

COST OF POLITICS

SYNTHESIS REPORT

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DEMOCRACY



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INTRODUCTION

Money and politics

1. The role of money in politics and elections is a major issue for those trying to support sustainable democratic development across the world.
2. Politics and democracy cost money. The nationwide debate that we expect to see in a parliamentary election campaign cannot take place without resources. It takes money to sustain multiple political parties that can unite groups of citizens around shared platforms that form the basis of the election contest. Individual candidates who run for election need adequate funds to be able to get their arguments across to voters. Money may not guarantee electoral success, but it is rare that electoral success comes to those with very little money.
3. But - when the cost of politics and elections becomes so high that the investment that candidates and their backers need to secure election is beyond the means of the vast majority of citizens, then fears grow about corruption, about exclusion from the political process, and about the quality of democracy. The approach underlying this report is to focus on the root cause – the high cost of politics – not just on the symptoms of corruption that flow from it.

Cost of parliamentary politics

4. This report examines the cost of parliamentary politics in six countries (Ghana, Kyrgyzstan, Macedonia, Nigeria, Uganda and Ukraine), with a particular focus on the costs faced by individual candidates and elected Members of Parliament (MPs) – not just during the election period itself, but before and after the election as well.
5. It finds that the costs faced by aspiring MPs are high - not just to conduct their election campaign, but before that to secure their place on the ballot paper.
6. Those who succeed and are elected to parliament face further costs throughout their term of office. Some of these costs arise from their constituents' general expectation that their MPs, as prominent figures in the community, should provide

financial support to those they represent. But much of the demand is bound up with the expectation of repayment. Individuals who voted for the MP expect payment in return, usually on or before election day itself. Those who regard themselves as having helped the MP get elected may make continuing and sometimes very significant demands for repayment. Local supporters may expect one-off or ongoing payments, in cash or in kind. Wealthy backers, on the other hand, may look for very significant returns on their investment in an MP – including favourable treatment, the award of lucrative contracts, political protection, and so on. In these circumstances, an MP may face unknown demands at any point after election day, as their backers call in what they regard as their debts. Without change in the costs of becoming an MP, it is difficult to see how this culture of corruption can be tackled.

7. If they decide to seek re-election, the whole cycle begins again. MPs who plan to run again must spend a good deal of time while in office raising funds for their re-election campaign. Faced with this prospect, incumbent parliamentarians - especially those in government - may be sorely tempted to supplement those efforts and reduce the cost to themselves, by misusing the public resources they control to subsidise their re-election campaign, and to secure funds and support from wealthy sponsors – and by using those funds, together with their power and influence, to make things harder for their potential opponents at the next election.

Risks of high-cost politics

8. The significant costs involved have a number of adverse effects on parliamentary democracy.
9. Many people, including women and younger people, are excluded from the outset - simply because they cannot raise the high costs involved. This does not make for a diverse legislature that represents a cross-section of the population; which in turn leads to the alienation of groups in society who are not adequately represented in parliament.
10. Those who do pursue election are either

wealthy enough to finance themselves; or have to make significant personal financial sacrifices (or incur significant personal debts) in order to raise the necessary funds; or have to rely on wealthy backers, who will expect something in return, fuelling a culture of corruption. Those who fail to become MPs risk very significant financial losses and/or debts. Those who succeed in becoming MPs face a strong temptation to focus a high proportion of their efforts on ensuring that they recoup the major investments that they have made, or are able to repay the major debts that they have incurred, and to deliver the corrupt demands of their wealthy sponsors. In many cases, MPs also face significant ongoing financial demands from their constituencies. Democracy suffers if MPs are so strongly focused on their personal financial circumstances and on repaying individual debts that they have little time or space left to focus on the needs and interests of voters, or holding the government to account.

11. These developments risk a situation where elections start to lose their meaning as part of an ongoing democratic process where voters hold politicians to account for the success or failure of their policies. Instead, politics becomes a straightforward transaction. Democratic choice between competing visions for the future of the country is replaced by an auction of votes to the highest bidder, with heightened cynicism around the idea that the political process can deliver change in the interests of citizens. This cynicism can manifest itself at all levels of society. Poorer voters may see an election as a chance to get a small amount of money in return for their vote. Wealthy individuals and businesses may donate significant amounts to candidates simply in the expectation of 'favours' once they are in parliament or government. Conversely, wealthy individuals may see the cost of securing themselves a seat in parliament as an entirely worthwhile investment in order to acquire the benefits and influence that go with it. Politics becomes seen as a purely transactional exercise, and corruption takes root.

