

Financing Politics in the SADC
Region: Imperatives for Reform
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Introduction

- Centrality of parties to representative democracy;
- In order to enhance their effectiveness, parties need resources, esp. funding;
- Evidence suggests that party funding is both an asset (a cure) and a liability (a curse);
- Party funding can be an asset to the extent that it enhances institutional capacity of parties in advancing democracy;
- Party funding can also be a liability if it facilitates corruption in the process corroding democracy;
- This is why regulation of party funding is so crucial for safeguarding democracy's essence (IDEA, 2005; IDEA, 2014; IDEA, 2025).

Introduction

- The concept, 'party finance' or 'political finance' encompasses all financial flows to and from political parties and candidates;
- It includes formal and informal income and expenditure as well as financial and in-kind contributions (IDEA Political Finance Database; IDEA, 2025);
- Parties and candidates need finances in order to mobilise support and be effective in competing for state power (Biezzen, 2003; IDEA, 2014; IDEA, 2025);
- So, party financing plays a positive role in entrenching multi-party (representative) democracy;
- However, if not regulated, money may have a corrosive impact on democracy through corruption, fraud, illicit financial flows etc;
- Today, party finance regulation is more urgent given complexity brought by digitalization, social media and trans-national organized crime;
- If unattended, political corruption can erode democratic governance.

Significance of Political Parties?

- In representative or indirect democratic systems, parties are key players;
- These are organised groups of people with at least roughly similar political aims and opinions, that seek to influence (control and direct) public policy by getting their candidates elected in public office (<http://aceproject.org>);
- Political parties are groups of people who have come together in pursuit of common socio-cultural and politico-economic goals (Hess, 1994);
- They are organized for the purpose of winning governmental power, by electoral or other constitutional means (Salih, 2003; Heywood, 2013;);
- For this purpose, political parties seek to place candidates in governmental office under their own specific labels. Parties are among the most important organisations in modern politics (Heywood, 2013).

Significance of Political Parties

- The main functions of political parties are mainly three-fold:
 - Interest articulation;
 - Interest aggregation;
 - Recruitment.

Significance of Political Parties

Party Position	Interest Articulation	Interest Aggregation	Recruitment
Ruling	Implement policies	Sustain electoral support for government	Fill government positions
Opposition	Develop alternatives	Gain electoral Support for change	Build pool of competent people

Normative Frameworks

- **Global Norms**

- The 2004 United Nations Convention Against Corruption identifies regulation of political finance as a key measure in preventing corruption (Article 7.3).

- **Continental Norms**

- The 2007 (AU) African Charter on Democracy, Elections and Governance provides for strengthening of the capacity of political parties and equal access to public resources (Article 14(4));
- The 2003 (AU) African Convention on Preventing and Combating Corruption provides for transparency in political party finance and prohibits use of funds from illegal or corrupt practices (Article 10(a)).

- **Regional Norms**

- The 2001 SADC-PF Norms and Standards for Elections in SADC provide that parties should be provided with public funding and be accountable in its use (Article 6);
- The 2015 SADC Principles and Guidelines Governing Democratic Elections provide that funding of political parties must be transparent and based on the agreed threshold (Article 13.2.6(f));

Normative Frameworks

- Article 4.7 of the 2003 EISA/ECF Principles for Elections Management, Monitoring and Observation (PEMMO) in the SADC Region provides that:
 - The use of public assets and funds for political purposes should be regulated in order to level the playing field for political competition;
 - Political parties should be held accountable to the EMBs on the use of such resources;
- 2018 SADC Model Law on Elections provides that parliament shall enact a law to make provision for financing of parties and candidates with clear rules and procedures to ensure level playing field.
- The above international, continental and regional normative frameworks for regulation and transparency in party financing is complimented by national regulatory frameworks including electoral laws, codes of conduct etc.

