

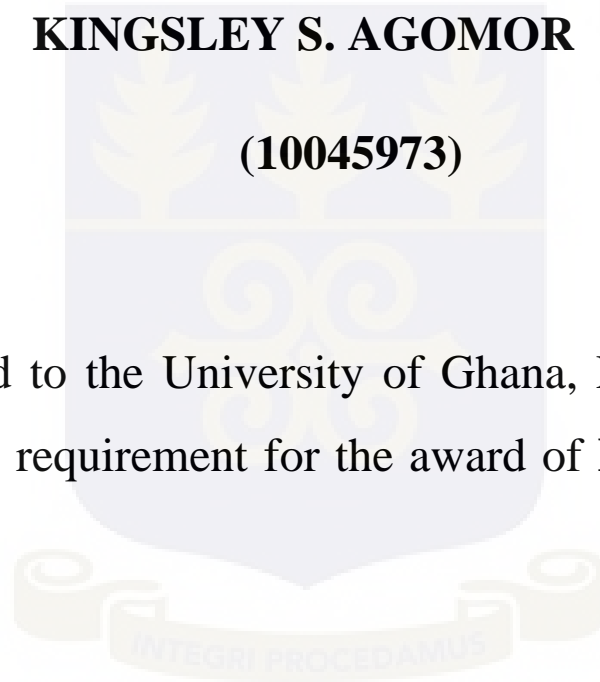
**FINANCING POLITICAL PARTIES UNDER THE
FOURTH REPUBLIC OF GHANA**

BY

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Thesis submitted to the University of Ghana, Legon, in partial fulfilment of the requirement for the award of **PhD in Political Science** degree



June, 2015

Declaration

I, Kingsley Senyo Agomor, do hereby solemnly declare that apart from documentary and other sources of material cited and acknowledged in this work, I am entirely responsible for the authorship and any errors which may be found in this work despite the advice and suggestions I received from my supervisors.

I also declare that this work has never been submitted by me or any other person to the University of Ghana, Legon or any other University for the award of any degree.

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Dedicated to:

Becky, Joshua, Philip and Michael



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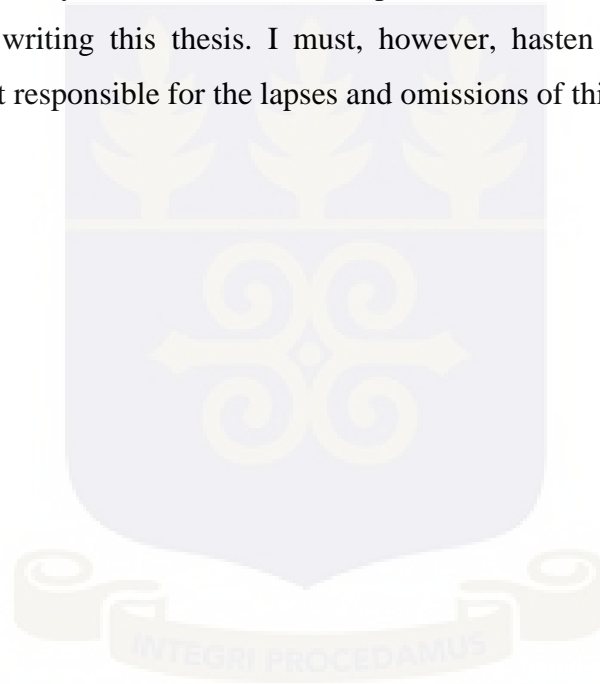


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ABBREVIATIONS/ACRONYMS

ACP	Action Congress Party
APRP	All People's Republican Party
AR	Ashanti Region
AU	Africa Union
AYO	Anlo Youth Organization
BA	Brong Ahafo Region
CDD-Ghana	Ghana Center for Democratic Development
CDP	Consortium for Development Partnership
CDU	Christian Democratic Union
CEE	Central and Eastern Europe
CHRAJ	Commission on Human Rights and Administrative Justice),
CMB	Cocoa Marketing Board
CODESRIA	Council for Scientific Development of Social Science Research in Africa
CP	Construction Pioneer
CPC	Cocoa Purchasing Company
CPP	Convention People's Party
CR	Central Region
DACF	District Assembly Common Fund
DANIDA	Danish International Development Agency
DFP	Democratic Freedom Party
DFP	Democratic Freedom Party
DPP	Democratic People's Party
DPP	Democratic People's Party
EAC	Economic Commission for Africa
EC	Electoral Commission

EGLE	Every Ghanaian Living Everywhere
ER	Eastern Region
FES	Friedrich-Ebert-Stifting
FYO	Federation of Youth Organization
GAR	Greater Accra Region
GBC	Ghana Broadcasting Corporation
GCP	Ghana Congress Party
GCPP	Great Consolidated Popular Party
GCPP	Great Consolidated Popular Party
GDP	Gross Domestic Products
GDRP	Ghana Democratic Republican Party
GFP	Ghana Freedom Party
GH¢	Ghana Cedi
GNP	Ghana National Party
GTV	Ghana Television
IDEA	International Institute for Democracy and Electoral Assistance
IDEG	Institute for Democratic Governance
IEA	Institute of Economic Affairs
INDEP	Independent Candidate
INGOs	International Non-Governmental Organizations
IPP	Independent People's Party
MAP	Moslem Association Party
MP	Members of Parliament
NADECO	National Development Company
NAL	National Alliance of Liberals
NCCE	National Commission for Civic Education
NDC	National Democratic Congress
NDP	National Democratic Party

NDP	National Democratic Party
NEC	National Executive Committee
NGOs	Non-Governmental Organizations
NIMD	Netherlands Institute for Multiparty Democracy
NLC	National Liberation Council
NLCD	National Liberation Council Decree
NLCD	National Liberation Council Decree
NLM	National liberation Movement
NPP	New Patriotic Party
NPP	Northern People's Party
NR	Northern Region
NRP	National Reform Party
NRP	National Reform Party
NVP	New Vision Party
PAP	People's Action Party
PDA	Preventive Detention Act
PDCs	Peoples' Defence Committees
PFP	Popular Front Party
PHP	Peoples Heritage Party
PNC	People's National Convention
PNDC	Provisional National Defence Council
PNDCCL	Provisional National Defence Council Law
PNP	People's National Party
PP	Progress Party
PPP	Progressive People's Party
RPP	Reformed Patriotic Party
SDF	Social Democratic Force
SMCD	Supreme Military Council Decree

SMCD	Supreme Military Council Decree
SSA	Sub-Saharan Africa
SSNIT	Social Security and National Insurance Trust
TC	Togoland Congress
TFP	Third Force Party
UDSP	United Development System Party
UER	Upper East Region
UFP	United Front Party
UGCC	United Gold Coast Convention
UGM	United Ghana Movement
ULP	United Love Party
UNC	United National Convention
UNP	United National Party
UP	United Party
URP	United Renaissance Party
USA	United States of America
UWR	Upper West Region
VAT	Value Added Tax
VR	Volta Region
WB	World Bank
WDC	Workers Defence Committees
WR	Western Region
YPP	Yes People's Party

Abstract

The way political parties mobilize funds for their activities is recognized as an essential determinant of their internal democratic politics. This study examines the financing of political parties in Ghana. It is based on the hypothesis that the dependence of political parties on some wealthy members of society for funding affects their capacity to achieve internal democracy.

The study obtained primary data from a total sample of 1,111. This was made of a survey of 1,006 card holding members of four political parties, (the National Democratic Congress, New Patriotic Party, People's National Convention and Convention People's Party), which are consistently represented in Parliament; 105 interviews conducted with ordinary and executive members of political parties, public institutions and civil society in Ghana; and the relevant financial records of political parties provided by the Electoral Commission. The data analysis was guided by the rational choice institutional theory which sees members of political parties as rational political actors who provide funding to, or withhold funding from, political parties based on their calculation of the potential political and economic benefits.

Three key findings were uncovered by the study. First, contextual variables including the political environment, the economic status of citizens, the socio-cultural environment, and organizational factors have accounted for the inability of political parties to mobilize resources from their grassroots members. Second, party financing has, therefore, relied heavily on some wealthy members of society who use their power to control, to their advantage, the internal democratic politics of the parties. Third, neopatrimonial politics has emerged within political parties, where poor members sell their votes to wealthy politicians during the election of party representatives.

Based on the findings, the study recommends some form of state support, building capacity for effective party organization and enforcement of the rules and regulation governing funding of political parties to enhance democratic politics in Ghana.

CHAPTER ONE

INTRODUCTION AND CONCEPTUAL FRAMEWORK

1.0 INTRODUCTION

Political parties lie at the heart of representative democracy. Mainwaring¹ recognizes the importance of political parties in the building of democracy as the main channel through which representation in parliament can work in the third wave of democratization. Consensus also exists among scholars such as Gunther and Diamond², Sartori,³ and Ware⁴ that political parties are essential for sustainable democracy and good governance. Randall and Svasand,⁵ describe political parties as teachers of civic education, while Lipset ⁶ emphasizes their indispensability in any modern democratic politics. Political parties are therefore vital for the organization of modern political polity and they perform a variety of functions among which are the following:

- (i) They organize political campaigns in order to mobilize voters to participate in elections;
- (ii) They recruit political personnel by selecting and nominating candidates who stand for public office;
- (iii) They aggregate a plurality of interests into a reasonable number of political alternatives or policy options, and normally add an important element of stability to the political system by legitimizing the individuals and institutions that control political power; and
- (iv) They encourage partisan attachments, and engage in campaigns and civic/voter education.⁷

The undertaking of all these activities inevitably requires substantial finance. The availability or lack of finance is a critical element that directly impacts on the extent to which political parties can shape democratic politics.

Money is very crucial in democratic politics and its role in consolidating strong democratic governance cannot be over-emphasized. As the International Institute for Democracy and Electoral Assistance (IDEA)⁸ points out, money is vital to run any healthy democratic institution. Nassmacher⁹ considers funding the main driving force for a modern competitive political party system. Pinto-Duschinsky¹⁰ invariably describes money as the engine of politics and the political resource that matters most. According to CDD-Ghana¹¹, finance is vital to build vibrant and competitive political parties. Money is, therefore, the lifeblood of political activity and, as Clare Ettinghausen¹² sums it up, money buys the access, goods and services, favours and skills that are essential to effective political party activity. However, financial resources alone do not guarantee competitive political party activity, in much the same way as multi-party politics is also not a guarantee for development. Nevertheless, there is a strong correlation between financial resources, competitive political parties and democratic governance.¹³

The relationship between money and politics has been a contentious issue in both old and new democracies. A healthy multi-party democracy requires strong political parties, but money to pay for multi-party activities can place undue power in the hands of some wealthy individuals. It can also result in the abuse of state resources and in political corruption. It can influence the outcome of elections and the democratic process in general.¹⁴ The debate

on the appropriate ways of funding of political parties is therefore a concern for the quality of democratic governance. This study explores the contextual variables and how funding affects the capacity of political parties to achieve internal democracy.

1.1 STATEMENT OF THE PROBLEM

In recent years, many African countries, including Ghana, have succumbed to both internal and external pressures and have returned to multi-party democracy after long periods of military rule.¹⁵ Ghana has demonstrated her commitment to a multi-party system by conducting six successful general elections in 1992, 1996, 2000, 2004, 2008 and 2012 with the third and fifth (ones) witnessing power alternation from one political party to another. There is no doubt that Ghanaian political parties have helped by seeking power through democratic means and have discouraged seeking power through any undemocratic means. Specifically, they have contributed remarkably to electoral competition and reassured the legitimacy of elections by contesting presidential and parliamentary elections.¹⁶ They have recruited political leaders, organized civic education and stimulated voter participation. More importantly, by seeking power through democratic means, political parties have helped to discourage seeking power through any undemocratic means.¹⁷ By law, party politics should not feature during district assembly elections, but political parties are often active trying to get ‘their’ candidates elected.¹⁸

Competitive political parties in Ghana and elsewhere need financial resources to effectively discharge their democratic functions. They need to acquire and properly staff their offices, organize themselves, undertake research to continuously communicate with the people, and

mount effective election campaigns. Some political parties in Ghana have branches nationwide as required under the Political Parties Act, Act 574 of 2000 and some of these parties manage to operate throughout the year. All these require adequate financial resources.

As in many democratic countries, political parties in Ghana are regarded as non-state political institutions with rights of independent funding. The sources of funds to political parties is regulated by certain laws. For example, in Ghana, foreigners and foreign companies, by law, are not allowed to make any contributions or donations or grant loans, whether in cash or in kind: directly or indirectly, to fund political parties. Governments and International Non-Governmental Organizations (INGOs) are allowed to contribute to party funds, but they can only do so through the Electoral Commission, and such funds will be for the benefit of all political parties. Foreign governments and International Non-Governmental Organizations (INGOs) are not allowed to contribute directly to any specific political party.¹⁹ Even though the laws have always sought to control the financing of political parties, it is poignant to indicate that the Ghanaian Fourth Republican Constitution and the Political Parties Act, Act 574 of 2000 which outlines political party rules and regulations have neither prescribed their sources of income nor placed any limitation on such contributions.²⁰ Act 574 is silent on state funding. It is only the disclosure provision of the Act that suggests two main private sources, namely, membership dues and donations in cash or kind.²¹ In reality, this simple classification conceals a complex system of rules and regulations that govern party finance.

Private financing of political parties can embrace everything from a trivial contribution from an individual to a large donation from an organized crime syndicate. While private financing of political parties is desirable and necessary, it is often associated with a lot of problems.²² Lack of proper regulation on private contributions may exert inappropriate and undue influence on the political system and pose a real danger of undermining democratic values.²³ As Rose-Ackerman²⁴ rightly puts it:

the worry is favouritism. Groups that give funds to elected officials expect help in the legislative process. They may also expect special treatment on individual problems in dealing with the bureaucracy or in seeking contracts and concessions. If the interest of such groups or individuals conflicts with those of the general public, this undermines democratic values.

In Ghana, the media headlines have been full of stories that express concern about how funds are mobilized for political activities. For example, one night of fund-raising activities yielded 13 billion cedis (\$18.4m) from 13 people who were reported to have donated the amount to Mr. John Alan Kyeremanten, a contestant for the 2008 presidential candidate slot of the then ruling New Patriotic Party (NPP).²⁵ In contrast, however, the late Dan Lartey, the presidential candidate for the Great Consolidated Popular Party (GCPP) was unable to raise registration fee to contest in the 2008 presidential election.

In 2010, the media pointed out that the NPP was indebted to the extent that it might not be able to organize its presidential primaries slated for August 2010.²⁶ Consequently, the contestants were asked to contribute additional money to the mandatory registration fees in order to have successful primaries. The news further suspected that the national

chairman of the party had to sell his personal property to pay off some of the debts. This media report revived the debate about how political parties should be funded in the country. While some called for state funding to avoid the possibility of rich people taking over political parties in our democratic system, others asked political parties to solicit more financial contributions from their grassroots supporters to fund their activities.²⁷

The Political Parties Act 574, does not provide any limit or guidelines regarding donations to political parties and politicians. Yet, the fundamental question that keeps agitating the minds of many concerned citizens, researchers and supporters of democracy is: To what extent has donations to candidates and political parties been able to promote democratic politics? What motivated the national chairman of the NPP to sell his personal property to pay off political party debts? Why should the Chief Justice, Her Lordship Georgina Wood²⁸ call for a sustained crusade against the infusion of money into politics at all levels in the country? What should be done to encourage grassroots-financing and, possibly, prevent plutocratic donations to political parties in Ghana?

The private source of financing political parties often influences the degree of open political competition and equality party members enjoy.²⁹ According to Butler³⁰, in South Africa and the Global South, the poor who are unable to contribute to party funds are left to languish voiceless in poverty, increasingly enraged by their exclusion from the political equality that democracy has promised the people. More importantly, party financiers influence the character of internal party democracy, and the growth and character of internal factions. The way political parties are funded is, therefore, one of the key factors

that influences the overall political development in both developed and developing countries.

In the light of the enormous controversy the issue of party financing has generated amidst a growing democratic development, this study examines the contextual variables that have influenced the financing of political parties, the various sources of financing political parties, how the rules and regulations of political party financing are enforced and their implications for internal democratic party politics in Ghana.

The hypotheses of the study, research objectives, research questions and analytical framework (theoretical approach, conceptual tools, and methodology) are outlined below.

1.2 HYPOTHESIS

The hypothesis of this study is that:

- i. The dependence of political parties on some wealthy members of society for funding affects their capacity to achieve internal democracy.

1.3 OBJECTIVES OF THE STUDY

The study has a three-fold objective. It seeks to:

- i. Identify and examine the contextual variables that have influenced the dependence of political parties in Ghana on some wealthy members for funds;
- ii. Assess how the financial dependence of political parties on some wealthy members of the society affects the internal democratic order of political parties; and

- iii. Suggest alternative measures for financing political parties that would promote internal democratic politics in Ghana.

1.4 RESEARCH QUESTIONS

Based on the above objectives, the study is guided by the following questions:

1. What is the institutional framework of the state and the political parties that governs political party funding?
2. What are the sources of funding for political parties?
3. What are the contextual variables that have influenced the financial dependence of political parties in Ghana on some wealthy members?
4. How does the dependence of political parties on their wealthy members for funding affect the capacity of political parties to achieve internal party democracy?
5. What are the implications of the findings for democratic politics in Ghana?

1.5 OPERATIONALIZATION OF KEY VARIABLES

Three key concepts that underpin the study are political party financing, the political party and institutions. These key concepts and the associated contextual variables are defined below.

1.5.1 Political Party Financing

The concept of political party financing refers to the manner in which political parties and individual candidates who seek to get elected to assume political office gather funds for electoral campaigns, and in the case of political parties, seek to maintain themselves as organizations.³¹ In this study, therefore, political party financing involves all the means through which political parties and individual political actors mobilize resources for the

execution of their electoral, political and party organizational agenda. The term ‘party finance’ applies to parliamentary systems where political parties are the most powerful actors, while ‘campaign finance’ is most frequently used in the presidential systems, where political parties operate in the background and the focus is shifted onto the individual candidates.³² The governance principle of the 1992 Ghanaian Constitution is a hybrid of presidential and parliamentary systems. It follows, therefore, that the term, political finance, party funding, financing of political parties, campaign finance can be used interchangeably to mean the same thing in this study. The private sector and the state are the two main sources of funding to political parties.³³ However, for the purpose of this study, the main sources of political party funding are placed into three different categories. These are:

i. Private financing

Political parties are independent political institutions, and they are basically supposed to generate income from private sources. The private source of funding can further be divided into internal and external sources. It is difficult to draw the line between internal and external financing of political parties, particularly when donations are made at fundraising rallies and where individuals, party sympathizers and companies contribute. It is even more difficult because the Political Parties Act, Act 574, states that the two sources of funds to political parties are membership dues and donations. Many scholars have identified membership dues, candidate filing fees, income from investments, small individual donations from party members and supporters through party rallies and similar events and the sale of party newspapers, party manifestos, paraphernalia and other publications as genuine internal sources of income.³⁴ External sources of funding are contributions from

non-party members such as sympathizers, Non-Governmental Organizations (NGOs), companies and foreigners. State funding can be considered as an external source but because it is compatible with democratic ideals, it is discussed under separate heading.

ii. State Funding

State funding is the provision of resources by the state to political parties on a regular basis, or funding that is only election campaign related.³⁵ Nassmacher³⁶ notes that state funding is the allocation of public funds to political parties to bridge the gap between insufficient money generated from private financing and their expenditure. State funding can be direct or indirect. Direct state funding is a distributive policy to support political parties on a regular basis with some form of criteria. Indirect state funding is a support in the form of subsidy in kind: free media time, special taxation status, free use of public buildings, free or subsidized postage and free transportation, among others. It has become a necessary cost of democracy. Supporters of public funding of political parties argue that the wealthy individuals and people with special interests often contribute by far a larger amount of money to the ruling party because of the immediate returns which come in the form of award of contracts and other benefits as a direct result of their contributions. This apart, the incumbent party has access to state resources and this does not create a level playing field for opposition parties.³⁷ The term public funding, state support, and state funding in this study are used interchangeably to mean the same thing.

iii. Illegitimate or undemocratic financing

These are contributions from political entrepreneurs or people who contribute for the purpose of getting contracts or influencing political activities for selfish gains. In spite of

the formal democratic rights of all, some people abuse the process through the rule of what Gyimah-Boadi calls ‘interested money’.³⁸ This kind of financial contribution to political parties undermines the democratic ideal, and it is unacceptable to society.³⁹

1.5.2 Political Party

Howard⁴⁰ defines political parties as ‘organizations formed to win elections and influence public policy’. This definition is not far from how a political party is legally defined under the Fourth Republic of Ghana. A political party is defined in Section 33 of the Political Parties Act as:

... a free association or organization of persons, one of whose objects may be to bring about the election of its candidates to public office or to strive for power by the electoral process and by this means to control or influence the actions of government.

This definition is what is deployed in the study to address issues concerning the funding of political parties under the Fourth Republic of Ghana. The formation of political parties in Ghana, however, goes back to the late 1940s when the United Gold Coast Convention (UGCC) and the Convention People’s Party (CPP) were formed. Therefore, generally, a political party is conceptualized in this study as an organization of persons that is formed with the purpose to win local or national elections and influence public policy choices.⁴¹

Michels⁴² points out that the core objective of a political party, which is to win elections means that ‘the political party is founded in most cases on the principle of the majority, and is founded always on the principle of the masses’. It is not possible for a political party

to achieve its core objective without first winning the support of voters. Mass membership of a political party is sine qua non to winning elections.

Political parties do not simply seek to win elections. More importantly, they aspire to use state power to influence public policy choices. To ensure that political parties that win elections use state power to fairly distribute national resources and to promote public policies that are of a national character, Article 55(4) of the 1992 Constitution states, that ‘Every political party shall have a national character, and membership shall not be based on ethnic, religious, regional or other sectional divisions.’ Towards the creation of a political party with a national character, Section 9 of the Political Parties Act, Act 574 of 2000 further requires political parties to have branches in all the regions of Ghana and ‘organised in not less than two-thirds of the districts in each region.’ Political parties are also prohibited from choosing their name, emblem, colour, motto or any other symbol based on ethnic, regional, religious or other sectional connotations. In the context of the Fourth Republic of Ghana, a political party is appropriately conceptualized as a national organization of persons formed with the purpose to win elections and influence public policy. The national character of a political party is an important requirement for the legal registration and functioning of the party.

In the context of Ghana’s Fourth Republic, the membership of a registered political party should be national in character. Article 21(3) of the 1992 Constitution and other legal rules governing the formation of political parties emphasize that only Ghanaian citizens of voting age have the right to form and join a political party in Ghana. Moreover, the right

to join a political party is voluntary. However, the laws do not define who is a member of a political party. For the purpose of this study, a political party member refers to a person of voting age who has formally registered with a political party as a member. Members of political parties are given identification cards as evidence of their membership. This study showed that political parties have different categories of members such as founding members, patrons, elders, officers and ordinary members. Members of political parties are required to make periodic (monthly or yearly) financial contributions towards the organizational activities of the parties. The periodic financial contributions of some fixed amount to the party by the card bearing members are referred to in the study as membership dues. The payment of membership dues demonstrates a sense of ownership, commitment and participation of party members.⁴³

This study is concerned with how the funding of political parties affects the capacity of their members to influence internal democracy. Michels⁴⁴ argues that ‘the life of political parties, whether these are concerned chiefly with national or with local politics, must, in theory, necessarily exhibit an even stronger tendency towards democracy than that which is manifested by the state.’ This study therefore emphasizes that a strong internal party democracy is the pillar of national democratic politics.

If a country’s political parties lack internal democracy it would become impossible to use them to promote a democratic state. However, the funding of political parties is an important factor that affects the internal democracy of parties. The study argues that the

financial dependence of political parties on some wealthy members is capable of affecting the internal democracy of parties.

i. Political Party Internal Democracy

In the context of the study, how can one define the terms ‘political party internal democracy’, ‘wealthy members’ of a political party and ‘non-wealthy members’ of a political party? Democracy, simply defined, is the rule by the majority. Indeed, one of the key features of democracy is the principle of equality where each member of the society has the same weight. In this case, the members of the political party have the same right to vote, stand for an election, pay dues, and participate in decision making. Article 55(7) of the Constitution of Ghana requires, that a party member should not be discriminated against on grounds of gender, race, colour, ethnic origin, religion, wealth, economic or social status.

Article 55(5) of the 1992 Constitution emphasizes that ‘the internal organization of a political party shall conform to democratic principles.’ The specific nature of the democratic principles is not specified. Under the Fourth Republic of Ghana, there are two types of elections that political parties contest, namely, parliamentary and presidential elections. It could be argued that the 1992 Constitution prioritises the selection of parliamentary and presidential candidates by political parties through popular elections, prioritises these over other processes such as popular acclamation or appointment by party leaders. Apart from the parliamentary and presidential elections, political parties also elect members into internal leadership positions to shape decisions. For the purpose of this study, the internal democracy of a political party is, therefore, defined as the situation where all

members of a political party are offered equal opportunity irrespective of wealth, status and power to contest election as parliamentary candidate, as presidential candidate, as party leader or for other party positions.

The study showed that the election of candidates or leaders within political parties is usually determined by the wealth of the party members rather than simply by their association with the party as members. Financially, wealthy party members are those who are usually elected or appointed by the political parties, either to contest public office, or to assume internal leadership positions. The distinction that this study makes between wealthy and non-wealthy political party members is explained below.

ii. Wealthy Members and Non-Wealthy Members of Political Parties

The Ghanaian state does not provide funding to political parties. Moreover, political parties are legally debarred from soliciting for funds from non-citizens of Ghana. Political parties are therefore left on their own to mobilize funding from citizens. It is within this context that the financial contributions of party members become very important.

For the purpose of the study, ‘wealthy members’ of political parties refers to three categories of party members. First, it refers to those who pay membership dues above the monthly or yearly dues paid by the ordinary members. Second, it refers to those who pay huge fixed sums of money in order to contest leadership positions within the party. And third, it refers to those who pay huge fixed sums of money in order to contest the election as parliamentary or presidential candidates. The study showed that almost all political parties in Ghana have these three categories of wealthy members. These are national,

regional and constituency executives, presidential and parliamentary aspirants and rich individuals who donate large amounts of money to political parties. Non-wealthy members of political parties refer to all those members who are only able to pay the minimum membership dues paid by all ordinary members.

In theory, all members of political parties have equal opportunities to contest internal leadership positions or be elected as party candidates. In practice, however, only the wealthy members of political parties have this opportunity. Consequently, as already indicated above, one of the hypotheses of this study is that the dependence of political parties on wealthy members for funding is capable of affecting their capacity to achieve internal democracy. Contributions from wealthy members to political parties attract greater concern from advocates of democratic governance.⁴⁵ The study showed that the dependence of political parties on some wealthy members is influenced by many factors including the nature of the institutional framework of the state that regulates political party funding.

1.5.3 Institutions

It has become trendy for many political scientists to follow North⁴⁶ in defining institutions as humanly devised rules that enable and constrain social, economic and political interaction.⁴⁷ For the purposes of this study, institutions are defined as the rules that regulate the actions of political parties as well as members of political parties. The study focuses on two main types of institutions. First, it focuses on the legal rules of the state that regulate the behaviour of political parties. Second, it focuses on the internal rules of

political parties that regulate the organization of members and political processes such as the election of leaders and candidates. Political parties are conceived as the ‘players’ in the game of parliamentary and presidential elections. The Electoral Commission is the ‘referee’ created by the state to enforce the rules of the game of elections.

The study showed that both the legal rules of the state governing political parties and the internal rules of political parties combine to help political parties become dependent on wealthy party members. As already indicated, the institutional framework of the state does not allow political parties to mobilize financial resources from non-citizens. This rule encourages political parties to become formally dependent on internal resources while they secretly raise funds from external sources. Meanwhile, the internal rules of political parties affect the ability of all members to be elected as party leaders or as party candidates. The institutions of the state do not prevent political parties from creating internal financial barriers concerning the election of party leaders or candidates. This helps political parties to ignore the political interest of ordinary members by creating internal electoral rules that favour wealthy members. The study explains the financial behaviour of political parties by using the rational choice institutional theory in political science.

1.6 THEORETICAL FRAMEWORK: THE RATIONAL CHOICE INSTITUTIONAL THEORY

The theoretical framework of this study is based on the Rational Choice Institutional Theory.

1.6.1 The Rational Choice Institutional Theory

The rational choice theory itself assumes that all political actors, whether they are voters, candidates standing for election, bureaucrats, interest groups, the government, political parties, and so on, seek to maximize their personal benefits in politics as in the market place.⁴⁸

Saffu⁴⁹ has pointed out that one major reason for the absence of public funding of political parties is the partisan interest of the ruling party. The ruling party that refuses to endorse a national policy on the state financing of political parties also does so in maximizing the self-interest of the party. This is because it enjoys incumbency advantage over the opposition parties.⁵⁰ Recent developments in Ghana, where in spite of public outcry, Members of Parliament (MPs) awarded themselves end of service benefits— a package that did not exist in the conditions of service of ordinary workers in Ghana, attests to the fact that politicians seek their own interest.⁵¹ This study showed that some wealthy party members donate to political parties in the pursuance of their selfish interest while, at the same time, non-wealthy members refrain from funding political parties because they are unlikely to derive direct benefit from political parties.

The theory emphasizes that ‘specific patterns of relationship and interaction within institutions and or social processes encourage or persuade a given actor to develop a particular type of preference’.⁵² Katznelson and Weingast⁵³ point out that the theory focuses on the interaction between the preferences of actors and institutional contexts. The theory improves on the classical rational choice theory that presents the preferences of actors in behaviourist explanations without much concern about the institutional structures in which the interaction takes place. In the view of the classical rational choice theory, according to Shepsle, the rational man as ‘an atom unconnected to the social structure in which he or she is embedded’⁵⁴ has now changed, emphasizing that institutions matter in shaping the preferences of actors in social, economic and political interactions.⁵⁵ In other words, institutional contexts such as the constitutional rules of states influence the preferences of actors in their actions and in the formulation of strategies to achieve objectives.

The application of the rational choice institutional theory to the study of the behaviour of actors works best within institutional frameworks where the rules are formalized and known to the actors. When ‘the rules of the game’ are clearly known to the actors, the actors, in turn, are able to formulate and implement well-ordered strategies for achieving their goals in the optimal way. Rational choice institutionalism is well suited to the analysis of the behaviour of political parties because the rules of the game of elections in democratic countries are well-known to all the primary players involved – that is, the political parties and the electorates or voters. The policy preferences of political parties are relatively known to the electorate through party manifestoes or campaigns. This enables the

electorate to form and select their preferences. Furthermore, the preferences of the electorate also are known to political parties and those who contest for leadership positions to enable them design their strategies to win votes.

The rational choice institutional theory is therefore well suited to the analysis of the behaviour of political parties in Ghana's Fourth Republic with regards to the financial dependence of political parties on wealthy party members. The Fourth Republic has witnessed six elections and alternation of power between the two main political parties, namely, the National Democratic Congress (NDC) and the New Patriotic Party (NPP). The rules of the electoral politics, the challenges and opportunities of funding political parties are known to both the incumbent and the minority or opposition parties at least after two successive general elections in 1992 and 1996. Furthermore, the preferences of the electorate about the type of candidates that they want to have elected as Members of Parliament or as President are known to the political parties. For instance, the study showed that many of the electorate preferred candidates who were wealthy enough to help them overcome poverty as well as to undertake infrastructural development in the constituency. The electoral experience from 1992 afforded political parties the opportunity to perfect their strategies of mobilizing funds from members and sympathizers to conduct better campaigns in the hope of winning elections.

Furthermore, at least after three successive general elections in 1992, 1996 and 2000, political parties became aware of the extent to which the Electoral Commission would enforce the rules governing the funding of political parties. Depending on the knowledge

about the commitment of the Electoral Commission to enforce the rules of party funding, political parties might decide to either play within the rules that constrain parties from seeking financial support from non-Ghanaians or flout the rules. This reinforces Shepsle's view that 'repeat play allows for "history contingent" strategies' by political actors.⁵⁶

Rational choice institutionalists such as Ostrom,⁵⁷ however, recognize that the theory cannot offer a complete explanation of human behaviour, because actors do not always have complete and well-ordered preferences. As John⁵⁸ indicated, the theory generally explains action by assuming a set of preferences; and has great difficulty in showing where preferences come from, though this is not impossible. The rational choice theory is good at explaining what actors do once the objectives of a policy are set, but is often silent on why decision-makers select a particular course of action.⁵⁹

For the purpose of analysis, this study assumed that political parties have complete information about the rules governing political party funding. It is, however, not possible for political parties to have complete information about the preferences of each voter. Moreover, it is impossible for members of political parties to have complete information about the candidates of political parties. Therefore, under norms of rationality, political parties are assumed to form their preferences and strategies based on satisfactory information, knowledge and resources. In the real world, it is not possible for anyone to possess complete information, knowledge and resources to make rational decisions. The criticism of the rational choice in the light of the role of voluntary or philanthropic

institutions is catered for by the fact that some people donate to political parties, vote for politicians and engage in active politics without necessarily expecting any reward.⁶⁰

In addition, Moe⁶¹ argues that much of the insights into political behaviour in institutional contexts suggested by rational choice institutionalists have been found to be extraordinarily productive, valid and important. Howard⁶² also maintains that the rational choice institutional theory seems best suited for analysis of issues related to the electoral process and party institutions. This is because the theory provides a framework in which the rules are known and strategies for achieving goals can be formulated and implemented. Therefore, it is not by chance that many of the influential rational choice studies deal with party politics.⁶³

The rational choice institutional theory is considered to be appropriate for this study because the preference of political parties in the mobilization of funds within Ghana's political environment is influenced by many factors.

We applied Gierzynski's⁶⁴ model for the study of campaign finance to complement the rational choice institutional theory. This study hypothesized that the dependence of political parties on some wealthy members for funding in Ghana affects their capacity to achieve internal democracy. The study showed that there are environmental factors that have the potential of undermining internal democratic politics. Gierzynski's model for the study of campaign finance helped explain the contextual variables that affect funding of political parties and their internal democracy in Ghana.

Gierzynski observes that the behaviour of people who finance political parties is a function of different environmental factors; therefore a study of their behaviour or participation in a particular setting should be carried out with different environmental factors. His model is based on four main environmental factors, namely, (i) Political; (ii) Legal; (iii) Structural; and (iv) Electoral. These are discussed below.

i. Political Factors

Political factors are the nature of the political environment and institutions that have impact on the finance system. These are the level of party competition, political culture, legislative professionalism, interest group strength, political organizational strength, the importance of elections, and the degree of decentralization in the policy-making process. Such factors affect the behaviour of citizens directly or indirectly. For example, in systems where parties are strong, money tends to be more equitably distributed. Where there are strong parties, they may create more freedom for their own fund-raising and contribute to the practice. A factor such as the political culture of a state may indirectly affect some of the legal factors in a political finance regime. For example, political cultural norms that expect clean politics have to adopt tight regulations on political party financing, including a system for public funding of political parties.⁶⁵

ii. Legal Factors

Legal factors refer to the laws regulating political party finance in terms of contribution limits, expenditure limits, state funding, and reporting requirements. These factors also include laws setting electoral practices such as the length of the general election season, term limits, registration and laws regulating party endorsements. Finance systems that do not limit contributions from corporations, labour union, trade unions, individuals, etc., may

encounter different behaviour from systems that ban or limit certain types of contributions. The absence of limit on contributions will encourage higher levels of political party spending since it is easier to raise funds and spend them anyhow. State funding may lead to more equity in the distribution of funds provided by the public. It reduces candidates' dependence on private money, weakening the possible link between party funding and policy decisions. It can also affect the levels of spending in a race.⁶⁶ In the case of the electoral laws, they have some influence on party or campaign finance behaviour. Short election seasons make it difficult for non-incumbent candidates, especially those who have been in a divisive primary, to use door-to-door campaigning because they have less time to reach the electorate. The need to reach the electorate quickly increases the value of publicity or media costs which is an important cost in an election.⁶⁷

iii. Structural factors

The pool of money available to a political party, the wealth of citizens and the wealth of people willing to contribute, the geographical size of a constituency and the party history of the constituency are some of the structural factors that will determine the amount of money raised and spent. The geographical size of a constituency, much like the population size, can be a factor that drives up costs and makes campaign spending more important. In constituencies that cover a large territory, the cost of reaching the electorate is higher because voters are far apart.⁶⁸ In this connection, Saffu⁶⁹ has rightly observed that to reach a preponderantly rural population in Africa which is usually dispersed over large territories with poor roads, political parties are obliged to buy four wheel drive vehicles and keep the campaign team longer in the field. This means payment of higher allowances, food and accommodation expenses which the poor cannot support.