12. This collection of risks is serious enough to pose a threat to successful and sustainable electoral democracy.

This report

13. In response, this report from the Westminster Foundation for Democracy aims to begin the process of examining these issues - with a view to identifying appropriate policy and other responses that both national authorities and civil society groups, and the donor community, can consider.

14. WFD has conducted research in Ghana, Kyrgyzstan, Macedonia, Nigeria, Uganda and Ukraine, examining the costs to individuals of becoming involved in parliamentary politics.

15. The research for these six case studies has not been straightforward. Importantly, while it has involved direct input from successful and unsuccessful candidates themselves, it has not been easy to obtain clear and reliable data. Even where, for example, civil society organisations have attempted to assess the costs of politics in their country, some of their work depends on estimates and assumptions in the absence of 'hard' data. One obvious factor is that in economies which depend to a large extent on cash, many payments made to and by election candidates go unrecorded, as do non-monetary transactions such as gifts of food. Another problem is a lack of hard evidence to support the frequent allegations - often apparently un-investigated - of breaches of the rules. WFD believes that the information set out in this report is sufficient to meet its aim, which is to inform discussion and debate, and to help frame more in-depth research in future.

I. Costs of becoming a Member of Parliament

Getting onto the ballot paper

16. In all six of the countries covered in this report - which use a range of party-list and individual-candidate electoral systems - getting your name onto the ballot paper as a candidate endorsed by a political party can involve very significant payments to the party, in addition to the official deposits and fees payable to the election authorities. (None of the countries surveyed have a successful system of independent, non-party candidates.) The costs tend to be higher with party-list electoral systems, although in Uganda, for example, with a single-member constituency system, it is more expensive to secure a nomination from the dominant National Resistance Movement party than from other parties. The context in which this control is exercised varies between the different countries in the case studies. In Macedonia, for example, power over nominations lies with a few powerful people in the party hierarchy. In Ghana and Nigeria, the key is to be successful at party conventions – potential candidates are expected to make payments, in cash and kind, to delegates and often (either immediately, or in the form of promises for the future) to powerful party figures who can help deliver delegates' support.

17. The case studies offer estimates of the cost of securing a place on the ballot paper, either as an official individual party candidate or as part of a party list. At the relatively low end of the scale, the estimated cost of securing a place on the ballot paper in Nigeria's 2015 parliamentary elections was over NGN 2 million (USD 7,000). Candidates seeking election to the Ghanaian parliament in 2016 reportedly spent some GHS 120,000 (USD 30,380) on the primary process, and would have to spend at least as much on the 'official' nomination process with the Electoral Commission. (The case study estimates that the cost of securing nomination in Ghana more than quadrupled between 2000 and 2016.) In Kyrgyzstan, the cost of a place on a party list is estimated at over USD 200,000, and in Ukraine that estimate was as much as USD 3-5 million, sometimes significantly more - at least before the elections of 2014 which many hope will mark a



(Above: Flickr - Elections in Ukraine)

turning-point for Ukraine. In all six countries, the costs of getting a particular place on the ballot paper increase in proportion to the likelihood that this place will help the candidate win a seat.

18. Many countries, including those surveyed for this report, make some attempt to limit, or at least make transparent, the amount that a candidate can spend on their formal election campaign. But there are no limits on - and no transparency about - the amounts that candidates spend to secure their place on the ballot paper before their campaign even begins.

Fighting the election campaign

19. Once they have their place on the ballot paper, candidates face a range of costs in fighting their election campaigns.

a. Advertising

20. The cost of advertising ranks high in most of the countries reported on. Particularly in countries whose media may be less mature, and where there is no strong tradition of impartial reporting of election campaigns, candidates seek to fill as much of that gap as they can with paid advertising. Incumbents look for opportunities to do this without the need for payment, using their power or influence over publicly-controlled media. Wealthy politicians acquire their own media outlets, with similar benefits.

21. All the leaders of the parties competing at the 2015 Kyrgyzstan parliamentary elections had their own, or affiliated, media outlets at their disposal. In Ukraine, most TV stations rely on the

financial support of their wealthy owners and will make their airwaves available to candidates that their owners favour. Until 2014, in Macedonia, with a similar pattern of media ownership, media outlets themselves were significant donors to the candidates their owners supported. A more fundamental problem in Macedonia is that the powerful role of the government, and its very close links with oligarchs and business people, leads to a complete blurring of the boundaries between government business and election campaigns. Most media outlets rely so heavily on government advertising and subsidies that they offer no challenge to the government and are happy simply to report in its favour – and the government directs its advertising spending with this in mind.

