Funding of Political Parties in Nigeria: Implications for Party Politics Stability

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Abstract

Funding of political parties has remained one of the most keenly debated issues in Nigerian political system. The concern seems to derive from the significance of which the method of party funding would appear to have on the independence of political parties, and their contribution towards the realization of genuine democratic participation. This paper, seek to establish that if funding of political parties is not properly stream lined, those who maybe privileged to have enough resources to overwhelmingly and discriminately sponsor or fund the political parties may have so great control over the parties that may vitiate the very purpose and function of political parties in a democracy, hence the great control will affect democratic participation adversely. The paper is descriptive in nature and employed secondary data which contains baseline and qualitative information from authoritative authors, and adopted the Marxist political economy as its theoretical framework. Governments everywhere particularly of the developing countries should enact relevant laws and regulation to guide the modalities for the funding and spending by the parties to encouraging successful democratic politics. The paper after careful conclusion made some recommendations for the way forward.

Keywords: Funding, Political Parties, Parties Stability, Implication of Parties Politics in Nigeria.

Introduction:

The caution and concern expressed in current debate on party funding would have arisen because of the inter/intra-party crises in Nigerian political system. The question is who contribute to the funding of political parties in order to ensure that no single individual or group of individuals take absolute control of or hijack the parties. The fear is that if this is not forestalled democracy will be impaired, and dictatorship encouraged. There is some apprehension that if individuals are allowed to contribute endlessly, they may increase look unto their contributions as investments, and thus the parties as their estate. It is to reduce the influence and control of individuals in party organization, that party funding mustbe regulated. Also regulated funding of parties will ensure free participation of individuals. Onuoha and Fadakinte, (2002: 89-90)

What constitutes political parties?

In trying to give an insight into the above subject, it is important to explain what a party system is. Party system refers to the nature, organization and the composition of political parties as well as the number of parties allowed to participate in political activities in a given state. It describes how the organization (party) is composed, its ideologies or believes, as well as the number of such organizations (parties) allowed by law of a particular state to compete for political positions. Party system describes the manner in which the political parties operate. Udokang, (2006:78).

> *"a political party is a more or less organized group of citizens who act together as a political unit, have distinctive aims and opinions on the leading political questions of controversy in the state, and who, by acting together as a political unit, seek to obtain control of the government". Appadorai, (2004:537-539).*

A political party is therefore an organization of individuals who have broadly similar ideas about the nature and functions of governments, pursue broadly similar ideology and organize themselves to obtain political power and control governmental machinery with all its advantages and responsibilities, and in the overall interest of the state. Eminue, (2001:45). A political party is an instrument (label) of identifying (as object) the party system in a state.

Historical background of political party

Modern political parties are said to have originated as a result of the bourgeois revolution in Europe. According to Giovanni Santos:

> *"modern political parties originated from the rising of self-consciousness of the middle class determined to be liberated from the class feudalism and for presentation to check absolutism" (cited in Lapalombara)*

The evolution of party system in Nigeria can be traced back to the colonial era, it was in 1922 that the Clifford constitution in Nigeria introduced the "elective principle" which meant the election of four Nigerians into the legislature ie. One from Calabar and three from Lagos. The introduction of the elective principles in 1922 led to the formation of the first indigenous political party in Nigeria, ie. Nigeria National Democratic Party (NNDP), under the leadership of late Herbert Macaulary in 1923. (Ndoh, 2002).

The emergent of political parties in Nigeria can be described as the outgrowth of cultural associations, which were analyzed as belonging to two categories "mass" and "elite" parties. Among the three most prominent ones at the time, in the 1940s and 1950s, are the National Council of Nigeria Citizens (NCNC) and the Action Group (AG) were described as mass parties. On the other hand, the Northern People Congress (NPC) was referred to as elite party. (Hodgkin, 1961)

Party Funding:

The debate as to how best to fund the political parties to ensure that democratic politics is freely practiced, and that political parties do not become overwhelmingly controlled by few individuals or groups. The Nigerian government (the federal government) began formally in 1977 to contribute funds to political parties. The case in 1990 was very pronounced and was written into the 1999 constitution, with the argument that it was to safeguard the political machinery from seizure by a powerful oligarchy who would have used their enormous financial power as a leverage to hijack the new parties, National Republican Convention (NRC) and Social Democratic Party (SDP) created by government.

How then can party funding be regulated to ensure that no individual dominates and expropriates political party machine? Three types of funding are suggested.

(i) Government funding of political parties;
(ii) Funding by corporate bodies;
(iii) Funding by individual members of the parties.

1. **Government funding**: With regards to government funding of political parties, it is reasoned that because political parties play the role of training and educating the electorate, which is politically a national or civil responsibility, parties need financial assistance from government to be able to adequately play such national or civil roles.