Another important structural factor is the partisan nature of a constituency. The normal pattern of vote in a constituency will affect party financing behaviour in a number of ways. Constituencies where voters are predominantly from one party will not be as competitive from year to year and, consequently, will be less expensive. For example, electoral results in some constituencies in the Ashanti and Volta regions of Ghana indicate an over 90 percent voting pattern in favour of one particular political party over the years.⁷⁰ All things being equal, the impact of money has in voting is likely to be less in such lopsided constituencies.

iv. Electoral factors

Electoral factors are aspects of legislation that vary from a country to country. Electoral factors include the incumbency status of the candidates, the expected competitiveness of the race, the quality of challengers, and the demographic characteristics of the candidates, that is, gender, race and ethnicity. In this case, the social and demographic groups which candidates belong to affect donation patterns, depending on the resources those groups can mobilize. Women candidates, for example, receive contributions from organizations that promote women's participation in politics. Candidates running against incumbents find it difficult to raise money because, with the close-to-perfection success rate of incumbents, most contributors see challengers' campaigns as lost causes. Incumbents, though they have little trouble raising large sums of money, rarely spend it since competition is often minimal.⁷¹

The model served as useful guide to identify variables that need to be considered in any study of internal democracy of political parties and behavioural issues on financing

political parties. The key issue is to identify how the party financing system affects behaviour and recognizing those aspects that should operate in all party finance systems.

1.7 LITERATURE REVIEW

The literature review is divided into five sections; namely, literature on:

- i. Democracy and Political Participation;
- ii. Political Parties and Democratic Politics;
- iii. Political Party Financing and Democratic Politics;
- iv. Political Party Financing and Democratic Politics in New Democracies; and
- v. Political Party Financing and Democratic Politics in Ghana.

1.7.1 Democracy and Political Participation

Dahl,⁷² Diamond,⁷³ Gyimah-Boadi and Oquaye,⁷⁴ assert that the linchpin of internal democracy is citizens' participation in the decision-making process. Political participation refers to the involvement of citizens in the political process of the country or society. When people vote in a general or local election they participate in politics. In the same way, when people contest elections to a district assembly or for a party office, they participate in politics. Participation in democracy covers a wide range of activities on the part of the citizens of the state. It entails such activities as voting, joining political parties and interest groups, payment of taxes, writing to elected officials, demonstrations for a political cause and giving money to candidates and political parties. It is a virtue that is seen as a civic duty, a sign of a healthy democracy, as well as the best method of ensuring that one's

private interests are not neglected. In short, citizen participation is a better alternative to tyranny or oligarchy.⁷⁵

According to Lippmann⁷⁶, democratic societies are distinguished from non-democratic ones by their emphasis on citizen participation in politics. A political system that claims to represent the interest of the people must give opportunities to citizens to participate in the process of decision- making to give meaning to democracy. Rosenstone and Hansen⁷⁷ point out, that the extent to which citizens contribute in diverse ways toward the political process is a measure of how democratic a society is perceived. How much the people contribute is a critical question to address in participation. Schumpeter⁷⁸ considers voting as an unrivalled form of citizen participation and influence. On his part, voting is a form of political participation - a sharing in activities designed to influence public policy and leadership selection. He argues that free, fair and open elections are features of democratic politics, and hence voting should be regarded as the most basic duty of citizens.

In a multi-party system, governments can only win power and survive through competitive elections between (or among) political parties. In fact, the organization of political parties is dependent on the extent to which resources are mobilized. This is because many scholars including Pinto- Duschinsky;⁷⁹ and Mathisen and Svasand⁸⁰ believe that money is the lifeblood of political activity. Indeed, one of the essential elements of political participation is the financial contribution provided by the members of the society. Nassmacher⁸¹ observes that in a modern democracy, the principle of ‘one man one vote’ coexists with the concept of the legitimate use of money for political purposes. The argument that political action should be paid for by those who take a voluntary interest in

ideologies, issues and candidates, has led to emphasis on the idea of grassroots financing participation.

If citizens decide to contribute their own money to party coffers and campaign chests, a political link of grassroots support for party politics is maintained. In this case, the political finance regime takes special care to make sure that politicians will continue to seek donations from supporters. Political fund-raising provides a linkage between grassroots support for a party and ownership. This may find expression in various ways or acts by individuals or groups of citizens. The financing of party activity is one of those means which provides and sustains a linkage between leaders and supporters. If a particular segment of society that supports a party happens to be more affluent, individual members of this stratum will be able to donate freely from personal income or wealth. If grassroots supporters are less well-off, they need to collect 'big money in little sum'.⁸² This was demonstrated during the nineteenth and twentieth centuries when working-class parties in Western Europe collected 'big money in little sum' to promote their political cause. In like manner, the process of raising big money in little sum helped to fund political movements working for the independence of many African states.⁸³ An example of this is how President Barack Obama and his Democratic Party raised 'big money in little sum' to support political activities in the 2008 elections. They created a grassroots movement that was funded by a broad base of ordinary people through the Internet.⁸⁴

The study of Verba, Schlozman, and Brady⁸⁵ correlates political participation with independent variables such as education, family income, job level, non-political

organization, political efficacy, partisan strength, citizenship, civic skills, political information, religious attendance, and political interest. Verba, Schlozman, and Brady flip the standard question and ask ‘Why don’t people participate?’ Their response is in threefold: because people cannot – they do not have the resources; because people do not want to – they do not have the motivation; and because no one asked – they were not mobilized.

From the above discussion on political participation, it is striking that: First, ordinary members, generally, are likely to devote little by way of time and resources to participate in politics. Second, political participation is not a natural act; it is an unnatural act.⁸⁶ Finally, the nature of participation in democratic politics is influenced by different factors. The factors can render participation and behaviour high or low, legal or illegal, democratic or anti-democratic. Gierzynski’s⁸⁷ argues that since political finance behaviour is influenced in different environments by different environmental factors, a study of political party finance behaviour or participation in a particular setting should be carried out with a combination of environmental factors.

1.7.2 Political Parties and Democratic Politics

Studies on political parties and democratic politics cannot be meaningfully understood without first putting the term democratic politics in the right perspective. This is basically because the precise nature of democratic politics has been the subject of a fierce ideological and political debate. The underpinning assumptions of all democratic politics are that they offer the possibility of ensuring happiness for a larger number of people in the society.

Perhaps a more helpful way to understand the nature of democratic politics is to consider Abraham Lincoln's Gettysburg's address delivered in 1864 in which he defined democracy as 'government of the people, by the people, and for the people'⁸⁸. This sums up the concept of democratic politics. The people may in practice be taken to mean 'the majority'. Such a view of democratic politics tends to reinforce Rousseau's theory of 'general will' or 'collective will' rather than 'private will'⁸⁹. This extols the virtue of participation where every citizen is able to achieve satisfaction by having an equal say in the decisions that shape his or her life. This is accomplished through the promotion of openness and accountability within a community or society. At the heart of Rousseau's argument is the notion of 'grassroots participation', that is, the belief that political power should be exercised at the very lowest possible level.⁹⁰

Thompson⁹¹ has argued that the citizen is too busy living his own life to participate in the minutiae of government. That apart, modern society is far too complex to be governed directly by the people. Participation as it was practised in classical Greece is no longer feasible. As a result, citizens collectively select representatives of their choice to rule on their behalf. Based on this premise, it is difficult to imagine democratic politics without political parties.

Proponents of the one-party state in Africa argue that it is more democratic than a multi-party system. For example, Wanyande⁹² points out that the vast majority of African countries practised one party systems with their own set of justifications. The proponents further claim that democratic politics flourishes in a state which identifies all the people

with the nation. In contrast, political parties represent sectional interests. To them, the multi-party system is foreign to Africa and is therefore incapable of addressing the complex socio-political realities of the African state and society. Furthermore, in an underdeveloped and multi ethnically divided society, the multi-party system will exacerbate ethnic tensions. The urgent task for African states is to focus on nation building and economic development. The single party system is the rallying point for the politics of development and national unity. Kwame Nkrumah, for example, dismantled the multi-party system in Ghana because he declared this system to be politically and socially divisive; Houphouet-Boigny did likewise in Cote d'Ivoire on the grounds that no opposition actually existed. Julius Nyerere favoured the one-party state because he considered it the most appropriate way to build a genuine African democracy in Tanzania.⁹³

Salih's⁹⁴ observation of the nature of political parties in Africa is relevant to our analysis. According to him, while political party membership in the West is based on ideology and interest and they accommodate different opinions and group interests, in Africa the influence of ethnicity became more apparent particularly after independence. Ethnicity became so important that ethnic groups sought to protect their interests through specific political parties, thinking that they are for them, and that only these parties are capable of giving them protection and security. Similarly, political parties share ideologies of diverse types often based on a myth of ancestry, collective memory, history and culture, and often reside in a claim of ownership of a specific territory.⁹⁵

Another important feature of African political parties is the strong presence of patron-client relations between party leaders and party operatives. Clapham⁹⁶ laments that political leaders at the national level look around for local leaders who command appreciable influence within their own areas. They offer the local leader or whoever he recommends a place in the party as a candidate in his constituency. If the party of the local leader wins an election, the national leader delivers benefits to the local leader in the form of economic allocations from the centre to the constituency. This may take the form of roads, water supply, government support in local conflicts or a purely personal pay-off. Clapham calls this clientelism and describes it as ‘a relation of exchange between un-equals’⁹⁷. Nevertheless, Burnheim⁹⁸ contends that a patron-client relationship is better than a politician-follower relationship. He argues that people may be better served by those who are looking for clients than those looking for followers. In reality, the leader sacrifices something for his or her survival.

Thompson’s⁹⁹ assessment of the one-party state in Africa reveals that the ruling class employs its control of state institutions to advance its individuals or group, and often parochial interests. The ruling class also manipulates and controls the masses of the people. It sees the attempt by the people to demand freedom and enforcement of their rights as subversive and capable of undermining the security of the state. The influence of the party is pervasive and tends to dominate the entire political life of society. This situation forecloses the existence of political alternatives and the right to make free choices.

Diamond¹⁰⁰ discusses the importance of competitive multi-party politics in development. First, he debunks the notion that the one-party system is more democratic. He identifies competitive, free and fair elections as the sine qua non of democracy, and second as the minimum threshold for democracy. If free and fair elections are held regularly within a constitutionally stipulated time frame, and in particular, where regime change occurs through such elections, a country is branded democratic. Multi-party competition, as opposed to one party democracy, has become the most acceptable mechanism for achieving this type of democracy. In fact, the literature on emerging democracies singles out elections as the ultimate measure of the level of democracy in a country. The work by the Economic Commission for Africa (ECA)¹⁰¹ reiterates election as an important measure of democratic governance in Africa. In assessing the democratic governance situation in 27 African countries, the ECA report indicates that the continent recorded significant positive trends in democratic governance, as several African states entered their third successive era of democratic change of power. Africa's political dispensation is increasingly embracing electoral participation from all social groups that matter and invariably contributing to political stability and development.¹⁰²

Apart from considering competitive multi-party elections as democratic, Diamond¹⁰³ again makes a cogent case for the need for sustained efforts toward building democratic processes and institutions throughout the world. According to him, there is a correlation between the principles of democracy -- such as the equality of human beings, competitiveness, transparency, participation and responsiveness -- and development. He refutes the notion that China and the Asian tigers (Singapore, Malaysia, Korea and Taiwan); developed under

authoritarian rule so Africa could also do so. In his view, this is a fallacious comparison because their miraculous development took place in a historic and regional context that is unlikely to be repeated. Diamond points out that there are empirical evidence and statistical research on Botswana and Mauritius within Africa which demonstrate the inseparable link between democracy, good governance and development. Africa cannot develop without multi-party democracy, and democracy in Africa ultimately cannot be sustained without development.

Studies by the World Bank corroborate the above findings. The World Bank Report¹⁰⁴ has emphatically pointed out that the problem of persistent underdevelopment in Sub-Saharan Africa (SSA) is mainly due to the deterioration in governance; that is, perversions in the exercise of power in managing national affairs. In the words of the Report, ‘Underlying the litany of Africa’s development problems is a crisis of governance’.¹⁰⁵ It is the failure to establish a stable democratic party system in post-independence Africa that brought to light a rethinking on the nature of party systems in Africa.¹⁰⁶

The work by Aminou¹⁰⁷ which concentrates more on the third wave of democratic politics in Africa shows that most African constitutions after 1990 have established multi-party systems and sanctioned the preponderant role of political parties in the democratic process. Indeed, the constitutions of most countries assigned political parties some fundamental roles. Political parties are supposed to participate in the electoral process, engage in political socialization, recruitment, formulation and execution of policies, interest

aggregation, political education, training, the creation of political awareness and a debate on issues of national development.¹⁰⁸.

Iyare¹⁰⁹ contends that the nature of the African party systems has been considerably shaped by post-colonial authoritarian states. The experience of the third wave of democratic politics in Africa suggests the re-institution of authoritarian rule in the guise of multi-party democracy. In addition, the alternative party programmes that make the race competitive are increasingly absent where they are needed most. Most political parties in Africa are alive only for elections and go back to slumber after elections. In spite of their claim that their membership consists of several millions, most of them are poorly funded, devoid of any vision and the lack of democratic ethos. He points out that virtually all of them are open to the vagaries and manipulation by a few ‘money bags’ and a few godfathers. His work oils the debate on the possible survival of democracy in a poverty stricken environment.

Thus, the literature reinforces the positive relationship between sustainable development, multi-party democracy and good governance. Evidence around the world, especially from the established democracies, and also from Mauritius in Africa, affirms this fact. Although the particular historical and cultural environments within which the discussions are situated differ from the Ghanaian perspective, they are nonetheless relevant. The role of political parties in the present democratic politics in Ghana as means of articulating popular will, participation and equality should now be evaluated in terms of the financing and the internal democracy of the parties. This present study links the discourse to the Ghanaian

experience by examining the extent to which financing parties has influenced internal democracy.

1.7.3 Political Party Financing and Democratic Politics

The problem of financing political parties is a global one and as old as the organization of a political party itself. A critical analysis of the literature shows that the problem of undemocratic financing of political parties poses one of the greatest threats to economic growth, political stability and democratic governance. It has a devastating impact on public confidence in political, economic and social systems. Studies on democratic development clearly show that money is important for democratic politics. However, the flow of money need not necessarily become tainted with unethical and corrosive influence with which politicians promote their personal interest. The problems of party financing is, therefore, at the heart of the debate on political corruption.

Ewing,¹¹⁰ K-H Nassmacher¹¹¹ and Pinto-Duschinsky¹¹² examine the legal framework in which political parties operate. Ewing notes that different problems posed by money in politics have necessitated different individual systems of regulation the world over. To promote a healthy relationship between money and politics, Ewing advocates universal standards that can establish a framework of principles to which all can be encouraged to subscribe, and by which all could be judged. He argues that while regulation prevents illegal and corrupt practices, it is not a panacea to the problem. He notes that a country such as Germany, that has tough regulations, still experience evasion of their laws. For example, Chancellor Helmut Kohl was forced to resign as honorary chairman of the

Christian Democratic Union (CDU) over allegations of illegal donation to his party. The problem with Ewing's proposal is that universal standards cannot be applied to all circumstances. There may be some universal standards such as disclosure, as well as a ceiling on income, expenditure and donation, etc., but the determination of these rules and regulation should address country specific problems based on research.

Nassmacher,¹¹³ while elucidating the importance of effective strategies to control the influence of money in democratic politics, categorizes various approaches of regulating political finance into two typologies of public policy. These include regulatory and distributive policies. According to him, regulatory policies are used to impact on the funding policies to determine the rules and practice of enforcement. Bans and limits generally restrict anonymous sources, trades unions, government contractors, foreign or corporate sources of funds, and enforces the ceiling on donations and spending. Nassmacher provides the central argument for banning some sources from funding political parties. According to him, there is the risk of political parties losing contact with their rank-and-file, or the grassroots of its membership if party leaders do not need them for financial support. The literature on political parties clearly shows that parties provide a link between citizens and government: they are considered as builders of social capital. To lose contact with the grassroots or ordinary members can compromise the quality of democratic governance in the sense that the political party may not be well institutionalized and cannot provide a competitive framework to perform valuable political and social functions.¹¹⁴ This is what seems to be missing in Ghanaian democratic politics.

Nassmacher asserts further that the disclosure and reporting rules for parties and candidates aim at ensuring transparency in the management of political party money. However, Pinto-Duschinsky disagrees with this view, because if the disclosure rule is carried to the extreme it would mean that even the smallest amount will have to be disclosed. This will make the rules almost impossible to enforce, and render the information useless to the public, due to the large amount of information a person would have to go through to get a picture of the sources of funding. Pinto-Duschinsky's argument sounds a good warning; but he fails to provide the benchmark for the things to be disclosed. If one follows this line of reasoning, then the rich people are likely to dominate in politics. This is because small contributions or donations which are well-suited for democratic participation will not be accorded the needed recognition.

On the other hand, Nassmacher's caveat on distributive policies provides public support in different forms. According to him, the introduction and encouragement of state funding in various countries is largely due to the insufficiency of the income generated by political parties through their genuine fund-raising activities. It is also intended to achieve equal opportunities in political competition, and restrict the influence of undemocratic funding sources. Many democratic countries, both old and new, have introduced cash subsidies, and subsidies in kind, such as free media time, special taxation status, free use of public buildings, free or subsidized postage and free transportation, among others, as support and incentives to parties and candidates.

Walecki¹¹⁵ examines the practice of party financing in Central and Eastern Europe (CEE). He points out that a fragmented and non-institutionalized party system in the region encourages big businesses to form client circles and establish their own political parties, set up parliamentary factions or become media owners. Examples from Ukraine demonstrate how informal political actors, such as financial or industrial groups and political oligarchs can dominate the political space by forming business oriented parties. The classical examples of such parties include the Social Democratic Party of Ukraine, Party Democratic Union, Party Labour Ukraine, Ukraine's Green Party, and Party of the Regions. These parties, according to Walecki, have a clear majority in the Ukrainian parliament. That apart, these parties control most of the national media, including major television channels and the national newspapers. Politics in CEE is to a large extent a combination of business projects run by powerful oligarchs enjoying political immunity and individuals using office as a means for gaining wealth. Parties receive large donations from a few wealthy donors while party accounts at the national and local levels are inaccurate or incomplete. His work reveals illegal funding and political corruption as prominent issues in the region. However, Walecki has failed to address the ways in which parties and politicians involve their party membership and the electorate as a matter of profound importance to the quality of democracy.

According to Sobel,¹¹⁶ the Watergate affair in Washington produced a series of trials and investigations that revealed repeated abuses of election campaign rules ranging from political espionage and sabotage to the misuse of campaign funds. Alexander¹¹⁷ observed that in the United States of America, the laws remained in the books for more than 50 years

but were not enforced until the incredible and shocking news of Watergate in 1972. The excesses of party bosses and the corporations can fuel muckraker movements. He stressed that the system of party financing with private funds contributed largely by wealthy individuals and organized groups had been criticized by Theodore Roosevelt already in 1905. Bribery, kickbacks, and payoffs are illegal but not uncommon. The aim of any reform must be to insulate the electoral system from abuses while ensuring fairness and equity. According to Alexander, even the most stringent legislations will not wipe out corruption entirely, but independent commissions to enforce the laws will bring hope for a more durable improvement in the election-law atmosphere.¹¹⁸

One's inference from all these studies is that the socio-cultural and economic environment must be critically considered and factored into the policy guidelines on the financing of political parties. This is missing in most of the literature. It is also evident that the issues of political party finance laws and regulations are complex and still evolving. Issues of political party finance are now moving onto the political agenda in several countries. It is absolutely clear that there are no perfect solutions and that no one model of regulation can be applied to fit all circumstances. Some countries are beginning to address the financing issues, while others are working on revising their regulations, based on years of experience. This present study reviewed the policy framework on political party funding in Ghana in order to assess its intent and effectiveness.

1.7.4 Political Party Financing and Democratic Politics in New Democracies

Political parties in both developed and new democracies are regarded as one of the major democratic institutions which often abuse their position to extol bribes, provide members

with lucrative positions in the public sector and channel public resources into the hands of party financiers. Indeed, people have increasingly pointed to political party corruption as an essential focus for anti-corruption efforts.¹¹⁹ The Africa Union's (AU) concern for the global fight against unethical money in politics led to the enactment of the *Convention on Prevention and Combating Corruption (2003)*. Article 10 of the Convention states that 'each state party shall adopt legislative and other measures to (a) proscribe the use of funds acquired through illegal and corrupt practices to finance political parties; and (b) incorporate the principles of transparency into funding of political parties'.¹²⁰

Saffu¹²¹ identifies the lack of a comprehensive legal regime as one of the major problems facing democratic development in Africa. He notes that less than 20% of African countries have comprehensive rules and regulations governing how party funds are raised, prohibitions, ceilings and specified sanctions. The law on disclosure of sources of party funds and audited accounts, the most important requirement to fight undemocratic issues associated with party funding is almost absent on the continent. He could not find any pattern or trend in legal provisions on party financing on the continent.

He points out that the cost of political activities on the continent is very high because of the low levels of income, literacy and technology as well as large rural populations, usually dispersed over large territories with only poor road networks. Politicians take advantage of this environment to circumvent the weak rules and regulations governing party finance. He also notes that the phenomenon of a candidate owning a party as a businessman owns a firm is fairly common, and the differences in getting financial resources between governing

and opposition parties seem to be greater in Africa than elsewhere in the world. According to Saffu¹²² one major reason for the relative absence of public funding is the partisan interests of the ruling parties. The opposition which stands to benefit the most from the adoption of regulations that enhance transparency and limit funding and spending has usually been too divided and weak to strongly influence the adoption of such regulations. A significant source of income for political parties in Africa comes from private donations, and all parties depend on it to varying degrees. Donations from citizens living abroad are very important for opposition parties.¹²³ Saffu argues that the law and practice are a matter of an unregulated self-help which gives ample room for undemocratic practices. The practice where resources are mobilized from the rank and file of the party has not been encouraged by the existing legal frameworks.¹²⁴

Gueye¹²⁵ observed that the political finance regime in Senegal is relatively under-regulated and the raising of funds is a matter of unregulated self-help.¹²⁶ There is no specific regulation on the use of money by candidates and parties during campaigns. The existing legislation, however, makes reference narrowly to the funding of activities of political parties thus giving priority to party electioneering campaigns. However, the legislation is silent on the sources of funds to political parties. This omission on the part of the Senegalese law maker shows his reluctance at transparently managing the funding of political activities to ensure accountability and democratic control.

Ilo,¹²⁷ Harneit-Sievers,¹²⁸ Emelonye¹²⁹ and Omuoha¹³⁰ are among the scholars who have conducted studies on party funding in Nigeria. Though these studies are similar in their

content and analysis, they nonetheless exhibit some differences. Ilo highlights the inadequacies or deficiencies in legislation on public disclosure of financial information on parties. The disclosure rule requires parties to publish their returns in two national newspapers. In practice, these regulations are not enforced. The laws on party funding overlook peculiar inclination of politicians who often place selfish and party interests above that of the country.¹³¹ Harneit-Sievers buttresses the point that most parties are noted to be instruments in the hands of political entrepreneurs who invest huge amounts of money and expect concurrent rewards on their investments. This practice impedes the development of a party system that focuses on issues and policies rather than personalities.¹³² In a similar vein, Emelonye asserts that, in Nigeria, party finance is a secretive affair; it is shrouded in mystery and silence. The politics of splits, defections, violence and subterfuge which it generates have become the dominant feature of governance in Nigeria. Political finance has been responsible for shifts in political alliances throughout the country, and it has been responsible for ideological defections, embarrassing resignations, corruption, and scandals and, in the extreme, anarchy in Nigerian politics.¹³³

Omuoha argues that, in spite of the huge government financial commitment to political parties in Nigeria, their operations have been disappointing. This has led to the overall problem of lack of institutionalization of a democratic political culture and the inability of political parties to operate within democratic rules that govern the larger society.¹³⁴ Obiorah,¹³⁵ points out that the democratic consolidation and the evolution of accountable governance in Nigeria are impeded by systemic political corruption including political

finance malpractices. The political finance regulatory regime in Nigeria is weak and rarely enforced. ‘Political entrepreneurs’, who are mostly wealthy former military officers and their civilian business cronies, dominate Nigeria’s politics using their ill-gotten wealth to control the major political parties. The structures and institutions of the major parties are unrepresentative, weak and ineffective; the parties are essentially grand agglomerations of the respective electoral ‘machines’ of the leading political financiers. To him, the dominance of unrepresentative ‘electoral machine’ parties, controlled by political entrepreneurs, alienates and does not empower the mass of the Nigerian people, and also prevents the evolution of accountable governance in Nigeria.¹³⁶

In Kenya, Mwangi¹³⁷ observed that the multiparty system has opened up a democratic space that intensifies intra-party and inter-party competition which invariably has increased opportunities for corrupt political financing. He used the Goldenberg and Anglo-Leasing mega-scandals in Kenya to provide insights into the relationship between corrupt party financing and democracy. According to Mwangi, the money obtained from the state through Goldenberg was used to buy large amounts of food and cars for voters and candidates of the Kenya African National Union (KANU) during the electioneering period, and concluded that the pursuit and use of illegal campaign finance pose serious threats to democracy in Kenya.¹³⁸ Corrupt political campaign financing is also highlighted in a study conducted by Jolobe.¹³⁹ In his work, *Financing the ANC: Chancellor House, Eskom and Dilemma of Party Finance*, Jolobe finds that the negative effects of campaign-finance related corruption on representative government are particularly worrisome in new democracies. He focusses on the relationship between ruling parties and public enterprises

and on the scandal surrounding the business vehicle of the African National Congress (ANC) of the Republic of South Africa: Chancellor House of South Africa. The ANC investment vehicle, Chancellor House, gradually accumulated stakes in minerals, energy, engineering, and other companies tendering for state contracts. The party is noted to be one of the wealthiest political parties in Africa. Jolobe points to the conflicts of interest that arise when parties engage in business, and to the hazards that perceived party influence poses to a fragile democracy.

Fambom¹⁴⁰ throws light on party funding issues in a number of countries in Africa. Some states such as Botswana, Lesotho, and Mauritania do not grant any financial assistance to parties thus forcing them to depend entirely on private funding. On the other hand, some states such as South Africa, Malawi, Namibia and Zimbabwe directly fund political parties most often based on their electoral performance. In many African countries, the conditions for political parties to qualify for public funding are ambiguous. In Morocco and Cameroon, the prime minister and president respectively decides whether or not there will be any subsidies at all. In Benin and in Tanzania, the law regulating subsidies to political parties is partially or not implemented at all. The support for candidates and parties sometimes does not necessarily mean that it is available before electoral campaigns. Equatorial Guinea is a case in point; here all the candidates were given US\$20,000, but this was distributed very late. Then four days before the election they were given an additional US\$ 10,000. The next day the opposition candidates withdrew from the electoral race rendering the election non-competitive.¹⁴¹ Recent developments in Ghana reinforce Fambom's observation of late provision of support for election campaigns. Close to two

weeks to the general elections, the Electoral Commission distributed vehicles to political parties for the elections.¹⁴² According to Fambom, the existence of public funding does not make a significant difference for opposition parties in Africa. The problem is that during transitions, constitution- making periods and in the passing of electoral laws and regulations, the incumbent has used its position to entrench itself against weak opposition political organizations and civil society.¹⁴³

Mathisen and Svasand¹⁴⁴ observe that, sometimes, it seems that the government introduces public subsidies in a way that does not encourage the institutionalization of the political party system. They support this claim with the illustration of the situation in Gabon where more than 70 self-declared parties were formed. Each party was granted 20 million franc CDA (around US 34,700) and a four-wheel drive for the electoral campaign. Most of the parties disappeared after receiving state funds. Where there is legislation, parties have been inclined to circumvent them. In countries that have provisions for public funding, there are inconsistent or incomplete regulations regarding their implementation.¹⁴⁵

One unique feature about Mozambique's party funding is that the law does not allow direct private funding. All financial supports from private sources have to be channeled through the National Electoral Commission for proportional allocation to all parties. In contrast, the law allows political parties in Malawi to obtain funds from any quarters. Parties even own businesses in Malawi.¹⁴⁶

In our view, political financing is both the object and the result of the political context and process. The consolidation of multi-party democracy in Africa depends, to a large extent, on the provision of clean and adequate finance to the key democratic institutions such as the political parties. This fact has renewed both a donor and a scholarly debate on financing political parties. Experience with six successive multi-party elections that have been organized in Ghana manifested a great deal of issues, especially, regarding legislation on party financing as well as resource acquisition and utilization. This present study contributes to the debate on party financing which has always remained a major concern when equity and a level playing field come up for consideration. We examine the contextual variables that have influenced the financial dependence of political parties on wealthy members, and how the dependence of political parties on wealthy members impacts on internal party democracy in Ghana.

1.7.5 Political Party Financing and Democratic Politics in Ghana

Ayee's¹⁴⁷ exploratory work in 1993 on party funding provides the historical background for party financing in Ghana during the post-colonial period. He discusses the main features of laws regulating funding of parties in Ghana. He shows that the link between corruption and party financing in Ghana started with Kwame Nkrumah's Convention People's Party (CPP). He notes that governmental and non-governmental agencies such as the Cocoa Marketing Board (CMB), A.G. Leventis and the National Development Company (NADECO) were some agencies which financed the activities of the CPP and its supporters. Donations to the party, whatever form it took, led to demands in the form of contracts, the appointment of persons of their choice to top government positions, and the

granting of import licenses. The present study examines various forms of financing of political parties to establish the trend in contemporary Ghanaian politics.

A study conducted on party financing by the Ghana Center for Democratic Development (CDD-Ghana)¹⁴⁸, identifies four principal sources of funds for parties in Ghana. They are seed money provided by the founding members of the party; membership dues; donations from well-wishers; and fundraising activities. The study notes that political parties recognize inadequate funding as the main problem facing them. According to CDD, the desire by Ghanaians for state support for political parties has been increasing and by 2004, the majority (53%) of respondents supported state funding for political parties. Even though the study opened the floodgate for the debate on state funding for parties in Ghana, it failed to address the relationship between various sources of funds and their implication for democratic governance in Ghana.

Boafo-Arthur¹⁴⁹ observes that from 1993 to 1996 most of the members of the ruling NDC party who were used to undertake party organization and political activities were on the government pay roll. According to him, 'The District Chief Executive and other government functionaries in between elections periods relentlessly carried out propaganda and other organizational activities on behalf of the NDC.'¹⁵⁰ This shows that state resources were used to support the party organizational work of the ruling party. Opposition parties do not have such an opportunity. Boafo-Arthur further identifies two broad constraints for party financing in Ghana. The first concerns the limitations for donations in PNDC Law 281 that set the initial legal framework of political parties under the Fourth Republic. The

principle underlying the limitation on donation is sound, since it forestalls the possible hijacking of political parties by the rich. However, according to Bofo-Arthur, a legal restriction does not augur well for the running of political parties in a country where the minimum wage at the time was \$2 (GH¢2.00) and the larger proportion of citizens was poor. Although, the Political Parties Act, Act 574 of 2000 is silent on the ceiling of donation and spending, Bofo-Arthur seems to advocate party financing by the rich. Apart from the legal shackles, he notes that government manipulations, internal factors within parties, also contributed to ineffective mobilization of financial resources by the political parties. He is aware that effective mobilization of financial resources is important, but does not make any attempt to encourage mobilization of such resources from ordinary party members to promote internal democracy.

Kumado's¹⁵¹ advocacy work mainly argues for public funding of political parties. The premise on which his argument was based is the provision in the 1992 Constitution which enjoins political parties to play a public role in the democratic process. He points out that the state has a stake in the viability of political parties and must support them. It is only fair that the state which imposes these requirements should pick part of the bill arising from their activities. This would ensure that political parties are independent of financial pressure and undemocratic means of resource mobilization, the very concern which is used to justify the ban, disclosure, limitation and reporting regulations. His work fails to discuss direct and indirect costs of state funding to the nation. The actual costs and benefits as well as the risks associated with them are much broader and deeper than the narrow financial and political perspectives he offered.

The limitations in Kumado's work give credence to the work of Gyimah-Boadi. Gyimah-Boadi¹⁵² rejects state funding and brings to the fore, the contradictions in the support of state funding of political parties in Ghana. In his view, it is not state funding of political parties that makes democracy work. He describes the move to pass a bill for state support of political parties as a cartel-like dealing by a self-interested political class. In his view, the fact that the proposed bill was the product of an extra-parliamentary collaboration and among political parties themselves with the exclusive help of self-selected civil society collaborators makes the process not sufficiently transparent, participatory and deliberative. Gyimah-Boadi identifies four main unresolved challenges in party finance. The first concerns the adequate finance for ruling parties and the scarcity of finance for opposition parties. Second, the sources of party finance for both ruling party and opposition are shrouded in secrecy. The third is all about the unequal playing field in party finance mobilization. Finally, he laments the ad-hoc and unregulated nature by which party funds are mobilized.

A critical analysis of the literature on party finance in Ghana shows that the approach to financing political parties in Ghana is not systematic, scientific and sustainable. This does not encourage consolidation of democratic governance. In addition, there are two pertinent questions that the proponents of state funding fail to address. Should the support be routine or restricted to election campaigns? Should the state finance all categories of expenses such as salaries, services, investment and administration? If the state chooses to be selective to pay for staff salaries regularly but the party is not able to raise supplementary resources,

the party concerned cannot develop the capacity to function effectively. The exclusive concentration on the monetary aspects of state funding of political parties runs the risk of overstating the cost and understating the benefits. A balanced assessment that deals with net benefits is preferred. Indeed, this study sets out to provide information that could help balance the equation on state funding in Ghana.

In another related study, Saffu,¹⁵³ suggests that scarce resources for political parties and inequality among them are some of the reasons why the state should support political parties. He is of the view that if one party emerged virtuous, competent and popular, donations would be given to support it. In such a case, democracy in Ghana would be threatened. This development increases the possibility of injecting unwholesome and tainted money into Ghanaian politics. There has to be a strong presumption that if ‘Mafia money’ or ‘drug money’ is channeled into politics through political parties, there is the likelihood that the drug barons will capture power to aid criminality and therefore undermine democracy.¹⁵⁴

Ayee, Anebo and Debrah¹⁵⁵ think that resources have affected the sustainability of party organization such as the structure, campaigns and activities of political parties. According to them, political parties are not able to sustain their organizations because they lack financial resources. They also observe that political corruption is endemic in party politics. This assumes the form of kickbacks and awards of contracts even though there are other manifestations. Such a good study did not provide empirical evidence on how party

financing negatively influenced inter-party democracy. This present study seeks to fill this important lacuna.

Studies on party financing in Ghana are dominated by discussions on state funding of political parties.¹⁵⁶ State funding of political parties is not the only democratic source of funding. Other sources such as membership dues, small donations, returns on investments, among others, from the grassroots are more important sources and need special attention. The fact is that lack of transparency, kickbacks, influence of money, abuse of incumbency, corruption, and so on, keep occurring in the daily discourse in Ghanaian politics, and this calls for in-depth studies to address the issues. Why are people not complaining about elections and the electoral process? It could be that scholars on democratization in Ghana have devoted their attention to party organizations, state funding of political parties, elections and the electoral process; and little or no attention has been focused on the undemocratic sources of party funding with their implications for democratic governance. This study seeks to fill the gap in the literature. It identifies and discusses sources of funding political parties in Ghana and their implication for internal democracy of political parties. It also examines the contextual variables that influence party financing.

1.8 RESEARCH METHODOLOGY

The study focuses on the funding of political parties in the Fourth Republic. The main reason is that the Fourth Republic has witnessed six elections and alternation of power between the two main political parties. In addition, the Fourth Republic has lasted the longest, compared to the previous three republics. The First Republic lasted for six years

while the Second and Third republics lasted for two years and three months, respectively. The empirical observations made about the behaviour of political parties concern the Fourth Republic. This is because it has enjoyed continuity since 1992 compared to the others; and during this period the debate on funding of political parties has become more pronounced. Moreover, the six general elections that were conducted under the Fourth Republic are adequate for one to analyze how the historical interactions between parties and voters within the stable institutional environment have influenced the preferences and strategies of the political parties in the mobilization of financial resources.

