

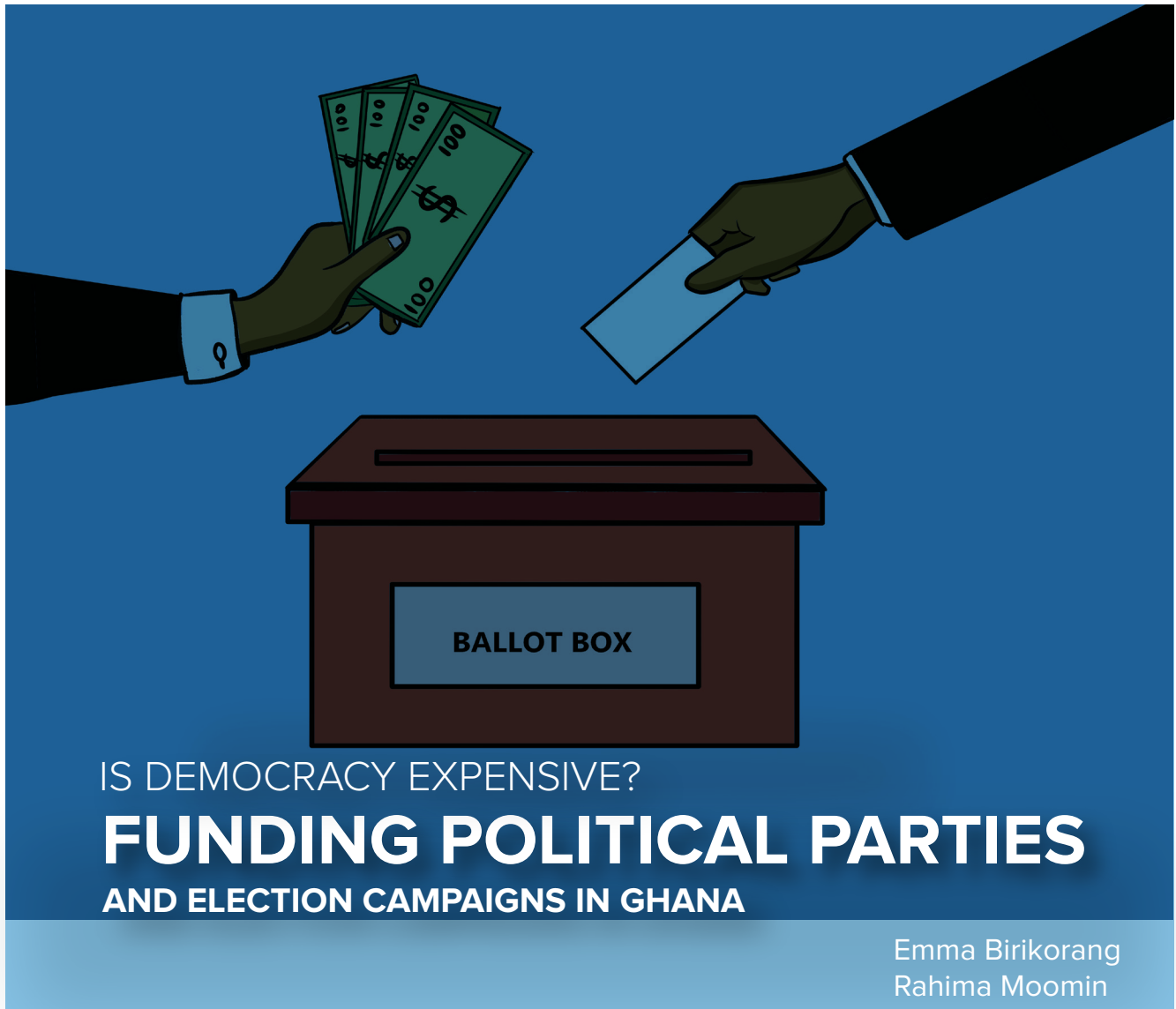


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IS DEMOCRACY EXPENSIVE?