22. None of this means, however, that individual candidates get easy access to the media. In Ukraine and Macedonia, TV and radio advertising are the most expensive element in the overall costs of a candidate's election campaign (estimated at up to 70% of all campaign expenditure in Ukraine, for example). In Nigeria, too, spending on advertising is a significant part of overall election spending. Only in Ghana has media advertising (to date) been a less significant part of the overall campaign – just 25% of all campaign expenditure, with the focus still on billboards and posters rather than broadcast advertising.

b. Campaign supporters

23. Candidates need people to help organize and run their election campaigns. Payments to these people are often made in cash or in kind, and rarely included in any official returns of spending.

24. For example, candidates in Ukraine pay election strategists and campaign headquarters staff; election observers and lawyers, who check on the polling and vote-counting process; people in certain professions (for example, postal workers, who meet large numbers of voters in the course of their work) to help spread their message; and (although it is illegal) members of regional and local election commissions, as part of a process of mutually-assured destruction to ensure that no candidate loses the balance of power to an opponent who can pay more.

25. Ghana is an example of a country where face-

to-face contact and election rallies form a very significant part of the overall campaign. People who help candidates' campaigns on the ground, or who simply turn up to election rallies, generally get paid in cash or in kind for doing so – there is little concept of volunteering to help get someone elected. In Ghana, the cost of paying 'volunteers' for the expenses they incur is estimated to amount to some 10-15% of total election campaign costs. The overall cost of election rallies – organizing the event, paying participants, paying for transport – represents an estimated 30-35% of all campaign expenditure for Ghanaian candidates.

c. Campaign tours

26. Particularly in Africa, candidates incur significant costs on travelling to enlist voters' support – these costs can be especially significant for candidates travelling in rural and inaccessible areas. Alongside transport costs, candidates may also have to pay quite significant amounts for security protection as they travel – it is not uncommon for election campaigns to be accompanied by violence.

d. Payments to voters

27. In most of the countries surveyed, WFD's evidence suggests that payments to voters in exchange for a promise of their vote are an accepted – and significant – element of candidates' campaigning costs. Payments may be in cash, or may take the form of indirect payments such as food or other goods.

28. Voters consider politicians to be very rich compared with the average citizen. And they do not trust them to deliver on their campaign promises. As a result, voters have come to regard election-time as an opportunity to receive a share of the politicians' wealth in return for their support. If one candidate does not offer payment, their opponent may: a vicious circle develops.

29. In some of the countries surveyed, candidates also make payments to traditional community leaders, in the expectation that the leaders will deliver the votes of their community members.

Overall cost of election campaigns

30. Although there is little information available about the total costs that people incur in the process of winning a seat in parliament, our case studies offer

some estimates. In Ukraine, the cost of winning an election campaign in 2012 was estimated at between USD 1-5 million (although costs fell significantly by the time of the 2014 elections). In Nigeria, the estimated cost of a successful parliamentary campaign in 2015 was around USD 700,000, and in Uganda it was between USD 43,000-143,000.

31. More research is needed in this area before meaningful comparisons between different countries can be made. Detailed information about the costs actually involved in election campaigns, coupled with analysis of the amounts in terms of average income and purchasing power, would enable further assessments.

Restrictions on campaign finance

32. Most of the six countries have some statutory rules governing how much candidates are supposed to spend on election campaigns – with the aim of limiting overall spending to a reasonable level and ensuring some form of level playing field between those seeking election.

33. The consensus, however, is that these laws are routinely ignored, and there is no official body in any of the countries surveyed that has sufficient powers, resources, skills or preparedness to ensure that the rules are followed.

34. For example, in Ukraine, the rules require campaigners to submit reports of their election expenditure; but commentators say these reports significantly under-state the true amounts spent. In Nigeria, WFD’s evidence suggests that a series of alleged serious infringements have gone unchecked – the Independent National Election Commission has no power to prosecute campaigners who are found to be breaking the rules. In Kyrgyzstan, the Central Election Commission has no real powers to require spending information from campaigners, and is under no obligation to publish the information it does receive (and the parties are said to have a ‘non-aggression pact’ – they do not complain to the CEC about each other).