The study relies on a triangulation of methods involving primary and secondary data. Silverman¹⁵⁷ supports a combination of techniques to investigate the social problem under investigation. The techniques should abandon the spurious choice between qualitative and quantitative data, but rather be concerned with the combination of both, which makes use of the most valuable features of each. Therefore, to obtain fairly accurate data, we depended on both qualitative and quantitative data techniques to gain complementary advantages of words and numbers in the analysis. Qualitative data was necessary to understand the nature of party funding and how it affects internal democracy of political parties. Quantitative data was useful in measuring the responses and degrees of associations between independent and dependent variables. Having explained the reasons for combining qualitative and quantitative data, we now turn to discuss specific techniques adopted for the study.

1.8.1 Qualitative Data Collection

Qualitative data is the type data that does not use any statistical measure to produce its findings. It is often generated through interviews, discussion and observation. Qualitative research methods are generally inclined towards an interpretive paradigm which views a world in which reality is socially constructed, complex and dynamic. Qualitative research can provide a ‘deeper’ understanding of the phenomenon under investigation than what can be obtained from a purely quantitative research¹⁵⁸. Qualitative research methods were used for the study because the issue of party financing behaviour is complex, context-bound, requiring a holistic form of analysis and explanation. Its substantial flexibility allowed us to undertake the study within the local context where party activities occur. The qualitative data for the present study was gathered through in-depth elite interviews and observations. These methods are discussed in turn.

i. Elite Interviews

Elite interviews were conducted with an interview guide¹⁵⁹ from rural and urban areas. For the elite interviews, the study purposively selected the national treasurers of the four political parties represented in parliament, namely, the National Democratic Congress (NDC), New Patriotic Party (NPP), People’s National Convention (PNC) and the Convention People’s Party (CPP), and interviewed them. Other key political party executives such as the general secretaries, the founding members, patrons, national women organizers, youth organizers, candidates who contested for political office (unsuccessful presidential and parliamentary candidates), ministers, Members of Parliament (MPs), party executives in the previous republics, were interviewed, using the snowball sampling technique where referrals were made by word of mouth to contact other political party executives. Indeed, those contacted through referral spoke with the higher level of

confidence than those approached by the interviewer's own efforts. At least the national treasurer, one Member of Parliament, and three executive members of the four political parties were interviewed to gain a better insight into the sources of funding, whether legal or illegal from a party's official viewpoint or perspective.

That apart, the general secretary of the People's National Party (PNP) under the Third Republic, one independent candidate in Parliament, one executive member of the Democratic Peoples' Party (DPP) and the presidential candidate of the DPP and an unsuccessful candidates were also interviewed. Due to the limited time and resources we conducted one-on-one interviews with 105 people. This is made of 84 political party card -holding members and 21 elites from relevant state institutions and civil society organizations. The sample distribution of political party members and relevant state institutions and civil society organizations is presented in Table 1.1-3.

Table 1.1: Interviewees from political party card holding members and politician

	PNC	CPP	ND C	NPP	PNP	DPP	Ind	Total
Executive Party Members	5	7	10	13	1	2	-	38
Members of Parliament	1	1	10	10	-	-	1	23
Ordinary Card-bearing Members	2	2	9	10	-	-	-	23
Total	8	10	29	33	1	2	1	84

Source: Fieldwork, 2014

Other elite respondents included stakeholders such as development partners, the Electoral Commission, the National Commission for Civic Education (NCCE), the Centre for Democratic Development-Ghana (CDD-Ghana), Institute of Democratic Governance

(IDEG), the Institute of Economic Affairs (IEA), academics, the media and some religious bodies. These stakeholders have contributed in diverse ways to democratic politics under the Fourth Republic. This category of interviewees is made up of 21 people. Tables 1.2 and 1.3 provide the list of relevant stakeholders who were interviewed.

Table 1.2 Relevant Public Institutions

Institution	No. of People
Electoral Commission	5
National Commission for Civic Education	2
Tertiary Institutions	2
TOTAL	9

Source: Fieldwork, 2014

Table 1.3 Civil Society Organizations

	No. of people
Institute of Economic Affairs (IEA)	1
Institute of Democratic Governance (IDEG)	1
Ghana Institute of Governance and Security (GIGS)	1
Centre for Democratic Development-Ghana (CDD-Ghana)	1
Friedrich Ebert Foundation	1
Christian Mother's Association	1
The Media/Journalist	3
Religious Institutions	3
TOTAL	12

Source: Fieldwork, 2014

Ten interviewees wished to remain anonymous. All these groups of interviewees provided answers to pertinent questions related to political party funding. Political party executives, for example, provided information on party financing issues, challenges and policy measures to ensure a more equitable system of party financing. More especially for the officials of political parties, the interview sought to help explain the contextual factors that had influenced party financing, how funds were raised and spent on political campaigns and on the support of routine operations of the parties. Similarly, interviews with Members of Parliament (MPs) focused on their contributions to party funding and organization, how they gained access to the resources and how they were utilized. The views on the legal frameworks and state funding of political parties were sought from all the officials because of the vexed nature of these issues. Unsuccessful candidates and dissenters shared their experiences on elections of party officials and internal democratic issues. This group of informants provided useful information because of their bitter experiences. Officials of the Electoral Commission provided the financial statement of various political parties and insights of the Commission's oversight role. It is important to state that two officers from the Bureau of National Investigation (BNI) provided the researcher with baseline information on money and electoral politics among the parties which guided the interview. Political parties also provided information about how their rival acquired funds but the information provided is validated through interview with the party involved.

ii. Observation

Mustafa¹⁶⁰ points out, that observation is cardinal for information gathering on issues that are sensitive in nature. He notes that science begins with observation and it is a method used to collect reliable primary data. In the case of this research, the researcher observed

activities at some party rallies, fundraising programmes, meetings and congresses to elicit information on how some party funded activities were carried out. The interviews and observations provided the opportunity to develop a descriptive, rich understanding and insight into individuals' behaviour, beliefs, culture, concerns and motivations regarding political party financing.

iii. Validation Seminar

The bulk of the qualitative data was collected in 2007 and 2008. To be able to use the data for generalization in 2014, the information was updated through a validation seminar. A one-day seminar was organized on November 27, 2013 at Adu Complex, GIMPA, for key stakeholders such as political parties, civil society and public servants to make inputs. Specifically, participants in the seminar included the national treasurer and one national executive of the NDC, the PNC and the CPP. The national executives of the NPP could not attend this seminar but one unsuccessful 2012 NPP parliamentary contestant was in attendance. Other participants were dons from the University of Ghana and the Ghana Institute of Public Management and Administration (GIMPA), public servants and graduate students of GIMPA. The preliminary findings of the study were presented to the participants, and the discussions at the seminar were used to update information on the nature and challenges of funding of political parties in Ghana.

1.8.2 Quantitative Data Collection

Quantitative data is by nature a numeric approach, reducing data to numbers, and a typical technique is a survey and a closed-ended questionnaire. Its advantage is that it is scientific;

the research is based on objective laws rather than the researcher's values; and presentation of findings is numerical, using tables and charts. Quantitative data helped us to test the hypothesis and generalize the findings of the study. It has several weaknesses. It can amount to what Silverman¹⁶¹ referred to a 'quick fix', involving little or no contact with people or the field. The emphasis on the use of statistical correlation may be based upon variables that in the context of naturally-occurring interaction may be arbitrarily defined. Dependence on hard data for explaining social phenomena with no regard to people's every day sense-making can turn out to be a mirage.¹⁶² Quantitative data for the study was mainly generated from the yearly audited financial statement of political parties to the Electoral Commission and through the survey administration. These are discussed below.

i. Financial Statement of Political Parties

The Political Parties Act 574, 2000 requires a political party to submit to the Electoral Commission a statement of its assets and liabilities in such form as the Commission may direct. The reporting requirement (Section 21 of Act 574) specifies that within six months, from 31st December of each year, a political party shall file with the Electoral Commission, indicating 'the state of its accounts; the sources of its funds; membership dues paid; contributions or donations in cash or in kind; the properties of the party and the time of acquisition; and such other particulars as the Commission may reasonably require.' The Act also states that any person, on payment of a fee determined by the Commission, can inspect or obtain copies of the returns and audited accounts of a political party filed with the Commission.

The audited financial statements submitted to the Electoral Commission, although not easily accessible and sketchy, have helped to validate what was collected from the political party officials. For example, as of July 2014, the latest financial statement from the NPP was in 2006. Ideally, the financial statements between five to ten years (2004-2013) of the four political parties should have been used for analysis, but the study had to generate data from disjointed records for the analysis thereby reinforcing the opaque nature of political party financing.

ii. Survey Administration

A survey was undertaken of all the four political parties (the National Democratic Congress (NDC), New Patriotic Party (NPP), People's National Convention (PNC) and the Convention People's Party (CPP)) under investigation. The development of a survey questionnaire, its administration, sampling methods, the sample size and its characteristics are discussed below.

• Questionnaire Development

The study depended on a structured questionnaire to collect the survey data. The development of the questionnaire was informed by the objectives of the study. Twenty questionnaires were pre-tested on party members from March 24-26, 2014 in Accra and its surrounding communities. Responses from the pre-test were used to finalize the survey instrument. The instrument comprised three sections. The first section of the questionnaire collected information on party affiliation membership status. The second section of the questionnaire was devoted to the nature of sources of funds and challenges of party funding. It also sought to find out the extent to which wealthy financiers influence the internal democracy in the election of party executives. The final section of the

questionnaire collected information on the background of the respondents with respect to age, sex, education, occupation, income level and place of normal residence¹⁶³ (region and constituency)

- **Questionnaire Administration**

The administration of questionnaires took place at party offices, homes, congresses and at party programmes. On Saturday April 5, 2014, the CPP held its National Executive Congress at Tamale. Permission was sought at the congress where 60 questionnaires were distributed and 55 questionnaires representing 91.6 percent response rate were completed and returned. More than 50 percent of the CPP total questionnaires (102) were administered at the National Executive Congress. The following Saturday, which was April 12, 2014, the NPP also organised a congress at Tamale to elect the national executives of the party. The researcher went to this congress with six party insiders as Research Assistants to administer questionnaires. A little more than two-thirds (280) of the 400 NPP questionnaires were administered at the congress.

The NDC between April and May, 2014 organized several party programmes for their members at the Ghana Institute of Management and Public Administration (GIMPA), the Accra Polytechnic, the Methodist University and the Pentecost University, all in the Greater Accra region. I was given the opportunity to administer questionnaires at these programmes. The PNC did not hold any public programme at this time, but I took advantage of the Tamale congresses to contact PNC members in the Upper West Region, the strong-hold of the party. The administration of the questionnaires was done in the language of the respondent's choice. The survey data was collected from April 5 to June 30, 2014.

- **Sampling and Sample Size of Survey Respondents**

So far, 23 political parties have registered with the Electoral Commission.¹⁶⁴ For the purpose of this study, the four political parties, namely, National Democratic Congress

(NDC), New Patriotic Party (NPP), Convention People's Party (CPP) and People's National Convention (PNC), which are consistently represented in Parliament, were purposively selected and interviewed. The selection of these political parties was done based on the fact that the NDC and the NPP were the two strongest parties that had alternated political power under the Fourth Republic, while the CPP and the PNC were weak parties but had representation in parliament. Another factor that influenced the selection was the fact that the Institute of Economic Affairs has also selected and supported these four political parties since 2002. Finally, Ayee, Anebo and Debrah¹⁶⁵ have also used these four political parties to conduct a study on party financing in 2007.

Kwabia¹⁶⁶, in his work *Elements of Social Statistics* asserts that a sample size of 100 respondents is good for any academic exercise. It is important to note that Lindberg and Morison used a sample of 690 voters to examine voting behaviour in the 1996 and 2000 elections in Ghana¹⁶⁷. Similarly, the Centre for Democratic Development in Ghana (CDD-Ghana) selected 600 household heads to undertake a nationwide survey on party financing in 2005¹⁶⁸. Ayee, Anebo and Debrah¹⁶⁹ used 405 respondents made up of 192 card holding members and 213 non-party members from only 10 constituencies to conduct a study on party financing in Ghana. Due to time, availability of resources and past experience, this study considered 1,006 party card holding members statistically adequate to give ample scope for a detailed sub-group analysis, and thereby making it possible to draw reasonable inferences about the population. This study differs from the previous ones in that it used a larger sample size of 1,111. The total sample for the study is made up of 105 interviews (ordinary and executive party members, public servants and civil society in Ghana) and 1,006 respondents who are card holding members of the four political parties from all the

ten regions in the country. The results are therefore likely to be more representative than the previous studies earlier on mentioned.

- **Data Analysis**

Field data were coded and analyzed. Word-Excel and the Statistical Product for Service Solutions (SPSS) version 20.0 were the computer softwares used for analyzing the data. Word-Excel was used to develop tables, figures and charts. The statistical results are presented in the form of percentages, frequency tables and cross-tabulations. The SPSS was also used to conduct reliability test, regression analysis and one sample chi-square test of significance. The recorded interviews were transcribed and analysed according to the research questions of the study. These influences the analysis and where possible, the interview responses were quoted verbatim to support a point.

- **Characteristics of Survey Respondents**

The sample shows that out of 1,006 card holding members, 841 (83.6%) respondents were executive members while 165 (16.4%) of the sample were ordinary members of the four political parties (see Table 1.4). The rationale for focusing on card holding members and more on party executives is that political party members are more likely to have insider information about the nature of funding of political parties as compared to the non-party members. This strengthens our confidence about their knowledge concerning the funding of their parties.

Table 1.4: Membership Status of Respondents

Item	Frequency	Percentage
Executive members	841	83.6
Ordinary members	165	16.4
Totals	1006	100.0

Source: Survey Data, 2014

The study sampled 400 card holding members from each of the two major political parties and 102 from the CPP as well as 104 from the PNC. The NPP had the highest constituency executives (212) while the CPP had the highest regional executives (28) in the sample. This is because most of the questionnaires were administered at their national delegate congresses. The sitting Members of Parliament (MPs) mobilized and spent funds for political activities. They were consequently represented enough in the sample. Out of 275 MPs of the sixth Parliament of the Fourth Republic, 102, representing 37 percent, were sampled in proportion to their seats. It is important to emphasise that the representation of MPs in the study suggested that at least 102 constituencies representing 37% of all the constituencies were sampled. The NDC had 147 members (54%), the NPP had 122 (44%), the CPP and the PNC had one each (see table 1.5). This high profile sample provided a rich understanding of the factors that drove party financing and electoral politics in Ghana.

Table 1.5: Membership positions and Political Parties

Membership Positions	NPP	NDC	CPP	PNC	Total
Member of Parliament	44	56	1	1	102
National Executive	2	3	3	1	9
Regional Executive	19	14	28	7	68
Constituency Executive	212	103	20	30	365
Polling Station Executive	26	144	14	32	216
TESCON / TEIN Executive	42	29	0	0	71
Council of Elders	5	0	2	1	8
Overseas Branch Executive	0	0	1	0	1
Any other	0	1	0	0	1
Ordinary Member	50	50	33	32	165
Total	400	400	102	104	1006

Source: Survey Data, 2014

Most of the questionnaires were self-administered. Therefore, there were many non-responses to some of the questions. For example, over 30 questionnaires returned from Parliament did not provide information on their regions and more than 70 refused to

indicate their constituencies. Given that we had only one MP from each constituency, such information would have compromised the anonymity of the respondents. However, respondents who failed to indicate their party affiliation and the major source of funding to their parties were not included in the sample. This is because the main aim of the study was to identify major sources of funding to political parties in Ghana. The regional distribution of the respondents is shown in Table 1.6 below.

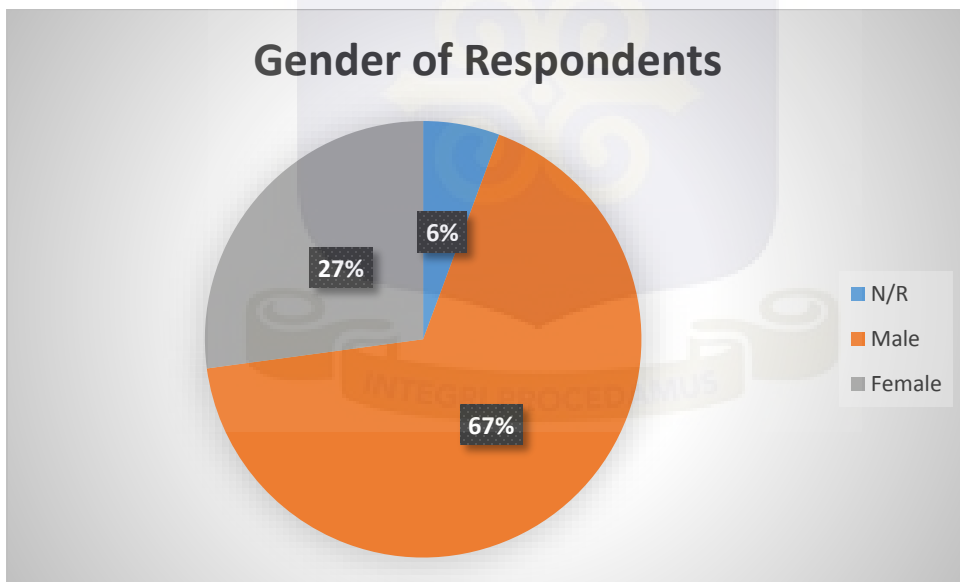
Table 1.6: Regional Distribution of Respondents

Regions	Frequency	Percentage
Non- Responses	40	4.0
Western region	15	1.5
Central region	50	5.0
Greater Accra Region	282	28.0
Volta Region	83	8.3
Eastern Region	76	7.6
Ashanti Region	91	9.0
Brong Ahafo Region	22	2.2
Northern Region	172	17.1
Upper East Region	91	9.0
Upper West Region	84	8.3
Totals	1,006	100.0

Source: Survey Data, 2014

Survey results as found in Figure 1.1 show more males (67%) than females (27%). Six percent did not indicate their sex. This is consistent with many studies in which males dominate political party leadership.¹⁷⁰

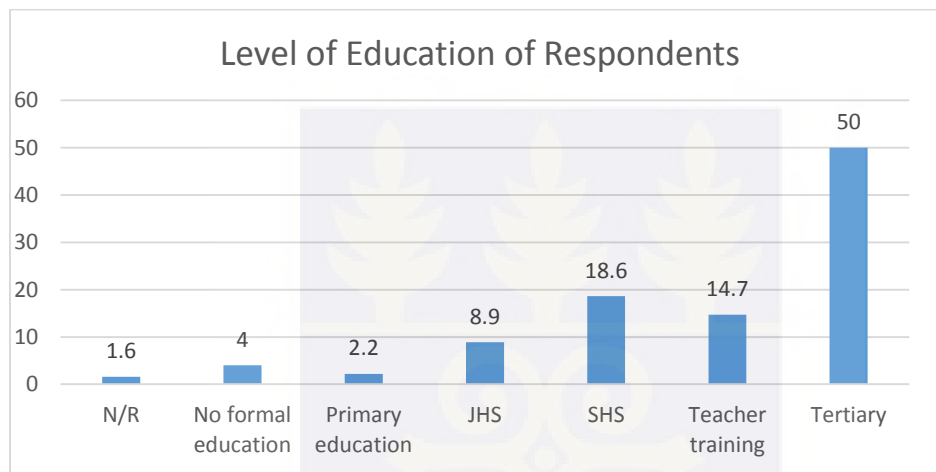
Figure 1.1 Gender of Respondents



The survey gathered information on the highest educational level of the respondents at the time of interview. Over 95% of the respondents had some form of formal education, while 4% had no formal education. Among those who had formal education, 20.6%, 15.7% and 46.9% the total respondents attended senior secondary, teacher training school and tertiary

institutions respectively (see figure 1.2). If we assume that these educated party members were informed, then it is logical to assume that over 80% of our respondents were familiar with basic party funding issues in Ghana.

Figure 1.2 Level of Education of Respondents



1.8.2 Secondary Data Source

This work also benefited from secondary data derived from the existing literature. The works of civil society organizations such as the International Institute for Democracy and Electoral Assistance (IDEA), Centre for Law and Social Acting (CLASA) in Nigeria, Ghana Centre for Democratic Development (CDD-Ghana), Institute for Democratic Governance (IDEG). Government documents and publications, books, journal articles and theses on party financing in Ghana and Africa in general were all consulted to loot at best practices in other parts of the world.

1.9 Significance of the Study

The study is significant for four reasons.

First, the study fills the gap in the literature on the nature of political party financing in Ghana and its effect on democratic politics within the parties.

Second, it contributes to the attempts by rational choice institutional theorists to empirically test the propositions that political actors are, first, self-interested in their actions, and second, create institutions that enhance that self-interest.

Third, it contributes to the literature and ongoing debate on the appropriate and viable means of financing political parties in Ghana.

Finally, the study provides broad guidelines and recommendations regarding mechanisms of improving transparency, accountability and a participatory approach to financing political parties to build public confidence in democracy in Ghana. This will invariably advance the course of democratic development through awareness creation about funding other key democratic institutions as it provides a platform for the rethinking of new modes of financing democracy by strengthening the capacity of the institutions that perform core functions of democratic governance.

1.10 Limitation of the Study

The study had some practical limitations, which should be acknowledged. The qualitative data collected through interviews, discussions, and observation have important limitations in this research. There was no sample frame; therefore, the sample was small and not randomly selected. Because the issue under investigation is very sensitive, we relied on a

snowball sampling technique where referrals were made by word of mouth to acquire more respondents. In effect, we did not have full control over the selection process. Some respondents tended to express views that were consistent with social standards and tried not to say anything negative about their political parties. In fact, it took friends, school mates, students and church members to disclose the reality on the ground. About ten percent of these people wanted to remain anonymous.

Furthermore, the issue on financing political parties required numeric data which the interviewees were either not prepared to disclose or were unable to disclose because they could not remember the exact figures. The audited financial statement submitted to the Electoral Commission could have helped to validate what was collected from political party official, but these financial statements were not regularly submitted to the Electoral Commission. Ideally, the financial statement of 2004-2013 of the four political parties should have been used as one of the major sources for analysis, but the study had to rely on inadequate records for the analysis. This notwithstanding, there was no remarkable evidence of changes in trend for political parties which submitted their accounts from 2005-2009 (the PNC), from 2005-2010 (the NDC), and from 2005-2006 and 2012 (the CPP).

In addition, the Electoral Commission, the custodian of the accounts, was only prepared to indicate whether political parties have submitted the accounts in a particular year or not. The Commission was not willing to release the details of the accounts to researchers or any interested people to use. In effect, it took an informal arrangement to obtain the accounts from the Electoral Commission for the four political parties analyzed in this study –

something which in most jurisdictions should normally have been a public record or document.

It is instructive to point out that, notwithstanding the limitations pointed out above, the limitations do not in any way affect the validity and the reliability of the findings, because the results were interpreted with caution and circumspection. In short, the limitations do not compromise the academic rigour and findings of the study.

1.11 Organization of the Study

The study is organized into seven chapters; Chapter One, ‘Introduction and Conceptual Framework’ has outlined the research problem, research objectives and questions. It has also outlined the theoretical, conceptual and methodological framework of the study.

Chapter Two, ‘The Historical Analysis of Political Party Funding in Ghana’, undertakes a historical analysis of political party funding in Ghana from 1957 to 1992. It examines the various sources of financing political party activities in the First, Second and Third Republics. This helps us to better understand the dynamics of change or stability in how political parties finance their activities under the Fourth Republic.

Chapter Three, ‘The Legal and Institutional Framework for Party Financing in Ghana’ discusses the institutional rules of the Fourth Republic in regulating the financing of political parties. Understanding the nature of the rules governing party financing and how

the rules are enforced enables us to examine the extent to which political parties play within or outside ‘the rules of the game’ to generate funds for their electoral activities.

Chapter Four, ‘The Sources of Funding for Political Parties under the Fourth Republic of Ghana’, discusses the sources of funding of political parties under the Fourth Republic. It examines the strategies and modalities employed by political parties to finance their political activities. The aim is to examine the extent to which the rules of the state governing party financing enhance or constrain political parties in generating funds for their activities.

Chapter Five, ‘Contextual Variables and Financing of Political Parties in Ghana’ discusses the political, economic, socio-cultural and other factors that have accounted for the insignificant contribution of ordinary members to political party funds.

Chapter Six, ‘Financing Political Parties and Internal Party Democracy in Ghana’, examines patterns of participation, and discusses how the nature of financing political parties affects the capacity of political parties to promote internal democratic politics concerning the election of parliamentary and presidential candidates.

Chapter Seven, ‘Summary and Conclusions’, summarizes the findings of the study and highlights some recommendations for improving party financing in Ghana. It also discusses the implications of the findings for the literature on party financing and internal democracy.

CHAPTER TWO

THE HISTORICAL ANALYSIS OF POLITICAL PARTY FUNDING IN GHANA

2.0 INTRODUCTION

This chapter provides a historical background to political party organization and funding strategies. The chapter discusses the development of political parties from the era of the nationalist movement to the Third Republic. It then proceeds to examine the major sources and strategies of funding political party activities after independence in 1957 to the Third Republic of Ghana. Party financing has often been shrouded in secrecy. This might account for the inadequate literature on the subject in Ghana. It is important to state that because of the paucity of literature on party financing during the pre-independence era, in particular, the discussion on party financing in this chapter has mainly concentrated on the ruling parties under the three republics of Ghana.

2.1 THE EVOLUTION OF POLITICAL PARTIES IN THE GOLD COAST: 1948-1957

The development of political parties in the Gold Coast dates back to the nineteenth century, and their progress towards independence in 1957 have been the subject of extensive scholarly study and analysis. One of the most comprehensive accounts of the development of political parties in the Gold Coast is Dennis Austin's, *Politics in Ghana, 1946-1960*. To Austin, the factors involved in the rise of nationalism and the subsequent formation of

political parties were complex and sometimes very difficult to classify. Austin identified economic considerations and the emergence of a new class as some of the actors contributing to the rise of nationalism. In the case of economic consideration, Austin argued that there was a discrimination against local merchants, because they were not getting licences for the importation of their goods.¹⁷¹ In his view, the Gold Coast, during the same period, saw the emergence of new classes, which were the educated elites and the merchant class.¹⁷²

Political factor was another crucial issue that led to the formation of political parties in the Gold Coast. Austin pointed out that the lack of political representation created an atmosphere of discontent in the colony. The ordinary citizens were the least represented in the Joint Provincial Council, which, among other things, approved loans and took decisions for the Gold Coast colony.¹⁷³ The councils of state gave a strong preference to the chiefs (the claim of natural rulers) to speak for the people of Gold Coast.¹⁷⁴ As Rathbone argued, the exclusion from significant influence of such citizens as the educated elites, and in some cases the wealthy men by the colonial government led to the formation of the UGCC.¹⁷⁵ The leadership of the UGCC was dominated by the wealthy individuals who wanted political influence for economic gains.

Maxwell Owusu's book, *Uses and Abuses of Political Power* is the linchpin of all the accounts on the development of nationalism and political parties in the Gold Coast. He contended that political power during the colonial era was not sought for its own sake. That was the reason why Nkrumah said 'seek ye first the political kingdom' and the good materials shall be added unto.¹⁷⁶ Owusu identified four main factors that led to the formation of the nationalist political parties. These are: (i) actors saw a political movement

in economic terms; (ii) the national poverty created a form of political consciousness in which people identified the control of wealth with political power; (iii) any political ideology which did not produce economic improvement was irrelevant; and (iv) political relations seem to have had no meaning except in terms of poverty and wealth.¹⁷⁷

The leadership of the UGCC wanted government power to be handed over to the people in the 'shortest possible time'.¹⁷⁸ Due to the nature of their professions (i.e., these were practising lawyers, businessmen, and doctors), the leaders of the UGCC took politics as a part-time job and not as a vocation and consequently failed to devote their full energies and time for party organization and like activities. Meanwhile, political party organization and management were and still are an arduous enterprise that requires full attention for the design, a strategy formulation and an effective implementation. The leadership of the UGCC, therefore, thought it expedient to recruit a full time political manager to run the affairs of the party. As a result, Dr Kwame Nkrumah was appointed the general secretary of the UGCC and was expected to initiate programmatic political activities aimed at popularizing the UGCC throughout the country.¹⁷⁹

We have already pointed out that the UGCC leadership represented an older class of the Western- educated elite largely made up of lawyers, doctors, businessmen and senior civil servants who pressed for political independence through negotiation. Their objective was that the colony should achieve 'independence within the shortest possible time'.¹⁸⁰ Nkrumah's youthful enthusiasm coupled with his earlier anti-colonial experience brought

him into conflict with the UGCC leadership over the appropriate strategy in the struggle for independence. For Nkrumah, the Gold Coast should be granted ‘independence now’¹⁸¹. Furthermore, he believed that the independence struggle should no longer be restricted to a few businessmen, lawyers and educated elites; rather the struggle must involve the entire colonial people and their chiefs. This approach was too radical for the UGCC leadership to accommodate, and after several unsuccessful attempts to convince their general secretary to tone-down his radical ideas and strategy, the UGCC leadership and the youthful Nkrumah had no option but to part company.¹⁸²

Dr. Nkrumah formed the Convention People’s Party (CPP) in 1949 with the support of the broad masses of the people such as farmers, fishermen, petty traders, market women, and low-level civil servants.¹⁸³ The UGCC was presented to the public as standing for the selfish interest of lawyers and powerful and wealthy traditional rulers.¹⁸⁴ The CPP strategically played on a somewhat self-created image of opposing class and material interest by reiterating that the CPP stood for the masses as against the wealthy members of the society, who were not sure whether to ‘swim with the people’ or to ‘drown with imperialism’.¹⁸⁵ Apter¹⁸⁶ specifically saw the rise and popularity of the Convention People’s Party (CPP) in terms of a single variable, the ‘personal charisma’ of Nkrumah acting as a primary functional vehicle for the formation and institutionalization of the CPP. It is important to emphasize, that notwithstanding the differences in political strategy, both the UGCC and CPP were formed on nationalist platforms and they were represented and recognized nation-wide as political organizations.¹⁸⁷

Competitive political party organizations and concomitant mass mobilizations against colonial rule blossomed following the political rift between the UGCC and Kwame Nkrumah. It opened a floodgate for the formation of many other political parties, some of which were of an ethnic, a regional and a religious background.¹⁸⁸ The political parties formed during the period 1947-1957 included the Anlo Youth Organization (AYO), Federation of Youth Organization (FYO), the Ghana Congress Party (GCP), the Moslem Association Party (MAP), Northern People's Party (NPP), Togoland Congress (TC), National Liberation Movement (NLM), United Gold Coast Convention (UGCC) and Convention People's party (CPP).¹⁸⁹ The weakness of most of the political parties reduced the electoral competition into a contest between the UGCC led by J.B. Danquah and the CPP led by Dr. Kwame Nkrumah. The CPP won the 1951, 1954 and 1956 elections and led the country to independence in 1957.¹⁹⁰

2.2 THE DEVELOPMENT OF PARTY POLITICS: 1957-1966

The struggle for independence was characterized by fierce conflicts based on ideological, ethnic, religious, regional and sectional considerations. These intensified in the immediate post-independence era and violence was regarded as an instrument for settling ethnic, sectional and personal scores.¹⁹¹ These developments posed challenges for unity and nation building. Consequently, the Preventive Detention Act (PDA) was passed in December, 1957 as a reaction to the conduct of the opposition. The law permitted the government to detain without trial anyone suspected of engaging in acts that, in the reckoning of the government, undermined the security of the state.¹⁹² Furthermore, Section 5 of the

Avoidance Discrimination Act of 1957, No 38 also prohibited organizations, including political parties, to use or engage in tribal, regional, racial or religious propaganda to the detriment of any other community, or secure the election of persons on the account of their tribal, regional, or religious affiliations.¹⁹³ The passage of these laws eventually caused the UGCC and other opposition parties such as the Northern People's Party, the Muslim Association Party, the Anlo Youth Organization, the Togoland Congress, the Ga Shifimokpee and the National Liberation Movement to merge as one party under the banner of the United Party (UP). Thereafter, the UP became the main opposition party under the leadership of Professor K.A. Busia in 1958.¹⁹⁴ The Avoidance of Discrimination Act, 1957 also enjoined the Minister responsible for Local Government to supervise the activities of political parties.¹⁹⁵

In 1960, the country drew up a Republican Constitution which gave wide discretionary powers over national issues to the first president, Dr. Kwame Nkrumah. Section 8 (4) of the 1960 Constitution states that 'the President shall act on his discretion and shall not be obligated to follow advice tendered by any other person'.¹⁹⁶ The literature on Ghanaian politics showed that the president could appoint and dismiss judges at his pleasure.¹⁹⁷ The 1960 Constitution also made the CPP the only national political party mandated as the vanguard in building a socialist society.¹⁹⁸ The opposition party was weak; hence, political activity during this period was reduced to praising and cajoling President Nkrumah. The CPP demonstrated its superiority in the creation of a one-party Parliament in 1961 and a one-party state in 1964. Through concerted efforts, popular political participation by the dissenters was suppressed.¹⁹⁹ The cumulative effect of these

developments was the overthrow of Dr. Nkrumah's government in a military coup on 24th February, 1966. A decree dissolved the CPP and the 1960 Constitution was proscribed.²⁰⁰

2.3 THE DEVELOPMENT OF PARTY POLITICS: 1969-1972

Ghana witnessed the first transition from civilian to military rule when the National Liberation Council (NLC) which took over power from the CPP. The NLC handed over power to a constitutionally elected political party in 1969. The 1969 Constitution was a departure from that of 1960. The 1969 Constitution placed particular emphasis on a multi-party system, on limitations on executive powers, on the constitutionality of political activity and on civil rights. It prohibited a one-party state and endorsed official opposition parties. These measures were meant to promote popular participation and equally prevent the excesses during the Nkrumah years.²⁰¹ Given the diversity of tribes, religion, culture and regions in Ghana, the Political Parties Decree, the National Liberation Council Decree (NLCD) 345 of 1969 {section 2 (10), sought to prohibit political organization based on sectional lines.²⁰²

In May 1969, when the NLC lifted the ban imposed on political party activities, twenty political parties were formed. Five political parties including the Progress Party (PP), the National Alliance of Liberals (NAL), the United National Party (UNP), the People's Action Party (PAP), and the All People's Republican Party (APRP) satisfied the requirements to operate and contest in the 1969 elections.²⁰³ As Manu noted, only two political parties seemed viable during the Second Republic. These were, the Progress Party (PP) led by

K.A. Busia, and the National Alliance of Liberals (NAL), led by K.A. Gbedemah. The remaining political parties lacked substantial following.²⁰⁴ The leader of the NAL, the PP's main challenger, was a former CPP stalwart who broke up with Nkrumah in the 1960s.