FUNDING POLITICAL PARTIES AND ELECTION CAMPAIGNS IN GHANA

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Abstract

Holding regular competitive electoral contests between rival political parties is the most prevalent method for selecting a government. Political parties and their candidates require funding to interact with the public, convey their goals and policies, and gather feedback on their policies. In Ghana, the question of financing political and electoral campaigns is complex and divisive as it necessitates balancing transparency and accountability requirements with the practical difficulties of raising funds for political campaigns, each with its own set of regulations and exceptions. There has been a push to reform Ghana's political campaign financing system to enhance transparency and reduce its potential for corruption and undue influence. This paper offers an analysis of the possible financing mechanisms for political parties and their electoral campaigns in Ghana, as well as the negative impact of insufficient campaign funding. Additionally, it explores the existing legal frameworks, regulatory measures, and enforcement practices surrounding the campaign finance system.

Keywords: democracy, political parties, campaign financing, corruption

Introduction

Political parties are unquestionably seen as essential to Ghana's political and constitutional processes. An essential component of a democracy is its political parties. Some Ghanaian political parties struggle financially, making it impossible for them to set up and run offices around the nation and remain dormant during inter-election periods. As a result, some political parties are frequently taken over by a small number of financiers who can finance party operations, and their decision-making procedures are manipulated to threaten internal democracy.¹

The aim of this research is to:

- (a) investigate the subject of campaign and political party funding,
- (b) identify the laws and regulations governing campaign funding; and
- (c) identify how these funds are dispensed. Using an exploratory research model, the paper relies on both primary and secondary data collection methods to analyse electoral and campaigning funding systems in Ghana.

Frameworks Governing Campaign and Political Party Funding

Under Ghana's Single Member District (SMD) electoral system, 275² seats are formed from 16 regions, and one representative is chosen from each constituency to serve in parliament. In many regions of the world, the allocation of public funding for political party operations solidifies the understanding that these organisations are crucial pillars of constitutional democracy³. To that end, Ghana's political parties currently receive some state funding. However, there is widespread belief among some members of the political parties that the state ought to do more. Political parties incur expenses for their administrative functions and participation in electoral processes. The specific amount that political parties spend can vary

widely depending on several factors such as the size of the party, the scope of the election and the resources available to the party⁴. For guidance, financial reporting requirements are set forth also in the Political Parties Act, 2000 (Act 574).

This requirement is also buttressed by the Public Funding of Political Parties Bill 2008, which covers establishment matters by releasing funds from tax collections to support political parties, with the Electoral Commission handling the financial administration. The Political Parties Act 2000 (Act 574), states that, "A non-citizen shall not directly or indirectly make a contribution or donation or loan whether in cash or kind to the funds held by or for the benefit of a political party and no political party or person acting for or on behalf of a political party shall demand or accept a contribution donation or loan from a non-citizen."⁵

According to the Commonwealth Observer Group, political parties have had access to free radio airtime in public telecommunication channels, television and radio stations since 1996, whereby for instance presidential contenders had 10 minutes of weekly airtime on radio and television from the state-owned Ghana Broadcasting Corporation (GBC) which aided the parties in spreading their messages.

Although the government has provided support, for instance providing some vehicles for general election campaigns between 1996 and 2008, it cannot be confirmed whether there is direct public support for parties as party spending is barely regulated.⁶ Standing for political office, whether in the primary or general election, comes at a huge cost. According to recent studies of election campaigns,⁷ the average cost of running for office during the parliamentary and presidential elections, including the primaries and the general election, was about GHC 400,000 (roughly \$26,141.33).⁸ This represents a 59 per cent increase from the 2012–2016 election.⁹ This figure has increased significantly since then, through inflation as well as the increase in costs associated with running for office.

²276 in 2024 following the creation of the Guan Constituency.

³IEA. *Public Funding of Political Parties Bill 2008*. <https://ieagh.org/mdocs-posts/la-proposed-draft-public-funding-of-political-parties-bill-2008/>

⁴Interview Respondent, October 2024.

⁵Political Parties Act 2000 (Act 574).

