Publicity efforts of local authorities in municipal newspapers

Have the funds of local authorities been used towards election campaigns in municipal publications?

Summary of audit results

What did we audit?

The National Audit Office (NAO) analysed the media coverage of candidates participating in the 2017 local elections across municipal newspapers published from January to October 2017. The goal was to make sure that newspapers financed by local governments (LGs) have not been used towards personal political interests, covert election campaigns or other party-political image campaigns. The audit was guided by the Local Government Organisation Act and the principle enshrined in the General Part of the Civil Code Act that any financial costs incurred by local governments may be motivated by public interest only.

A total of 202 municipally funded newspapers were published during the audited period whereof 191 were scrutinised (available in electronic format). The analysis was based on media monitoring outsourced to Balti Meediamonitooringu Grupp OÜ.

Why is this important for taxpayers?

Use of public funds (incl. municipal media channels) to advance personal political interests is unacceptable for a number of reasons. For taxpayers, it likely amounts to wasted resources that could have been spent on something useful. For political opponents, it amounts to an undue advantage that distorts fair competition. For the general public, it undermines local authority, contributes to disappointment with authorities, apathy towards democratic processes, etc. Such misconduct has been categorised as a form of political corruption.

The misuse of municipal funds for political purposes has been highlighted before but the role of municipal newspapers had not been closely examined in this context.

What did we find and conclude as a result of the audit?

The NAO finds that the use of public funding to advance personal political interests continues to be a problem in Estonia. Even though prior to the latest local elections politicians were not promoted using costly television and outdoor media campaigns by local authorities, it would be a mistake to believe that the problem has disappeared. Municipal newspapers featured locally funded obvious election campaigns and other political content that could be construed as personal image campaigns of individuals in power. Such content appeared in various forms and sufficient amounts to warrant claiming that it is a repetitive and multi-faceted problem. Until now, any facts presented have led the public to believe that this problem concerns the capital only but this is an obvious misconception. Similar problems were identified in many other municipalities too.

The NAO argues that spending municipal funds on publicity which features the following elements is in direct conflict with public interests:

- unbalanced criticism towards political competitors of individuals in power, or establishment of negative images of such competitors (9 LGs, 14 publications and 118 articles-caricatures);

- calls made in an official capacity (for example, as Chairman of Local Council) to elect specific individuals (6 LGs, 6 publications, 6 articles);
- the main or only topic focuses on praising the head of local government or his political association (2 LGs, 3 publications, 9 articles).

Spending money on such publicity is not justified in terms of local government functions. 75% of the aforesaid cases occurred in newspapers of Tallinn, and 12% in the newspaper of Loksa.

Auditors identified publicity that balanced on the edge in terms of what is allowed. Some examples:

- unusual spikes in media coverage of the head of local government during the pre-election period like first articles authored or photos added by them (13 LGs, 15 heads of LG);
- repeated thanking of specific heads of local government (2 LGs, 2 newspapers, 2 heads of LG);
- reports that highlight only positive aspects related to the period of governance (39 LGs, 40 newspapers, 59 articles).

These displayed characteristics of politically motivated publicity as well as content associated with LG functions.

However, for most municipal newspapers or media coverage of most candidates, the NAO did not identify said characteristics which means that publicity that is neutral in terms of party policy is more than possible in municipal newspapers. It all depends on political will and culture.

What do we recommend?

Advancement of personal political interests in municipal newspapers or other municipal media channels is often difficult to identify due to its covert nature. Messages motivated by personal interest are mixed with those motivated by public interest and breaking them down according to motive is time-consuming. However, the permissibility of such publicity depends solely on the motive. The NAO has addressed this problem in the past when it analysed the publicity efforts (primarily on television and radio and in outdoor media) of local authorities prior to the 2013 local elections.[1]

There has been talk about adopting new legislative provisions to detail the nature of prohibited action but developing such provisions is complicated. What should we do?

We should focus on more effective monitoring and scrutiny. Even the current legal framework allows identifying and preventing misconduct. Monitoring and scrutiny efforts as well as any interpretations formulated and disputes held in that context allow reaching a broader consensus on what is allowed and what is not.

Currently such practice is scarce. Also, it is essential that multilateral pressure is applied to find solutions. Presently, monitoring and inspection is carried out by the Committee for Monitoring Financing of Political Parties. LGs have no relevant internal controls in place. Only 11% of all LGs had formulated a policy for political commercials in municipal newspapers. Said policies were laconic and addressed the permissibility, amount or pricing of advertising without any of the policies setting out measures to combat surreptitious advertising. The auditors recommend improving the controls in LGs.

The NAO advises the LGs funding municipal newspapers to put in place rules (for example, rules and procedures for publishing municipal newspapers) that would:

[1] Use of advertising and publicity funds by rural municipalities and cities. National Audit Office, 13 January 2015.

- specify messages of political significance that should not be published in municipal newspapers (like unilateral criticism towards opponents);
- prohibit persons acting in official capacity from publishing calls to elect specific individuals;
- set out rules for official publicity involving the political leadership of LGs during the pre-election period (for example, 3-6 months);
- address reports on progress achieved during the period of governance; and
- address direct campaign advertising.

Also, the rules should outline arrangements for monitoring. Newspapers at some LGs already have bodies comprising multiple members to assess the appropriateness of content, among other things. The NAO believes that such supervisory bodies which include opposition members as well as independent experts could be introduced in other LGs too.

65 out of 79 LGs (82%) reacted to the NAO recommendation. Most of them (42) undertook to implement the recommendation and 5 LGs promised to consider doing so. Responses from about ten LGs did not provide a clear indication as to what they thought about implementing this NAO recommendation. Four LGs rejected this idea arguing that there is no need for local rules against prohibited campaign advertising.

Tallinn and Loksa as LGs with the highest number of problematic articles, according to the definition devised by the NAO, mostly disagreed with the NAO's views concerning them. Their opinions accompanied by NAO's comments are set out in Annex E to the report.