As Chazan²⁰⁵ pointed out, the resounding victory of the PP in the 1969 elections could be attributed to, among other things, the anti-CPP sentiment coupled with organizational advantage enjoyed by the PP through the good offices of the NLC. The outcome of the 1969 elections also showed that the party mobilization and strategy of both the PP and the NAL owed a good deal to ethnicity that reflected Akan-Ewe tribes.²⁰⁶ The leader of NAL, K.A. Gbedemah hailed from the Volta Region which is predominantly Ewe, while the leader of the PP, K.A. Busia and the party itself traced their roots to the Akan tribe. Since Akan ethnicity encompassed a relatively large population, participation in the election favoured the PP. The NAL and other smaller parties were relegated to the bench of opposition. According to Gyimah-Boadi and Debrah, the Busia-led PP government was perceived as an Akan hegemony and hence other-tribal exclusion. The NAL and other opposition parties waged a war against tribal politics. Consequently, the atmosphere of ethnicity-based party politics, among other things, brought down the 27-month old government of Busia's PP in a coup d'etat in 1972.²⁰⁷

2.4 THE DEVELOPMENT OF PARTY POLITICS: 1979-1981

The period of 1972 to 1978 could be described as the era of stagnation and underdevelopment of political parties and democracy. Ghana experienced four different

military regimes. The rapid flow of events during this short period highlighted the vagaries, inconsistencies and severe fluctuation that have dominated Ghanaian politics and political party history.²⁰⁸ However, in January 1979, the ban on political party activities was lifted once again. A lot of political parties surfaced, but six survived the test to participate in the 1979 general elections. These were the People's National Party (PNP) led by Dr. Hilla Limann; the Popular Front Party (PFP) led by Victor Owusu; the United National Convention (UNC) led by William Ofori-Atta; the Social Democratic Force (SDF) led by Alhaji Ibrahim Mahama; the Third Force Party (TFP) led by Dr. John Bilson; and the Action Congress Party (ACP) led by Colonel Bernasko.²⁰⁹

Unlike the 1969 Constitution that returned the country to the parliamentary traditions of the British, the 1979 Constitution put the country on the path of the American type of presidential government.²¹⁰ As it was in 1969, the old political constellations, namely, the UP and the CPP political traditions re-emerged in 1979 to pitch camp against each other. The PNP was an assembly of surviving Convention People's Party stalwarts.²¹¹ The PNP, among other things, sought to promote national unity and safeguard the freedom of the people. It stressed the need to have state enterprises, enterprises owned jointly by the state and foreign private businessmen, co-operatives and Ghanaian private enterprises.²¹² In fact, the PNP's victory in the 1979 elections was attributed to the unity in the front of the Nkrumahists. The PNP was noted to be a replica of the CPP in mass mobilization of membership. Membership of the Popular Front Party (PFP), the main opposition, was drawn from the erstwhile Progress Party (PP). The General Secretary of the PP, B.J. da Rocha maintained the same post in the PFP.²¹³ The underlying values of the PP (the desire

for personal liberties, freedom of the press, better social security etc.) were also reflected in the manifesto of the PFP.²¹⁴ This was an obvious continuity of political traditions.

The smaller parties tended to revolve around personalities. The UNC, for example, was a splinter group from the PFP and it revolved around William Ofori Atta, a veteran politician who was a member of the 'Big Six' of the UGCC. The UNC also drew under its banner some members of K.A. Gbedemah's NAL, including its General Secretary, Dr. Obed Asamoah. The Action Congress Party was under the chairmanship of a very energetic ex-military officer Colonel George Bernasko. He was one of the few people who left I.K. Acheampong's military government.²¹⁵

The forces opposed to multi-party democracy found an opportunity again to stage a coup d'état on 31st December 1981 to derail the third attempt at multi-party democracy in Ghana. The Provisional National Defence Council (PNDC) under Flight Lieutenant J.J. Rawlings was formed, and as it was after the coups of 1966 and 1972, the 1979 Constitution was suspended and party political activities banned.²¹⁶

Having provided an overview of the evolution of political organizations in Ghana, the next subsection explores party funding under the various republics, which is the main concern of the current chapter. The discussion focuses on political parties that captured power and major opposition parties under the First, Second and Third Republics of Ghana.

2.5 PARTY FUNDING UNDER THE CPP GOVERNMENT: 1957-1966

The problem of raising funds to support political party activities dates back to the early days of the nationalist movement and post-independence. According to Awoonor, the rich merchant class was among the few families who could afford to send their children to school at that time, and therefore, produced the educated elites of which lawyers formed a majority.²¹⁷ Awoonor argued that there existed a strong link between the merchant class and the intelligentsia. It was the merchant class that financed the political activities of the educated elites by paying for their deputation to England on the issue of land with the Queen.²¹⁸ Thus, the rich merchant class and their educated colleagues formed the United Gold Coast Convention (UGCC), the first political party in the then Gold Coast, in August 1947.²¹⁹ Austin²²⁰ indicated that one George Paa Grant, a wealthy Sekondi merchant, was the brainchild and financier of the UGCC. The leading figures of the UGCC included Awoonor-Williams, R.S Blay and Joseph Boakye Danquah. These men were all friends of George Grant. They provided the main campaign funds and materials for the UGCC.

Austin²²¹ observes that nothing was more obscure in the operation of the CPP than the raising of funds for its numerous political activities at the early stage of operation. Nkrumah found himself among a non-business class, particularly, middle school leavers, peasant farmers and the youth. This group of people did not have a regular and solid financial standing to sponsor major political activities. The situation was more serious in the remote rural areas where he had most of his followers. This was one major challenge for the CPP leadership.²²²

Initially, the CPP relied mainly on dues and membership subscriptions as its funding sources, which, in fact, were very inadequate.²²³ As Austin notes, the financial statement of the CPP presented at their first annual conference in July 1950, was very discouraging: ‘It included Accra £40. 17s., Winneba £6, Obuasi £3. 18s., Prestea £10, Bogoso £6. 1s., and smaller amounts from other districts’.²²⁴ The CPP could not even rely on financial support from its working class members in Accra, the capital. In 1952, Nkrumah again lamented, at the third annual conference held at Secondi, that funds did not come in commensurate with the growth of the party’s membership. The flow of money into party coffers was very slow. At this time, some party members working in the National Assembly promised to contribute a percentage of their salaries to the party.²²⁵

The CPP struggled to raise funds from its members to finance election campaigns. Commenting on how the CPP financed its election campaign in the early 1950s, Austin states that ‘one fact was very clear: it raised very little through regular membership subscriptions.’²²⁶ The CPP leadership appealed for financial support from the people. Particularly, the CPP branch secretaries appealed to the people to register as members and contribute to the ‘Fighting Fund’.²²⁷ The ‘Fighting Fund’, as it was codenamed, became very popular and significant. The rate was later fixed at five (5) Shillings per man and three (3) Shillings per woman. Party organizers also took advantage and introduced rally attendance dues which also became a source of money for the CPP. One (1) Shilling or six pence was charged for attendance at rallies.²²⁸ Besides, money for party activities was obtained from other sources such as an attendance fee for dances. The party organized the

sale of party flags, handbags, cloths, belts made in party colours, framed photographs of Nkrumah and other party paraphernalia.²²⁹

Another strategy the party adopted was the organization of what was called ‘Harvest Festival’.²³⁰ The Harvest Festival was an occasion when an appeal for funds was made for voluntary donations by individuals and organizations. This mass-based appeal for generous contributions yielded over 100 pounds at the Nsawam Methodist Church alone in December 1950.²³¹ That apart, the local branches of the CPP were made to pay a voluntary contribution of five (5) pounds per branch; this and other generous contributions helped to build the party at the national level. As the party could not raise sufficient funds to pay for political activities, much of the propaganda was carried out at the expense of the local people. People such as engine drivers, lorry and taxi drivers, traders, fishermen and farmers offered considerable voluntary support. Travelling to villages and towns to campaign for voter registration and for elections was done voluntarily and in the spirit of nationalism.²³²

At a point in time, the CPP asked party officials through a newsletter to educate and register members for the election. With this directive, twelve party members volunteered and spent one week in the service of the party to explain procedures designed by the government for the general election. At Oda alone, 238 new members were enrolled for the party with 150 men and women paying for their registration. A CPP branch secretary in Nkawkaw, in the Kwahu area, registered over 200 people, and similar reports came from other districts.²³³

The CPP's 1951 electoral victory can be attributed to the mass mobilization of members through the efforts of unpaid party officials.

Until 1952, the CPP generated income from the proceeds of functions (dances, football matches etc.), voluntary subscriptions, appeals, donations, sale of literature, badges and other activities approved by the National Executive.²³⁴ However, from 1953 onwards, as the CPP began to establish its presence in government, the party drew on more lucrative sources than the contributions of its members. According to Austin, a wealthy individual, Aksor Kassardjian told the Korsah Commission in 1953 that he gave 200 pounds to the CPP.²³⁵ Mr. J.A. Braimah of the CPP, a northern territorial assemblyman and Minister for Transport and Communications admitted receiving Two Thousand (2,000) pounds from the Armenian contractor, Kassardjan.²³⁶ Evidence from Awoonor²³⁷ showed that Mr. Krobo Edusei, the Ministerial Secretary under Nkrumah's regime was often accused of bribery and corruption. Many of these transactions were, of course, gifts to influence party members in the hope of receiving government favours.²³⁸

By 1956, the financial story of the CPP began to improve, not because the grassroots members increased their commitment and contributions, rather, the party switched to corrupt practices to the extent that a company known as the National Development Company Limited (NADECO Ltd) was established to serve as a clearing-house for bribes paid to the CPP or to Kwame Nkrumah personally.²³⁹ The Jibowu Commission that investigated the affair found out that the Cocoa Purchasing Company (CPC), a subsidiary

of the Cocoa Marketing Board, was part of an organization of the Convention People's Party. Nkrumah was the master brain that devised the CPC, and ran it so cleverly that it could be used as a political weapon.²⁴⁰ He made Messrs A.Y.K. Djin and M.A. Danquah, acting Managing Director and Director of the CPC respectively. Djin was the general secretary of the CPP and Danquah was a member of the finance committee of the party.²⁴¹ The CPP consequently used CPC vehicles for political party activities in the 1954 elections. Some of the loans given by the CPC to farmers were used to secure their votes. In short, the funds from the CPC were used for political purposes directly and indirectly.²⁴² As Awoonor pointed out, there was corruption in the early life of some of the CPP members. As a result, Ohene Djan and Atta Mensah, ministerial secretaries were sentenced to prison terms.²⁴³

The dust raised by the storm around the Jibowu Commission Report did not settle when arrangements for the formation of the National Development Company Limited (NADECO) began. Investigation into the circumstances surrounding the establishment of NADECO showed that the company was established by Kwame Nkrumah.²⁴⁴ Evidence given by Mr. Krobo Edusei before the Commission of Enquiry into the NADECO affair stated that at one of the cabinet meetings, Kwame Nkrumah said he had been told by an American friend that political parties in America were financed by companies.²⁴⁵ Nkrumah further directed that all contracts negotiated by Ministers, public corporations, and Principal Secretaries should attract a commission ranging from 5 to 10 percent of the contract price. According to Krobo Edusei, when bribes started flowing into the party, NADECO was formed as directed by Kwame Nkrumah. Edusei told the Commission that

he paid some commissions into the account of NADECO as a result of contracts he signed.²⁴⁶

Kwame Nkrumah exercised all the rights of a real owner in relation to the company's business, and NADECO was established to secretly finance the CPP.²⁴⁷ The bribes were demanded (by either Kwame Nkrumah himself or by the members of the CPP) from Western European companies operating in Ghana and from Ghanaian building contractors. Kwame Nkrumah, for example, collected a 60,000 pounds bribe from A.G. Leventis, who was contracted to buy Mercedes Benz buses in Germany for the Ministry of Transport and Communications.²⁴⁸ Leventis was also asked to supply the CPP with 24 Fiat cars of various sizes to be used during the referendum in 1964.²⁴⁹ The payment of these bribes (5 to 10 percent of the contract price as commission) was sometimes made a condition for the award of government contracts. Those who refused to pay were black-listed, and never got government contracts any more.²⁵⁰ Public funds were indirectly diverted into the coffers of the CPP through NADECO. At times Kwame Nkrumah could authorize payment of public funds directly to the CPP. A case in point was when the directors of the Cocoa Marketing Board (CMB) were asked to pass a resolution which granted an annual subvention of 400 Pounds to the CPP.²⁵¹ This secret diversion of public funds had serious economic consequences on farmers and the performance of the CMB during a time of an unfavorable world price for cocoa.²⁵² This notwithstanding, it was executed to achieve the political ambitions of the politicians. These discussions are supportive of the studies of Mwangi²⁵³ in Kenya and Jolobe²⁵⁴ in South Africa where political parties used business houses to channel corrupt funds into party coffers.

2.6 PARTY FUNDING UNDER THE SECOND REPUBLIC: 1969-1972

During the Second Republic, there was no law preventing the maximum amount of money members and people should contribute to political parties. However, the political parties' law required that the actions of political parties should be consistent with the Constitution.²⁵⁵ There were several strategies adopted by political parties to mobilize funds under the Second Republic. For example, the constitutions of both the National Alliance of Liberals (NAL) and the Progress Party (PP) provided that a subscription fee and annual dues were to be payable by registered members as may be determined by the Annual Congress.²⁵⁶ Consequently, membership registration fees and the regular payment of membership dues and the sale of party cards were some of the major sources of income to both the Progress Party and the National Alliance of Liberals. A person was recognized as a member of the PP in particular, if only he or she had registered and paid the membership dues.²⁵⁷

The PP encouraged its members, persons, organizations, firms or companies which preferred the principles of the party to make donations. The party generated income from donations and affiliation fees that were imposed not only on their key members but on organizations, firms and companies which agreed with the objectives of the party. According to Debrah,²⁵⁸ the Progress Party drew much of its funds from the payment of affiliation fees. The party imposed 10 cedis on organizations that affiliated themselves with the party. Any organization or firm, whose application for affiliation was approved by the National Executive of the PP, was made to pay the first subscription fee. On the other hand, if any person or organization ceased to be a member or affiliate of the party, the fee was

forfeited to the party. Companies were prepared to donate to the party because they were in favour of the manifesto of the PP. Debrah further observes that the PP adopted a method of revenue generation which was unusual of political parties during the pre-independence period. The PP's close association with the NLC regime that supervised the 1969 general elections might have influenced some of the bold decisions taken. The PP was able to impose a levy such as an 'affiliation fee' on companies and private businesses to generate funds. The National Alliance of Liberals (NAL) and other parties did not have the leverage to impose similar fees to raise campaign funds such as the 'affiliation' fees on the companies and other private businesses that the PP had.²⁵⁹ Thus, unlike the PP, the NAL and other parties lacked the capacity to generate funds because of the fear of, or intimidation by the NLC government.²⁶⁰

Political parties under the Second Republic also depended on support from secret financiers. According to Gyimah-Boadi and Debrah, Busia and Gbedemah claimed that they generated much funds during their sojourn in exile.²⁶¹ But it was believed that most ex-CPP functionaries deployed their accumulated wealth to support the NAL. The PP was also believed to have generated funds from resources it mobilized abroad and from its close associates in the NLC regime.²⁶²

In spite of the dependence on the a few wealthy people to finance party activities during the Progress Party administration, there was no disgraceful act that defiled the PP regime as had happened during the administration of the CPP. Ayee²⁶³ attributes this to the fact

that the ministers of the PP were allowed to hold profit-making positions in both the public and the private sectors so long as their motives were deemed genuine. Public office holders, such as ministers of state, could support a political party financially.²⁶⁴ K.A. Busia won the 1969 elections with his Progress Party defeating the National Alliance of Liberals (NAL), the major opposition party led by K.A Gbedemah. The NAL which traced its roots to the CPP was financially weak. Most of the party financiers during the Nkrumah regime had left the country. The military regime had also caused to collapse the businesses of the few CPP stalwarts who were left.²⁶⁵

2.7 PARTY FUNDING UNDER THE THIRD REPUBLIC: 1979-1981

The law under the Third Republic prohibited contributions beyond a certain amount of money to political parties. Section 20 of the 1979 Political Parties Decree (SMCD, 229) did not allow citizens of Ghana to contribute more than GH¢1,000 per annum to party funds. Also, the regulation on sources of funds under the Third Republic emphasized that:

no alien and no company, firm or business house not wholly owned by citizens of Ghana 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 company, firm or business house not wholly owned by citizens of Ghana.²⁶⁶

The law further provided that the accounts of every political party were to be audited once in a year by an auditor approved by the Registrar, and a copy of the audited account was to

be filed with the Registrar. Besides, the records of the political party had to include a list of its membership and a statement of its accounts, showing the sources of its funds, membership dues paid, donations in kind or cash received, and of all other financial transactions of the party.²⁶⁷ The legislation (SMCD 229, Section 19) further required political parties to indicate the names of any person who contributed to the party funds.²⁶⁸

Political parties under the Third Republic equally depended on traditional sources of party funding such as membership dues and donations. In 1979, the PNP, the PFP and other political parties obtained their funds from membership registration fees. The PNP, for example, fixed the registration fee at GH¢3 while the PFP charged membership registration fee at GH¢ 4.²⁶⁹ The PNP monthly dues was 50 pesewas per month as against GH¢ 1.00 charged by the PFP.²⁷⁰

An interview with the general secretary of the PNP indicated that the party generated funds from the sale of party cards and membership dues.²⁷¹ A party member who was based in London bought 20 megaphones at the cost of 5 pounds each for the party.²⁷² At every political rally, funds for the party were mobilized. At the regional rallies, these funds were given to the regional office for the payment of stationery and full time workers such as typists and security officers.²⁷³ The usual donations to the chiefs and traditional rulers were provided by local party members voluntarily.²⁷⁴ One big fund-raising dinner was organized by the PNP at the Ambassador Hotel. This fund-raising activity also yielded a lot funds to the party. As the party waved the banner of the first president, Kwame

Nkrumah, it attracted a lot of sympathizers who donated to the party.²⁷⁵ The executives of the party also worked on part-time and voluntary bases. For instance, Ivan Addae-Mensah, the General Secretary of the PNP from 1979-1981, was a full-time lecturer at the University of Ghana and, at the same time, served at the party office on a part-time and voluntary basis. There was no form of state support until the elections were close to being held, then, the state offered Peugeot cars to political parties, and these were distributed based on the number of candidates fielded to contest the 140 seats in Parliament.²⁷⁶

Awoonor noted that the PNP was formed and came under the leadership of a group of successful CPP businessmen.²⁷⁷ According to Awoonor, the house of Nana Okutwer Bekoe, the Chairman of the PNP was both a warehouse and a money market. One of the main financiers of the PNP, Krobo Edusei, the self-confessed bribe collector for the CPP once described by the Korsah Commission as unfit to hold public office, was a founding member of the PNP.²⁷⁸ There was also Kofi Batsa, who was a former editor of the CPP newspaper, *The Spark*. Mr. Batsa, the chairman of the publicity committee was noted to have influenced political activities of the PNP.²⁷⁹ Mr. Imoro Egala, a financial broker, barred from holding public office after the 1966 coup produced Dr. Hilla Limann who was endorsed at the party congress in Kumasi.²⁸⁰ Similarly, Shillington observes that the PNP electoral machinery moved into top gear when wealthy patrons such as Nana Okutwer III, party chairman, Kojo Botsio, Dr. Ayeh-Kumi, Imoro Egala and many others provided substantial money for party activities.²⁸¹

Egala and Batsa, for example, became self-appointed spokespersons when the party won the general elections. They were also in charge of the sale of import licences and so-called ‘essential commodities’.²⁸² The black market boomed and foreign currency was largely available to those who were connected to the ruling party²⁸³. The little that was produced was absorbed into the officially sponsored profiteering network of party members.²⁸⁴ It is evident from the funding arrangements of the PNP, that the financial brokers invested in political parties and expected to recoup their investments when the party they promoted was voted into power. An interview with the former president Rawlings revealed that Dr Hilla Limann lost control over his corrupt party members and the economy.²⁸⁵ As a result, there were indiscipline and moral decay in politics and in the economy. Politicians paid tribute to integrity while a few rich political leaders milked the economy to build fine personal houses and to acquire properties for themselves. According to Rawlings, his 1981 coup d’état was a political appeal on behalf of the suffering ordinary soldier and the ordinary man on the street who were deprived of their share of the national cake.²⁸⁶ He stressed that the main objective of the coup was to restore discipline, accountability and popular participation in the country.²⁸⁷ This, he said, was evident in the formation of Workers Defense Committees (WDC) at every work place and Peoples’ Defense Committees (PDCs) in each town to help bring sanity into Ghanaian society. The WDCs and PDCs would not only monitor the performance at the work place and communities, but would also create a forum for the expression of popular power by the ordinary workers and ordinary people in the communities.²⁸⁸

The PNP also received funds from an Italian businessman called Chiavelli, who had ties with a Saudi oil prince. The funds received contravened the 1979 Political Parties Decree which forbade foreign sources of funding for political parties in Ghana. As a result of this, five (5) prominent members of the PNP, including Krobo Edusei were sentenced to various terms of imprisonment in 1982.²⁸⁹

The general secretary of the PNP and other members of the party identified a number of challenges encountered in mobilizing funds for the party. According to them, the PNP was formed in February 1979 and was inaugurated on 9th March 1979. Elections were scheduled for 18th June, 1979. The problems with the short period for party organization and mobilization of funds for political activities were huge. The businesses of most CPP supporters had collapsed. The Political Parties Law placed a limit on the amount (GH¢1,000 a year which an individual could donate to a political party). The 1979 'house cleaning' June 4 revolution led by Flt. Lt. John Rawlings scared people from active politics. The Soviet Union, the backbone of Nkrumah's CPP, did not expect a resurrection of the CPP.²⁹⁰ The PNP was, therefore, faced with a huge financial problem. Consequently, candidates contesting parliamentary seats had to travel on public transport to do party work. At some places, speakers were mounted on hired taxis.²⁹¹ The problem of party funding was not peculiar to the PNP alone. Both the PNP and the PFP lamented that their political parties lacked proper records on membership lists, let alone the regular payment of membership dues.²⁹²

The PFP, the major opposition political party was a successor of the PP of Dr. K.A. Busia. The party and its predecessors had always attracted the more articulate members of the Ghanaian society - lawyers, university dons, doctors, and successful businessmen.²⁹³ The PFP made it clear in its constitution that individual donations should not exceed one thousand (GH¢1,000) cedis.²⁹⁴ Yet individual party members donated more than GH¢1,000.00 to the fund of the party. Interviews with some former PFP members disclosed that the party generated the bulk of its money from the founding members and individuals members who donated huge sums of money apart from their membership dues.²⁹⁵ This category of extraordinary contributors from wealthy members was honoured with special certificates.²⁹⁶ This seemed a clever way to circumvent the law on the disclosure of the names of people and the amounts contributed to party funds.

Coup makers often cite inflation, unemployment, poverty and many social, economic and political grievances of the people as reasons for their actions.²⁹⁷ The December 1981 coup that removed the Third Republican government from office was no exception. However, as pointed out earlier, president Limann was brought into office by a party financier, Imoro Egala. Dr.Limann did not have a personal power base within the party. He himself became captive to those powerful party interests who engineered his election, and they expected some returns on their investment.²⁹⁸

Commenting on the role the June 4 coup played in the Ghanaian political history, Limann remarked: ‘all of us have to be judged by our performances and integrity.’²⁹⁹ He, therefore,

called for the setting up of non-partisan vigilante committees to provide a safeguard against a revival of the abuses of hoarding, smuggling, corruption and moral decay in the country. Ironically, the idea received total condemnation from Limann's fellow politicians, especially, the lawyers among them; who saw it as a dangerous abrogation of power to the people. The idea was consequently dropped.³⁰⁰

There were several challenges that engaged the attention of the PNP government when it assumed office. The prominent one was a concealed threat in the hand-over speech delivered by the Chairman of the June 4 revolution, Jerry Rawlings.³⁰¹ Another was the taking over from seven years of military rule and the arduous task of creating legitimacy for a civilian government.³⁰² Just at the time when President Limann needed to settle down to address national challenges, he was plagued by internal squabbles in the party leading to his overthrow by Flt Lt Rawlings on December 31, 1981. There was a revelation that a senior party member of the PNP had received a commission worth 2.7 million pounds sterling on a currency printing contract in Britain.³⁰³ The party hierarchy made up of the Chairman, Nana Okutwer Bekoe III, General Secretary, Dr. Ivan Addae-Mensah and the Publicity Chairman, Kofi Batsa were also ordered to account to the treasurer of the party within twenty-one days for all monies received on behalf of the party.³⁰⁴ On Wednesday 30th December, 1981, a member of the PNP's National Executive Committee, Samuel Addae-Amoako revealed to a small group of newsmen that he had been appointed by the PNP's acting national organizer and tasked to pull the party out of the morass of corruption, greed and dictatorship into which it had been dragged by a few people who thought they owned the party. But then, this was far too late. Within twenty-four hours, a group of

military officers who had handed over power to the PNP government had returned to power under the pretext of a ‘house cleaning’ exercise.³⁰⁵

2.8 CONCLUSION

The formation of political parties gained momentum after the Second World War, but mass political mobilization and participation increased following the activities of the United Gold Coast Convention and Dr. Kwame Nkrumah and his Convention People’s Party. Both the UGCC and the CPP were parties founded upon an anti-colonial political platform. The difference was the strategy, the style of leadership, the caliber of political organization and the political actors involved. Of all the pre-independence political parties, the CPP had the strongest foundation in mobilizing funds from ordinary party members.

From the early post-independent years to the end of the Second Republic, the sources through which a party could mobilize funds for its political activities were not properly regulated. Political parties could, therefore, secure funds from foreign businesses, Ghanaian businesses, and party members. This environment favoured the CPP and the PP more than the opposition parties. The use of the government machinery by the CPP and the PP to mobilize funds from foreign businesses and governments subsequently influenced military governments and political actors to support the enactment of decrees and laws that proscribed political parties from sourcing funds from foreign sources. From the Third Republic, the financing of political parties in Ghana was largely restricted to citizens and the nature of funding also became more regulated.

Notwithstanding the legal regulation of political party funding during the Third Republic, political activities depended on both legal and illegal sources of funding. Membership dues, small donations and official contributions through fund-raising activities emerged as the legal and transparent sources of funding, although these were inadequate to support party organizational activities. Political parties, particularly, those that captured political power under the various republics also depended on wealthy members for political survival. Quite apart from that, a review of the Ghanaian experience in regard to party funding indicates that there is a link between awards of contract, appointment to public offices, among others, and party financing; and this strategy started with Kwame Nkrumah's CPP.

Furthermore, whereas individual and corporate contributions formed the legally accepted sources of funding to political parties, state funding did not feature significantly under the three republics. Finally, rich individuals with political ambitions played a pivotal role in political party financing. This practice dates back to the pre-independent nationalist activists of George Paa Grant. The CPP, which was noted to be a mass party, depended on wealthy individuals more than on membership subscriptions. Top executive members of the CPP, who were also the directors of some state institutions such as the Cocoa Purchasing Company (CPC), used their positions to appropriate funds into the CPP.³⁰⁶

Political parties under the Second Republic also depended on support from secret financiers, while wealthy patrons such as Nana Okutwer III, the party chairman, provided substantial money for the PNP during the Third Republic. As Ayee³⁰⁷ noted, the history of

party financing revealed that campaign and organization funds were not raised from the rank and file of their members but rather from substantial contribution from men of means.

The over-dependence on few wealthy members to finance political parties gave much power to the few wealthy members who often influenced party activities to maximize their selfish interests. This practice has negatively impacted on the institutionalization of political party financing in Ghana. Having discussed the sources of funding of political parties before and after independence up to the Third Republic, the next chapter examines the legal and institutional framework of party financing in the Fourth Republic to which we now turn.



CHAPTER THREE

THE LEGAL AND INSTITUTIONAL FRAMEWORK FOR POLITICAL PARTY FINANCING IN GHANA

3.0 INTRODUCTION

Every democratic system has to regulate the flow of money into politics. This is because legal regulations on the flow of funds for political party activity protect the integrity of the democratic system from potential corruption from wealthy individuals and groups.³⁰⁸ This chapter examines the legal and institutional framework for political party financing under the Fourth Republic. Specifically, it examines the regulatory frameworks of party financing and the challenges of enforcement of the regulations. The discussion is largely informed by interviews conducted with some officials of the Electoral Commission (EC) and political parties, survey data and secondary data from the EC.

3.1 THE INSTITUTIONAL FRAMEWORK OF THE STATE FOR POLITICAL PARTY FINANCING

The adoption of the 1992 Constitution in a nationwide referendum on 28 April 1992 marked the third transition from military rule to constitutional rule in Ghana. While Article 55(1)³⁰⁹ of the 1992 Constitution guarantees the right of citizens to form a political party, Section 3 of Article 55 enjoins a political party to freely participate in shaping the political will of the people and disseminate information on political ideas. It provides that a political

party's social and economic programmes should be national in character; and it should sponsor candidates for election to any public office other than to the District Assembly or local government elections.³¹⁰ The Constitution prohibits the formation of political parties based solely on ethnic, religious, regional or other sectional consideration. It requires the national executive committees of a political party and the founding members of a political party to be national in nature. For instance, the Constitution requires that at least one of the founding members should come from each district of the country.

A review of the 1957, 1960, 1969 and 1979 Constitutions of Ghana shows that political parties were only considered as social organizations reflecting the exercise by the people of their freedom of association.³¹¹ All the four Constitutions were silent on the financing of political parties either by the state or non-state actors. The inclusion of rules and regulations on multi-party financing in the 1992 Constitution of the Fourth Republic is, therefore, a novelty.

During preparations for Ghana's return to multi-party democratic governance under the Fourth Republic, the ruling Provisional National Defence Council (PNDC) made some attempts to get ordinary citizens involved in democratic politics within political parties. In 1992, the PNDC promulgated the Political Parties Law, PNDCL 281, which placed a limitation on financial contributions made by individuals to political parties. The PNDCL 283 later replaced PNDCL 281 by increasing the limit of individual contribution from ₵200,000 to ₵1,000,000 because the earlier contribution was found to be inadequate after complaints from the political parties. After eight years of democratic experience,

Parliament enacted the Political Parties Act, Act 574, in February 2000 to replace PNDCL 281 and 283. The 574 is silent on individual contribution to political party fund.

3.2 THE MATRIX OF POLITICAL FINANCE LAW

The matrix of political parties finance laws and regulations differs from country to country.

Tjernstrom and Katz³¹² divided the matrix of party finance into nine main areas. These are:

1. Regulation and enforcement
2. Disclosure of Income
3. Ceiling on Income
4. Bans on sources of Income I
5. Bans on sources of Income II
6. Disclosure and ceiling on expenditure
7. Direct public funding
8. Indirect public funding I: Media Access
9. Indirect public funding II: Taxation status

Nassmacher³¹³ summarized the variety of approaches into two main types of legislation. These are regulative and distributive public policies. The emphasis is on rules for the financial conduct of parties, their candidates and supporters to avoid illegal money and incidents of corruption. The desire to deal with lack of funds for political parties and the levelling of the playing field stimulated distributive measures such as direct or indirect public or state funding. The scope of rules on party finance and the procedures for their implementation depend on the details of the rules. The 1992 Constitution and Act 574 are silent on direct state funding but it is discussed under sources of funding in the next chapter.

In view of this, the assessment of the legal framework in this study covers the essential outlines of the pieces of legislation concerning:

- i. Regulations on Limits;
- ii. Regulations on Bans;
- iii. Regulations on Disclosure; and
- iv. Regulations on Reporting and Enforcement.

3.2.1 Regulations on Limits

Section 20 of PNDCL 281 of 1992 prevented citizens from contributing more than ₵200,000 (both in cash and kind) to political parties, and required the publication of the size of contributions and the names of contributors. This, according to a former minister of the PNDC regime, was to ensure that ordinary citizens owned political parties by way of contributing only small amounts of money to the funds of the political parties.³¹⁴ It was the belief of the PNDC that the placing of a limitation on individual contributions would prevent corruption and the possible ‘hijacking’ of political parties by the rich in society. The basis for the proposal of the contribution of small amounts to political party funds was informed by the effectiveness of the Workers’ Defence Committees (WDCs) and Peoples’ Defence Committees in the communities which ensured that money was not a key factor in organizing the people for public education and political participation.³¹⁵

A former head of state was also of the view that corruption associated with party financing impeded democratic development and negatively affected the achievement of the development goals of succeeding governments, and undermined the stability of regimes.³¹⁶

It was recognized that the corruption of political party leaders was one of the main reasons behind the overthrow of the Third Republican PNP-led government in December 1981. PNDCL 281 was, therefore, designed to compel political parties to solicit financial contributions from ordinary members of the party to promote popular participation in politics. In his view, democratic politics should not be too much influenced by a few wealthy people in society. He pointed out that poor classroom teachers, butchers and farmers had won non-partisan District Assembly elections which they contested with rich lawyers and businessmen. It should not take money to win an election, he emphasized.³¹⁷

However, in 1992, Komla A. Gbedemah, a Minister under the first president, Kwame Nkrumah and 28 other prominent opposition figures, contested the amount of individual contribution to political parties at the Accra High Court.³¹⁸ They argued that the limitation on individual contribution imposed by PNDCL 281 was an infringement on the fundamental rights of individuals.³¹⁹ They further pointed out that the law failed to take into account the cost of living, the high inflation and exchange rates which impacted on the cost of maintaining a competitive political party. Political parties themselves proposed an alternative limit of contribution which ranged from ₵10 million to ₵20 million. This led to the promulgation of the Political Parties (Amendment) Law, PNDCL 283, of 1992. This law raised the limit of individual contribution from ₵200,000 to ₵1 million.³²⁰

The disclosure of a donor's identity and the amount of individual donations were meant to monitor the flow of private money into political party coffers. Unfortunately, when the Political Parties Act, Act 574, was enacted to replace PNDCL 283, it did not require

political parties or candidates to specify individuals and companies that donated money. The Act also failed to set a limit to what parties and candidates can generate; and there was no limitation on their spending. The study consequently sought to find out from the survey of 1006 card-holding members of four parties whether the state should limit the contribution of individuals and companies to party financing. There was a mixed response to this issue. However, as shown in Table 3.1, almost half (49.8%) of the total respondents disagreed with the issue of the state limiting the contribution of individuals and companies and almost a quarter (23.3%) of them were neutral. The study found that only 26.9% of the respondents agreed that the state should limit the contributions of individuals and companies to party financing.

Table 3. 1: Law to limit the contribution of individuals and companies

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	25.2%	25.8%	25.5%	14.8%	8.8%
NDC	26.0%	27.5%	24.2%	13.5%	8.8%
CPP	8.8%	22.5%	24.5%	28.4%	15.7%
PNC	24.0%	25.0%	9.6%	24.0%	17.3%
Total	23.8%	26.0%	23.3%	16.6%	10.3%

Source: Survey Data, 2014.

This finding is consistent with a world-wide trend in party regulation. Out of 111 countries in the world surveyed in 2003 by the International Institute for Democracy and Electoral Assistance (IDEA) 27% of the countries had a ceiling while 73% did not have a ceiling on how much a donor could contribute. The study indicated that in the United States of America the law allows a donor to contribute up to USD 25,000. In contrast, the United

Kingdom does not have any ceiling on how much a donor can contribute to a political party.³²¹

Our survey, which was based on the party affiliation of the respondents, showed that the disagreement over limitation of contribution varied. In Table 3.1, respondents from the NDC had the highest disagreement rate (53.5%) and those from the CPP had the lowest (31.3%). About half of the respondents from all parties disagreed, with the exception of those from the CPP (51% of respondents from the NPP disagreed and 49% of respondents of the PNC disagreed). On the other hand, much more than a third of the respondents from the CPP (44.1%) and the PNC (41.3%) agreed to the issue while less than a quarter of those from NPP (23.6%) and NDC (22.3%) were in favour (see Table 3.1). It is, therefore, clear that the major political parties (the NPP and the NDC) did not agree with the issue that the state should limit the contributions of individuals and companies to party financing. The wealthy individuals might, therefore, play a significant role in the financing of these parties.

An interview with an election analyst and journalist disclosed that if the state should place a limit on contributions it would make monitoring very difficult because political parties would always circumvent the law.³²² In contrast, another interview with some Members of Parliament indicated that placing no limitation on the amount which an individual could contribute to a political party would give wealthy people the opportunity to dominate party operations.³²³ The Director of Public Affairs of the Electoral Commission (EC) also

supported some form of limitation on a citizen's contribution to a party fund because it could go a long way to control some problems emerging from the way political parties are funded in Ghana.³²⁴

On the other hand, the Director of Finance of the EC pointed out that the reformers might have cogent reasons why they moved away from the ceiling regime to a non-ceiling regime. There might be an understanding, that the ceiling was not helping political parties to raise funds. Meanwhile, political parties needed huge sums of money to carry out their activities. Even in political parties which had a large following, more than 50 percent of members were not ready to support the parties by paying their voluntary membership dues. This is a major problem with party membership in Ghana. In the words of the Director of Finance of the EC:

In a situation where we get less than 50% of the members contributing, whether you have a ceiling or no ceiling, you will not get enough money. And that is why almost always it becomes the responsibility of the few wealthy ones, because the parties' activities have to be undertaken and the parties will need money to undertake those activities, and if the generalities of our members cannot pay, then the few who have money are expected to pay and when they pay then they control the party. To me this is as simple and natural as that. Until we sensitize people, until we position our people economically to appreciate that they have the capacity to support party funding, the situation will continue to remain as it is.³²⁵

The examination of the laws on political party financing showed that initial attempts by the state to limit the financial contributions of citizens to political parties were rolled back under the Fourth Republic. SMCD 229 of 1979 and PNDCL 281 of 1992 prohibited or limited contributions from certain sources. Aliens, companies, partnerships, firms or business enterprises were all barred from contributing to the funds of political parties. The basic explanation for the prohibition is that large financial contributions from aliens and business interests were usually made in expectation of political and economic rewards that had the tendency to undermine democratic governance.