⁶Wang, V., Muriqas, L. R., and Bauer, G. (2021). *Funding demands and gender in political recruitment: What parties do in Cabo Verde and Ghana*. <https://doi.org/10.1177/0192512121104909>

⁷Westminster Foundation for Democracy (WFD) and Center for Democratic Development (CDD), (2022). *The Cost in Politics in Ghana*. https://www.wfd.org/sites/default/files/2022-02/Cost_Of_Politics_Ghana.pdf;

⁸In 2024, Ghc 400.000 is equivalent to \$26,141.33.

⁹Westminster Foundation for Democracy (WFD) and Center for Democratic Development (CDD), (2022). *The Cost in Politics in Ghana*. https://www.wfd.org/sites/default/files/2022-02/Cost_Of_Politics_Ghana.pdf

Sources of Funding for Political Campaigns and Elections in Ghana

The main channels of communication with electorates during national campaigns—which are primarily attended by prominent party leaders and political celebrities masquerading as the front-runners for their parties—include the media, political adverts, and massive rallies. In contrast, local campaigns, which are often run by candidates vying for a direct mandate in a constituency, may entail contacting prospective voters in person at social gatherings, market squares, or just by knocking on their front doors. These are frequently referred to as "individualised campaigns" that are motivated by electoral incentives.¹⁰ The sources of funding for running these campaigns are diverse, and these include: individual donations, membership dues, corporate donations, fundraising events and foreign donations. Additionally, political parties and candidates receive funding from expatriate communities, multinational firms, and international support groups in addition to the contributions from local citizens.

International organisations actively support Ghana's electoral process to guarantee free, fair, and credible elections by organising workshops and training programs to build the capacity of political parties, the media and electoral officials.¹¹ Corporate bodies, whose support is often delivered in the name of the chief executive or managing director, and individual and organised groups account for the largest portion of support to campaigns. Organised groups such as contractors' associations, party members in the diaspora, market groups, old-school specialised groups, and religion-based entities all make significant contributions to political campaigns. Of great concern is the support received from foreign entities. While this is against the law, it accounts for at least 5 per cent of total campaign finances received.¹²

Motivation for Campaign Finance Contribution

Multiple reasons exist as to why individuals, corporate bodies and other entities contribute to individual and/or party campaigns. These could include: belief in the principles and ideology of the political party, and

religious, and socio-economic changes/consolidation should the individual achieve their objective of coming to power. Other reasons for providing financial support to political campaigns include personal benefits such as appointments and contracts, support for retaliation of grievances, and reciprocal political and or ideological support at the national, regional and international levels. Support often comes in cash donations, provision of logistics, vehicle and motorbikes, paraphernalia (clothes, T-shirts, caps, scarves, stationary, etc.), tricycles, and mobile phones and mobile data for the numerous party communicators on radio/TV shows and social media interactions.

One factor mitigating accountability for campaign finances is how the funds and support are received, or the types of support received. According to Article 43 (1992 Constitution), all political parties are required to file audited statements to the Electoral Commission. This implies that funds and support are channelled through "the books". However, there is little stringency attached to the receipt of funds and other forms of support. The nature of support provided presents difficulties for accountability as the support barely has the chance to go through the accounts before they are used, especially during the election year (2024) when support is crucially needed by the clock.¹³

Strategies of Financial Mobilisation by Political Party Flagbearers

While political party financing is a broad subject requiring attention and further research, this section specifically focuses on campaign financing by flagbearers and parliamentary aspirants. Thus, one major strategy for raising funds is through individual networks, specifically the networks of the (aspiring) flagbearer and parliamentary candidate. These come with little (if any) ethical considerations or filter.¹⁴ The mantra is to receive the funds and support and deal with the repercussions and expectations later. Other strategies for fundraising are solicitation, fundraising campaigns and events, and mobile phone dial-in support. Interlocutors interviewed during the research indicated that

¹⁰Ibid.

¹¹Interview, October 2024.

¹²Ibid.

¹³Interview, October, 2024.

¹⁴Interview, October, 2024.

the lowest amount received for a presidential campaign is about five hundred Ghana Cedis (500 Ghc), while the highest amounts range between one hundred thousand Ghana cedis to five hundred thousand Ghana cedis (100,000-500,000 Ghc).