35. An obvious consequence of this lack of effective enforcement of laws on reporting means that the data on what is actually spent by parties

and candidates on securing election to parliament remains unreliable. In some countries – including, for example, Nigeria – civil society organisations have attempted some monitoring of election campaign spending, and there is a strong case for bolstering these efforts. However, these initiatives on their own are unlikely to be an adequate substitute for the work of an effective official regulatory body.



(Above : [Flickr](#) - Elections in Nigeria)

II. Costs of being a Member of Parliament

36. The case studies highlight an important factor – financial pressures do not stop once MPs have taken their seats in parliament. They continue to face significant costs after they have gained a seat in parliament.

37. MPs receive an official salary, and usually also receive allowances to pay for costs such as their parliamentary and constituency offices, their staff, and their travel expenses. In some of the countries surveyed, their income certainly places MPs towards the upper end of those in public service. However, the ongoing financial demands facing MPs often go well beyond what their official resources can bear.

Constituency support

38. Demands in this area seem to apply more obviously to MPs elected to represent single-member constituencies, and somewhat less to those elected in a party-list system. For example, in Ukraine, there is more pressure on MPs representing single-member constituencies to use their personal money to help resolve issues brought to them by their constituents – and if they are wealthy enough to be able to do so, their chances of re-election improve. Similarly, in Kyrgyzstan, wealthy MPs offer financial support to deal with constituents' problems – poorer MPs find this considerably more difficult.

39. Particularly in the African countries surveyed (Ghana, Nigeria, Uganda), MPs – seen as rich compared with most of their constituents – are as a matter of course expected to finance a wide range of activities on the basis of their role as prominent members of society. These include, for example, attending funerals (and making associated donations); offering a range of quasi-charitable payments towards constituents' costs of healthcare, education, food for major celebrations, etc. MPs in Africa often also face expectations that they should contribute towards the expenses of their area's traditional leaders, or chiefs. Some of these financial pressures may be an extension of traditional expectations on the wealthier members of the community – especially where official provision of local services is unreliable. It is not

difficult, however, to see how these expectations can also be hijacked to offer apparent legitimacy to demands that are essentially corrupt.

40. These demands add to the financial pressures faced by those elected to parliament. In Ghana, the expectation that MPs have a role in supporting their community has been recognized to some extent by the establishment of an 'MP Constituency Development Fund' - but the very existence of this fund seems in part to have fuelled further expectations that MPs will make widespread payments to various 'good causes'. In Nigeria, some MPs have taken steps towards a longer-term solution – channelling their financial support towards training and education initiatives that are intended to reduce their constituents' reliance on them for handouts.

Repaying supporters

41. MPs can also expect explicit demands for payment, in cash or in kind, from those who supported their election campaign. While the costs of buying votes will generally be confined to the period on and before election day, demands from those who have helped an MP get their seat may continue throughout their term of office. Wealthy sponsors and people who have lent money to the candidate seek to recover their investment.

42. In Nigeria, a particular issue is the role of influential backers known as 'godfathers' or 'oracles'. These power-brokers are said to be behind every successful candidate from the State in which they operate. Securing support from these 'godfathers' is expensive, and often involves not just up-front payments but also regular repayments from politicians once elected.

Re-election

43. Alongside the immediate financial demands that MPs face on a day-to-day basis – many of which, of course, are met with an eye towards their future election prospects, and which we might label 'indirect' costs of re-election – MPs also focus on the likelihood that with the next set of parliamentary elections, the whole cycle of expense set out

earlier in this report will come around again. They therefore need to build up sufficient resources to finance their 'direct' costs of re-election as well.

44. As well as the typical ways of raising funds – discussed below – such as borrowing from one's own or others' personal resources, supplementing one's income with earnings from outside parliament or from better-paid appointments within parliament, and so on; there is the risk that MPs may face the temptation corruptly to secure financial resources from wealthier sponsors with promises of legislation, political support or other favours.

Misuse of public funds

45. A particular temptation for those MPs in the government, or the governing party, is to harness the resources of the state to help position them favourably for re-election.

46. This report contains various examples of how this can emerge. In Macedonia, as already noted, the line between the state and the governing parties is very faint; government advertising campaigns are effectively campaigns to re-elect the governing parties. In Ukraine, the evidence suggests that those in government instigate, or threaten, regulatory or criminal investigations into businesses owned by their political opponents – the price of avoiding such investigations is a large donation to the government party. In Ghana, where as we have seen MPs face significant financial demands from their constituencies, those from the ruling party enjoy effective public sponsorship for their costs, but opposition MPs must rely on their private resources.