3.2.2 Regulations on Forbidden Sources of Funds

Political parties are forbidden by law to receive funding from some sources. Forbidden sources of funds to political parties are certain sources that are generally restricted or banned. Such sources, according Nassmacher,³²⁶ included anonymous contributors, contribution from trades unions, contribution from government contractors, foreign or corporate sources.

In the case of Ghana, the 1992 Constitution forbids political parties from receiving financial contributions from non-citizens. Article 55(15) of the Constitution states that ‘only a citizen of Ghana may make a contribution or donation to a political party registered in Ghana.’ In line with the constitutional rule, Act 574 of 2000 prohibits contributions in kind or cash from non-citizens of Ghana and foreign companies.³²⁷ Sections 23 and 24 of Act 574 reiterate the constitutional provisions:

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Only a citizen of Ghana may contribute in cash or kind to the funds of a political party. A firm, partnership, or enterprise owned by a citizen or a company registered under the laws of the Republic at least seventy-five percent of whose capital is owned by a citizen is for the purposes of this Act a citizen. A non-citizen shall not directly or indirectly make a contribution or donation or loan whether in cash or in 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.³²⁸

It is clear from the above legal rules that non-citizens are forbidden from directly or indirectly contributing, donating or granting loans in either cash or in kind to the funds of a political party.³²⁹ Accordingly, the Political Parties Act makes it a criminal offence for a political party to demand or accept financial contributions from non-citizens. As a deterrent for non-compliance of these rules, Section 25 of Act 574 stipulates the following sanctions for non-citizens and political parties that contravene the law:

1. Where any person contravenes Section 23 or 24, in addition to any penalty that may be imposed under this Act, any amount, whether in cash or in kind paid in contravention of the section shall be recovered from the political party as debt owed to the State. The political party or person in whose custody the amount is for the time being held shall pay it to the state.

A non-citizen found guilty of contravention of section 24 shall be deemed to be a prohibited immigrant and liable to deportation under the Aliens Act, 1963 (Act 160). Section 25(3) of Act 574, however, does not make it a criminal offence for non-citizens to channel their financial or material contributions to political parties through the Electoral Commission. This is because “the provisions of Sections 23 and 24 do not preclude of any country or a non-governmental organization from providing assistance in cash or in kind to the Commission for use by the Commission for the collection benefit of registered political parties.”

A number of countries such as China, Holland, Germany, Canada, United Kingdom and United States of America have supported Ghana in the development of political parties in diverse ways. The Friedrich-Ebert-Stiftung (FES) together with the Electoral Commission and the political parties had facilitated a dialogue on public financial support for political parties which would hopefully lead to new legislation on the issue. The international community had provided tremendous financial support to enhance the consolidation of multi-party democracy in Ghana.³³⁰

Interestingly, we noted that a strong relationship existed between the two major political parties, the NPP and the NDC with the Republican Party and the Democratic Party of the United States respectively. The NPP and the Republican Party in the United States share a common emblem (the elephant) and a common ideology of liberal democracy. The NDC, on the other hand, sees itself as a social democratic party and therefore shares a common ideological platform with the Democratic Party.³³¹ This was why some NDC members apparently thinking that the 2008 elections would be rigged by the incumbent NPP

indicated, ‘we will use President Barack Obama of the Democratic Party to neutralize the rigging.’³³² One interviewee pointed out that the close relationship between former President John A. Kufuor and former President Olusegun Obasanjo of Nigeria and the relationship between former President John Jerry Rawlings and Colonel Muammar Gadhafi of Libya, had something to do with the material and financial support to their respective political parties.³³³ This fact is difficult to substantiate or verify, at best it can only be considered as anecdotal evidence.

However, the study found that foreigners donated directly to political parties under the Fourth Republic. It was reported by the media that the NDC received US\$40,000 worth of computers and technical support from the Communist People’s Party of China towards the training of the party polling agents.³³⁴ According to Mr. Kofi Adam, the deputy general secretary of the NDC, the US\$40,000 worth of computers received by the NDC party from the Chinese Communist People’s Party was not in violation of any law governing political party funding in Ghana.³³⁵ He indicated that the NDC is a social democratic party and a member of the Socialist International, just as is the Communist People’s Party of China, and that the donations received were technical support from a member of the Socialist International to help train its election officers such as polling agents, in various areas.³³⁶ Kofi Adam said that the NDC neither received any donations from a firm, a company nor from an individual. He said that the donations came from a political party, which the NDC considered as fraternal. He noted that the main political parties with representation in parliament sought assistance by way of donations from their sister branches abroad in

undertaking such programmes. Adam asked the EC to prove that the NDC flouted the law.

³³⁷ The EC did not take any action against the NDC party.

Tony Oteng-Gyasi, Managing Director of Tropical Cable and Conductor Limited, also indicated that some political parties received direct funding from countries such as Nigeria, Cote d'Ivoire, Congo and Dubai.³³⁸ In addition, the general secretary of the NDC, Johnson Asiedu-Nketia, admitted that some political parties received foreign funding.³³⁹ However, he would not say if his party was a beneficiary from such sources, but pointed out: 'This is like the 11th commandment, thou shall not be caught.'³⁴⁰ The national treasurer of the PNC in an interview indicated that some political parties were getting foreign support secretly. Apart from the support from the Institute of Economic Affairs (IEA), the PNC never received any donation from any other foreign sources. The PNC treasurer was of the view that the political crisis in Ukraine had something to do with foreign support to the citizens and non-governmental organizations. They succeeded in overthrowing the president of the country.³⁴¹

If political parties are getting support from foreigners, then the practice is not only inconsistent with the Constitution and the Political Party Act 574, it also poses a threat to the country's nascent democracy. As Nassmacher³⁴² noted that there is the risk for political parties to lose contact with their rank-and-file, or the grassroots of its membership if party leaders do not need them for financial support. The literature on political parties clearly shows that parties provide a link between citizens and the government: they are considered as builders of social capital. To lose contact with the grassroots or ordinary members can

compromise the quality of democratic governance in the sense that the political party may not be well institutionalized to provide a competitive framework to perform valuable political and social functions.³⁴³

The Institute of Economic Affairs (IEA) in partnership with the Netherlands' Institute for Multiparty Democracy funded four political parties, namely, the NDC, the NPP, the CPP and the PNC.³⁴⁴ Apparently, in the absence of state funding of political parties, the IEA saw the need to mobilize resources to support political parties represented in Parliament.³⁴⁵ According to the IEA, political parties in Ghana could not effectively mobilize adequate funds for their operations and if political parties failed, democracy would fail in Ghana.³⁴⁶ This notwithstanding, the presidential candidate for the DPP in the 2004 and 2008 elections was of the view that the donation from a non-citizen by law should be channeled through the Electoral Commission. He argued that even if the IEA distributed the support for the benefit of all political parties, it is still a donation directly to registered political parties in Ghana.³⁴⁷ The presidential candidate for the DPP maintained that direct donations to political parties by foreign bodies through any agency other than the Electoral Commission should be considered foreign funding and a in contravention of the political party law.³⁴⁸ The practice of political parties receiving direct support from foreign sources remains a serious concern to many Ghanaians. However, it appears the rules on foreign donations to political parties are not very clear, that is why there are debates on the practice. A clear Legislative Instrument on the matter is desirable.

The Political Parties Act 574 allows Ghanaian companies to support political parties and, by extension, this enables a political party to solicit funds from Ghanaian companies. Sub-section 23(2) of the Political Parties Act defines a citizen of Ghana for the purpose of making donations to a political party to mean ‘a firm, partnership, or enterprise owned by a citizen or a company registered under the laws of the Republic at least seventy-five percent (75%) of whose capital is owned by a citizen is for the purposes of this Act a citizen.’³⁴⁹ The financial statements submitted by political parties to the Electoral Commission did not include details such as the amounts and the names of individuals and companies who supported political parties in various ways. As pointed out by the Director of Finance of the Electoral Commission, ‘we cannot assess who contributed what’.³⁵⁰ Therefore, the Electoral Commission does not have the capacity to determine whether companies, that made donations to political parties, fell within or outside the category of a firm, partnership, or enterprise owned by a citizen of Ghana.

3.2.3 Regulations on Disclosure

The term ‘disclosure’ suggests that citizens receive information on the various financial activities of political parties through public exposure.³⁵¹ Section 21(1) of Act 574 prescribes the financial disclosure and reporting rules for political parties. According to the disclosure and reporting rules, within six months from the end of each year, a political party is supposed to submit to the Electoral Commission a statement of account. The statement of account should disclose source of funds, membership dues paid, contributions or donations in cash or kind received, and properties of the party and when they were acquired.³⁵²

The threshold beyond which parties should disclose contributions received in the United States of America and in the United Kingdom are USD200 and GBP5000 respectively.³⁵³ In Ghana, the disclosure and reporting rule are silent on the name of the donor and the amount received. The law itself seems to be a recipe for plutocratic funding. Therefore, the rich people are likely to dominate in party politics. The risk for political parties to lose contact with their rank-and-file, or the grassroots of their membership because of their participation in terms of financial support is high. To lose contact with the grassroots or ordinary members can compromise the quality of democratic politics in the sense that a political party may not be well institutionalized to provide a competitive framework to perform its vital political and social functions.

The study also found that different financial accounts were often prepared by the political parties for their internal administration. One account contained detailed information on the donors, and especially on those donations that were coming as kickbacks from government contracts and from the real party entrepreneurs who actually donated large sums of money. This account was meant for the top executives of the party. Another account was designed to satisfy the requirements of the Political Parties Act. This multiple accounting procedure was justified by a former chairman of the NPP who argued as follows:

As companies prepare financial statement to satisfy different users, the political parties do the same. Different accounts with different information are prepared for the Electoral Commission; another set with detailed information is prepared for the party leadership, while a third set is prepared to satisfy other party members who

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may (party members don't even ask) want to know about the financial status of the party.³⁵⁴

The former NPP chairman's point was corroborated by the presidential candidate of the Democratic People's Party (DPP), who argued as follows:

Political party accounts are in two folds. One is transparent and the other one is non-transparent. If one is not a leading member of the party, there is no way he or she could know the details of the non-transparent sources. ...the money spent on sacrifices and spiritual consultations from Mallams, fetish priests and prophets are often not covered with receipts.³⁵⁵

He further argued that the component of expenditure spent on 'sacrifices and spiritual consultations' constitutes about one-third of total expenses.³⁵⁶ The role played by spiritual consultations in Ghana's electoral politics is difficult to assess empirically.

The study also found out that the respondents' levels of agreement with the issue of full disclosure by political parties of their sources of income vary. Most respondents supported full disclosure of the sources of income (about 73.2% of the respondents). However, this differed among the respondents from the different political parties. The percentage of CPP respondents (88.3%) and PNC respondents (95.2%) who were in favour of full disclosure was much higher than it was for those in the NPP (61%) and the NDC (75.7%) (see Table 3.2).

Table 3.2 Disclosure of income by Political Parties

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	3.0%	16.2%	19.8%	31.0%	30.0%
NDC	3.2%	9.2%	11.8%	37.5%	38.2%
CPP	0.0%	7.8%	3.9%	36.3%	52.0%
PNC	1.0%	2.9%	1.0%	31.7%	63.5%
Total	2.6%	11.2%	13.0%	34.2%	39.0%

Source: Survey Data, 2014

A further synthesis of the data obtained showed that although most of the respondents supported a full disclosure of political parties' sources of income, the picture was different with MPs. Not up to half of MPs interviewed (46.1%) supported it. Most MPs were either neutral (30.4%) or disagreed (23.5%). On the contrary, most of the party executives and ordinary members interviewed supported the issue of full disclosure (see Table 3.3).

Table 3.3 Disclosure of income by Members of Political Parties

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Member of Parliament	5.9%	17.6%	30.4%	27.5%	18.6%
National Executive	11.1%	0.0%	11.1%	33.3%	44.4%
Regional Executive	1.5%	2.9%	5.9%	42.6%	47.1%
Constituency Executive	2.5%	11.8%	12.3%	39.2%	34.2%
Polling Station	1.4%	9.7%	11.1%	37.0%	40.7%
TESCON/TEIN	2.8%	11.3%	12.7%	38.0%	35.2%
Any other	0.0%	20.0%	0.0%	40.0%	40.0%
Ordinary	2.4%	11.5%	10.3%	18.2%	57.6%
Total	2.6%	11.2%	13.0%	34.2%	39.0%

Source: Survey Data, 2014.

As it was with the support for the full disclosure of party sources of expenditure, most respondents were of the view that parties need to disclose their expenditure. This position was supported by 73% of the respondents. Only 13.3% disagreed and 13.7% decided not to agree or disagree. Again, consistent with the support for disclosure of incomes, the PNC

(93.3%) and the CPP (85.3%) respondents supported this position more than those from the NDC (76.8) and the NPP (60%) (see Table 3.4).

Table 3. 4. Disclosure of Expenditure by Political Parties

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	2.0%	16.0%	22.0%	33.2%	26.8%
NDC	3.2%	9.0%	11.0%	40.8%	36.0%
CPP	0.0%	8.8%	2.9%	36.3%	52.0%
PNC	1.9%	1.9%	2.9%	30.8%	62.5%
Total	2.3%	11.0%	13.7%	36.3%	36.7%

Source: Survey Data, 2014

Furthermore, a little more than half (51.9%) of the MPs interviewed were not in favour of full disclosure of expenditures. This shows that MPs were split on the issue of whether political parties should disclose their incomes and expenditures. However, this was not the case with the other executives and members of the various political parties. They mostly supported the issue (see Table 3.5).

Table 3. 5 Disclosure of Expenditure by Members of Political Parties

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Member of Parliament	3.9%	18.6%	29.4%	29.4%	18.6%
National Executive	0.0%	0.0%	11.1%	55.6%	33.3%
Regional Executive	0.0%	1.5%	4.4%	54.4%	39.7%
Constituency Executive	1.9%	11.0%	12.3%	41.9%	32.9%
Polling Station	2.3%	9.7%	11.1%	38.0%	38.9%
TESCON/TEIN	5.6%	8.5%	15.5%	36.6%	33.8%
Any other	0.0%	30.0%	10.0%	20.0%	40.0%
Ordinary	1.8%	12.7%	13.9%	18.2%	53.3%
Total	2.3%	11.0%	13.7%	36.3%	36.7%

Source: Survey Data, 2014

Table 3.6 shows the extent to which the four political parties represented in parliament (under the Fourth Republic) complied with the reporting rules of Act 574 of 2000 as at July

2014. The Act requires two main regular reporting rules or declaration by political parties. First, Section 14 of the Act requires political parties, within twenty-one days before a general election, to submit to the Commission a statement of its assets and liabilities in such form as the Commission may direct. In an interview with the Director of Finance and Director of Public Affairs, it was disclosed that since the passage of the law in 2000, no political party had complied with the reporting rules that required political parties within twenty-one days before a general election to submit to the Commission a statement of its assets and liabilities to the EC.³⁵⁷

The second reporting requirement (Section 21 of Act 574) also specifies that within six months, from 31 December of each year, a political party shall file with the Electoral Commission, indicating ‘the state of its accounts; the sources of its funds; membership dues paid; contributions or donations in cash or in kind; the properties of the party and the time of acquisition; and such other particulars as the Commission may reasonably require.’³⁵⁸ For the first three years (2000-2), all the four political parties have been relatively consistent in their submission of audited accounts to the EC. According to the rules, all the parties were supposed to submit their accounts to the EC 15 times. However, the study found out that the CPP failed to submit its accounts for eight (8) times (2004, 2007, 2008, 2009, 2010, 2011, 2013 and 2014) while the PNC failed to comply with the disclosure rule for 7 times. The PNC’s last submission, in April 2010, included financial statements for the 4 previous years (2006, 2007, 2008 and 2009). Similarly, in January 2010 the NDC submitted accounts for two previous years (2007 and 2008). In July 2012, the NDC again submitted a two-year account covering 2009 and 2010. It showed that the accounts were not submitted to EC within six months from the end of each year. The NDC

failed to submit the account four (4) times. The NPP failed to comply with the rules for eight years, from 2007 – 2014. The reporting rules are clear but enough evidence showed that all the four political parties failed to observe them. The EC pointed out that if it wanted to enforce the Act, all the political parties will no longer operate. It is clear that the EC is condoning this illegality or doing so to support democracy in spite of the rules not being respected or enforced.

Table 3.6: Political Parties Compliance with Disclosure Rules

Year	NDC	NPP	PNC	CPP
2000	✓	✓	✓	✓
2001	✓	✓	✓	✓
2002	✓	✓	✓	✓
2003	✓	✓	*	✓
2004	✓	✓	*	*
2005	✓	✓	✓	✓
2006	✓	✓	✓	✓
2007	✓	*	✓	*
2008	✓	*	✓	*
2009	✓	*	✓	*
2010	✓	*	*	*
2011	*	*	*	*
2012	*	*	*	✓
2013	*	*	*	*
2014	*	*	*	*

Source: Compiled from the Electoral Commission, 2104.

✓ **Compliance** * **Non-compliance**

The Deputy Chairman in charge of Finance at the Electoral Commission (EC), David Adenze Kanga, cautioned in September 2011 that the EC would no longer accommodate political parties which played truant in submitting their financial reports.³⁵⁹ The general secretary of the New Patriotic Party (NPP), Kwadwo Owusu Afriyie,³⁶⁰ confirmed that the NPP had for some years (2007-2011) failed to submit its audited report to the EC as required by law. He conceded that it was bad for the NPP to flout the disclosure directive.

However, he explained that some factors accounted for the party's failure to submit its financial reports regularly. According to him, 'in 2008, we were engaged in a very serious electioneering period and certain expenditures were incurred between 2008, 2009 thereabout and therefore we had to be sure that we got all the receipts and all the documents very well. . . . We wanted to take our time to ensure that nothing went missing and that everything had been captured'.³⁶¹ The General Secretary of the National Democratic Congress, Johnson Asiedu-Nketia, on the other hand, said that the party had no money to hire a competent accountant and auditor to conduct a thorough audit of the party's finances. Hence, the failure of the NDC to live up to its constitutional duty of submitting its annual audited accounts to the EC . He urged the EC to consider the failure by the parties to submit financial reports as 'issues of capacity rather than the intention of any political party wanting to hide information from the system.'³⁶²

Notwithstanding the above disclaimers by the political parties on their failure to consistently submit audited accounts to the EC, it is clear that the political parties established financial committees not only to raise funds but also to prepare accounts for submission to the EC. The finance committees of the NDC, the CPP and the PNC were supposed to prepare statements of accounts which will be audited by appointed officers and presented to their highest decision-making bodies for consideration before the statements of accounts are forwarded to the EC. Even though the political parties had finance and accounting structures, interviews with political party officials revealed that the preparation and submission of accounts to the EC was difficult to obey in a real situation, in view of the time, procedure and work involved.³⁶³

An interview with the national treasurer of the PNC painted a gloomy picture of the situation in the PNC. According to its constitution, he was supposed to be a signatory and keep the value books, but he was not introduced to the bank as a signatory. For the first four years that he was in office as a treasurer, he never signed any cheque. It was during his second term in office that he was allowed to become a signatory to the account and could sign cheques. Even with this arrangement, bad blood developed between the chairman and the secretary, and so they could not come together to transact business. He pointed out that the party did not have any official cash book. They only signed the cheques and indicated the names of the payee on the counterfoil of the cheque book. As for a payment voucher, it was out of the question. At the end of the year, one party executive member (not even an accounts clerk) would be asked to use the names in the cheque book to prepare the accounts for the Institute of Economic Affairs (IEA) to reflect the amount which the IEA gave them. The party would be denied support if the financial statement was not submitted for vetting. The party did see the obligation to prepare and submit an audited account to the EC as essential.³⁶⁴

The Vice Chairman of the PNC acknowledged in an interview that the accounts that were submitted to the EC did not reflect what was on the ground, but that there was no way the EC could trace other sources of funds.³⁶⁵ In his view, the expensive manner in which some of the political parties conducted activities should give a clue to the EC that the parties spent more than what they declared. He explained that one trip from the southern to the northern part of the country involved three or more cross country vehicles, fuel, hotel

expenses, food and per diem for the team members. The expenditure for such trips alone was more than what his party used to declare as annual expenditure to the EC. He pointed out that, most of these expenses were paid for by friends and individuals; therefore, the accounting processes did not capture them.³⁶⁶ It is reasonable to state that the financial records provided by political parties to the EC were sketchy and did not represent the reality.

Similarly, an interview with one of the CPP national executive members was revealing and interesting. According to him, the money that people spent on the party without passing it through the party coffers was very huge. He could not quantify the amount. Some people spent money on the party but not through the party office. He noted that as they were thinking of how to get money to hire the International Press Centre to hold a press conference to mark the 65th birthday of the party, a party executive member voluntarily paid the full cost of GH¢700 for hiring the Centre. Yet the person who paid the amount did not bring the money to the party office. Sometimes, some people spent money on the party without telling the office to keep records of such expenditure. He recalled a situation when two people paid the office rent for one of the constituencies for the same period to the same landlord. These receipts and tenancy agreement did not come to the party office. This normally happened when it was getting close to the congress for the election of officers. The payments for some of these expenditures were ways to canvass for votes. According to him, the party benefited from these donations, but when the EC came around, it did not know who paid for what and for how much was paid.³⁶⁷

The CPP official admitted that the audited accounts were mostly not a reflection of the reality for all political parties in Ghana:

I will confess that for all political parties, what they send to the Electoral Commission, the Electoral Commission itself knows that it cannot be correct. For example, we know candidates who get a lot of monies not from the party. They have friends, brothers, and they hear that they are contesting parliamentary seats, and my brother in London has sent me 1000 pounds, who am I going to tell? Will he declare it to the EC that ‘my brother in London has sent me one thousand pounds’? It is difficult. My relatives might have met somewhere and decided to give their brother about fifty million cedis to support him, he is fighting for this position, for the image of the family. Those things - who are you going to declare it to? So our candidates and all other candidates use a lot of resources that are not documented.³⁶⁸

If political party accounts were published, there would be transparency and perhaps the allegations about narcotics money being used to fund political parties could be empirically examined effectively by the EC and other stakeholders. Public disclosure of the sources of political party funds can be used both as the basis for the enforcement of bans on the sources of party income and as an alternative to bans. The idea is that transparency will not only build public confidence but also stimulate a public debate, thereby putting public pressure on political parties to voluntarily abstain from the kind of sources that could compromise democratic politics and would otherwise have to be banned. When sources of income to political parties are made public, voters are more likely going to make better decisions about which party or candidate they want to support.³⁶⁹

The constitutional requirement for political parties to annually publish their accounts is a mandate which the EC must enforce but has woefully failed to do effectively. The nature of the commitment of the EC to enforce the rules of the political game is further discussed below.

3.2.4: Regulations on Reporting and Enforcement

Many countries, the world over, have legislation on political party finance. The administration and enforcement of the laws and regulations are a critical step in a long process of regulating multi-party democratic politics. Many democracies have ignored the issue of enforcement until a scandal provokes political action.³⁷⁰ Some countries such as France and the United Kingdom have created impressive enforcement agencies, but their level of success and achievement depended on a number of factors.³⁷¹ The task can be given to different public bodies. The most common approach among countries is to give the national election management body that responsibility, either alone or in cooperation with other state institutions.³⁷² In Ghana, the Political Parties Act, Act 574, has mandated the Electoral Commission (EC) to regulate party financial activities.³⁷³ Therefore, the powers that have been vested in the EC to regulate the formation and operations of the political parties are not exceptional.

The EC was perceived as lenient in the enforcement of the disclosure rules and regulations. In spite of the well-known fact that non-compliance by the political parties in the submission of their annual financial accounts was common and persistent, the EC had

never sanctioned any political party for non-compliance.³⁷⁴ According to the Director of Finance of the EC, the Commission had only been cautious in applying sanctions because there was ‘no enabling environment’ for the parties to do so.³⁷⁵ He also indicated that the reason for the inability of the Electoral Commission to apply sanctions against the defaulting parties was that it found the action of political parties to be the normal practice within the state. In his words:

Our inability to act is borne out of the recognition that first and foremost, almost every public institution in Ghana is guilty of the disclosure rules and regulations because the internal and external systems do not work well. The realities of life on the ground render most regulatory bodies (Standard Board, Food and Drugs Board, Revenue Authority, etc.) ineffective and they have limited revenue mobilization agencies as well.³⁷⁶

The Director of Finance further indicated that most of the political parties could not generate funds to operate throughout the year. Offices in the constituencies functioned for a short period during election years. To sanction or cancel the registration of these political parties would mean no political party would be in existence in Ghana.³⁷⁷

This finding confirms Sheplse’s view that repeated play allows for history contingent strategies by political actors.³⁷⁸ This is to say political parties were aware that after three successive general elections under the Fourth Republic of Ghana the Electoral Commission could not constrain parties to comply with the rules governing the funding of political parties. This awareness of the inability of the Electoral Commission to enforce the rules has motivated political parties to flout the rules governing the funding of political parties.

Afari-Gyan,³⁷⁹ the Chairman of the EC, laid the blame of the inability of the Commission on the state for not funding political parties to level the playing field for all political parties. According to him, the abuse of incumbency which he considered as the denial of funds for legally mandated electoral tasks was rife in Ghana. Ruling parties had demonstrated abject lack of principle in relation to the abuse of incumbency. When political parties were in opposition they complained profusely against it, but when they gained power they saw nothing wrong with it.³⁸⁰ Afari-Gyan was of the opinion that public support for political parties would not only contribute to a levelling of the playing field, but the beneficiaries could then also be held to strict accounting procedures for the use of the campaign money.³⁸¹

An interview with the treasurer of the PNC reinforces Afari-Gyan's position. According to him, the requirement to submit audited account to the EC is in order because it is a practice in most democracies. This should not be too difficult for them to comply with. However, the EC cannot enforce the rules because the state does not support political parties. He stressed that state support alone was a good tool to exact the submission of accounts. In the past, the state used to solicit support from donor organizations to provide vehicles and other materials. The purpose for the support is to help political parties discharge their democratic functions. However, this assistance was withdrawn, and this made it seemed morally wrong to ask political parties to submit audited accounts.

An interview with a Director of the EC revealed that the EC is expected to supervise the operations of political parties, however, the electoral law is the law of the country and not different from other laws. Therefore, action on the violation of any law of the country is

the responsibility of the law enforcement authorities, especially the police and the law courts; and not the responsibility of the EC alone.³⁸² In his view, the onus of enforcement lies with citizens and some civil society groups which owe it as a civic duty to take political parties that contravened the rules to court.³⁸³ The reasons adduced by the EC for lack of enforcement can best be described as a manifestation of a weak institution.

With regards to the nature of the financial statement submitted to the EC, the Director of Finance made it clear that the EC was fully aware that audited accounts presented by political parties did not reflect the reality of their financial operations; yet the EC always accepted the accounts in the manner they were presented.³⁸⁴ One national treasurer of the NDC lamented that the disclosure policy was not effective because the majority of private contributions were given directly to the candidates and not to the party.³⁸⁵ Even though the law enjoined the EC to release the financial statements submitted by political parties for public consumption, we noted that it was difficult for the public and researchers to gain access to the financial statements provided by political parties. The only official records the EC was willing to make public was the number of times the political parties submitted their audited accounts. For a disclosure policy to be effective, the information should be timely, accurate, accessible to the public and understandable to the potential user.

The Commission's failure to sanction parties for the persistent violation of the Act, or enforce compliance by political parties does not only undermine its credibility but it also compromises the principles of the rule of law and ultimately defeats the very purpose of the law. The public is entitled to demand transparency. Indeed, the inclusion of the reporting rules in the Political Parties Act is to improve public confidence in the system.

However, evidence from the EC and political parties suggested that transparency was compromised. This has the potential of undermining public confidence and trust in the political system. This finding is consistent with Nassmacher's assertion that a party finance regime is vague if it cannot be enforced and recommended that party finance regimes must have the possibility of sanctions in the event of violations.³⁸⁶ In America, Alexander³⁸⁷ observed that the political party laws were not enforced until the incredible and shocking news of Watergate in 1972. The fear that tainted money may enter Ghanaian politics is a real one. A former national chairman of the NPP indicated that party funds came from the sky; nobody knew the source.³⁸⁸ Arthur Kennedy, who was one of the contestants for the NPP presidential flagbearer position, lamented that the way politicians splashed money on campaigns showed that some illegal sources of funds might be entering Ghanaian politics.³⁸⁹ The arrest and imprisonment of a party financier³⁹⁰ who was member of Ghana's Parliament, Mr. Eric Amoateng, in New York for carrying 62 kilograms of heroin demonstrated that a political party could have access to questionable sources of money.³⁹¹ Narcotics money in politics has the potential of being a recipe for violence, distortion of economic activity, corruption of the rule of law, and a serious threat to the political stability of the country. This trend is likely to destroy the confidence that people have in politicians, political parties and multi-party democracy.

3.3 CONCLUSION

This chapter has examined the legal and institutional framework of political party financing in Ghana. Political party financing law in Ghana has become complex, delicate and

sensitive to deal with. Legislation on political party financing and activities have generally sought to regulate the powers and activities of political parties to conform to democratic principles, prevent the formation of political parties on sectional basis, and regulate their sources of income and expenditure in order to inject some level of transparency and confidence in the operations of political parties.

The 1992 Constitution and the current Political Parties Act, Act 574 place no limitation on the contribution of citizens to political parties. Lack of rules to limit contributions by individuals may encourage some wealthy people to bear the financial responsibility of the parties. Act 574 allows Ghanaian citizens to contribute to the funds of political parties without requiring the political parties to disclose the names of contributors and the sums of amount contributed.

Political parties have always been unwilling to abide by the rules regulating their finances. However, it is almost impossible for the EC and other stakeholders to verify the authenticity of the audited financial statements submitted by political parties. Financial statements submitted to the EC took different forms and thereby creating the perception of lack of transparency and accountability.

The essence of submitting different financial statements to the EC is to hide the actual and dominant sources of income from the Commission and the public at large. It could be argued that this is done because, firstly, the sources of party financing are very questionable; secondly, to avoid public condemnation; and thirdly, to avoid the political

victimization of contributors. The major sources of money to political parties in Ghana remain, to a large extent, unknown to the general public, to the ordinary members of the political parties, and to the EC.

Apart from the clause on enforcement, the EC had indicated that if it wanted to enforce the rules, then all the political parties would be de-registered. The EC is not enforcing the rules because it wants to keep the political parties in existence as they are important for democracy. However, failure to enforce the law on the financing of political parties has given political parties room to operate according to their preferences. If political parties are to play their roles effectively in Ghana's multi-party democracy, then the rules and regulations on their funding, as well as the enforcement of the rules, should be of greater concern to the state and its citizens. The funding system should be transparent and be subject to the full scrutiny of the regulating body in order to ensure sufficient public support and promote public confidence in the political system. The rules should be workable and efforts should be made to attract a consensus among the major political parties. The legal framework should be informed by the principle that the main purpose of political parties is to be a vehicle for public activism and engagement, and this framework should subsequently be focussed on and thereby make political parties fit for this purpose.

CHAPTER FOUR

SOURCES OF FUNDING OF POLITICAL PARTIES UNDER THE FOURTH REPUBLIC OF GHANA

4.0 INTRODUCTION

The previous chapter discussed the institutional and legal framework under which political parties in Ghana generate income for their activities. To continue the discussion, this chapter explores and analyses how political parties under the Fourth Republic of Ghana are funded. The chapter presents the major sources of funding to political parties with particular attention to the four parties that have had Members of Parliament (MPs) under the Fourth Republic. These political parties are the National Democratic Congress (NDC), the New Patriotic Party (NPP), the Convention People's Party (CPP) and the People's National Convention (PNC). The NDC and the NPP are the two strong political parties that had alternated power in the Fourth Republic, while the CPP and the PNC have remained weak opposition parties. The focus of this chapter is to answer the following questions:

- i. What were the main sources of funding to the NPP, NDC, PNC and CPP?
- ii. Did the parties get their major income from ordinary members or wealthy members?
- iii. What strategies did the parties use to mobilize funds?
- iv. How were the funds utilized?

Ghana's Political Parties Act, Act 574, does not list the sources of income to political parties, but its disclosure provision alludes to membership dues and contributions and donations either in cash or in kind.³⁹²

4.1 ANALYSIS OF THE SOURCES OF PARTY FUNDING

The analysis in this section is largely based on documented data obtained from the Electoral Commission and interviews with political party members and other relevant key political actors, and quantitative survey data from 1006 card holding members of the four political parties. These are discussed below.

- **Financial Statement from Electoral Commission**

The discussion on the sources of party funding in this section shall be based largely on the audited yearly financial accounts submitted by political parties to the Electoral Commission (EC) between January 2005 and July 2014. As of July 2014, the NPP submitted their audited accounts up to 2006. The CPP submitted for 2005, 2006 and 2012. The PNC submitted from 2005 to 2009 while the NDC submitted from 2005 to 2010. A summary of the accounts of the four parties is presented in Tables 4.1 below.

The yearly audited financial reports submitted by the four political parties to the EC from 2005 to 2012 clearly proves that incomes from membership dues constituted less than 6% of their total revenue. The lack of uniformity in the presentation of the accounts to the EC made it difficult to establish the percentage of contributions from the wealthy individuals. For example, the Institute of Economic Affairs (IEA) had supported all the four political parties since 2003, but only the CPP and the NDC had showed receipt of such funds in their accounts. However, it is evident from Table 4.1 that more than 80% of the income of the NPP came from special contributions from members.

Table 4.1: Source of Political Party Financing (2005 – 2012)

Political Party/Sources of Income	2005	2006	2007	2008	2009	2010	2011	2012
	%	%	%	%	%	%	%	%
CPP								
Party membership card/Dues	0.9	0.58	-	-	-	-	-	1.628
Contributions founding members	6.8	15.6	-	-	-	-	-	-
Fundraising activities	8.1	-	-	-	-	-	-	90.368
Grants from IEA	84.16	83.6	-	-	-	-	-	7.055
Interest received	0.04	0.02	-	-	-	-	-	0.011
Totals	100	100	-	-	-	-	-	-
NPP								
Membership dues	1.8	0.4	-	-	-	-	-	-
Special Contribution from Members	82.5	98.24	-	-	-	-	-	-
Profits from Cards	2.8	0.2	-	-	-	-	-	-
Fundraising activities	12.9	-	-	-	-	-	-	-
Donations	-	0.11	-	-	-	-	-	-
Sundries	-	0.1	-	-	-	-	-	-
Totals	100	100	-	-	-	-	-	-
PNC								
Sale of Party Cards/Souvenir/Dues	1.04	0.74	0.3	0.41	-	-	-	-
Contributions	12.31	8.14	11.16	0.97	11.77	-	-	-
Donations	32.17	55.99	51.51	78.13	73.31	-	-	-
Rally collections	15.46	10.46	11	9.46	-	-	-	-
Pledges	31.71	19.01	15.81	10.54	12.01	-	-	-
Founding Members fees	7.07	5.66	9.87	0.44	-	-	-	-
Loans	0.24	-	-	-	2.23	-	-	-
Interest on investment	-	-	0.35	0.04	0.68	-	-	-
Totals	100	100	100	100	100	-	-	-
NDC								
Membership dues	1.46	1.39	1.24	0.3745	1.54	5.41	-	-
Donation/ Fundraising	75.38	78.5512	81.57	92.7493	93.9712	64.2	-	-
Electoral Grants	22.78	20.05	-	1.5343	4.01	13.61	-	-
Filing Fees	-	-	17.19	5.3419	0.47	-	-	-
Investment Income	0.38	0.0088	0.00001	0.00007	0.0088	16.78	-	-
Totals	100	100	100	100	100	100	-	-

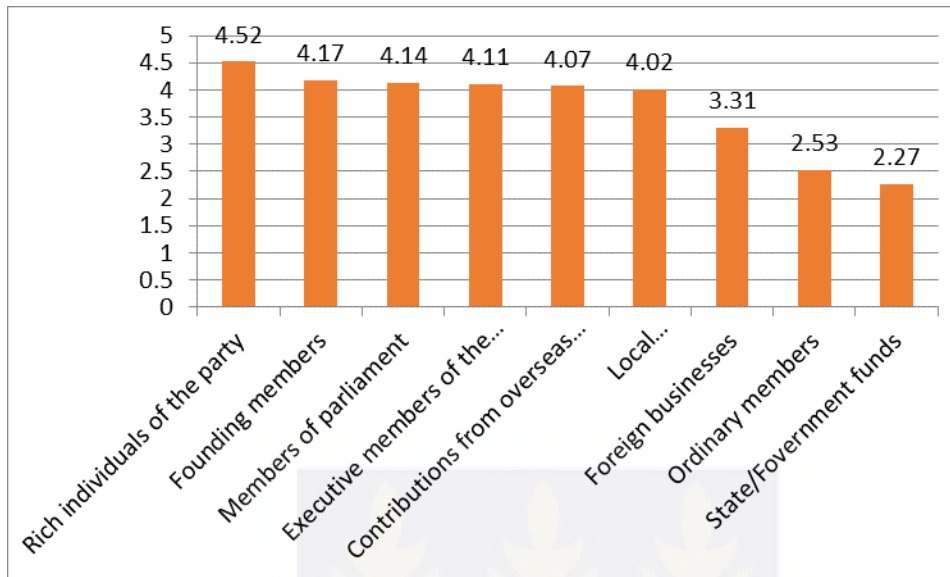
Source: Compiled by the Author from the EC, July 2014.