Political Finance Regimes

Regime	Risk to be Mitigated
Private Donations	Without regulation, private donations can lead to the capture of parties and state institutions by private interests.
Public Funding	Without regulations, public funding can lead to abuse of state resources by ruling parties or ruling coalition parties.
Expenditure Limits	Without limiting expenditure on election campaigns, the playing field is not level to the advantage of big parties and to the disadvantage of small parties.
Reporting, Disclosure and Oversight Mechanisms	Without reporting, disclosure and oversight mechanisms, accountability is compromised and risk of foreign interference and organized crime is high.

Political Finance Regimes in Selected SADC Countries (2024 elections)

Country	Ban/Limits on Private Funding	Public Funding	Regulation on Spending	Reporting, Oversight and Sanctions
Botswana	No. Only on anonymous donations	No	Ban on vote-buying. Election expenses no more than P50, 000	Political parties reported on expenses 90 days post-poll
Comoros	No	No	Ban on vote-buying	No
Madagascar	Ban on donations from foreign interests and corporations linked to government	Yes	Ban on Vote-buying	Yes
Mauritius	No	No	Ban on vote-buying. Limit:100,000-250, 000 Rupees	Yes. Candidates report within 6 weeks post-poll
Mozambique	Yes	Yes	Ban on vote-buying	Yes. 60 days after results
Namibia	No	Yes	Ban on vote-buying	Yes
South Africa	Yes	Yes	Ban on vote-buying	Yes. Within 3 months of a financial year

Political Finance Reforms

- Calls for the regulation, disclosures, transparency and ceilings on private funding resisted by bigger parties (both ruling and opposition alike);
- Such calls have been resisted by bigger parties and by private business interests providing this funding;
- In many instances, private funding is channeled to the ruling parties alone as an incentive for acquisition of government tenders;
- In others, private interests provide funds to both ruling and opposition parties alike, especially in situations of unstable coalition governments (e.g. Chinese business tycoon, Yan Xie, in Lesotho; Oppenheimer in South Africa);

Political Finance Reforms

- Reforms are needed for providing funding to political parties where none exists;
- In many SADC countries, regulation of public funding of parties is controversial and needs reforming;
- With the exception of South Africa, in all other SADC countries, private donations are not regulated at all and pose a risk to the consolidation of democracy;
- Legal and institutional frameworks are lacking or weak in ensuring regulation and transparency of party financing;
- While in other countries the CSOs & media are vibrant and robust in playing their watch-dog role, in others, they are enfeebled.

Political Finance Reforms

- Why regulate Party Financing:
 - Prevent abuse and the buying of influence in parties;
 - Level playing field of competition between parties;
 - Empower citizens and voters (right to know);
 - Strengthen and develop political parties (internal democracy) (IDEA, 2005:170).

Political Finance Reforms

- Four possible strategies for regulating party financing;
 - Autonomy option: self-regulation
 - Transparency option: disclosure
 - Advocacy option: institutional enforcement;
 - Diversified regulation option: all the above

Political Finance Reforms

- There is no perfect model of regulation;
- However, the diversified regulation model may prove more useful for SADC countries provided the following seven (7) principles are adhered to:
 - Disclosure
 - Transparency
 - Accountability
 - Oversight
 - Limits
 - Incentives
 - Sanctions

Conclusion

- It is imperative that SADC member states institutionalise and/or reform political finance systems;
- Various stakeholders must play their rightful roles in putting in place and implementing such reforms;
- The reforms should cover the four domains/regimes of political finance namely:
 - Private Donations
 - Public Funding
 - Expenditure limits
 - Reporting, Disclosure and Oversight Mechanisms.

Useful Resources

- Administration and Cost of Elections (ACE) Encyclopedia, <http://aceproject.org>.
- Biezzen, I. 2003. Financing political parties and election campaigns – guidelines, Council of Europe, Strasbourg, Germany.
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- Heywood, A. 2013. *Politics*, Fourth Edition, London: The Palgrave MacMillan.
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- IDEA, 2025. *Combatting Corruption in Political Finance: Global trends, challenges and solutions*, Stockholm: IDEA.
- Matlosa, K. 2007. *Political Parties in Southern Africa: The State of Parties and their Role in Democratization*. Stockholm: IDEA Research Report.
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