

Political party funding in Russia

In Russia, the state subsidises political parties so as to prevent undue influence from donors. Parties are also required to publish their financial accounts, including details of large donations. However, some abuses continue, and there are concerns about the transparency and fairness of the system.

The legal framework

Since 2001, **general party funding** (not including election campaigns) has been regulated by [Federal Law 95-FZ on Political Parties](#):

- Parties may be funded by donations, membership fees and state subsidies, among other sources.
- An organisation (commercial/non-commercial) can donate a maximum of 43.3 million RUB (€700 000) a year to one party; the ceiling for individuals is one tenth of this, while total donations may not exceed 4.33 billion RUB (€70 million). Anonymous persons, foreign nationals, state bodies, charities, and wholly or partially foreign-owned organisations may not give money to Russian parties.
- In addition, political parties receiving 3% or more of votes in a parliamentary election subsequently receive an annual subsidy of 20 RUB (€0.30) for each vote received (and a one-off payment of the same amount for each vote received in a presidential election).

Election funding is regulated by Federal Laws [51-FZ on Parliamentary Elections](#) (2005) and [19-FZ on Presidential Elections](#) (2003).

- To fund campaigns, parties must set up an electoral fund from a mix of own resources and donations by individuals and organisations (capped at 490 000/24.5 million RUB (€8 000/€400 000 respectively).
- This fund may not exceed 400 million RUB (€6 million) for presidential elections and 700 million RUB (€11 million) for parliamentary elections. However, regional party branches may also set up their own electoral funds for parliamentary elections, giving a party a theoretical maximum of 3.38 billion RUB (€55 million) for the whole country.
- Parties which received 3% or more of votes in the preceding election are entitled to an equal amount of free air time and print space on state media.

Parties must report all income and expenditure (both general and electoral) to the Central Electoral Commission, which publishes their accounts and lists of their main donors on its [website](#).

Similar rules apply to regional elections.

Main political parties

Parties which participated in the 2011 parliamentary elections and won seats (a minimum 7% of votes)

United Russia (UR, 53% of seats), Putin's 'party of power'

Communist Party of the Russian Federation (CPRF, 20%), successor to the Communist Party of the USSR

A Just Russia (AJR, 14%), generally pro-Putin, but not represented in the government

Liberal Democratic Party of Russia (LDPR, 12%), ultra-nationalist.

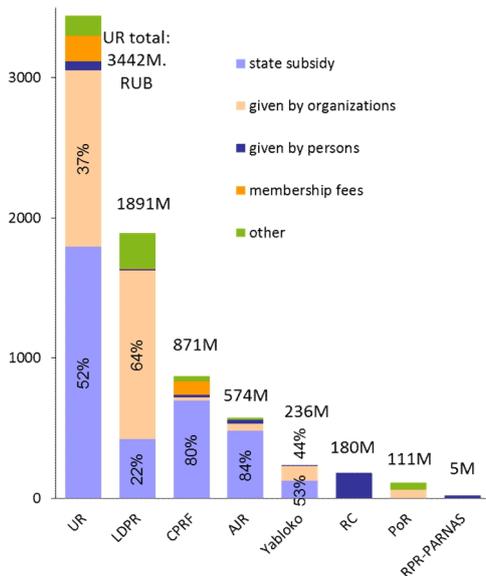
Parties which participated in the 2011 parliamentary elections and did not win any seats

Yabloko (3.4% of votes), liberal, the only other party to clear the 3% threshold for state funding in the 2011 elections; **Patriots of Russia** (PoR, 1%); **Right Cause** (RC, 0.6%).