III. How do candidates finance these costs?

Personal wealth/borrowing

47. Faced with this array of costs to become and remain an MP, it is clear that many candidates will need to raise money from their own resources. The evidence suggests that many individuals set aside a large proportion of their own earnings, selling their assets and borrowing from banks and others to build up their funds (in both Ghana and Uganda, candidates are said to build up significant debts through borrowing from banks and credit unions). They may also look for donations or loans from family and friends – in Ghana, donations from those who are part of the overseas diaspora can reportedly play a significant part in building up candidates' campaign funds.

48. It is common across the countries surveyed to see MPs, as a rule, drawn from the wealthier sections of society. This includes a substantial group of business people whose interest in becoming an MP may be less about a desire to contribute to the future direction of the country, or to hold the executive to account; and more about the opportunity to benefit from the immunity from prosecution that may be available to MPs, or influence over the award of public contracts. This tendency – closely linked to the high cost of parliamentary politics – brings with it the clear risk of corruption.

49. In Ukraine, it was estimated that some 40% of party-list candidates at the 2014 parliamentary elections were business people who had 'bought' their place. As Ukrainian political parties offer almost no financial support to candidates standing in single-member constituencies, many MPs in these seats rely on their personal wealth. To compound the problem, many influential positions in the government of Ukraine are reported to go to the wealthier MPs, not to those who do not have significant personal financial resources. Kyrgyzstan, too, sees the practice of 'selling' places on party lists to the highest bidder. In Macedonia, it is common for wealthy business people – especially those who own national TV stations – to be MPs (often leading their own small party) and to be included in almost any ruling coalition.

Payments from businesses, oligarchs and political leaders

50. Many candidates will have to look beyond their circle of family and friends for financial support. Often, this is where big businesses and oligarchs – and potential larger-scale corruption – come into focus. In Ukraine, WFD's research suggests that every party is generally considered to be financed by a major oligarch (some of whom back more than one party) – although this backing is said not to be transparent; support comes in cash or in kind. In Macedonia, the thin line between the state and the governing parties sees oligarchs and businesses tending to donate only to those in government (which leaves the opposition weak from lack of resources, and puts pressure on smaller parties to align themselves with the ruling coalition in order to survive). Similar reports come from Ghana and Uganda – the risk of losing out on lucrative public contracts means that businesses and business people make their donations to those in government, and not to the opposition.

Party funds

51. Few of the political parties in the countries surveyed have sufficient income from members – for example in the form of membership fees – to finance significant financial support for their candidates, but some parties are able to help their candidates. Parties in government are more likely to provide such support than those in opposition – perhaps because they find it easier to attract large donations; perhaps because they have access to public funds that they can misuse for this purpose. This, too, carries the risk of corruption.

52. In Ghana and Uganda, for example, it is reported that governing parties are more able to provide their candidates with 'in kind' support – personnel, logistics, etc – than are the opposition parties. In Macedonia, where parties are much more dominant than in the other countries surveyed, it is reported that MPs are regularly reminded of their indebtedness to the party that financed their campaign; the same seems to be true of those Ukrainian MPs elected on the party-list system,

who are often heavily supported with party funds.

53. A variation on this theme, reported from Ukraine, Macedonia and Kyrgyzstan, is that candidates – before and after elections – may be offered financial payments in return for their support in parliament for a particular political faction or coalition.

Public funds

54. A major concern is the widespread misuse of public funds to help sitting MPs recoup the costs of their election campaigns, pay back their sponsors, and finance their forthcoming campaigns for re-election.

55. Not all support from public funds is illegitimate. Although relatively insignificant in the countries surveyed, public funding for some elements of the political and electoral process does feature as part of the statutory framework in some countries. For example, in both Macedonia and Ukraine, campaigners are entitled to some contribution from public funds towards their election costs. Taking the example of Ukraine, however, public funding of the costs of printing campaign material and of a certain amount of broadcast airtime represents only a small proportion of the estimated total expenditure on election campaigns.



(Below: [Flickr](#) - Election victory in Macedonia, 2009)

IV. Consequences of the high costs of parliamentary politics

Exclusion and under-representation

56. In all the countries surveyed, the high cost of making one's way into parliament means that it is impossible for an 'average' citizen to become an MP. A parliament made up of an élite, particularly when it is perceived to be a wealthy, self-selecting and self-interested élite, is likely to struggle to maintain its legitimacy within wider society.