   Political parties, potentially are to manage the affairs of the state, they are to assist stability by establishing a firm and reliable party structure; their roles is for public good, therefore, the state should contribute to that public and general good. This will help towards the autonomy of the political parties particularly under severe

economic crisis when "money bags" would otherwise hijack and privatize the partie through their financial contributions end up dictating what would go on in the parties (Onuoha and Fadakinte, 2002)

2. **Funding by corporate bodies**: Corporate bodies, like business and industrial organizations, as well as foreign bodies or organization under certain conditions should be encouraged to fund political parties as a means of contributing to political stability and economic growth. The argument regarding this position is that these corporate bodies have very heavy investments in the fledgling democracies, therefore they will benefit from political stability which they need for the growth of their economy and their investment.

3. **Members funding**: Membership of political parties should contribute funds to their parties. There should be a clear rules that should govern individual members contributions to the political parties. For instance, there should be ceiling on contributions by individual members. However, the ceiling should be flexible. The political parties members must consider regular payment of party dues as party responsibilities and regularly and promptly discharge them. Nevertheless, wealthy individuals must not be allowed to dominate parties because of the enormous size of fund they contribute.

Theoretical framework:

According to Ake, (1985:49), the Marxist political economic emphasis is that, the unique feature of the socio-economic formation in contemporary third World countries and Nigeria in particular is that the state has limited autonomy. This is because the state is not mediated by complete generation of commodity

production and exchange. The emerged bourgeois class cannot avoid ruling directly since there is hardly any separation of the political from the economic. Given the non separation, Ake argue that the system of institutional mechanism of domination (state and its institutions) is not differentiated and dissociated from the ruling class and even the society.

The obvious implication in understanding politics, and the funding of political parties in Nigeria, is that the political class use the struggle fo power, by every means to pursue it, and hence there is personalized use of coercive political process including funding of party politics based on political party not the rules.

Secondly, so far as there is limited autonomy of the state and its institutions are not differentiated and dissociated from the hegemonic class, the possibility of resolving contradictions is severely limited. The Marxian political economy views the World as dynamic and not static with the conflict and contradiction within the socio-economic system propelling this movement. Therefore, the institutions to monitor the spending of political parties are weak and cannot effectively control the activities of the political parties in accordance to the lay down rules and redulations.

Nature of parties fund in Nigeria

(i) **Registration fee**: One source of political parties funding was the traditional individual registration fees which members pay to the political party they belonged. Fees were paid at the point of registration. Within the period of 1951, 1958 and 1966 membership of the party registration fee was categorized into urban and rural centers. While payments at the rural areas were largely uniform, the urban where depended on the occupation of the members. It may be necessary to add that registration fees constitute negligible source of party funding at the time.

(ii) **Monthly / Annual Dues**: usually this was paid at the wards levels. Moreover, most parties were organized like mass parties, the registration fees and annual dues were important sources of funding. But when one considers the cost of party organization and in particular, campaign expenses, registration and annual/monthly dues, in real terms were negligible in the financing of political parties.

(iii) **Donations, levies and contributions**: Since the days of party politics in Nigeria, donations, levies and contributions by individuals and corporate bodies have remained the most significant sources of funding of political parties. The financial strengths and of course the overall strength of the party were tied to the amount of donations and contributions from members and supporters of the party in its formative period and prior to its being control of any government whether at the (local, state or federal levels)

There are various donations, levies and contributions made under different circumstances, needs and methods. The first is voluntary donation which most of the time come from very wealthy members and supports of the party. The donations are both in kind and cash, often in thousands and millions of naira. The donation in kind, a party member or supporters may decide to bear the cost of party rally or any other activity as a form of assistance to the party. Such member or supporter may decide to donate vehicles, buses, motorcycles or out-boat engines in Riverine areas, to enable the party cover effective electoral campaign exercise.

Forms of levies and contribution by political parties membership:

a. Members of the party contesting local government, state government and federal government positions are levied specific

amount to pay to the party, before the party would ratify their nominations for such electoral contests.

b. The party members successful as legislators, commissioners, or ministers, members of board, local government elected/appointed, pay certain percentage of their monthly/annual allowances, or salaries were to be paid into the party coffers.
c. Members of the party contesting were expected to pay for their electioneering campaign expenses. For example in 1993 the NRC charged party members ₦100,000.00, if such member wanted to be part of the presidential campaign encourage to be entitled to accommodation etc.
d. Political parties controlled local, state governments, such parties in control paid specific levies to the party headquarters for purpose of party organization and administration.
e. Most contractors working for government (local, state or federal government) controlled by political party, and which has awarded such contract jobs to the contractors this is the popular ten percent (10%) of the value of the contract, which is paid into the purse of the party in control of that government. Dudley, (1975:45)

Economic activities as source of funding to political parties:

Political parties forms of funds raising activities, include, sales of party emblems, souvenirs and party publications. Also political parties, through the governments they controlled, established and sustained newspaper businesses, property investments and other profit making enterprises. Another source was loans made to the parties by the financial institutions they controlled. The loans were given to the parties through the government they formed. For example the political parties from 1977 to 1983, established financial institutions especially banks eg. progress bank by NPP in Imo State. Sklar, (1983: 34).