Similarly, the NDC recorded between over 60% and 90% from donations and fundraising while the PNC mostly had over 50% from donations. Interestingly, the table showed that the CPP largely depended on the support from the IEA. Over 80% of its income came from the IEA. Apart from the CPP, the financial statement of political parties shown in Table 4.1 underscores the fact that most political parties relied largely on donations to support their political activities. This has undermined internal party democracy.

4.2.0 THE MAJOR SOURCES OF FUNDING

We considered the respondents as rational and responsible party members who were knowledgeable about the sources of funds to their parties. The first set of substantive questions was aimed at evaluating the opinions of 1006 card-holding members in respect of the sources of funds for their parties. The sources of funds listed included: ordinary members; rich individuals of the party; founding members of the party; local businessmen and businesswomen; members of Parliament; state funds; executive members of the party; contribution from overseas and foreign businesses. In each case, the card-holding members had to rate on the scale of 1 (strongly disagree) to 5 (strongly agree) how each of these sources of funds contributed to their party funds. The rated results are presented in Figure 4.1.

Figure 4.1 Weighted Average of Source of Funding for Parties



The mean of the results of the rating showed the rich individuals (4.52), founding members of the party (4.17), members of Parliament (4.14), and executive members of the party (4.11), as the four major sources of party funds. All these categories of people are defined by the study as the wealthy members of political parties. This was followed by the contribution from overseas (4.07), local businessmen and women (4.02), and foreign businesses (3.31), as the other important main sources of funds to political parties. It was clear from the rating that card holding members disagreed with contribution from ordinary members (2.53), and state funding (2.27), as the major sources.

The respondents (1006) were further asked to select one out of the nine financial contributors they considered as the major source of funding to their parties. Responses to this question were interesting and consistent with the rating of sources. Indeed, 82.5% of the total respondents indicated wealthy members of political parties as the major source of

contribution to their parties. This is made up of the rich individuals, 38.1%, members of Parliament, 19.2%, party executives, 18.1%, and founding members, 7.2%. It is worth pointing out that members of Parliament and founding members were equally regarded as party executives by all the four political parties. It is, therefore, logical to assert that political parties largely depended on the rich individuals and party executives for the funding of political activities. In contrast, only 2.2% of respondents indicated ordinary members as the major source of funding. There is no significant difference between the percentages of income (less than 2%) submitted to the EC and the survey results of 2.2% (see Table 4.2). However, the respondents indicated that the rich individuals in their parties were the major contributors to party funds. This position was taken by 38.1% of the respondents as shown in Table 4.2.

The contribution of rich individuals was very much felt in the NPP as 42.8% of all NPP respondents indicated them as major financiers. A large percentage of respondents from the NDC (38.8%) and the CPP (29.4%) also mentioned rich individuals as the major source of party financing. However, the situation with the PNC was slightly different. Although responses showed that rich individuals constituted an important source of funding (as indicated by 26% of respondent from the PNC) a greater percentage of all PNC respondents mentioned that their party was mostly funded by party executives (32.7%) (see Table 4.2).

Table 4. 2: Major sources of income by Parties (cross tabulation)

Sources	Political Parties									
	NPP		NDC		CPP		PNC		Totals	
	#	%	#	%	#	%	#	%	#	%
Ordinary	3	.8	4	1.0	6	5.9	9	8.7	22	2.2
Rich	171	42.8	155	38.8	30	29.4	27	26.0	383	38.1
Founders	22	5.5	17	4.2	13	12.7	20	19.2	72	7.2
Local Bss	44	11.0	42	10.5	10	9.8	9	8.7	105	10.4
MPs	88	22.0	93	23.2	8	7.8	4	3.8	193	19.2
State	3	.8	5	1.2	1	1.0	0	0	9	.9
Executives	54	13.5	61	15.2	33	32.4	34	32.7	182	18.1
Overseas	5	1.2	5	1.2	1	1.0	1	1.0	12	1.2
Foreign B	10	2.5	18	4.5	0	0	0	0	28	2.8
Totals	400	100	400	100	102	100	104	100	1006	100

Source: Survey Data, 2014.

A further analysis to obtain the views of party executives and ordinary members shows a similar response. It was found out that a greater percentage of party executives and members of Parliament, as well as ordinary members of the four parties, considered rich individuals in their parties as an important funding source. In the case of Tertiary Education Institution Network of the NDC (TEIN) and Tertiary Students Confederation (TESCON) Executives of the NPP (TEIN/TESCON),³⁹³ the majority of the respondents (52.1%) considered rich individuals as the major financiers of their various parties (see Table 4.3). However, the case of regional executives of the four parties was slightly different. A little over a quarter (26.5%) of the regional executives mentioned rich individuals as the major funding source, while a third (33.8%) of them considered party executives as the major source. It is evident from the survey results that the members of Parliament who mobilized

and spent funds for political activities considered the contributions of the rich individuals to stand at 50%, members of Parliament at 32%, party executives, 5.9%, and founding members, 1% . It is reasonable to conclude that the overwhelming majority (89.3%) of the members of Parliament considered wealthy members as the major source of funding for political parties. Clearly, they never considered ordinary members, state funds and contributions from overseas branches as significant at all because none of them mentioned these sources (see Table 4.3).

Table 4.3: Major sources of Income by Position in Parties

	OM ³⁹⁴	RI	FM	LB	MP	SF	PE	CO	FB
Members of Parliament	0.0%	50.0%	1.0%	7.8%	32.4%	0.0%	5.9%	0.0%	2.9%
National Executives	0.0%	44.4%	22.2%	22.2%	11.1%	0.0%	0.0%	0.0%	0.0%
Regional Executives	0.0%	26.5%	4.4%	13.2%	17.6%	0.0%	33.8%	1.5%	2.9%
Constituency Executives	3.3%	35.9%	6.8%	12.6%	21.1%	0.0%	15.9%	1.4%	3.0%
Polling Station	4.6%	33.3%	7.9%	10.6%	16.7%	1.9%	19.4%	2.3%	3.2%
TESCON/TEIN	0.0%	52.1%	7.0%	2.8%	21.1%	1.4%	14.1%	0.0%	1.4%
Other Executives	0.0%	50.0%	0.0%	20.0%	0.0%	0.0%	30.0%	0.0%	0.0%
Ordinary Members	0.0%	39.4%	11.5%	7.9%	11.5%	2.4%	24.2%	0.6%	2.4%

Source: Survey Data, 2014

4.2. 1. Donations to Political Parties

The term donation defies clear cut definition in the financing of political parties. Donations to party funds draw a greater attention of the public. The motives of those who make substantial contributions to political parties are often the subject of controversy. Some people may legitimately wish to protect their identity. They are concerned that the public

disclosure of their contributions would provoke public debate and, possible, disapproval.³⁹⁵

Political parties in Ghana received donations through fund-raising activities, kickbacks, companies and non-governmental organizations.

- **Fundraising from members and public**

Party officials and candidates said they normally hired singing groups or brass bands, food sellers and invited the general public to a meeting place where they appealed to the people for funds and support. The people at such meetings donated cash, fuel, T-shirts, bill boards, drinking water, food, assorted drinks, vehicles etc. to the parties and the candidates. Political parties also approached party sympathizers, companies and individuals (either in writing or by engaging in one-on-one consultations) to solicit funds. Usually donations from this category came in small quantities and the contributors did not ask for any favour for the contributions.³⁹⁶

- **Rich Individuals of the Party**

A national treasurer of the NDC in an interview said some rich party members willingly donated either cash or material things to the party and individual candidates without being approached.³⁹⁷ Some MPs and political party executives interviewed intimated that some of the donations they received were offered in secrecy.³⁹⁸ In such cases, the donations were not disclosed to the party executives, sometimes, not even to the rank and file of the party.³⁹⁹ As the MPs for the Afram Plains South and for the Kintampo North constituencies indicated:

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People willingly approach prospective or contesting MPs (including them) to give money for their campaigns so that when they come to power the MPs would reciprocate with contracts and positions. Most of these people do not want their names to be disclosed at all. They really offer big sums of money and support.⁴⁰⁰

A Member of Parliament and executive member of the NDC disclosed that a contractor (one of the party financiers) demanded that the contract for the cleaning of Accra to mark the 100 days of the NDC administration in 2009, be given to him. He was awarded the contract to clean Accra before the procedures for the award of contracts were regularized.⁴⁰¹ One NPP National Executive member narrated an interesting story of how they mobilized funds for the party. He said they approached a very rich party member in 1996 to, among other things, ask for financial support from him. The rich man gave them a date and time (around 6:30 p.m. when darkness was setting in) to meet his boys at a certain place. A private car would be parked along the road with the hazard lights on. The boys would be working on the tyres with the car boot open. The rich man asked them to just stop behind the car and pick the carton from the boot without talking to the boys. They followed the instructions of the rich and went for the carton. When they opened the carton, they found to their surprise that the man had given them ₵51 million.⁴⁰² A National Executive member of the NDC who served in the position of national organizer for eight years said that what one rich man of the party offered would be more than what the party could realize from two million membership dues a year. These groups of people were promoted to patron positions of the party and they were always consulted about the directions of the party.⁴⁰³

The NDC had four different card-holding members. These were gold, silver, bronze, and ordinary. If the party had any government contracts to award, the members who held gold cards would be considered first before those who held silver, bronze and ordinary cards in that order.⁴⁰⁴ It is usually the ruling party that had the informal mandate to award government contracts of any kind. During the award of such contracts, it was often made clear to the contractors of government projects that they would have to pay some money to the party. Some contract projects were assigned a specific percentage of the contract money, while others attracted some amount of money that went to the party or individuals. Both the NDC and the NPP admitted having a list of members who were awarded government contracts. The NDC and the NPP governments exploited this avenue to mobilize resources for their political parties.⁴⁰⁵

Some party executive members affirmed the pervasiveness of kick-backs. A former deputy minister of the NDC lamented the deplorable financial situation of the party while it was in opposition and indicated that when the party was in government, contractors donated a lot of cash and materials to run the party.⁴⁰⁶ Similarly, a former national chairman of the NPP is on record to have had an open confrontation with those charged to collect kick-backs for the party but then refused to deposit the monies collected into the party coffers.⁴⁰⁷ He indicated that Ghanaians had given him the nick-name 'kick back' because he was bold to raise an issue of misappropriation of kick-backs meant for the party. He disclosed that the NPP, as a party, demanded compulsory contributions from those who were awarded government contracts. The party, however, was very flexible on the issue of the percentage

of the contract sum, but had a list of those who were awarded contracts and often pursued them to pay up.

- **Local Businesses**

Some respondents to the survey also indicated that contributions from foreign (2.8%) and local (10.4%) businesses were major sources of income to political parties (see Table 4.2). It is no wonder that 10.4% of respondents indicated local businesses as the major source. The paradox is that some party executives were the owners of many local companies. One may ask, was it the companies or the owners of these companies that donated to party funds? Since the names of the contributors were not disclosed, it was difficult to answer the question. It is, however, clear that donations to political party funds came from party members who were offered contracts, rich individuals who donated willingly and those who influenced their companies to provide financial support to the political parties. This assertion is supported by the fact that 38.1% of the respondents indicated the rich individuals in their parties to be the major contributors to party funds as shown in Table 4.2.

- **Foreign Businesses**

The survey results showed that 2.8% of the total respondents and 2.9% of Members of Parliament considered foreign businesses as the major source of funding. This notion is further buttressed by a member of a party's executive in this interview:

Both international and local contractors such as Construction Pioneer Company (CP), Taysec Company and PW Ghanen in the Upper West Region made big donations to both the NPP and the NDC. When the NDC is in power, one sees

certain construction firms working on the road. When the party is not in power the construction firm is also off the road. The reverse holds true for the NPP.⁴⁰⁸

Thus, international businesses made donations to the main political parties, the NPP and the NDC governments, perhaps to assist them win government contracts. The problem is that the Political Parties Law, Act 574, proscribed international businesses or companies from making financial contributions to the political parties. Political parties hid such donations from the audited financial records that they sent to the EC.

- **Non-Governmental Organizations (NGOs)**

Different parties had different notions of contributions from non-governmental organizations (NGOs). For example, the NPP and the PNC considered and treated financial support from the Institute of Economic Affairs (IEA) as donation in their financial statements submitted to the EC, while the CPP and the NDC captured them as grants from the IEA and electoral grants respectively. For the purpose of this study, we consider these grants as donations because they cannot be separated from other donations.

Some non-governmental organizations which were committed to the promotion of democracy in Ghana supported political parties to enable them operate effectively. For instance, the Institute of Economic Affairs (IEA), which served as a conduit for foreign government support to political parties, is one of the non-governmental organizations that demonstrated its commitment through financial and material support to political parties in Ghana. First, the Institute in 2008, printed for the parties 3,000 copies of the manifestos of

each of the political parties represented in Parliament.⁴⁰⁹ Secondly, the Institute had a special programme for only parties represented in Parliament. The package of this programme involved the supply of basic office equipment such as computers and furniture, among others. Thirdly, the four parties represented in parliament were requested to draw up quarterly programmes on capacity building which the Institute funded. Finally, the Institute paid the monthly allowances of five party officials as follows:

The General Secretary -	GH¢100.00
Policy Analyst -	GH¢70.00
Two Coordinators -	GH¢35.00 each
Administrator -	GH¢15.00 ⁴¹⁰

One interviewee pointed out that it was the allowance from the IEA that sustained the head office of the party because even though the allowance was meant for specific officers, it was usually agreed that it was to be distributed among most of the workers in the party office.⁴¹¹

The 31st December Women's Movement and ABANTU for Development are the other local non-governmental organizations that supported specifically the NDC. It should, however, be noted that the 31st December Women's Movement is an NGO largely managed by Nana Konadu Agyeman, wife of former President Rawlings of the NDC. According to NDC party officials, the 31st December Women's Movement often offered logistical support, particularly, to the women's wing of the party, while ABANTU for Development was interested in affirmative action to train and pay filing fees for women who had applied

for political positions. ABANTU for Development organized several seminars and workshops for the party members, particularly women.⁴¹² Clearly, this support from the NGOs did not have any direct influence on the internal democratic politics of the parties.

4.2.2 Membership Dues and Levies

Membership dues are the periodic (monthly or yearly) contributions of a fixed amount of money paid to the party by the card-bearing members. Membership dues have been one of the traditional sources of funding for all political parties under successive civilian regimes. In contrast to the practice in some countries where party membership cards are sold periodically to both new and old members,⁴¹³ in Ghana, all political parties issue a permanent membership card in which they record annual contributions. The rate of membership dues varies from party to party. Generally, all the four political parties are very circumspect about the amount fixed as dues because of the general economic difficulties of the members.⁴¹⁴

In Table 4.1 a critical analysis of the financial statements submitted to the EC by the CPP, NPP, NDC and PNC in 2005 and 2006 confirm that grassroots membership contribution to political party funds (through the payment of membership dues) was insignificant. In terms of the percentage of total income, funds generated from the grassroots were less than 2 percent for all the four political parties. In 2005, the NPP recorded the highest (1.8 percent) contribution from the grassroots members of the party. The CPP and the PNC never had up to 1 percent of total income as membership dues. This is also exemplified in Figure 4.1 and Table 4.2. As we shall later see, the insignificant grassroots financial

contribution of less than 2 percent reflects the voice of the ordinary members in party decision making.

All the parties admitted that membership dues could not pay for one month's normal administrative expenses of their operations.⁴¹⁵ The operational expenses refers to payment of only salaries of the regular staff working at their offices, rent, electricity and telephone bills of the political parties. The NDC, in particular, lamented that it was a serious indictment on it as a party for failing to honour the payment of social security deductions of the staff to the Social Security and National Insurance Trust (SSNIT).⁴¹⁶ Interviews with the deputy general secretary and the treasurer of the NDC showed that the membership list and dues, investments and candidate filing fees were not recognized as an essential source of funding to the party at the time of its formation. The party resorted to these sources of funds when it came into opposition from 2001.⁴¹⁷

The study found that the NDC sold its ordinary card at GH¢5.00 to all members while membership dues of 20 pesewas per month was charged. In addition, it imposed a special levy in the form of three different kinds of cards which were sold to its members. The highest of these cards was called 'gold card' and cost GH¢100.00 with monthly dues of GH¢10.00. The 'silver card' cost GH¢50.00 with monthly dues of GH¢5.00. The 'bronze card' cost GH¢5.00 with monthly dues of GH¢2.50. The type of card a person held in the NDC showed his or her class, with its associated privileges in the party.⁴¹⁸ These were some of the rich individuals who contributed funds to the party.

The PNC and the NPP on the other hand, sold their membership cards at GH¢1.00 each with one-fifth (20 pesewas) of the cost of the card as the minimum membership dues to its ordinary members. With respect to the special levy, the PNC was rather inclined to levy its patrons GH¢5.00 every month for the running of the party.⁴¹⁹

Membership in the NPP was stratified into three categories. These are first, the founding members who paid the prescribed fees for registration. The second category of members is the patrons who contributed to the national fund to support the running of the party from time to time. The patrons and founding members are in addition expected to hold the ordinary membership card in their respective constituencies.⁴²⁰ Both the patrons and the founding members bought their cards at GH¢1.00 and as of 2008 paid the minimum yearly dues of GH¢50.00. The price for the patron card was increased to GH¢50.00 with yearly dues up to GH¢100.00. The third category is the ordinary card bearing members who were found mainly at the constituency level. They bought a card at one cedi and paid a minimum of 20 pesewas dues per month in 2008. In 2012, the price for the card increased to GH¢8.00 with monthly membership dues of one cedi (GH¢1.00).⁴²¹

The CPP, on the other hand, had two categories of membership. The card for the first category was free of charge with a minimum of 10 pesewas monthly dues in 2008. In 2012, the card was sold at two cedis (GH¢2.00) with membership dues of one cedi (GH¢1.00). The second category paid GH¢20.00 for their cards, that is, two times the cost price of the card for a patron in the NPP in 2008. The individuals in this category

voluntarily determined their own monthly dues which were higher than what the ordinary party members paid as dues.⁴²²

It is difficult for most political parties in Ghana to have a membership list with regular payment of dues. It was only the CPP that could boast of a list of 60,000 members in November 2008.⁴²³ The NDC, NPP, and PNC could only estimate the membership strength of their parties. Most of the members of the executive of political parties interviewed indicated that incomes from the payment of membership dues were irregular, insufficient and very discouraging.⁴²⁴ Indeed, a former chairman of the NPP put it this way, ‘a membership due to the party is just a paper work to satisfy legal requirements.’⁴²⁵ Another interviewee concluded that their party could not access membership dues from the constituencies because the commission on the transfer of the money from the constituency to the party’s national office in Accra made it worthless to call for it.⁴²⁶

Ghanaian political parties have shown little interest in developing a mass source for financing party activities. The main reason is that the internal sources are insignificant in a country of largely poor citizens. It is important for political parties to derive their major income from internal sources, primarily through membership dues and membership donations in order to deepen popular participation and democracy within them. This finding supports Ninsin⁴²⁷ who noted that registered membership of the political parties in Ghana is generally insignificant and even where it is substantial, poverty among Ghanaians limits the amount that the ordinary members can pay as dues to their respective parties.

The importance of a membership drive and of membership dues is recognized by 1,006 respondents. Each respondent was asked to offer at most two suggestions to help improve party financing and democratic politics in Ghana. Out of the total of 1,752 suggestions offered, 488 suggestions representing 27.8% indicated a membership drive and the payment of dues as the way forward (see Table 4.4).

Table 4. 4: Suggestions by Respondents to Improve Party Financing

Responses	Frequenc y	Percentage
Educate or Encourage members to pay dues	409	23.3
Membership Drive	79	4.5
Party should Invest in business	93	5.3
Innovative payment methods and mobile phone texting	95	5.4
Appeal for funds from Local business and public	109	6.2
Party Executives, MPs, and Rich individual should contribute funds	172	9.8
Proper Accountability and Transparency	261	14.9
Build organizational capacity of parties	47	2.7
State support	180	10.2
Foreign support	30	1.7
Economic empowerment of members	146	8.3
Active participation of members in party activities	74	4.2
Contract money	21	1.2
Decentralize mobilization of Funds	16	0.9
Others	20	1.2
Totals	1752	100

Source: Survey Data, 2014

4.2.3 Contributions from Members of Parliament

Another notable source of funding for political parties is the contribution from their Members of Parliament (MPs). The survey results showed that the contribution from MPs was the second major source of income to political parties. Almost one out of every five respondents mentioned this source. A further analysis showed that 32% of MPs indicated this source as the major source of funds and none of them considered ordinary members as a major source (see Table 4.3).

Most of the MPs interviewed indicated diverse contributions to the running of their constituencies and national offices.⁴²⁸ They paid allowances to some political party office workers, bought fuel to organize programmes in the constituency and so on.

Particularly, opposition MPs stressed that the running of the constituency offices had been to a large extent their responsibility.⁴²⁹ They also used a share of the District Assembly Common Fund (DACF) to develop their constituency structures. For some of them this fund had become an indirect source of income and expenditure for partisan programmes.⁴³⁰ It is, therefore, not surprising for one PNC executive member to assert that ‘if our party is able to get 10 MPs in parliament, the resource base of the party would ameliorate considerably.’⁴³¹ The party had benefitted considerably from their two MPs who had been in parliament to develop the party organization and political activities.⁴³²

As noted above, some MPs or prospective MPs alone provided funds in support of their parties’ constituency organization. This type of funding, where the candidates are the principal agents, raising and spending money on behalf of themselves and the party, raises a fundamental question regarding the candidates’ financial accountability. It affects the internal democracy of the party at the constituency and national levels.

4.2.4 Contributions from the Founding Members of the Party

The 1992 Constitution requires that a political party shall be founded by members who should come from each district of the country. Usually, the founding members of political

parties provided crucial financial support for their parties especially during the embryonic stage of party organizational development.

The NPP, at its early stages and during its time in opposition, generated most of its funds through contributions from the founding members. Most of the founding members were lawyers and businessmen. For example, the former President J.A Kufuor and Nana Akufo-Addo the 2008 presidential candidate were among the prominent lawyers who founded the party. Much of the financial burden of the NPP was taken over by the business community and sympathizers when the party won the elections in 2000.⁴³³ It is worth noting that the NPP founding members' role in the financial contribution to the party did not depart from that which existed at the time of the United Gold Coast Convention (UGCC) as we saw in Chapter 2. The parties in the past depended on the founding members and the wealthy in society.

With regard to the NDC, the party was formed by the leading members of the Provisional National Defence Council (PNDC), a military regime that supervised the transition, into the Fourth Republic.⁴³⁴ Whereas the NPP and other smaller parties struggled at the initial stages of their formation to mobilize funds for their political activities, the NDC had enough seed money which was made available for political activities by the leading members of the ruling military regime.⁴³⁵

In the case of the CPP and the PNC, the financial contributions for most party activities remained the burden of the founding members and party executives. This is because these

parties had never won political power to enable them to develop strong links with the business community. As one PNC executive member put it ‘we do not have an entrepreneurial class in our party to offer big money because we have not captured political power yet.’⁴³⁶ Apart from the NPP that regularly collected a minimum amount of GH¢50.00 as dues per year from its founding members, the NDC, CPP and PNC did not have any specific amount that was collected periodically from their founding members. The founding members of these parties donated to the party as and when the need arose.⁴³⁷

4.2.5 Contribution from Overseas Branches

All the four political parties had overseas branches that provided financial and material support for the development of the parties in Ghana. The external branches of the CPP often donated either in cash or in kind to the party.⁴³⁸ Some of the items donated to the CPP included bicycles, motorbikes T-shirts, cell phones, cameras, computers and other office equipment. PNC executive members were also able to attract a lot of support from the party’s overseas members during the elections in 1996, 2000, 2004 and 2008.⁴³⁹ This support took the form of cash, equipment, computers, and fax machines. The party had branches in Germany, Italy, France, Britain, Canada and the U.S.A., among others.

The NDC had external branches in the United States, Sweden, Germany and some European countries. In 2008, these branches sent about 300 Euro every month to the party.⁴⁴⁰ Those in the United States sent their donations directly to the presidential candidate of the party.⁴⁴¹ They also supplied belts, bags, badges, curtains, tables and office equipment to the party.

The NPP had a different approach in dealing with its overseas branches. Apart from receiving similar donations from overseas branches, the NPP had a register of members of its overseas branches. The cost of the membership card was five dollars for those living in North America, five pounds for those living in the UK and five euros for members living in other parts of Europe. Party members paid dues as they deemed fit, and the money collected was either sent in cash or in kind to Ghana.⁴⁴²

4.2.6 State Funding of Political Parties

The 1992 Constitution requires the state-owned media to provide a fair and equal opportunity to all political parties to present their programmes to the public.⁴⁴³ The Constitution also provides for all presidential candidates the same amount of time and space on the state-owned media to present their programmes to the people. Article 167 of the Constitution charges the Media Commission to insulate the state-owned media from the control of government. Also, the Electoral Commission, the Inter-Party Advisory Committee (which comprises the registered political parties, the Electoral Commission and some donor agencies) and the Media Commission have worked together to arrive at a procedure and allocation of time and space acceptable to all political parties.⁴⁴⁴

Some political party officials (from the NDC, NPP, PNC, DPP and CPP) who were interviewed agreed that their political parties in several ways had access to the state media.⁴⁴⁵ The *Ghanaian Times* offered them space for only a token fee that was 30% of the normal cost. The state electronic media, the Ghana Broadcasting Corporation (GBC) and Ghana Television (GTV) offered free airtime to the political parties to broadcast their

campaign messages.⁴⁴⁶ This is in compliance with Article 55(11) and (12) of the Constitution, under which the state is enjoined to ‘provide opportunity to all political parties to present their programmes to the public by ensuring equal access to the state-owned media’.⁴⁴⁷ In a country where there are perceptions and allegations that the ruling government has more access to the state-owned media than opposition parties, the constitutional directive relating to equal access to the state own-owned media is, indeed, very important. It ensures that all political parties are given equal access to present their programmes to the public.

Every registered political party received vehicles from the state on the basis of the number of candidates they fielded to contest the elections. In Table 4.5, it is indicated that the state, between 1992 and 2012, donated a total of 168 vehicles for distribution to parties that met the approved criteria. This gesture is not new in Ghana’s political history. Some interviewees recalled similar support during the Third Republic.⁴⁴⁸ Some political parties did not receive any vehicle because they did not meet the criteria. The allocations were meant for the registered political parties and not for individual or independent candidates.⁴⁴⁹

The provision of vehicles to the registered political parties was irregular. There was no allocation of vehicle to any party in 1996 and 2012. Even though the state could not give any reasons for not supporting political parties with vehicles in 1996 and 2012, no political party could take the state to court because the decision to give or not to give had no legal basis.⁴⁵⁰

Table 4.5: Allocation of State-owned Vehicles to Political Parties, 1992-2012

#	Party	1992	Seats	96	Seats	2000	Seats	04	Seats	08	Seats	2012	Seats
1	PNC	8	185	-	127	4	155	6	125	7	127	-	102
2	NPP	8	200	-	179	6	199	10	226	12	229	-	275
3	NDC	8	200	-	200	6	200	10	229	12	229	-	275
4	CPP	*	*	-	118	6	188	7	172	10	205	-	146
5	EGLE	3	54	-	8	0	1	1	30	-	-	-	-
6	DPP	1	-	-	6	0	-	1	30	2	50	-	16
7	GCPP	-	-	-	1	2	3	0	10	-	2	-	2
8	NRP	*	*	-	*	6	170	0	5	-	-	-	-
9	UGM	-	-	-	-	3	103	-	-	-	-	-	-
10	PHP	7	158	-	-	-	-	-	-	-	-	-	-
11	GDRP	1	-	-	-	-	-	-	-	-	-	-	-
12	DFP	*	*	-	-	-	-	-	-	6	108	-	-
13	RDP	-	-	-	-	-	-	-	-	1	11	-	-
14	NIP	8	-	-	-	-	-	-	-	-	-	-	-
15	NCP	6	137	-	68	-	-	-	-	-	-	-	3
16	GNP	-	-	-	*	-	-	-	-	-	1	-	-
17	NVP	-	-	-	*	-	*	-	*	-	5	-	-
18	IND	-	12	-	56	-	59	-	126	-	95	-	-
19	PPP	-	-	-	-	-	-	-	-	-	-	-	212
20	NDP	-	-	-	-	-	-	-	-	-	-	-	154
21	UFP	-	-	-	-	-	-	-	-	-	-	-	8
22	URP	-	-	-	-	-	-	-	-	-	-	-	5
23	IPP	-	-	-	-	-	-	-	-	-	-	-	5
24	GFP	-	-	-	-	-	-	-	-	-	-	-	2
25	YPP	-	-	-	-	-	-	-	-	-	-	-	1
	Total	50	1131	0	763	33	1078	35	953	50	1062	0	1206

Source: Compiled by the Author from the Electoral Commission of Ghana, July, 2014

Even though elections are held on December 7th of each election year, the Electoral Commission sends the invitation for the request for the distribution of vehicles to the political parties late. For example, letters for the allocation of vehicles in 2004 and 2008 were sent on November 9th 2004 and November 21st 2008 respectively; this meant that the vehicles were delivered less than a month to the elections. Though political parties

appreciated the effort of the state to support them, they lamented that the late allocation of the vehicles defeated the very purpose for which the vehicles were supplied. Furthermore, in addition to the vehicle allocation to political parties, the state, through the Electoral Commission, gave a number of computers and accessories, and also organized training to all registered political parties. In addition, the political parties were given a tax concession on their imports. However, the value of these tax exemptions could not be assessed by the researcher.⁴⁵¹

In Ghana, some people had called for state funding of political parties to avoid the possibility of some rich people taking over political parties; others asked political parties to solicit more financial contributions from their grassroots supporters to fund their activities.⁴⁵² It is, therefore, necessary to examine the opinion of the respondents on the issue of state funding of political parties. The respondents, (1006 in number) were asked to indicate their level agreement or disagreement on whether the state should fund political parties in Ghana or not.

The findings showed that a large percentage (45.2%) agreed on state funding. Nevertheless, the disagreement rate was equally high at 32.9%. A lesser percentage (21.9%) neither agreed nor disagreed. A further investigation showed that the agreement rate was highest among respondents affiliated to the NDC (48.7%). Ironically, the percentage of NDC respondents who disagreed to the issue was also high (34.5%). The situation was similar to that of NPP respondents (42.7% agreed and 36.7% disagreed) (see Table 4.6). The high disagreement rate in both parties might be due to the fact that the respondents perceived

the parties as big, and that it can survive without state funding. However, the story of respondents belonging to the CPP and the PNC was different. Although, as with the NDC and the NPP respondents, a greater percentage of respondents from these parties supported state funding of political parties, those who disagreed (CPP = 19.6%; PNC = 2.6%) in these parties were significantly smaller than what pertained to the NPP and the NDC. A higher percentage of the CPP and the PNC respondents (CPP = 37.3%; PNC = 31.7%) preferred to be neutral (see Table 4.6). This finding is consistent with similar research findings of CDD-Ghana⁴⁵³ in 2004 and Ayee *et al* ⁴⁵⁴ in 2007, where most respondents (53%) and (63%) respectively supported state funding.

Table 4.6: State Funding of Political Parties

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	15.2%	21.5%	20.5%	21.5%	21.2%
NDC	14.5%	20.0%	16.8%	24.2%	24.5%
CPP	3.9%	15.7%	37.3%	20.6%	22.5%
PNC	12.9%	20.0%	21.9%	22.4%	22.9%
Total	12.9%	20.0%	21.9%	22.4%	22.9%

Source: Survey Data, 2014.

The contributions of the elites of society to the debate on state funding of political parties is quite interesting. According to Mike Oquaye,⁴⁵⁵ who was a Member of Parliament and a cabinet minister in the NPP government of President J.A. Kufuor, the nation should be careful not to open the Pandora's Box because it would have a snowballing effect on the country. The impression should not be created that people can form political parties for personal interests; otherwise people would leave their jobs to form a political party.⁴⁵⁶ Dan Botwe, the immediate past general secretary to the NPP, said he personally supported state funding of parties. He added that in spite of the fact that some African countries such as Nigeria and Tanzania funded political parties, (Tanzania in particular allocating 2% of

Gross Domestic Products (GDP) to political party funds), his party did not consider state funding of parties as an immediate priority.⁴⁵⁷ This was, however, in contrast to the stance in 1998 and 2000 where the party at the national consultative meeting supported state funding.⁴⁵⁸ The MP for the Afram Plains North constituency also indicated that politics was a venture, and therefore, if one wanted to enter into it, the candidate must save money towards it without thinking of state resources.⁴⁵⁹

Individuals such as Professor Adzei Bekoe⁴⁶⁰ (Chairman of the Council of State in 2008), Kwesi Jonah⁴⁶¹ (then Head of Governance of IEA in 2008) and Felix Anebo (then Lecturer in the Department of Political Science, University of Ghana)⁴⁶² were some of people who supported the proposal for state funding of political parties. Bekoe stated that a law for state funding of political parties would create a more friendly, liberal and flexible environment for the country's political parties, for democracy to flourish. Anebo on his part argued that in Ghana, just like any new democracy, the majority of the people were poor. It was, therefore, difficult for the political parties to raise sufficient funds from their members. State funding of political parties would encourage the parties to have a stake in the country's democratic process.⁴⁶³

Jos Anyimah-Ackah, a regular columnist of the *Ghanaian Times*, associated himself with those who argued against state funding of political parties. He was of the view that state funding of political parties is inexpedient as it involved problems of the choice of appropriate criteria. According to him, state funds should rather be used to improve social services, discourage proliferation of political parties and avoid an undue burden on tax

payers.⁴⁶⁴ Nii Moi Thompson added that the calls by sections of the Ghanaian public for state funding of political parties would cause direct and indirect costs to the nation. The actual costs and benefits, as well as the risks associated with them, were much broader and deeper than the narrow financial and political perspectives people offered. The popular assessment of both benefits and costs was often limited to the financial costs and the political benefits of providing a level playing field for the nation's political parties. The eventual magnitude of this cost, however, depended, to a large extent, on how the financing was structured.⁴⁶⁵ Thompson raised some pertinent questions: Should the support be routine or restricted to election campaigns? Should the state fund all categories of expenses such as salaries, services, investment and administration? If the state chose to be selective and paid staff salaries regularly, but the party was not able to raise supplementary resources, its capacity to function effectively would remain impaired. An exclusive concentration on the monetary aspects of state funding of political parties, therefore, runs the risk of overstating the costs and understating the benefits and vice versa. An assessment that deals with net benefits is preferred, although the lack of data may not permit analysts to do so.⁴⁶⁶

Professor Emmanuel Gyimah-Boadi, a political scientist and Executive Director of the Centre for Democratic Development (CDD),⁴⁶⁷ placed his argument on the attempt to push the state to fund political parties within a broader perspective. According to him, if Ghana's political parties face a funding crisis their predicament is hardly unique and exceptional. Almost all the key constitutional institutions of democratic governance and horizontal accountability, notably Parliament, the judiciary, Commission on Human Rights and

Administrative Justice (CHRAJ), Audit Service and the Electoral Commission, had consistently been grossly under-funded by the state. Since 1992, Ghana had not been able to fund any of its general elections entirely from its own internally-generated resources. In effect, the most basic process that underpinned Ghana's democratic project suffered from a recurring funding deficit. Despite such chronic under-funding of key democratic institutions, the political class did not deem it fit to propose legislation to earmark sufficient funds annually to support any of these institutions. Political parties, while important as agents of popular representation in democracy, should not enjoy a priority or a special status in the funding of public institutions over bodies such as Parliament, the Judiciary or CHRAJ. To propose state funding of political parties in this regard amounted to ranking political parties above all other rivals for public funding which fell short of a comprehensive and an all-inclusive approach.⁴⁶⁸

4.3.0 OTHER RELEVANT SOURCES

Apart from the rating and the selection of one out of nine financial contributors to assess the respondents' knowledge about the sources of funding, the respondents were also asked to indicate and rate any other contributions to their party funds. The respondents stated the candidate's filing fees, the investment by the party and loans which reflected in their financial statements.