57. It is also likely, of course, that the exclusion of 'average' citizens from parliament will contribute to the continuing under-representation of women, younger people and certain ethnic groups. (In this context, Nigeria offers two insights. First – there are some younger MPs; but they are wealthy young people. Second - although some parties waive their selection fees for women, this only affects one element of the overall costs of reaching parliament; women candidates are much less likely to get financial backing from wealthy donors, to help them with the rest of the costs.)

58. A parliament that bears little or no resemblance to the wider society it should be serving should think long and hard about its future, and the future of its country.

Incentives to recoup investment; corruption

59. The high costs involved in entering parliament – and the fact that these costs are often met at considerable personal cost to candidates - leave MPs under huge pressure to find ways to recoup or repay these costs.

60. This leads to a range of unwelcome consequences. It may involve moves to ensure that MPs' pay and allowances are as generous – and as non-transparent – as possible. It may involve intense efforts to obtain, through unswerving loyalty to political leaders, government appointments offering access to higher pay or to wider state resources. It may – for this is a slippery slope – lead to unchecked corruption.

Voter cynicism

61. Faced with a picture of a parliament composed of an élite, seeking to recoup their investments, voters will struggle to believe that their MPs are in parliament primarily to consider the interests of their constituents, or indeed of the nation; or to advance a particular ideology that the MPs believe represents the best way forward for the nation. Instead, people suspect that MPs are taking decisions that are driven primarily by the need – for example – to repay their financial backers, or to further their own personal financial and commercial interests.

62. When voters feel that their interests are unrepresented, they can quickly become cynical about the electoral and democratic process. As the WFD evidence shows, voting becomes transactional: votes are cast for whoever offers the greatest immediate return to the voter, not for the candidate offering the most persuasive strategy for their constituency, or for the country.

63. In this report, the view is frequently expressed that politicians are more concerned with remaining in parliament than with staying true to any particular political ideology. In both Kyrgyzstan and Nigeria, for example, politicians switched parties close to the elections based on their assessment of how to position themselves to remain in post in the new parliament.

Erosion of the role of parliament

64. With all these reasons for MPs to focus on the 'wrong' priorities, the clear risk is that they fail to focus on their key collective roles of holding the executive to account and debating possible agendas to address a country's challenges. At worst, they may ignore those roles because they offer no financial return.

V. Some possible responses

Political parties – role, resourcing and regulation

65. In all the countries surveyed, the role of political parties as ‘gatekeepers’ for those seeking to enter parliament remains significant – although in several cases, that role really has been reduced to exactly that of a gatekeeper: taking an initial entry fee and doing little else.

66. In considering the role of political parties, two aspects may be particularly worthwhile. First, helping political parties to rediscover a role as fora where ideas can be discussed and developed about how best a country should be governed. Second, recognizing that if they are to fulfil this role as places where genuine political debate and thinking takes place, political parties require resources; and considering how best to ensure that parties have access to those resources without being reduced either to significant dependency on wealthy individuals, or to charging potential candidates the maximum possible in return for party endorsement.

67. This question of party resources may well entail consideration of some level of legislated public funding for political parties, made available on an equitable and accountable basis that encourages and sustains a plural democracy within which citizens can resolve their differences through the electoral process.

68. The idea of supporting political parties financially is by no means without its problems. There are real risks in allowing the government of the day effectively to influence how much money is available to their opponents. It is difficult to defend taxpayers’ money being spent directly on political campaigning, which is a step beyond spending on policy development, training for candidates, and other forms of capacity-building. Further, to the extent that spending on political campaigns is regarded as equivalent to exercising the right to free speech, there are risks in placing limits on that spending. On the other hand, public support could help to compensate for much tighter and more effective controls on unlimited funding and spending; could help to create a more level playing field for

those seeking election; and – as part of a collection of measures to reduce the high cost of politics – could help to combat the scourge of corruption.

69. Any public funding would need to be available on a basis that encourages plural democracy (for example, it should be accessible by new parties and independent candidates, not just the established parties). There are, for example, interesting moves in Ukraine to build in incentives, such as providing more public funds to parties that achieve greater gender balance in the electoral process. The Ukrainian move to introduce public funding of political parties this year (2016) will certainly be worth further careful study.