Electoral laws on party funding:

Basically, because of the corrupt and undemocratic method of party funding, particularly during election periods, must have informed the strict rules governing party funding in Nigeria as introduced in 1979 constitution. Apart from the situation during the first republic, political parties from the second republic in 1979 were required to submit their sources of fund to the scrutiny of the Federal Electoral Commission. Among others, the following rules and regulations were to be observed.

(i) Party annual reports, including assets and liabilities were mandatory;
(ii) Sources of funds, their expenditure were to be provided to the Electoral Commission on demand;
(iii) No political party shall hold or possess any funds or other assets outside Nigeria;
(iv) No political party shall retain any funds or assets remitted to it or sent to it from outside Nigeria. Any such fund shall be turned over to the Electoral Commission within 21 days of the receipt of the fund (section 205, 1979 constitution) ;
(v) The electoral Commission is mandated to prepare and submit to the National Assembly, every year a report on the accounts and balance sheet of every registered political parties; and
(vi) The Electoral Commission shall haveimmediate and full access to the books and accounts and vouchers of all the registered political parties (section 26, 1979 constitution), (Sklar, 1983).

The key sections of the electoral law governing the funding of political parties between 1990 and 1993 include section 83, sub-section three to five; section 89, sub-section one to four; and section 90, sub-section one to six of the laws of the federation of Nigeria 1990. Like the rules 1979 constitution, the 1990 laws stipulated that the funds of the political parties shall be subjected to the scrutiny and authority of the federal electoral

commission. The 1990 rules however, provided more elaborate and clear-cut guidelines.

(i) No alien and no company, firm or business enterprises not wholly owned by citizens of Nigeria shall directly or indirectly make any contribution or loan (whether in cash or kind) to funds held or to be held by or for the benefit of any political party; and no political party or person whatsoever shall demand, obtain or accept any such contribution or loan from any alien or from company, firm or business enterprises not wholly owned by citizens of Nigeria (section 83, sub-section 3, 1990 constitution);
(ii) No political party shall hold or possess any funds or other assets outside Nigerian nor shall it be entitled to retain any funds or assets remitted or sent to it from outside Nigeria. The electoral commission must be informed of such fund or assets by non Nigeria or outside Nigeria within 21 days after it is made (section 83, sub-section 5, 1990 constitution);
(iii) The electoral commission shall place limit on electoral expenses of political parties; the electoral expenses shall be separately audited and submitted to the commission not later than 90 days after the election (section 90, 1990 constitution); and
(iv) Government shall make monetary grants to the political parties; part of the grant shall depend on the electoral successes or performance of each party (section 89, sub-section 1, 1990 constitution).

Party funding and crisis:

Observation based on inter/intra party conflict in Nigeria, the three separate federal military governments, under transition programmes, 1967-1979, 1985-1993, and 1993-1998, particularly that of Babangida of 1985-1993 to assist the financing of political parties introduced a new funding arrangements in party finances in Nigeria. But in-spite of

governments huge financial commitment to the parties, there were no appreciable reduction in crisis and conflicts bedeviling democratic practice of the political parties in Nigeria from 1960 to date, whether in the inter or intra-party activities. Onuoha and Anifowose,(1989:123-125), perhaps the reason is parties because inter party and intra party conflict did not arise from rules and regulations governing party finances or their implementation.

Party politics of primordialism:

Nigerian politics can be described as the politics of primordalism. This is politics of blackmail and violence. Primordialism is the basic impulse of crude, thuggery fearful or unrefined life style, smacking off being rugged and violence; some cynic justifies the present trend based on party lineage, patronages and related obligations, and the huge expenditure which has failed our election campaigns. The politicians who expend these monies, it is argued therefore try to recoup them on being elected to the seat of power. To overcome this negative import, we must strive to rid our political campaign, such excesses as petty demands of cash and other gifts which the politicians cash in on while in power to sell their votes and consciences to garner wealth and promote their selfish interests at the detriment of the electorate. Nwokocha, (2007:67)

Conclusion:

Nigerian experience is that rules and regulations governing party finances, their nature and causes, have not meaningfully affected the success or breach of multiparty democracy.

The increasing emergence of many rich politicians in the party, the attempt by "money bags" to hijack parties, the actions of the founding fathers, who combined founder status, party bureaucracy (and at times) financial backing, most of the time controlled the party, constituting the party caucus. This was the case particularly before 1989, the

predominance of the "money bags" became further insignificant from 1989-1998.

The political party in government takes undue advantage of their control of government to create frustration for the parties not in government. Such frustration led to tension, but in most cases the advantage of party in government was not necessarily its financial superiority as much as its control of political power, resources allocation, and the coercive instrument of the state.

Recommendations:

(1) Political parties should reintroduce memberships registration fee into the party and encourage funding by corporate bodies.

(2) Electoral commission and government regulation of funding of parties will reduce corruption, intimidation, expropriation and exploitation, and the overall cost of running democracy and democratic government.

(3) Government should strengthen the finance of political parties to safeguard the political machinery from seizure by a powerful oligarch, who would have used their enormous financial power as a leverage to hijack the party

(4) Limit on campaign expenses should be adequately controlled and verified by electoral commission and other relevant agencies.

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