4.3.1 The Rate of Candidate Filing Fees and Dues

The parliamentary and presidential candidates who contested election had to pay a specific amount of money as filing fees to their parties before they could engage in the electoral contest. The amount the candidates paid varied from party to party. For example, in 2008, the NPP and the NDC parliamentary candidates paid GH¢120.00 and GH¢100.00 respectively. While the PNC did not charge any amount, the CPP's rate varied from constituency to constituency ranging from GH¢200.00 to GH¢ 1000.00. Similarly, in 2008, the NPP, NDC, CPP and PNC presidential candidates paid GH¢2,500.00, GH¢1,000.00, GH¢1,000.00, and GH¢500.00 respectively (see Table 4.7).

From Table 4.7, it can be seen that the CPP charged the highest rate for parliamentary candidates while the PNC chose to make the filing free of charge; yet both parties could not attract people to offer to represent the PNC in all the 230 constituencies.⁴⁶⁹ Apart from the NPP which compromised one seat in the Ellembele constituency in the interest of an alliance with the CPP and the NDC having a court case against one parliamentary candidate, the NPP and the NDC both produced 229 candidates each. The PNC and the CPP managed to sponsor 127 and 205 candidates respectively out of 230 to contest the 2008 elections.⁴⁷⁰

In 2008, the ruling NPP charged the highest amount (GH¢2,500.00) as filing fees for the position of presidential candidate, yet as many as 17 people vied for the position. Meanwhile, 6, 4, and 3 candidates contested for the same position within the CPP, the NDC and the PNC respectively. The NPP made a tremendous gain in this area of revenue mobilization.

Table 4.7: Rates Charged by Political Parties from 2008 to 2012

Sources of Income	CPP		PNC		NPP		NDC	
	GH¢0.00*		GH¢0.00		GH¢0.00		GH¢0.00	
	2008	2012	2008	2012	2008	2012	2008	2012
Presidential candidate (men)	1,000	20,000	500	22,000	2,500	25,000	1,000	20,000
Presidential candidate (women)	NA	NA	NA	NA	NA	NA	NA	10,000.
Parliamentary Incumbent	200	1,500	NA	500	120	16,000	100	5,000
Parliamentary (women)	200	750		-	-	5,000	100	2,500
Parliamentary Orphan	200			-	-	1,500	100	2,500
Chairman	500	10,000	100	2,000	20	5,000	100	1,000
Vice Chairmen	300	7,500	Free	Free	20	5,000	60	500
General Secretary	300	7,500	100	1000.	20	3,000	50	1,000
Deputy General Sec.	-	7,500	-	-	-	-	30	500
National Treasurer	200	7,500	10	500	20	3,000	50	500
Deputy Treasurer	-	-	-	-	-	-	30	300
Women Organizer	100	7,250	10	500	20	1,500	50	300
National Organizer	100	2,500	10	500	20	3,000	50	500
Youth Organizer	100	2,500	10	500	20	1,500	50	500
Membership Cards	Free	2.00	1	2	1	8	1	5
Ordinary Membership Dues	0.20	1	0.10	1	0.20	1	0.2	1
Gold	NA	NA	NA	NA	NA	NA	100	200
Silver	NA	NA	NA	NA	NA	NA	50	100
Bronze	NA	NA	NA	NA	NA	NA	2.5	50
Founding member: Cards	NA	NA	NA	NA	10	50	NA	NA
Founding member yearly due	NA	NA	NA	5.00	50	100	NA	NA

Source: Compiled by the author from interviews with Party Officials, November 2014.

* The figures are rounded up to 1 cedi. Instead of GH¢4.50 we put GH¢5

** NA Such payment does not exist.

The NPP generated more than GH¢97,700.00, which was made up of GH¢42,500.00 from presidential candidates and a little more than GH¢55,200.00 from parliamentary filing fees. As the NPP national treasurer intimated, the revenue the party generated from the presidential and parliamentary recruitment fees in 2008 alone was enough to sustain the administration of the party for at least one year.⁴⁷¹ The NPP also charged the highest filing fees of GH¢25000.00 and GH¢85,000 in 2012 and 2014 respectively for their presidential candidates. Whereas the CPP and the PNC⁴⁷² lacked funds to pay off their administrative bills, the NPP could boast of generating enough revenue to run its operations. This is because the majority of those who stood were ministers and they were likely to benefit from state largesse. This was a pragmatic way of making the party dependent on contributions by wealthy individuals.⁴⁷³

It is also instructive to note that the fees for all the executive positions such as the MP, the presidential candidate, the chairman and the general secretary were always increased by the executives by more than 100 percent. The continuous increase of filing fee beyond the means of average members of the parties reinforces the rational choice institutional theorists' propositions that political actors are, first, self-interested in their actions, and second, create institutions that enhance that self-interests.

4.3.2 Investment Income

Investment in this context largely refers to petty trading in party materials and publications. All the four parties were, in one way or the other, engaged in selling their party

paraphernalia. Party organizers under the Fourth Republic generated income from the sale of party flags, handbags, party cloths, belts made in party colours, the sale of framed photographs, etc.⁴⁷⁴ The constitution of the NPP was sold for GH¢ 10⁴⁷⁵ and that of the NDC was GH¢ 4.⁴⁷⁶ Political party officials were not ready to reveal the income generated from various sources. However, the NDC, in particular, remarked that it had made a little profit from the sale of party paraphernalia.⁴⁷⁷ Its financial statement of 2005 and 2006 equally reflected 0.38% and 0.01% as income from investment in those years. In 2005 and 2006, the CPP also made 0.04% and 0.02% as interest from the bank respectively (see Table 4.1). It is encouraging to note that out of 1006 respondents, as many as 93 (see Table 4.4) recommended that parties should invest in the establishment of industries, party cooperative farms and other businesses to support political parties.

4.3.3 Loans

Loans have been identified as one of the sources of funds in the financial statements presented by some of the parties to the EC. The PNC's financial statement indicated that the party obtained loans for its activities. The other parties claimed that they did not sanction the acquisition of loans. However, interviews with party executives suggested that parliamentary candidates usually took loans from banks to finance their activities.⁴⁷⁸ For instance, a contestant for the seat of MP who raised a loan to pay the GH¢16,000 charged as the filing fees complained that there was too much influence of money in the conduct of the primaries.⁴⁷⁹ He lamented that paying back the loan with his monthly salary of less than GH¢2,000 a month was a problem.⁴⁸⁰ Some officials in the NDC admitted that the party obtained loans from undisclosed sources during crucial times, even though this did

not reflect in their financial statements to the EC.⁴⁸¹ It is not clear why political parties hid the information of obtaining loans to support their political activities from the EC.

The membership dues for political parties were insignificant and unstable (see Table 4.7). This trend had resulted in most political parties in Ghana falling on loans from the rich members which are not usually disclosed. In the current system where there is an ever increasing amount of money being spent on campaigns and elections, loans from the rich individuals will invariably reduce the direct contact with ordinary members, increase the possibility of using money to buy power and influence, and thus erode public confidence in political parties.⁴⁸²

4.3.4 UTILIZATION OF PARTY FUNDS

With regard to spending on party activities, all the four political parties had a similar pattern of spending. The regular expenses incurred included the payment of salaries and allowances of party workers, rent for premises, audit fees, vehicular expenses (purchase of vehicles, fuelling, maintenance and depreciation) general expenses (bank charges, legal charges, repairs & maintenance, medical expenses, funeral expenses, entertainment, public relations, office equipment and machinery), payment for stationery, telephone and postage charges and election-related expenses. Expenses on research and professional development did not feature in how the funds were utilized. While a greater percentage of expenditure of the NPP (43.43% in 2005 and 72.82% in 2006) and the NDC (43.0% in 2005 and 55.65% in 2006) was spent on election-related activities, the CPP spent a small percentage of funds on elections (6.15% in 2005 and 15.26% in 2006) (see Table 4.8).

Elections are characterized by high levels of expenditure and the bulk of the money goes into advertising in the media and party rallies.⁴⁸³ Media in this respect includes television, radio, newspapers, magazines, billboards, brochures and leaflets. Expenditure on party rallies includes transportation, printing of T-shirts, rally clothing, provision of food, organization of conferences and meetings aimed at policy development, and the public presentation of policies and politicians.⁴⁸⁴ Training and payment to party agents on elections day and the hiring of political thugs to intimidate voters are all part of party expenses. In addition, traditional authorities and influential opinion leaders in the communities were offered cash, bottles of schnapps, kola nuts, soap and other ‘gifts’.⁴⁸⁵

Table 4.8: Trends in Party Expenditure

Expenditure	CPP		PNC		NPP		NDC	
	2005	2006	2005	2006	2005	2006	2005	2006
	%	%	%	%	%	%	%	%
Salaries & Allowance	0.06	28.00	3.7	1.8	11.04	8.12	15.27	7.00
Office rent	2.60	4.31	26.9	11.6	0.04	0.44	5.30	4.06
Utility	0.56	1.70	8.5	5.8	2.82	2.27	5.77	5.61
Vehicle Expenses	34.90	32.50	20.8	34.7	17.13	9.17	23.90	20.65
Election Expenses	6.15	15.26	10.3	30.2	43.43	72.82	43.00	55.65
Audit Fee	0.43	0.38	-	-	0.21	0.37	0.85	0.71
General Expenses	30.42	17.86	29.8	15.9	25.10	6.78	5.90	6.09
Totals	100	100	100	100	100	100	100	100

Source: Compiled by the Author, 2104

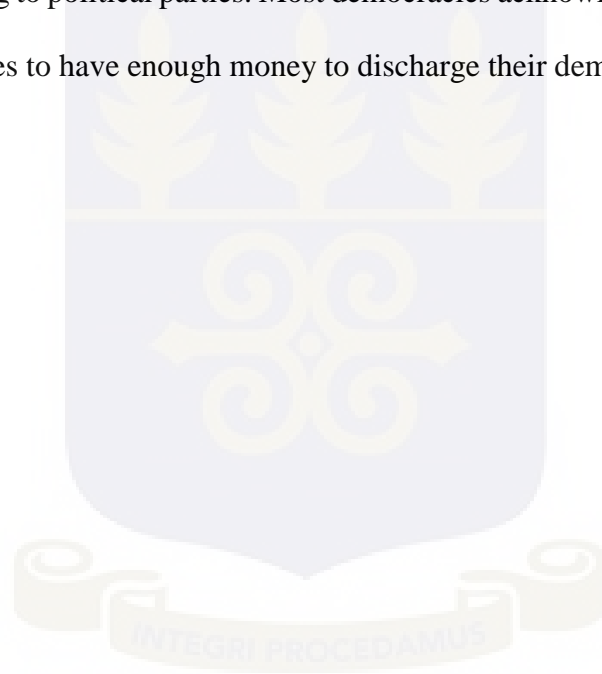
All political parties incurred some expenses to get their parties registered. The PNC had to pay the registration fees for its parliamentary candidates to enable them stand for election as Members of Parliament.⁴⁸⁶

The founder and the leader of the Democratic People's Party (DPP)⁴⁸⁷ intimated that there was a lot of expenditure that could not be accounted for. For example, a lot of money was spent on spiritual consultations with mallams, fetish priests, prophets, visits to Benin, to India and other countries that were purported to be spiritually powerful. The real competition for political power, according to him, was done in the spiritual realm. In the estimation of the leader of the DPP, over a third of party income went for spiritual consultations. The point here is that a percentage of party expenditure is used for spiritual purposes.⁴⁸⁸

4.4 CONCLUSION

The chapter has identified a number of sources of income for political parties under the Fourth Republic. These include income from the selling of membership cards and payment of membership dues, contributions from founding members and patrons, donations, special fund-raising activities, Members of Parliament's district development fund, and income from party investments and the business community. Funds are also mobilized from Ghanaians in the diaspora, private individuals in the country, loans, state support, international and local non-governmental organizations. When we compared the strategies used by political parties to mobilize funds under the Fourth Republic with those employed in the past there seems to be no significant difference. The sources of income to political parties remain almost the same.

In the past, there were volunteers who undertook political party activities without being rewarded either in cash or kind. Today, political activities do not attract many volunteers. Nobody wants to do voluntary work, partly because politics has been monetized. The parties have to pay for traveling expenses, food, and hotel and sometimes per diems to those who avail themselves to work for them. This makes party organization more expensive now than it was in the past. The chapter has shown that the sources of party finance continue to be very complex. The public and private sources are the two main sources of funding to political parties. Most democracies acknowledge that both are needed for political parties to have enough money to discharge their democratic tasks.



CHAPTER FIVE

CONTEXTUAL VARIABLES AND FINANCING OF POLITICAL PARTIES IN GHANA

5.0 INTRODUCTION

This chapter discusses the key factors that have accounted for the insignificant financial contribution of ordinary members to political party activities. The analyses are based on secondary data, survey data and the opinions of some members of Parliament (MPs), party executives and card holding members of the four political parties (the NDC, NPP, CPP and PNC), which are represented in Parliament since the Fourth Republic.

The study identified challenges such as political patronage, political victimization, economic factors, lack of transparency and accountability, the organizational capacity of political parties, ethnic and tribal politics, and religious and socio-cultural beliefs. How these factors have impacted on the mobilization of funds from members of political parties are discussed below.

5.1 POLITICAL PATRONAGE: CLIENTELISTIC AND NEOPATRIMONIAL POLITICS

Ordinary party members in Ghana largely see their political parties as money-making machines rather than as avenues for democratic decision-making. Arthur Kennedy, the Communications Director of the NPP's 2008 campaign, who contested the NPP presidential candidationship and lost, also confirmed the strong influence of money in Ghanaian politics. Arthur Kennedy admitted that he gave out money to party functionaries

in a bid to influence his election⁴⁸⁹ He summed up the experiences in the NPP camp during the 2008 elections campaign as follows:

As money flowed from the candidates to party functionaries based on who supported who, the party became more divided and interested in money. Party executives stopped building the party and took to trooping to Accra for contracts or hand-outs from big party men.⁴⁹⁰ Mr. Alan John Kyeremanten who has been one of the leading NPP presidential aspirants since 2008 is noted to have adopted the majority of constituency executives in the Volta Region as his clients within the party. Interviews with some constituency executives indicated that Mr. Kyeremanten often provided financial support to these potential delegates to retain their seats.⁴⁹¹ Mr. Kwabena Agyapong had supported many, including Ishmael Ashitey to retain his seat as the Greater Accra regional chairman of NPP.⁴⁹² Similarly, the Ashanti regional chairman of the NPP complained that the shameful act of influence of money has crept into the party's internal politics.⁴⁹³

It is not surprising, therefore, that poor ordinary party members visit the homes of rich party executives to seek financial assistance. According to the spouse of a president of Ghana, since her husband entered politics, people always saw them as rich politicians who could solve their financial problems. People asked for school fees, money for food, money for rent, money to pay hospital bills, among others. In her words, 'the financial demand on us from the people is just too much for us to bear because of politics.'⁴⁹⁴ The important point is that political parties are viewed by poor ordinary party members as financial patrons that supply free material resources to poor clients.

Since the constitutions of political parties stipulate that certain office holders are delegates (party members who are eligible to vote), aspiring contestants often worked ahead to pay the membership dues for some party members in order to meet the constitutional requirements to stand as party officials.⁴⁹⁵ One NPP member who left the party to stand as an independent parliamentary candidate said he realized that less than 10% of the delegates in his constituency were likely to vote for him because the former MP packed the Electoral College with members whose dues he used to pay.⁴⁹⁶ An interview with an NDC contestant for the MP position at the Dzodze Constituency also disclosed that to win an election at the primaries, one needed to pay the membership dues of the potential delegates of the party.⁴⁹⁷ One NPP MP contestant who lost at the Tano North Constituency in the Brong Ahafo Constituency in April, 2011, alleged that he lost the primaries because he did not work on the delegates early enough. Although he gave money to the delegates on the voting day, he realized after voting that he should have nurtured the delegates by taking care of their needs including the payment of their dues, and by attending funerals and other social activities in their areas.⁴⁹⁸

The survey result showed that the offering of gifts is common in all parties. This was indicated by the majority of their members interviewed (81.6% of NPP respondents; 79.7% of NDC respondents; 76.4% of CPP respondents; 68.3% of PNC respondents) (see Table 5.1).

Table 5.1 Wealthy people offer gifts to maintain relationship

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	0.80%	3.20%	13.80%	44.80%	36.80%
NDC	2.80%	4.00%	13.50%	63.70%	16.00%
CPP	1.00%	2.00%	19.60%	57.80%	18.60%
PNC	2.90%	3.80%	24.00%	47.10%	21.20%
Total	1.80%	3.50%	15.30%	53.90%	25.00%

Source: Survey Data, 2014.

This finding supports Linberg's⁴⁹⁹ observation that politicians in Ghana are rational actors who supplied clientelistic goods to voters as the efficient means to achieve their end. Also, Clapham⁵⁰⁰ described this phenomenon as 'a relation of exchange between un-equals'. He lamented that political leaders (patrons) in third world countries offered economic resources to local leaders (clients) who command appreciable influence within their own areas to support the patrons. This mechanism of representation and participation in politics helps patrons to entrench their positions.⁵⁰¹

The public perception about the role of political parties in national development is likely to influence how ordinary people make financial contributions towards the running of political parties. Ordinary members of political parties who are poor usually perceive politicians and political parties as entities which have money and resources to disburse in return for votes. The ability of political parties to mobilize funding from such ordinary party members for political activities is likely to be seriously undermined. This situation also does not give any opportunity to the party members to demand accountability from their patrons. In this way, participation by grassroots members for party internal democratic politics is weakened.

5.2 POLITICAL VICTIMIZATION

Political victimization is one factor that is likely to hinder people's willingness to make financial contributions to political party activities. As shown in Table 5.2 below, a little more than half (58.7%) of the total respondents attributed their various parties' inability to mobilise enough funds from the ordinary members to the fact that they (ordinary members) were afraid of political victimisation. This perception was more common among the small parties than the major parties. More CPP and the PNC respondents (CPP – 75.5%; PNC – 84.6%), supported this view while a little more than half (57.6%) of NDC respondents and a little less than half (49%) of NPP respondents shared this view.

Table 5.2 Political Victimization

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	6.2%	19.2%	24.0%	27.5%	21.5%
NDC	8.0%	13.0%	21.2%	32.8%	24.8%
CPP	2.0%	12.7%	9.8%	40.2%	35.3%
PNC	2.9%	4.8%	7.7%	27.9%	56.7%
Total	6.2%	14.6%	19.8%	30.9%	27.8%

Source: Survey Data, 2014

According to an MP, he was victimized because in the year 2000 he gave GH¢200.00 to one of the two candidates contesting the primaries in his constituency.⁵⁰² The person to whom he gave the money lost the election and the other candidate became the MP. The one who won the election told him that he would beg for food because he gave money to his opponent to fight him. Consequently, the MP was removed from three District Assembly Committees on which he used to serve without any apparent reason.⁵⁰³ Banks also stopped giving him loans. In addition, he was not allowed to stand for elections during the party primary elections in 2004.

There was also a strong conviction among some party executives of the NDC that the imprisonment of Mr. Daniel Abodakpi, Member of Parliament for Keta, Mr. Kwame Peprah, former Minister of Finance, and Mr. Victor Selormey, former Deputy Finance Minister, by the NPP government was political victimization. According to a National Treasurer of the NDC, the NPP government was under the impression that some funds from the transaction that led these politicians to prison were used to finance the NDC.⁵⁰⁴ Indeed, one former NDC MP and Deputy Minister reiterated the views of the National Treasurer of the NDC. According to him, some ministers, particularly, Mr. Daniel Abodakpi, and Mr. Kwame Peprah thought that the ruling party would retain power at all cost, hence, their negligence. The former deputy minister was of the view that part of the money went into campaign activities.⁵⁰⁵

The ruling parties sometimes frustrated companies who contributed to political party funds. For example, during the NDC rule under former President Jerry Rawlings, a soap producing company (Apino Soap) owned by Mr. Appiah Menka was banned and eventually crippled. The alleged reason was that Appiah Menka was the Ashanti Regional Chairman of the opposition NPP.⁵⁰⁶ A similar thing happened to Mr. B.A. Mensah who owned International Tobacco Company and Mr. Siaw then owner of Tata Brewery.⁵⁰⁷ The NPP retaliated when it took power in 2001.⁵⁰⁸ The company of Mr. Eddie Annan, Masai Developers Limited, was nearly destroyed because he donated a vehicle to the founder of the NDC.⁵⁰⁹ Ato Ahwoi's Cashpro Company was grounded by the NPP government.⁵¹⁰ Former President Kufuor stopped the operation of the Nsawam Cannery belonging to Nana Konadu Agyemang Rawlings and left it to rot because he claimed she had not made the

full payment for the industrial property.⁵¹¹ Instead of the five years that had already been agreed upon, the Merchant Bank and some government functionaries under the NPP regime forcibly pushed a three-year repayment of US\$57 million loan facility clause down the throat of Engineers and Planners, which was owned by Mr. Ibrahim Mahama, a brother of current President John Mahama of the NDC.⁵¹²

An interview with members of the national executive of the PNC indicated that the party had a lot of contractors in the early years of its formation. They had to abandon the party to join the ruling parties because they were no longer getting contracts.⁵¹³ A CPP national executive member observed that citizens with business interests wanted to support more than one competitive political party to avert victimization and reduce the risk of their investment in politics.⁵¹⁴ He said that he and some of his friends possessed membership cards of more than two political parties for strategic reasons. Apart from the CPP card which he acquired willingly, the rest of the two membership cards were donated to him by his friends from the NDC and the NPP.⁵¹⁵ An interview with a former (NPP) District Chief Executive (DCE) confirmed this when he narrated that a businessman who claimed he belonged to the NPP donated some party T-shirts to the party. The DCE and party executives went to the donor's house to thank him only to discover bundles of NDC T-shirts in his hall. The businessman jokingly admitted that he was going to donate the T-shirts to the NDC as he had donated T-shirts to them.⁵¹⁶ This action is likely to secure his investments and interests by supporting more than one political party. Ghanaians are conscious of political victimization, especially when it comes to the funding of political

parties. This dreadful challenge in Ghanaian politics makes it unattractive for non-members of political parties to contribute to political party funds.

5.3 SOCIO-ECONOMIC FACTORS

The economic status of a person, i.e., whether the person is rich or poor, is a key variable that influences the willingness of the person to make financial contributions to a political party. The problem of poverty among ordinary party members was also mentioned by the survey respondents as a factor limiting the ability of parties to mobilise funds from them (ordinary members). Generally, less than two-thirds (60.2%) of the respondents supported this view. This was also in all parties although the proportion of NPP (64%) and NDC (59.5%) respondents was slightly more than that of CPP (53.9%) and PNC (57.8%) (see Table 5.3).

Table 5.3 Ordinary members are poor

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	6.0%	14.0%	15.0%	24.8%	39.2%
NDC	8.2%	10.8%	21.2%	26.5%	33.0%
CPP	2.9%	19.6%	23.5%	30.4%	23.5%
PNC	5.8%	12.5%	26.0%	12.5%	43.3%
Total	6.6%	13.1%	19.5%	24.8%	35.6%

Source: Survey Data, 2014

The Vice Chairman of the PNC disclosed that the PNC was poor because the party did not have many entrepreneurs and contractors. . The majority of party members were illiterates and mainly concerned with their survival. To expect these people to pay dues with their low income to political parties was a mirage.⁵¹⁷ An NPP card bearing member posed the following question during an interview on funding of political parties: ‘How do I give my

meagre income to politicians who display so much of wealth?’⁵¹⁸ All the four national party treasurers indicated that the low amount of money they fixed as membership dues was in consideration of the economic situation of the ordinary members. Also, the payment of dues was irregular and insignificant.⁵¹⁹ One important reason why some Ghanaians did not want to help in financing political parties is based on the fact that some politicians displayed their material wealth during their election campaigns. A party member said:

The kind of vehicles some politicians use, the expensive way they organize programmes with display of affluence create the impression that politicians are rich and therefore they do not need any support from ordinary members.⁵²⁰

Citizens and members of political parties did not see why they should give their meagre resources to very rich politicians who displayed material comfort. A party delegate stated, ‘I do not give money to political parties but I take from them.’⁵²¹ The perception is that political parties had money because politicians such as MPs, Ministers of State and presidential candidates were rich actors who did not need external financial support.

The lifestyle of politicians can sometimes serve as a deterrent to ordinary party members from committing their funds to political party activities. One MP said in an interview that ‘... if you do not have money to distribute and display, don’t come near electoral politics in Ghana.’⁵²² As Arthur Kennedy (2009) pointed out, the NPP had very expensive parliamentary primaries such that parliamentary candidates did not have enough money for the general elections. He noted that many Ghanaians regarded the NPP presidential primaries as a display of opulence.⁵²³

Participating in party programmes and standing for an election are both ways of involving members in democratic politics. The participation fee charged can affect the level of participation of the people in any party programme and the preparedness of ordinary members to pay the fees. For instance, the NDC charged GH¢500.00 gate fee for fundraising activities organized to generate income to build an office complex in March 2009. Comparing the gate fees of GH¢500.00 with the monthly dues of 20 pesewas which came in irregularly, it stands to reason that only wealthy members could afford this amount of money as gate fee. According to a card-bearing member who was a senior public servant, he could not attend the fundraising programme because the gate fee was about 40% of his monthly salary.⁵²⁴ Two other card bearing members shared a similar sentiment. They said they did not dream of attending the function because of the high gate fee.⁵²⁵ In 2007, the NPP also charged a \$3,000.00 gate fee for a dinner dance, but only a few businessmen attended.⁵²⁶ If the gate fees were made affordable, such occasions could have offered an opportunity for the rank and file of the parties to interact with their party executives to share ideas that would encourage members to have a sense of belongingness and commitment to the parties. At such functions, party executives often lost the opportunity to get in touch with the ordinary members; instead, only the rich who can afford the high gate fees attend the functions. The rich who can afford high fees had their views regularly heard by the political office holders. In this way, the rich had more influence and this subverted popular participation without the slightest sign of illegality.

High financial demands made by political parties from political contestants might help explain why ordinary members did not make financial contributions to parties. A lecturer

and registered member of the NPP said he was willing to serve his constituency as an MP but he could not afford the registration fees of GH¢16,000.00, which was eight times more than his monthly salary.⁵²⁷ Also, a contestant for an MP position complained that there was too much influence of money in the conduct of primaries.⁵²⁸ According to him, he raised a loan to pay the GH¢16,000.00 filing fees to contest the MP position. His total expenditure at the end of the primaries which he lost was GH¢45,000.00. To him, it was difficult to repay this debt from his monthly salary of less than GH¢2,000.00. He admitted that it was impossible to avoid influencing the delegates with money while other contestants engaged in the practice. According to him, the decision by the NPP to increase the filing fees from GH¢120.00 in 2008 to GH¢16,000.00 in 2012 as well as the increase in the number of delegates prevented some ordinary party members without money from vying for the position of MP. Another contestant, an NDC card-bearing member said he could also have contested for the MP slot, but the lack of money to pay filing fees deprived him of the opportunity.⁵²⁹ He felt he was more capable in terms of education and ability to mobilize the people but he had to allow the opportunity to go to those who could afford to pay the filing fees.⁵³⁰

These findings are consistent with Ninsin's⁵³¹ assertion that poverty among the majority of Ghanaians has impaired their capacity to exercise the will to act in political affairs. Thus, economic insecurity, which poverty engenders among people, produces a sense of despair over their political, social and economic environment, and makes them feel vulnerable in the face of the powerful political forces. It is, therefore, logical to assert that Ghana faces a new challenge: democracy without effective citizen participation for large sections of the

political community. It is largely the wealthy members of society who are capable of exercising their political rights.

5.4 LACK OF TRANSPARENCY AND ACCOUNTABILITY

Another challenge that is likely to affect ordinary party members’ willingness to donate to political party is the issue of lack of transparency and accountability in the use of party funds. The study sought to ascertain the level of agreement on the issue of transparency and accountability in party organization. Survey results obtained indicated that the problem of the lack of transparency runs through all political parties in their administration. First of all, about 83.7% of the respondents indicated that there were problems with transparency and accountability in their various parties and this had affected their ability to mobilise funds. The parties that seemed to be suffering more from this challenge were the CPP, PNC and NDC. About 96.1% of CPP, 93.1% of PNC and 87.7% of NDC members surveyed attested to this fact. It is also an issue of concern in the NPP, as indicated by almost three quarters (74%) of their members surveyed (see Table 5.4).

Table 5.4: Lack of Transparency and Accountability

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NPP	2.5%	13.5%	9.5%	35.8%	38.2%
NDC	2.0%	5.0%	5.0%	33.2%	54.5%
CPP	0.0%	1.0%	2.9%	42.2%	53.9%
PNC	1.0%	1.0%	4.8%	32.7%	60.6%
Total	1.9%	7.6%	6.6%	35.1%	48.6%

Source: Survey Data, 2014

One card-bearing member complained that political parties did not give them information on the financial status of the party as they did for election results, yet they always appealed for funds.⁵³² Another party member pointed out that they saw politicians and party officials

spend money, but they did not know how much of the money was coming from the party coffers or from the politician's own pocket.⁵³³

When the General Secretary of the NPP, Mr. Kwabena Agyapong, was accused of having taken decisions and sacked party executives without involving the rest of the executives in the party, he strongly refuted the accusations and openly declared at a press conference that the newly-elected executives came to meet corrupt practices among the old executives.⁵³⁴

Among other things, he indicated that the party had opened seven different accounts and that the old executive failed to properly explain how the accounts were managed. Therefore, the new executive's efforts to instil discipline in the management of the funds of the party should not be misconstrued.⁵³⁵ Similarly, as already pointed out the national treasurer of the PNC disclosed that he served a four-year term of office as national treasurer of the party without seeing any financial statement nor the accounts of the party. It was during his second term of office, that he became one of the signatories to the party accounts because the chairman had a personal problem with the accounts officer.⁵³⁶

The chapter also found that many executives of the political parties were uncomfortable with the lack of transparency in the financial transactions of their parties. An NDC MP said, 'There is little transparency or accountability in the management of party funds.'⁵³⁷ Another NDC MP also said that '...many faithful party members have problems with accountability and openness in the party.'⁵³⁸ In the camp of the NPP, an MP said that ordinary party members did not want to donate to party activities because of the lack of transparency in financial operations.⁵³⁹ Other MPs complained that the fundraising

activities were handled by a small group of individuals with poor procedures for recording financial transactions.⁵⁴⁰ This can undermine the very purpose of the disclosure rule which aims at ensuring transparency in financial transactions of political parties.

5.5 ORGANIZATIONAL CAPACITY OF POLITICAL PARTIES

Another issue which makes it difficult for political parties to mobilise funds from the ordinary members is their weak organisational capacity. A party's organizational capacity shapes mass participation in politics in various ways. A successful mass mobilization of funds is inconceivable without an effective party organization. The financial strength of a party depends on its organizational capacity.

The organisational capacity of the various parties seems to be a major problem at every level of their administration. Most of the executives at every level, both at the higher level (e.g. MPs 84.3%), National Executives (88.9%), Regional Executives (92.7%)) and those at the grassroots level (e.g. Constituency Executives 83.3%, Polling Station Executives 80%) attested to this fact (see Table 5.5).

Table 5. 5: Organizational Capacity by Positions

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Member of Parliament	2.9%	8.8%	3.9%	16.7%	67.6%
National Executive	0.0%	0.0%	11.1%	66.7%	22.2%
Regional Executive	0.0%	0.0%	7.4%	51.5%	41.2%
Constituency Executive	1.6%	6.0%	7.9%	48.8%	34.5%
Polling Station	2.3%	6.9%	8.8%	38.9%	43.1%
TESCON/TEIN	4.2%	2.8%	7.0%	57.7%	28.2%
Any other	0.0%	0.0%	10.0%	50.0%	40.0%
Ordinary	1.8%	3.6%	8.5%	34.5%	50.9%
Total	2.0%	5.4%	7.8%	42.0%	42.3%

Source: Survey Data, 2014

Many parties, however, did not have effective organizational structures beyond the national and regional levels to mobilize funds from members. Indeed, 47 suggestions from the 1,006 respondents were directed towards the need to build a strong capacity of party executives (see Table 5.5).

A Member of Parliament said:

Political party structures exist in my constituency but they cannot be found on the ground. The party at the constituency level does not have proper records on members and payment of their dues. Meetings are held when something is needed to be done for the MP or for the party head office. Funds are raised from a few wealthy people as and when the need arises to undertake a certain course of action for the party. Planning is out of the question. But when it comes to elections, the party executives are good at whipping up the interest of the electorates to vote.⁵⁴¹

Looking at the past three presidential general election results (Table 5.6 below), large political parties such as the NDC and NPP should be able to generate considerable amounts of money from their large number of members and sympathizers who voted for them.

Table 5.6 Presidential Election Results 2004 - 2012

No.	Party	Votes cast					
		2004	%	2008	%	2012	%
1.	NPP	4,524,074	52.45	4,159,439	49.13	5,248,898	47.74
2.	NDC	3,850,368	44.64	4,056,634	47.92	5,574,761	50.70
3.	CPP	85,968	1.00	113,494	1.34	20,323	0.18
4.	PNC	165,375	1.92	73,494	0.87	24,617	0.22

Source: Compiled by the author from Electoral Commission, July, 2014.⁵⁴²

A Reverend Minister, however, pointed out that ‘...poor citizens donate money in their churches because the churches have a message for them. It should not be difficult for political parties to mobilize funds from the poor members if they have a clear message for them.’⁵⁴³ Many will agree that if parties have an attractive message for the over four million voters who will be prepared to contribute an average of one cedi each every year, the NDC and NPP are likely generate over four million Ghana cedis a year. The total amount spent by the NPP in 2005 and 2006 were GH¢4,719,563.00 and GH¢5,371,227.00 respectively while that of the NDC for the same period were GH¢1,997,303.00 and GH¢2,657,731.00 respectively.⁵⁴⁴ All things being equal, the NDC should have had surplus funds, while the NPP would need a little extra donation to break even.

To generate some funding for political parties, the editor of *Daily Dispatch* newspaper suggested that mobile phone companies could collect monies for political parties through SMS texting using a code number to avoid a lot of paper work. Contributing money in such a way will also ensure that the contributor does not feel the pinch of payment. It comes like an indirect tax payment.⁵⁴⁵ As many as 95 responses were captured from survey respondents on the idea of innovative payment methods and mobile phone texting (see

Table 4.4). As many as 95 responses captured this idea. In 2008, when President Barack Obama of the United States of America only placed an appeal on the internet for financial support of one dollar donation from individuals, he had more than enough for his campaign activities.⁵⁴⁶ The situation in Ghana is different, but the paucity of funds, particularly from the grassroots members, should be blamed on the weak organizational capacity of the political parties.

One can, therefore, infer that lack of organizational capacity and a clear message for party members affected the extent to which ordinary members contributed resources for party organization. The apathy to contribute to political party funds on the part of the ordinary members and sympathizers should, therefore, be blamed on the political parties themselves.