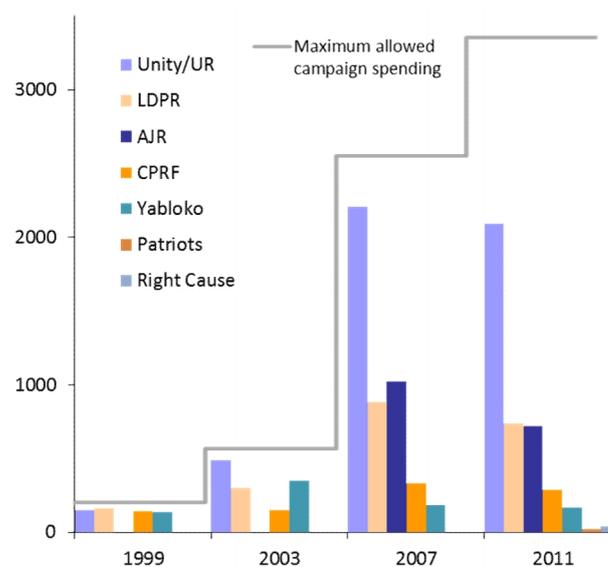
Parties excluded from the 2011 parliamentary elections: numerous parties were denied registration, for example **RPR-PARNAS** (led by Boris Nemtsov until his murder in early 2015).

Parties which participated in the 2012 presidential elections: UR, CPRF, LDPR and AJR.

Party revenue, million RUB, 2014



Parliamentary campaign spending, million RUB (2011 prices)



Data: [Central Electoral Commission](#) of Russia.

How fair and transparent is party funding?

General funding: when state subsidies were introduced in 2001, one of the [arguments](#) in support of this move was the need to limit donor influence over parties. However, even with subsidies, most parties continue to derive a large part of their income from donations, mainly from organisations (including companies), and concerns about transparency remain. Particularly mysterious is [LDPR's](#) success in attracting corporate donations (almost equalling those made to the much larger UR) in spite of being the smallest parliamentary party. What is more, its 19 largest corporate donors in 2014 all gave the maximum permitted 43.3 million RUB, which was not the case for donors to the other parties (only three UR donors gave it the maximum amount). LDPR is the party most frequently [accused](#) of selling parliamentary mandates.

Similar charges have been levelled against all the main parties at one point or another, even [CPRF](#), which currently gets just 2% of its revenue from corporate donations, perhaps because of its [anti-capitalist stance](#). However, in the 2003 elections (at a time when subsidies were paid at a much lower rate), both it and Yabloko [allegedly](#) placed Yukos Oil Company employees on their electoral lists in exchange for funding.

[UR](#) and [Yabloko](#) channel most of their donations via intermediary organisations, apparently in order to circumvent the ceiling on large donations paid directly to the party and the requirement to disclose them publicly. In UR's case, these organisations are support funds from each region, whereas Yabloko's money comes from bodies such as 'Advertisers' Rights Protection' and 'Anti-Addiction Events'. These 'NGOs' do not have websites, nor do they publicise their activities, and presumably exist to ensure the anonymity of donations to a party openly critical of the government.

A drawback of subsidies is that they widen the gap between established parliamentary parties and the rest. [RPR-PARNAS](#) receives neither state subsidies nor corporate donations, and is entirely dependent on individual contributions. In 2014, its revenues were just 5.5 million RUB (€90 000), 600 times less than UR.

With the exception of CPRF and UR (11% and 5% of total income respectively), membership fees are an insignificant source of revenue: under 0.5% for LDPR and AJR; the remaining parties do not levy such fees.

Election funding: in the past, tight limits on campaign expenditure ensured a level playing field, with the main parties spending a more or less equal amount (at least in theory; however, declared spending was probably only the [tip of the iceberg](#), with the value of UR's media coverage alone [exceeding](#) the legal limit for total spending in 2003). Much higher limits since 2007 have reduced the incentive for parties to hide their real spending, revealing the disparity between UR and the other parties.

Another issue is free airtime/print space provided by state media: although the main parties are given equal amounts during elections, in practice this is of little relevance, given the overt media [bias](#) towards UR outside party political broadcasts. Some incumbent politicians also [allegedly](#) use public facilities such as communications equipment and offices for campaigning purposes, giving them a further unfair advantage.