ecologist party in 1984-1985. The party's claim was that those parties already represented in Parliament received more money. As a result, they had a considerable advantage over political groupings which had no representatives in the European Parliament in 1979. The European Court held the financial subsidies to be void,<sup>3</sup> and campaign subsidies remained within the competence of the member states alone. Not until a uniform electoral procedure has been adopted can campaign money be supplied to the individual national political parties.

However, the European Parliament has two items in its general budget which can be used for political activities. The money from items 3705-3706 goes to the Parliament's different political groups and non-attached Members of Parliament. They can spend these funds as they will, including campaign expenses.<sup>4</sup> The money from item 3708 (European Information Campaign) goes to the different political groups in the European Parliament, and the national political parties can make a proposal in which they ask for a certain allocation of the money. The Bureau of the European Parliament will establish the conditions governing the expenditure.

Until a uniform electoral procedure, which may include direct funding of political campaigns, has been established, financing the campaigns for elections to the European Parliament will continue to be governed by the laws of the individual countries. In 1988, the President of the Commission stated that in ten years 80 percent of economic and perhaps also of fiscal and social legislation would be put forward at the Community level. To fulfil its obligations to the electors, the European Parliament must by then ensure that it is elected by a fully-representative, equitable and uniform electoral procedure.<sup>5</sup>

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<sup>2</sup> K. Ewing, *The Funding of Political Parties in Britain*, 122 (New York: Cambridge University Press, 1987).

<sup>3</sup> ECR 1339 (1986), 2 CMLR 343 (1987), ECR 1017 (1988), 2 CMLR 880 (1989).

<sup>4</sup> Professor E.L.M Volker, (Europa Institut, University of Amsterdam) in a letter of 27 March 1991.

<sup>5</sup> 9,1 *Electoral Studies* 44 (March 1990).

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