Use of Campaign Funds

Interlocutors indicate that “the money goes as quickly as it comes”. The use of campaign funds in one breath is justifiable, while in another, it questions citizens’ understanding of their role in the democratic process. Election campaign funds are dispensed under four main categories. The human resource expenditure covers security, media personnel, data, research, administration and the operations team. It is instrumental to note that allowances are provided to this category of staff whether the activity takes place where they reside or not. This is the category of personnel that move with the lead person, be it the flagbearer, their vice, or their spouses. At the parliamentary level, the numbers and types of personnel are reduced.¹⁵

The second category of campaign expenditure is logistics. This takes the largest portion of resources in presidential elections. It includes fuel, mobilisation, tents, chairs, food, spinners, and party paraphernalia including T-shirts, banners, caps, shoes, etc. The decentralised nature of spending is such that the party executives in each constituency/area where the campaign is held are the spending entity for the funds. Funds are given to the party executives in that area, who then ensure the disbursement of the funds. It is important to note that funds are received in cash and dispensed without any accountability to the campaign office. Logistics also cater for media advertisements, billboards and outdoor campaign posters.¹⁶

A third category of campaign funds usage is what has been termed as financial donations. Cash donations to chiefs, religious leaders such as pastors and imams, opinion leaders, personal donations to institutions and schools, and party executives all fall under this category.

This constitutes the second-highest category of spending for presidential campaigns but the highest category of spending for parliamentary campaigns. Of these, the most controversial are the inducements given to party executives to vote for the nominee at the party primaries. Successful parliamentary primary nominations place a huge financial burden on aspirants, who need as much as three million Ghana Cedis (3,000,000 Ghc). This includes inducements for party executives with monetary gifts (ranging between 3000 Ghc and 6000 Ghc), television sets, microwaves, refrigerators and other electronic appliances.¹⁷

At the presidential party primaries level, the practice of inducement differs based on the determination of the various parties’ electoral colleges. Due to the size of the electoral college, some parties find it almost impossible to sway the delegates using financial incentives. Others limit the number of possible candidates by having a selective electoral college with fewer members voting. Potential prospects for delegate inducement arise from this technique, as candidates vie for votes based often on their ability to provide the best inducement to the delegates rather than necessarily their capacity to guide the party to victory.¹⁸ Essentially, delegates vote for the candidate that pays them the highest amount. This period is often classified as the ‘cocoa season’ for delegates due to the potential for them to reap significant monetary gains from aspirants. Interlocutors interviewed for the research indicate that in party strongholds, parliamentary aspirants spend about 90 per cent of their campaign funds during the primaries, with about 10 per cent going into the main election. This is since victory at the primaries in party strongholds all but guarantees their success at the general election. This suggests that the party may choose to present the candidate with the highest inducement rather than the most qualified one for the general election. The expenditure proportion in swing constituencies, on the other hand, is roughly 40 per cent for the primaries and 60 per cent for the general elections, according to interlocutors. An interlocutor stated that, “...empirically,

¹⁵Interview, October, 2024.

¹⁶Ibid.

¹⁷Ibid.

the weakest parliamentary candidates tend to come from the strongholds, while the strongest candidates often come from the swing constituencies."¹⁹

A final category of election campaign funding is on election day operations, and this includes support to party polling station agents, and collation officers. With multiple agents at the polling stations and at least one agent at each polling station, these figures are in the tens of thousands for each party, especially for the front-runners. On election day and in the days immediately after the elections, they are all compensated and given refreshments.

An additional expenditure channel that is tricky to categorise is known as "ways and means." This constitutes those amounts and logistics provided to voters. In instances, voters are given t-shirts and amounts ranging from 50 Ghc to 200 Ghc. In other instances, voters are given party-branded bottled water and food just outside of the polling station. As contentious as this practice might be, voters look forward to receiving these items, as for them, election periods constitute the "only time that they can benefit directly from the political system."²⁰ Considering the amount of resources and energy expended by parties and candidates in the electoral process, it is no wonder that elections have become increasingly violent, as losing candidates are made to reconcile the extent of the loss of their investments. Thus, there is a direct correlation between electoral violence and election expenditure. Parties also spend donated money advertising on social media platforms such as Facebook, X and Instagram.

