



NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

# *Money in Politics*

*Challenges and Strategies for Africa*

Political party finance and related corruption pose one of the greatest threats to democratic and economic development worldwide. Corruption in politics, particularly during election periods, compromises a critical asset of democracy: the faith and support of ordinary citizens in the political system. When political parties fail to appeal to voters through the development of party platforms or suffer from weak institutional capacities, they often turn to vote buying as a means to securing support. This in turn creates competitive election spending, driving up the cost of getting elected. As a result of high campaign costs, political parties become increasingly dependent on monied interests or, in the case of incumbents, on the wrongful use of state resources. Consequently, the basic underlying principles of democracy — such as one person, one vote, and government accountability — are undermined and public confidence in the political process is eroded. In some cases, already limited public funds are diverted for private gain.

*“Where money plays a decisive role in politics, it turns unequal economic power into unequal political advantage and undermines the principle of ‘one person, one vote.’”*

—Human Development Report 2002, United Nations Development Program

Over the past several years, party financing scandals have shaken countries in every region of the world, drawing increased international attention to the problem. In response, government officials and activists have launched public awareness campaigns and introduced legislative initiatives designed to restrict spending or improve disclosure about the sources of party funding and the expenditure of campaign funds. The success of these efforts varies and typically depends on a combination of legislation, enforcement regimes, sustained political will for reform, and public pressure to demand more accountability in politics. In Africa, despite growing awareness about the negative impact of political corruption, solutions to the problem have yet to fully emerge.

Recognizing that the success of efforts to confront the problem will depend on locally led initiatives, in February 2003, the National Democratic Institute for International Affairs (NDI) launched a two-year Africa Political Party Finance Initiative designed to support African efforts to overcome the challenge that political party finance and political corruption pose to economic and social development on the continent.

## *International Comparative Research*

Despite increased international attention to the issue of party financing, relatively little research exists on campaign finance practices outside Western Europe, North America and Australia. The first component of the Africa Political Party Finance Initiative is an international research study that will gather information about the characteristics of political party financing in 25 countries around the world. A research team will compile data on political party funding sources, patterns of expenditure



and other relevant practices common during election periods. In many of the 25 countries, this will be the first attempt to systematically collect such information. In addition, NDI and local partners will conduct more in-depth research in four of the 25 countries. Research results will be compiled into a comparative index which can be updated over time. NDI anticipates that the study will help build further momentum for political party finance reform both internationally and on the African continent

### *Supporting African Reform Efforts*

Under the second component of the Initiative, NDI will assist the efforts of local organizations in four countries – Ghana, Kenya, Senegal and South Africa – to promote increased discussion and debate on party finance. As leaders of economic and democratic development in Africa, these countries can serve as models for reform and the catalysts for changing party funding systems. The Institute will also support local partners’ efforts to work with party leaders and government officials to develop long-term action plans for political party finance reform.

As evidenced in many countries around the world, legal reform and enforcement are unlikely to impact political party financing problems, absent pressure from activists to demand changes in behavior on the part of political parties and among the voting public. To ensure that the Initiative achieves sustainable results, individuals and institutions directly affected by corruption must lead the reform effort. They will also be well placed to continue addressing the issue long after this Initiative ends. A Senior Advisory Committee comprising distinguished African political experts and advocates for increased public integrity will provide guidance for the program.

The long-term goal of the Initiative is to assist African political parties in addressing the challenge of funding so that they can better represent the concerns of all citizens. For instance, NDI, in collaboration with the Council of Asian Liberals and Democrats, conducted an eight-country research study and sponsored a regional conference on political party strategies and mechanisms to limit corruption in Asia. Political parties from Cambodia, Indonesia, Malaysia, Nepal, the Philippines, South Korea, Taiwan, and Thailand participated in the study and conference, and NDI is now working with them on reform efforts. In the Philippines, NDI has assisted parties to draft legislation that will mandate financial disclosure and provide for public financing of political parties. In Thailand, NDI has helped a political party partner to initiate internal reforms making leadership selection processes more participatory and transparent, thereby increasing accountability to members.

### *For more information, please contact:*

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*“We will foster the development of creative ways in which to contain the corrupt influence money has over many of our democratic processes.”*

— Durban Commitment to Effective Action Against Corruption, The 9<sup>th</sup> International Anti-Corruption Conference, 1999