70. Alongside these steps, it will be necessary to consider the regulatory framework that governs political finance in each of the countries surveyed. There is no ‘one size’ regulatory solution that will apply to political funding and expenditure in every country. There are, however, some general principles – clear rules on permissible funding and expenditure, including clear limits on the use of public resources by incumbents so that they do not become a way around limits on political spending; regular and accurate reporting; together with publication and full transparency; and, perhaps most importantly, properly-resourced monitoring and workable enforcement – against which any regulatory system should be tested.

71. There will, of course, be some difficult areas – for example, should candidates’ payments to secure their place on the ballot paper in the first place count towards overall limits on campaigning? What rules should apply to the income and expenditure of MPs once elected (for example, requiring full transparency about MPs’ use of their allowances, constituency funds, and so on)? How far should the principle of full transparency be tempered by concern for the privacy – and even safety – of donors who do not relish the idea of their political contributions being published? The evidence in this report suggests that these areas should not be ignored when considering the regulation of political finance.

72. The key to real change will be to encourage a

fresh understanding of the role of political parties – without that, it is unlikely that political culture will change in such a way as to allow a real prospect of change in fund-raising and spending. Equally, strengthening the role of political parties by making their finances more secure will backfire if it simply provides oligarchs with an even stronger power-base. If there can be this renewed understanding of the role of political parties in a modern democracy, then there is a better chance that domination by oligarchs, exclusive and prohibitive entry costs, and other aspects of the current situation may in time be overcome. Moreover, if that fresh understanding goes alongside the recognition of a role for vibrant civil society organisations and an independent media, who can monitor the way politics is practised, then change may be within reach.

The cost of election campaigning

73. All of the country studies suggest that the sheer cost of securing nomination and then winning election needs to be addressed.

74. Top of the lists of expenditure driving this cost, in most of the countries surveyed, are the amounts spent on advertising, and in particular the amounts spent on broadcasting campaign messages.

75. One solution is that adopted for many years in the United Kingdom, where paid political advertising on TV and radio is prohibited; but parties and candidates get an allocation of free air-time instead, which they can use to broadcast their own political messages without editorial interference from the broadcaster or others.

76. Whatever solution is considered to the issue of high-cost broadcast advertising, it is also necessary to develop the role of a free and independent media that understands the importance of examining the arguments advanced by the various contenders at an election in an even-handed way.

77. There is a strong case for requiring publicly-funded media outlets to maintain a fiercely impartial approach to political debate, especially during an election campaign. Even in the rest of the media, which is generally privately-owned and will understandably tend to support one

side or another, journalists and editors should have a keen understanding of, and professional pride in, standards of reporting which embrace concepts such as the right of reply, the checking of facts, the duty to challenge, and so on. These journalistic standards are key to ensuring that the media engage in journalism, not propaganda.

78. In some countries, it may be possible to help address other significant drivers of the costs of entering parliament – one of which is logistics, for example transport in countries with poor infrastructure, large distances to travel, and uncertain security situation. It may be useful to offer public funds to campaigners, on an equitable basis, to help with these particular costs.

Role of MPs

79. At one level, if it is possible to reduce the prohibitively high cost of becoming an MP this may itself help to encourage a renewed focus on the core roles of MPs in parliament and with their constituents.

80. At another level, there is a need to consider the growing expectation in several of the countries surveyed that MPs should be providing financial assistance to their communities. The steps taken in Ghana to make ‘development’ resources available to MPs to use for the benefit of their communities are worth further study, since they may offer a solution for some other countries. Any such solution must achieve - with appropriate accountability - the aims for which it has been established, rather than simply providing extra money for MPs to use as part of their re-election campaigning, or repayment of pre-election debts; or that encourages some constituents to look for even more from their MPs, with the attendant risks of corruption. It is not easy to see how providing resources to sitting MPs in this way can be a long-term sustainable solution, because of the expense, because of the blurring of lines between the executive and the legislature, and because of the inevitable financial advantage it gives to an MP compared with his or her potential opponents. Nevertheless, to the extent that these demands on MPs arise from inadequate provision of local public services by the local authorities, it may not be possible fully to address the issue of MPs’ own role without also

improving the public provision of local resources.