Subverting Democracy or Supporting Democracy?

The principles of inclusivity and fair play that form the foundation of the democratic process, however, are frequently quite different from the way political institutions operate on the ground. At worst, elections turn into a complete farce in which voters are left with no genuine options.

Numerous variables, including elite power,

electoral fraud, and the threat or use of violence, can contribute to such extremes. The power of money is one of the primary reasons why the political system in many nations falls short of democratic principles. Although money is essential to democratic politics, some people may use it as a tool to improperly influence the political process by purchasing votes or swaying policy decisions. Interest groups might, for instance, bribe decision-makers directly or purchase access to the halls of power. Government parties employ state resources to hold onto power, while foreign interests and international criminal groups use money to sway politics in their favour.²¹

Critically, financial flows through the political sphere have the potential to jeopardise fundamental democratic principles. According to respondents during the research, the means money moves through the political arena might compromise important democratic principles if access to funding becomes a deciding factor which can distort the fairness of political competitiveness. Ghanaian political parties' shortcomings are mostly caused by inadequate or nonexistent funding, and the issue is even worse for opposition parties. In the lack of laws or regulations that differentiate the party from the state, ruling parties use their power of incumbency, and opposition parties suffer as a result of the unequal political playing field. By ensuring equal access to state-owned media during election seasons for all political parties, the 1992 Constitution partially solves the issue. The state has provided the parties with more assistance through the Electoral Commission, which provides a limited number of vehicles. The parties have also received indirect funding from tax advantages and specific donor and nonprofit organisations that offer logistical and training assistance.²³

In order to combat corruption and win and keep the public's faith in politics, parties and candidates must be funded in an open and transparent manner. Transparency, among other things, guards against the entry of illegal funds into politics, exposes and punishes excessive influence over politicians, and motivates parties

¹⁹Interview, October, 2024.

²⁰Ibid.

²¹Interview, October, 2024.

²²Interview Respondent, October, 2024.

²³CDD (2005). Financing Political Parties in Ghana: Policy Guidelines. Financing Political Parties in Ghana: Policy Guidelines. https://www.ndi.org/sites/default/files/1883_ghcddpolicyguidelines_5.pdf

and candidates to follow the law. The United Nations Convention against Corruption (UNCAC) has acknowledged the necessity for openness in the role of money in politics on a global scale and recommends that nations

"consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties".²⁴

Conclusion

Democracy is undeniably expensive. Substantial resources are required for candidates to effectively communicate their messages to the people. The process of disseminating information through media channels and conveying candidates' aspirations to Ghanaian citizens is crucial for informed voter decision-making. Therefore, there needs to be stringent laws governing the generation and spending of funds.

The constitution and other frameworks governing political parties have been determined to be insufficient. A critical national dialogue on campaign and elections funding is needed is important, as voters might be shortchanged if they are not presented with the best choices by the political parties. With regards to the ongoing election campaigns, it is difficult to foresee any of the two major parties taking the initiative to regulate campaign financing. An option would be for civil society to present a Private Members Bill, similar to what the Institute for Economic Affairs (IEA) did with the Presidential Transitions Act (PTA).

Financing political and election campaigns is a complicated matter that necessitates striking a careful balance between the necessity of financial assistance and the requirement to uphold the political process's accountability, transparency, and justice. This balance should be the goal of any reforms to political campaign funding in order to prevent corruption and undue influence during the election process.

Recommendations

- The State should strengthen the regulatory structure for political party funding.
- There is a need to strengthen and enhancing transparency and create an independent body such as the Electoral Commission (EC) to oversee election funding.
- Citizens need to be conscientious to understand the benefit they get from voting the right candidate into power rather than the material and financial rewards given to them on election day.

²⁴United Nations Convention Against Corruption (UNCAC) (2005).

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