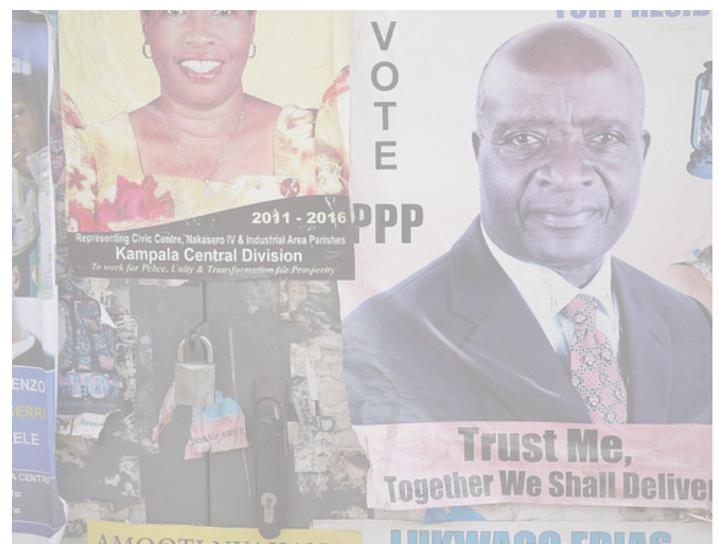
81. Nor should the question of MPs' pay be overlooked. Here again, however, there are no easy answers. On the one hand, higher pay for MPs could remove some of the incentives for corrupt behaviour (although in Nigeria, where MPs are regarded as particularly highly-paid, it does not seem to have had this result). On the other hand, it could also reinforce citizens' perception that MPs are little more than a self-serving wealthy elite, focused on their own pockets rather than the problems facing their constituents; and in countries where it would make it even more attractive to have the income of an MP, such a move could simply increase the incentives to win a parliamentary seat at any price.

Electoral systems

82. The country surveys touch on the role of electoral systems. In Macedonia, a country whose proportional electoral system nevertheless sees two main parties facing each other at the head of wider coalitions, the report suggests that the closed party-list system reinforces a too-strong role for parties and the dependence of individual candidates on the party and its leader, to whom MPs are indebted financially as well as politically. Instead, the suggestion is to move to a single nationwide constituency, with open lists, in a bid to make the electoral process more candidate-centred. By contrast, the report on Uganda suggests a move towards closed party lists, partly in order to reinvigorate the role of political parties which have become all but irrelevant. The report on Nigeria suggests that if the 'first past the post' electoral system were to be replaced by a proportional alternative, election campaigns would lose something of their 'win at all costs' character, and produce a parliament whose members would have greater regard for national unity. Finally, in Ukraine the suggestion is to move away from having some 'first past the post' single-member constituencies because these are regarded as having the most expensive (and most corrupt) elections.

83. Here again, there is no 'one size fits all' solution. Instead, there is a need to seek agreement on core principles for the democracy of a country – these might include, for example, the encouragement of

pluralist, inclusive and representative politics - against which alternative electoral systems may be evaluated.



(Above: [Flickr](#) - Campaign posters in Uganda, 2011)

RECOMMENDATIONS

84. These country reports illustrate some of the issues that arise when the cost of becoming and remaining an MP becomes – in effect – unaffordable. Tackling this problem will help get to the root cause behind some of the symptoms we observe, including political corruption and unrepresentative political institutions.

85. Both political parties and civil society organisations (‘practitioners’) and international donors have a keen interest in tackling the scourge of corruption in politics and governance. A focus on developing affordable and sustainable political systems is key to this.

86. This report underlines the fact that political systems are unique to each country, and to its particular context, but we recommend that there are some clear areas where further investment of time and resources in support and research should focus:

a. Further research into the cost of politics at the various stages of securing a seat in parliament, especially the costs involved before the election campaign begins, and the costs of sitting as an MP once elected. This should include seeking a better understanding of the split between costs borne by candidates and costs borne by political parties.

b. Further research specifically into the costs of advertising and the role of the media in election campaigns, and examination of options to address the problems that this report has identified in these areas.

c. Further research into the influence of the cost of politics on corruption and the provision of public goods.

d. Strengthening legislation on political and campaign finance; its enforceability by adequately resourced and skilled independent and impartial bodies; and the role of civil society organisations in seeking greater transparency about this expenditure.

e. Reforming political parties’ internal governance, with a renewed focus on policy and representation; and identifying ways for political parties (and

their candidates) to raise funds legitimately.

f. Supporting governments and parliaments to develop policies and solutions that reduce the over-reliance on MPs to deliver local services and benefits to their constituents.

g. Research into the impact of the recent reforms in Ukraine, with a view to identifying lessons that could apply more widely.



(Above: [Flickr](#) - Campaign posters in Ghana)