5.6 RELIGIOUS AND CULTURAL BELIEFS

Some Christian leaders and pastors shunned partisan politics and also preached to their followers to also avoid partisan politics. An Elder of the Jehovah's Witnesses disclosed that his church doctrines did not permit them to vote in general elections or participate in political activities at all.⁵⁴⁷ According to the MP for Prestea-Huni Valley, he advised his sister who was well educated to join and stand for an executive position in his political party. She ignored the advice on grounds that politics was a dirty game, full of insults and acrimony.⁵⁴⁸ A woman MP stressed that women who made some strides in politics had bitter experiences to share with the up-coming ones.⁵⁴⁹ She argued that women were found to be trustworthy in Ghanaian society that is why they were normally given the treasurer position in political parties. In spite of their trustworthiness, some men would not like to

vote for female candidates. The MP further indicated that the fear of accusation of sexual impropriety and incidences of sexual harassment constrained women from investing in party politics and standing to be elected for political party offices.⁵⁵⁰

This point is reinforced by the belief that men in some parts of the country, notably Northern Ghana, did not want their wives to get near anything that had to do with politics.⁵⁵¹ The interviewee stressed that so many men refused to allow their wives to attend advocacy workshops designed to encourage women to contest non-partisan District Assembly elections. She maintained that there was a strong perception that women in politics were considered witches, disrespectful and prostitutes. Such people with a deep dislike for politics were unlikely to donate to political activities. The MP for Talensi Constituency was of the view that political parties did not encourage women to stand for positions such as the presidential and parliamentary positions. He intimated that women were good but if they stood for these positions in the party the party was likely to lose floating voters in general elections.⁵⁵² An interview with one NDC lady disclosed that she left the NPP, joined and financially supported the NDC in 2008. She said she was motivated to join the NDC because of the 40 percent women leadership quota the party provided. This finding reinforces that of Allan-Mensah⁵⁵³ who argues that if the issue of women representation in politics is to gain any significant attention, then political parties have a critical role to play. She asserts that political parties should partly be blamed for the imbalance intra-party gender representation.

5.7 CONCLUSION

This chapter has examined the effect of contextual variables on financing political parties in Ghana. It found out that the mobilization of money from members of political parties in Ghana is weak largely because of political patronage, lack of transparency and accountability, lack of effective organizational capacity, and the poor economic situation of most party members.

The chapter also found out that the inability of ordinary members to contribute to party funds has weakened their power to influence democratic politics within political parties. This has contributed to weak party attachment, commitment, political participation, equality, transparency and accountability. Lack of financial support from the rank and file of political parties has serious implications for democratic politics. It drives political parties to depend on a few wealthy people who are likely to exert considerable influence over the internal activities, the decision-making, and the organization of the political party for their private interests. Of greater concern are the dependency, collusion and political corruption that have emerged, and are perceived to involve those who donate money and those who spend it. These have eroded the confidence of the citizens in their political parties and threatened the stability of the political system.

At the heart of any political party organization are its members. Membership is important to mobilize financial resources to support the activities of parties and to provide candidates for various positions. In the Ghanaian context, however, the dependence of most of the political parties on a few financiers seems to have broken the link between ordinary

members and the leadership of the parties, and at the same time made them to lose touch with the majority of members.



CHAPTER SIX

THE IMPACT OF PARTY FUNDING ON INTERNAL PARTY DEMOCRACY

6.0 INTRODUCTION

This chapter sets out to discuss how the financing of political parties has impacted on the internal democratic politics of the NDC, NPP, CPP and PNC. . The analyses in this chapter are based on secondary data, mass survey data and interviews with Members of Parliament (MPs), party executives and ordinary card-holding members of the four political parties represented in Parliament since the Fourth Republic. The chapter argues that there is a link between party financing and internal democracy and that the dependence of political parties on some wealthy members for funding affects their internal democracy.

6.1. DESCRIPTIVE ANALYSIS OF DEPENDENCE ON PARTY FINANCIAL CONTRIBUTORS

The Political Parties Act, Act 574 states two sources of funding for political parties. These are membership dues and donations. Membership dues are the periodic contributions of fixed amounts of money to the party by card-holding members. The Political Party Act, Act 574 does not define a donation. However, it is widely understood as the contribution to a political party outside membership dues.⁵⁵⁴ The nature of the various sources of contributions, namely, membership dues and donations have been discussed in Chapter Four. For the purpose of the discussion in this chapter, ‘wealthy members’ of political parties refers to those who are able to pay huge sums of money in order to contest leadership positions at national, regional and constituency levels within the party, and rich

individuals who donate large sums of money to the political party. ‘Ordinary members’ of political parties refers to all those members who are only able to pay the minimum membership dues. All the four political parties have these categories of party members.

Political parties are independent political institutions and they are basically supposed to generate income to perform their democratic functions. However, the way political parties mobilize funds for their activities is recognized as an essential determinant of a functioning democracy.⁵⁵⁵ It is, therefore, important to ascertain the degree of financial dependence of political parties and examine the relationship that exists between the financing of political parties and their capacity to achieve internal democracy in Ghana. To do this, the survey respondents of 1006 card-holding members of the four political parties under study were asked to indicate their level of agreement with the statement ‘The party is more dependent on the financial contributions of wealthy members.

The dependence on wealthy members was common to all political parties. As shown in Table 6.1, below, 89.3% of survey respondents indicated that their various parties were dependent on wealthy individuals. Also in all parties, more than three quarters of the respondents (NPP – 89.5%; NDC – 88.8%; CPP – 88.3%; PNC 93.2%) attested to the fact that their parties were more dependent on the wealthy members than on ordinary members.

Table 6.1 Party is more dependent on the financial contributions of wealthy members

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPP	59.50%	30%	5%	4.80%	0.70%
NDC	54%	34.80%	6.80%	4.20%	0.20%
CPP	61.80%	26.50%	5.90%	2.90%	2.90%
PNC	61.50%	31.70%	3.80%	2.90%	0%
Totals	57.80%	31.50%	5.70%	4.20%	0.70%

Source: Survey Data, 2014

A further analysis of dependency on wealthy members by focussing on the membership status revealed similar results (see Table 6.2). More than three quarters of the members of the executive at the various levels within the parties were of the view that their parties were more dependent on the wealthy members. Among the members of the National Executives of the parties, while no one among them disagreed with the fact that their parties were dependent on wealthy members, as much as a third of the members of the National Executives decided to remain neutral, with the remaining two-thirds agreeing with the statement.

Table 6.2 Party is more dependent on the financial contributions of wealthy members

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Member of Parliament	35.4%	43.1%	8.8%	12.7%	0%
National Executive	33.3%	33.3%	33.3%	0%	0%
Regional Executive	60.3%	29.4%	4.4%	4.4%	14.3%
Constituency Executive	60.8%	30.4%	4.1%	3.8%	42.9%
Polling Station EX	57.4%	34.7%	4.6%	2.8%	14.3%
TESCON/TEIN	56.3%	35.2%	4.2%	2.8%	14.3%
Other Executives	60%	30%	0%	10%	0%
Ordinary Members	66.1%	23%	8.5%	1.8%	14.3%
TOTAL	57.8%	31.7%	5.7%	4.2%	0.7%

Source: Survey Data, 2014

With respect to the issue of dependence of the various parties on the financial contribution of ordinary members, the results showed that the parties did not depend much on the financial contributions of ordinary members. As indicated in Table 6.3 less than a third (31.2%) of the total respondents said that their respective parties were financially more dependent on ordinary members.

Table 6.3 Party is more dependent on the financial contributions of ordinary members

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPP	9%	25.50%	13.80%	34%	17.80%
NDC	9.20%	21%	16.80%	25.50%	25.50%
CPP	13.70%	18.60%	16.70%	25.50%	25.50%
PNC	4.80%	16.30%	11.50%	32.70%	34.60%
Totals	9.10%	22.10%	15%	35.40%	18.40%

Source: Survey Data, 2014

Viewed from the membership status perspective, about a third of all respondents who held one position or the other indicated that their parties were not dependent on the financial contribution of ordinary members. The position of MPs is quite interesting. Most (63.7%) MPs were of the view that the parties were more dependent on the financial contribution of ordinary members. In contrast, the majority (78.2%) of ordinary members disagreed that their parties were more dependent on the financial contribution of ordinary member. It was only a minority (9.7%) of ordinary members that supported the assertion that their parties were financially dependent on the ordinary members (see Table 6.4).

Table 6.4 Party is more dependent on the financial contributions of ordinary members

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Member of Parliament	22.5%	41.2%	16.7%	12.7%	6.9%
National Executive	0%	33.3%	22.2%	33.3%	11.1%
Regional Executive	5.9%	27.9%	10.3%	36.8%	19.1%
Constituency Executive	9.6%	26%	12.3%	34.2%	17.8%
Polling Station Ex	12%	16.7%	18.1%	38.4%	14.8%
TESCON/TEIN	2.8%	12.7%	25.4%	40.8%	18.3%
Other Executives	0%	40%	30%	20%	10%
Other Members	1.2%	8.5%	12.1%	46.1%	32.1%
TOTAL	9.1%	22.1%	15%	35.4%	18.4%

Source: Survey Data, 2014

Interviews with the executive members of the four political parties supported the survey results. An interview with a CPP National Executive member revealed that the wealthy members of the party often bore the financial responsibilities of the party. He pointed out that as the party was thinking of how to get money to hold a press conference at the International Press Centre to celebrate the 65th birthday of the party, a wealthy member of the party's executives went to voluntarily pay the full cost of GH¢700 (seven hundred cedis). According to him, rich party members sometimes spent money on the party and gave money to delegates when it was getting close to congress for the election of officers. They used this approach to canvass for votes.⁵⁵⁶

A National Treasurer of the NDC in an interview said some rich party members willingly donated either cash or material things to the party and to individual candidates without being approached.⁵⁵⁷ Another member of the national executive of the NDC who served for eight years said what one wealthy man of the party offered would be more than what the party could realize from two million membership dues a year.⁵⁵⁸ An NDC MP indicated that the rich party members willingly approached him to give money for his campaign. Most of these people would not want their names to be disclosed at all. They really offered big sums of money and support.⁵⁵⁹ Some party members identified key financiers of the NDC. Many NDC MPs disclosed that if one needed more materials for campaigns, there were some financiers who could readily provide them.⁵⁶⁰

An NPP national executive member disclosed in an interview, that a wealthy member offered the party 51 million cedis in 1996. This is equivalent to GH¢5,100.00 today. The membership dues at the time was ten pesewas (GH¢0.10) per month.⁵⁶¹ Granted that 2,834,878 people voted for the NPP in 1996, it is logical to assert that this rich party member alone donated more than one year's membership dues to the party. In October 2014, the NPP wanted to postpone its presidential primaries to elect its flagbearer because of paucity of funds to organize the election. One of the contestants who did not want the election to be postponed single-handedly offered the party six hundred thousand cedis (GH¢600,000.00) so that the party could proceed with the organization of the primaries. This donation benefited all the 275 constituency offices and the 10 regional offices. The person who donated the money won a landslide victory of 94/5% of the votes ahead of the other four candidates who also contested. Even though his victory could also be attributed to his popularity, his donation also provided the necessary fillip.⁵⁶² The situation of financial dependence of political parties on wealthy members is not different in the PNC. The patrons of the party were levied between GH¢5.00 to GH¢100.00 every month for the running of the party.⁵⁶³ It is evident from our discussion so far that political parties in Ghana are dependent on the financial contributions of their wealthy members.

6.2 THE INFLUENCE OF WEALTHY MEMBERS OF POLITICAL PARTIES

The hypothesis of the study is that 'wealthy people who provided money for the party tended to influence the outcome of elections within the party.' The study, therefore, sought to ascertain whether the wealthy individuals influence the outcome of party elections. As shown in Table 6.5, the majority of respondents (81.3%) indicated that the wealthy

financiers of their respective parties influenced the outcome of elections within the party. This was a concern to respondents from all the political parties. More than three quarters (NPP -80.8%; NDC – 78.8%; CPP – 91.1%; PNC – 82.7%) of the respondents from each of the parties attested to this development.

Table 6. 5: Wealthy People Influence Elections by Party of Respondents

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPP	38%	42.8%	8.8%	6.5%	4%
NDC	35.3%	43%	9.2%	6.8%	5.2%
CPP	52.9%	38.2%	2.9%	3.9%	2%
PNC	63.5%	19.2%	9.6%	5.8%	1.9%
Totals	41.3%	40%	8.4%	6.3%	4.1%

Source: Survey Data, 2014

The findings were further analysed based on the position of members within the party. The analysis revealed that although most of the party executive members at different levels were of the view that wealthy financiers of their parties influenced the outcomes of party elections, the MPs thought otherwise. The MPs were divided on this issue (45.1% disagreed; 13.7% were neutral; and 41.2% agreed). For the remaining executives and the ordinary members of the respondents, more than three-quarters indicated that wealthy financiers of their respective parties influenced the outcome of party elections (see Table 6.6).

Table 6.6 Wealthy People Influence Elections by Position of Respondents

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Member of Parliament	15.7%	25.5%	13.7%	19.6%	25.5%
National Executive	33.3%	55.6%	11.1%	0%	0%
Regional Executive	52.9%	29.4%	7.4%	7.4%	2.9%
Constituency Executive	40%	46.6%	8.2%	3.8%	1.4%
Polling Station Ex	41.7%	42.1%	9.3%	4.6%	2.3%
TESCON/TEIN	32.4%	46.5%	8.5%	11.3%	1.4%
Other Executives	50%	40%	0%	10%	0%
Other Members	58.2%	32.1%	5.5%	3%	1.2%
TOTAL	41.3%	40%	8.4%	6.3%	4.1%

Source: Survey Data, 2014

6. 3 INTERNAL RULES OF PARTY MEMBERSHIP AND ELECTION

All the four political parties had internal rules that governed their membership and elections. The basic membership qualification of all the four political parties is the payment of monthly membership dues. According to their constitutions, a person ceases to be a member of the party if he or she fails to pay membership dues for a period of more than one (1) year.⁵⁶⁴ The rules regarding the rights of party members to stand for election for any party position do not discriminate against ordinary and wealthy members. They all have equal rights to stand for election for any party position provided they are of good standing; that is, where he or she has paid in full and up to date all dues or levies he or she is liable to pay as a member, and has discharged all his or her duties as a member⁵⁶⁵

The study found out that more than half of the executives members at all levels do not regularly pay their membership dues.⁵⁶⁶ Only members who wanted to contest for

executive positions in the party are able to pay their membership dues. Although, the dues are not paid on a monthly basis, or regularly as enjoined by their constitutions, they make sure that all dues are fully paid up to make them eligible to contest for a position in the party. Some members could owe more than two years' membership dues but so long as all arrears are fully paid up, the person would not be disqualified.⁵⁶⁷

In respect of who determines the membership dues and filing fee for various political parties, Article 10 of the PNC constitution indicates that the membership dues and fees shall be as may be determined from time to time by the National Executive Committee⁵⁶⁸ while Article 11 of the constitution of the CPP states that the admission fee and membership dues shall be as determined from time to time by the Central Committee of the party.⁵⁶⁹ Similarly, Article 9 of the constitution of the NPP mandates the National Finance Committee to determine various fees which shall be approved by the National Executive Committee.⁵⁷⁰ Article 8 of the constitution of the NDC also indicates that a subscription fee and annual dues, shall be determined from time to time by the National Congress.⁵⁷¹ The review of the constitutions of the four political parties shows that the membership of all these committees and national congress are executives at the constituency, regional and national levels. The ordinary member does not feature in any of these committees. It is clear that they are not part of the determination of membership dues and filing fees. The nature of the fixing of fees is further is discussed below.

The payments of dues and filing fees are some of the main conditions for contesting an election in the four political parties in Ghana. The study sought to find out whether the fixing of fees had any impact on the internal democracy of parties in Ghana. Respondents were asked to agree or disagree with the statement: ‘the wealthy members of parties fixed high election filing fees to influence the electoral process.’ Some respondents indicated that one method the wealthy individual financiers used to influence party election outcomes is the fixing of high filing fees. The fixing of high filing fees was a concern to more than one-third (NPP – 46%; NDC – 42.5%; CPP – 51%; PNC – 48%) of the respondents (see Table 6.7).

Table 6.7 The Wealthy Members Fixed High Filing Fees

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPP	13%	33%	25.5%	18.2%	10.2%
NDC	14%	28.5%	20.8%	17.8%	19%
CPP	23.5%	27.5%	28.4%	16.7%	3.9%
PNC	28.8%	19.2%	27.9%	15.4%	8.7%
Totals	16.1%	29.2%	24.2%	17.6%	12.9%

Source: Survey Data, 2014

A further analysis of the data showed that this issue was of concern mostly to MPs and national executives of the various parties. As much as 67.6% of MPs and 66.6% of the members of the regional executives indicated that wealthy members who occupied executive positions fixed high filing fees to deter ordinary members from contesting leadership positions in their parties. Forty percent of the ordinary members surveyed also saw high fees as an impediment (see Table 6.8).

Table 6. 8: The Wealthy Members fixed High Filing Fees by Positions

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Member of Parliament	2.9%	64.7%	14.7%	15.7%	2%
National Executive	44.4%	22.2%	22.2%	11.1%	0%
Regional Executive	23.5%	16.2%	13.2%	33.8%	13.2%
Constituency Executive	17.3%	28.5%	23%	17.3%	14%
Polling Station Ex	13.9%	29.6%	18.1%	16.2%	22.2%
TESCON/TEIN	12.7%	22.5%	28.2%	21.1%	15.5%
Other Executives	20%	0%	70%	10%	0%
Other Members	21.2%	18.8%	40.6%	13.9%	5.5%
TOTAL	16.1%	29.2%	24.2%	17.6%	12.9%

Source: Survey Data, 2014

An interview with a card holding member of the NPP indicated that he was approached by some concern party members to contest for the position of MP in his constituency, but he could not afford the filing fee.⁵⁷² It is worth pointing out that one NPP MP contestant complained that not only the filing fee was too high for average party member, but also there were too much of financial demands in the conduct of the party's primaries.⁵⁷³ Similarly, interview with an NDC card-bearing member revealed that the member felt he was more capable in terms of education and ability to mobilize the people, but he could not raise the money to pay the high filing fee. He was therefore deprived the opportunity to serve as an MP.⁵⁷⁴ In an interview with NNP MP, it was disclosed that six party members including him initially expressed the interest to contest for the 2012 MP position in one of the rural areas in the Northern part of the country. Four of the people had to withdraw from the race because they could not raise the money after they collected the registration forms. Interestingly, the fifth person who was his relative approached him to borrow money to register. He promised him because he was a relative but he delayed to give him the money until the time for the registration elapsed. He stood for the election alone and won.⁵⁷⁵ The

high filing fees charged by political parties to contest for a position might help explain why the wealthy members dominate executive party positions.

The minimum wage in Ghana from 2008 to 2014 is depicted in Table 6.9, while the filing fees charged by various political parties in 2008 and 2012 are depicted in Table 6.10. Obviously, some party members earned the daily minimum wage of two cedis, twenty five pesewas (GH¢ 2.25); but then, in 2012, the CPP, the NDC, the PNC, and the NPP charged presidential filing fees of GH¢20,000; GH¢20,000; GH¢22,000 and GH¢25,000 respectively. Consequently, it is difficult to determine how many citizens in this category of income could afford the filing fees for the presidential candidate slots? The same question applies to fees charged to access all the positions in the parties, and by extension, the payment of gate fees charged for party programme. It is evident that low income earners can only sing political party songs at rallies. The requirements to contest political party positions have technically denied this group of people the opportunity.

Table 6.9: The minimum daily wage in Ghana 2008-2014

2008	2009	2010	2011	2012	2013	2014
GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
2.25	2.65	3.11	3.73	4.48	5.42	6.01

Source: Ministry of Finance, 2014

Table 6.10: Filing Charged by Political Parties in 2008 and 2012

Sources of Income	CPP		PNC		NPP		NDC	
	GH¢0.00		GH¢0.00		GH¢0.00		GH¢0.00	
	2008	2012	2008	2012	2008	2012	2008	2012
Presidential	1,000	20,000	500	22,000	2,500	25,000	1,000	20,000
Parliamentary	200	1,500	NA	500	120	16,000	100	5,000
Chairman	500	10,000	100	2,000	20	5,000	100	1,000
General Secretary	300	7,500	100	1000.	20	3,000	50	1,000

Source: Compiled by the author from Interviews with Party Officials, November 2014

It is evident from the discussion that the wealthy members of the parties fixed high fees to deprive ordinary members of the capability of contesting for party position. This finding supports rational choice institutional theorists' propositions that political actors are self-interested in their actions, and they create political institutions that enhance their self-interests.⁵⁷⁶

6.4 PAYMENT OF MEMBERSHIP DUES FOR DELEGATES

Wealthy individuals influenced the outcome of party elections through the payment of membership dues for potential delegates and aspirants. The respondents to the survey were consequently asked to indicate their agreement with the statement that 'wealthy members paid membership dues for potential delegates and aspirants.' This was confirmed by 65.9% of the total respondents. Responses show that this practice was common in the four political parties. Indeed, more than half of party members (CPP, 73.6%; NDC, 68%; NPP, 64.3%; PNC, 56.8%) mentioned the practice as an important tool used by wealthy members to influence their election outcomes (see Table 6.11).

Table 6.11: The Wealthy members pay dues for potential delegates by Parties

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPP	27.5%	36.8%	16%	14.5%	5.2%
NDC	26.8%	41.2%	17.5%	9.8%	4.8%
CPP	31.4%	42.2%	21.6%	3.9%	1%
PNC	23.1%	33.7%	27.9%	10.6%	4.8%
Totals	27.1%	38.8%	18.4%	11.1%	4.6%

Source: Survey Data, 2014

Most of the party executives interviewed indicated as common knowledge the payment of membership dues for potential delegates. Constituency executives (70.7%) and Polling

Station Executives (66.4%) who were close to the grassroots were aware of this practice. Most Ordinary members (67.9%) also had knowledge of the practice. As much as 34.3% of MPs neutral, 29.4% disagreed while 36.3% agreed (see Table 6.12).

Table 6.12: The Wealthy Members Pay Dues for Potential Delegates by Positions

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Member of Parliament	8.8%	27.5%	34.3%	23.5%	5.9%
National Executive	33.3%	22.25	22.2%	22.2%	0%
Regional Executive	29.4%	42.6%	16.2%	7.4%	4.4%
Constituency Executive	28.2%	42.55%	14.2%	10.7%	4.4%
Polling Station Ex	26.4%	40.3%	18.5%	10.7%	5.1%
TESCON/TEIN	23.9%	47.9%	7%	14.1%	7%
Other Executive	30%	40%	10%	10%	10%
Other Members	37%	30.9%	23.6%	6.1%	2.4%
TOTAL	27.1%	38.8%	18.4%	11.1%	4.6%

Source: Survey Data, 2014



6.5 IMPOSITION OF CANDIDATES ON THE PARTY

The study showed that some individuals who contributed substantial amounts of money to finance party activities also wielded substantial influence on the electoral process. Aside payment of membership dues for potential delegates and aspirants, and fixing of high election filing fees, the wealthy imposed candidates on the party. As indicated in Table 6.13, the majority (70%) of respondents confirmed this in our survey. The imposition of candidates was also known by the majority of respondents (NPP – 65.7%; NDC – 66.0%; CPP – 85.3%; and PNC – 86.5%).

Table 6. 13: The imposition of Candidates on the Party by Party

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPP	28.7	37	12.2	14.5	7.5
NDC	36.5	29.5	10.2	13.8	10
CPP	58.8	26.5	4.9	5.9	3.9
PNC	66.3	20.2	4.8	4.8	3.8
Totals	38.8	31.2	9.9	12.3	7.8

Source: Survey Data, 2014.

The most concerned were the ordinary members of the parties. As much as 86.6% of the ordinary members surveyed expressed the view of imposition of candidates on their political parties.

Apart from a little more than a third (37.2) of the MPs that saw imposition of candidates as an issue to be concerned about, more than two thirds of most of the executives (National Executives 77.8%; Constituency Executives 7102%; Polling Station Executives 72.7%; Tertiary Education Institution Network (TEIN-NDC) Tertiary Students Confederation (TESCON-NPP) Executives 67.6%; and Other Executives 80%) indicated that the imposition of candidates was an issue in the parties (see Table 6.14).

Table 6.14: The Imposition of Candidates on the Party by Positions

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Member of Parliament	17.6%	19.6%	13.7%	32.4%	16.7%
National Executive	22.2%	55.6%	22.2%	0%	0%
Regional Executive	32.4%	30.9%	11.8%	17.6%	7.4%
Constituency Executive	34.2%	37%	11.2%	11.5%	6%
Polling Station Ex	38.4%	34.3%	8.3%	8.3%	10.6%
TESCON/TEIN	46.5%	21.1%	9.9%	15.5%	7%
Other Executives	50%	30%	10%	0%	10%
Other Members	61.8%	24.8%	5.5%	4.8%	3%
TOTAL	38.8%	31.2%	9.9%	12.3%	7.8%

Source: Survey Data, 2014.

6.6 CONDONING VOTE BUYING

The responses indicate that the wealthy individuals or financiers of the various parties often influenced election outcomes through vote buying as indicated by 78.9% of the respondents.

The responses in Table 6.15 show that the offering of gifts and money to buy votes was common in all parties, as indicated by the majority of the respondents (NPP, 81.6%; NDC, 79.7% CPP, 76.4% and PNC, 68.3%)

Table 6.15: The wealthy Buy Votes with Cash and Gifts by Party

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPP	36.8%	44.8%	14.5%	3.2%	0.8%
NDC	16%	63.7%	13.5%	4%	2.8%
CPP	18.6%	57.8%	20.6%	2%	1%
PNC	21.2%	47.1%	25%	3.8%	2.9%
Totals	25%	53.9%	15.8%	3.5%	1.8%

Source: Survey Data, 2014

The MPs were the most concerned about the use of gifts in cash and kind to influence election outcomes in their parties. In all, about 93.2% of the MPs expressed this view. The issue was equally of much concern to other members of the executives of the various parties. For instance, 88.9% of the members of the National Executives, 86.7% of the Regional Executives interviewed and 81.1% of Constituency Executives surveyed were all concerned about the buying of votes in their respective parties (see Table 6.16). This shows that the buying of votes was wide-spread. This undermines the capacity to achieve internal democracy of the parties.

Table 6. 16: They buy votes with cash and gifts by positions

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Member of Parliament	6.9%	86.3%	5.9%	1%	0%
National Executive	22.2%	66.7%	11.1%	0%	0%
Regional Executive	38.2%	48.5%	8.8%	1.5%	2.9%
Constituency Executive	31%	50.1%	13.7%	4.1%	1.1%
Polling Station Ex	18.1%	59.3%	13.4%	5.1%	4.2%
TESCON/TEIN	21.1%	46.5%	25.4%	7%	0%
Other EX	20%	60%	20%	0%	0%
OM	29.1%	39.4%	28.5%	1.2%	1.8%
TOTAL	25%	53.9%	15.8%	3.5%	1.8%

Source: Survey Data, 2014

6.7 TEST OF HYPOTHESIS

The nature of funding of political parties and internal democracy were measured using a set of variables. There were nine sources of funding that were used to account for the financial contributions to political parties in Ghana. Similarly, the variables that described internal democracy were five. These variables were based on responses on a five point Likert scale representing the level of agreement with the statements making up the dimensions of political party funding and internal democracy. Reliability tests were

measured using the Cronbach alpha coefficient where a coefficient value of 0.7 or more was recommended as a true measure for internal consistency.⁵⁷⁷

Out of the nine variables representing sources of political party funding, the reliability tests retained seven of the variables. These variables were ordinary members; rich individuals of the party; founding members; local businessmen or women; Members of Parliament; State funds; and executive members of the party. Two sources of funding (contribution from overseas branches and foreign businesses) were not internally consistent with the rest of the sources, and were therefore not good measures of political party financing ($\alpha=0.69$). The five variables relating to internal democracy were all internally consistent ($\alpha=0.68$) and hence all the five items were used in the study (see Table 6.17). Having found internally consistent values for the two dimensions (that is, financial contributors and internal democracy), variables were averaged out to generate a single composite value for the two dimensions.

6.7.1 Results

Descriptive statistics of the two main items describing party financing and internal democracy are as given in Table 6.17. The descriptive statistics reveal that the items with the least mean scores were related to ordinary members and state or government funds as financial contributors. The highest mean scores were the rich individuals of the party, founding members, MPs and executive members of the party. These financial contributors were considered the wealthy by the operationalization of the study.

Table 6.17: Descriptive statistics of financial contributors and internal democracy measures

Variables	Mean	Std. Deviation
Financial Contributors		
Ordinary members	2.53	1.283
Rich individuals of the party	4.52	0.692
Founding members	4.17	0.808
Local businessmen/ businesswomen	4.02	0.913
Members of parliament	4.14	0.971
State/ Government funds	2.27	1.103
Executive members of the party	4.11	0.947
*Contributions from overseas branches	4.07	0.837
*Foreign businesses	3.31	1.122
Internal democracy measures		
They impose candidates on the party	3.81	1.282
They pay membership dues for potential delegates and aspirants	3.73	1.113
They provide economic and social incentives	3.86	0.843
They buy votes	3.97	0.842
They fix high filing fees	3.18	1.264

* Internally inconsistent items taken out

6.7.2 Regression analysis

Table 6.18 produces the results of the regression analysis using internal democracy as a dependent variable and party contributions in addition to other demographic variables as independent variables. The results produced a well fitted model which explained over 63% of the total variation ($R^2 = 0.634$, $p > 0.01$). Significant associations were found to be between financial contributions and the internal democratic variable. Other significant indicators were related to political party affiliation, level of education and, lastly, average monthly income.

Standardised coefficients are given to ascertain the predictive power each of the independent variables. The variables with a higher absolute value of the standardised

coefficient refer to the variable with the highest predictive power of the dependent variables. The results of the regression analysis showed that the independent variable on party financing has the highest absolute standardised coefficient (0.787) and hence it is the best predictor for internal democracy among the identified variables.

Table 6.18: Results of regression analysis

Variables	Unstandardized coefficients	Standardised coefficients	p value
(Constant)	0.373		0.001
Party Financing	1.081	0.787	0
Age	-0.013	-0.024	0.242
Gender	5.69E-05	0	0.998
Political party affiliation	-0.042	-0.073	0
Average monthly income	-0.023	-0.052	0.015
Level of education	-0.02	-0.056	0.005

Dependent variable: Internal democracy

6.7.3 Influential financial contributors

In assessing the influential financial contributors, respondents were made to respond to three major statements. The variables were based on two premises: the fact that the political party was more dependent on the contributors of wealthy members and, secondly, the party was more dependent on the contributions of ordinary members. The third part measured whether the rich individuals within the party had influence over the outcome of the elections within the party. The values are indicated in Table 6.19. It shows that more of the respondents were of the view that the party is more dependent on the contributions of the wealthy members than the contributions of the ordinary members. In addition, most of the respondents were in agreement with the view that the wealthy members within the party had tended to influence the outcome of elections within the party.

The one sample chi square test was employed to test for the significance of the difference of these proportions. The test was conducted with the null hypothesis of equal proportion among each level of response. The test yielded substantial difference and therefore led to a rejection of the null hypothesis ($p < 0.01$). That is to say that the test proved that a larger proportion of individuals were in agreement with the fact that the party was more dependent on the financial contributions of wealthy members than on the contributions of ordinary members.

Table 6.19: Respondents perception on influential party contributors

Variables	% disagree	% undecided	% agree	p value
The party is dependent on financial contribution of wealthy members.	5	5.7	89.5	0.00
The party is dependent on financial contribution of ordinary members.	54	15.0	31.2	0.00
Wealthy people who provide money for the party tend to influence the outcome of elections within the party	81.2	8.4	10.3	0.00

Source: Survey Data, 2014

The descriptive statistics show that there is a significant relationship between financial resources and internal democracy of political parties. Furthermore, most of the respondents were in agreement with the view that the wealthy members within the party have influenced the outcome of elections within the party. Interviews with party officials and Members of Parliament (MPs) corroborated the findings from the card-bearing members about the influence of party funding on the internal democracy of a party. How the wealthy members who are the major financial contributors have influenced their internal democracy is discussed below.

6.8 PARTY FUNDING AND INTERNAL PARTY DEMOCRACY

Political parties form the bedrock of the present representative democracy in Ghana. They mobilize voters to participate in elections, form the government at the national level, recruit leaders for our democratic institutions and fulfil a critical role in making and implementing public policy.⁵⁷⁸ Michels argues that since political parties are concerned with national and local politics, they must necessarily exhibit a stronger tendency towards democracy than that which is manifested by the state.⁵⁷⁹ This study, therefore, emphasizes a strong internal party democracy as the pillar of national democratic politics. If political parties in Ghana lack internal democracy, it will be impossible for them to promote a democratic state.

Article 55(5) of the 1992 Constitution and the Political Parties Act, Act 574 emphasize that ‘the internal organization of a political party shall conform to democratic principles.’ The specific nature of the democratic principles is not specified. However, Article 55(7) of the Constitution of Ghana requires that a party member should not be discriminated against on grounds of gender, race, colour, ethnic origin, religion, wealth, economic or social status. For the purpose of this study, the internal democracy of a political party is, therefore, defined as the situation where all members of a political party are offered equal opportunity irrespective of wealth, status and power to contest elections as a parliamentary candidate, a presidential candidate, a party leader or a candidate for any other party positions.

It could be argued that the 1992 Constitution prioritises the selection of parliamentary and presidential candidates by political parties through popular elections, that it prioritises

elections over other processes such as popular acclamation or appointment by party leaders. The election process is one supreme event in which citizens speak for themselves. It enables citizens to affirm themselves as the source of the ruling power of candidates. Much, therefore, depends on the ways in which elections are conducted. As Diamond argues, if the process of election fails, democracy also fails.⁵⁸⁰ The literature on emerging democracies generally regards elections as the ultimate measure of the democratic credentials of a country. It follows that internal democracy can be measured by the election of party officials.

The focus of this study is on how the dependence of the parties on the wealthy members for funding affects their internal democracy. The discussion on how the dependence of the parties on the wealthy members for funding affects their internal democratic processes is organized as follows:

- Election of Party Officials;
- Election of Presidential Candidates; and
- Election of Parliamentary Candidates.

6.8.1. Selection of Party Officials

How candidates are selected to run for office in the political party is both a cause and an effect of the power dynamics within the party.⁵⁸¹ The democratic internal organization of a political party is partly based on how the party leaders are chosen to run the affairs of the party and to contest national general elections.⁵⁸² Political parties have resorted to different methods of internal election to periodically choose their national and local leaders as well

as their presidential and parliamentary candidates. In all cases, the methods of election of candidates restrict participation and voting to a relatively small number of party insiders and ‘ex-officio’ delegates, many of whom represent no one but themselves. As one NDC constituency executive indicated:

The small number of delegates who vote in electing leaders are often handpicked by financiers from the constituencies. It is the only way financiers are sure of either being elected or their nominees are elected. These things are done in collaboration with key members of party executives.⁵⁸³

Interviews with members of NDC and NPP party executives showed that party positions are often offered to the highest bidder: that is, the one who paid the highest amount.⁵⁸⁴ At the constituency level the highest bidders would stand for election without anyone competing against them, in what they termed: unopposed candidates. This was one of the reasons why some poor party members who appeared to be qualified and competent for some positions were eventually overlooked or disqualified by the vetting committee. Their disqualification smoothed the way for those who paid big money to the political party to stand unopposed.⁵⁸⁵

While on a bus bound for the NPP National Congress venue at Tamale in 2014, one of the delegates openly reiterated his appeal to other delegates to vote for the person who had provided them with food and accommodation when they converged at the regional capital. In his statement, he pointed out that the accommodation provided them at the regional capital was far better than the camp the entire party provided them at Tamale. He further

argued that the financier was likely to work to promote party members' interests.⁵⁸⁶ This is consistent with the views of Downs⁵⁸⁷ who argues that voters choose a party or candidate on the basis of the benefits that they are likely to enjoy when that party or candidate takes power.

I also chanced on a debate among some delegates from the Volta Region who were fighting over the sharing of money which one contestant had given them. Some of the delegates argued that the money should be shared among only those who attended the congress. Other delegates were of the view that the money should be given to all the executives as directed by the contestant who gave them the money to share.⁵⁸⁸ Discussions with delegates at the congress also revealed that one of the contestants for the 2014 party chairmanship race gave GH¢100.00 to each delegate.

An aspiring Ashanti regional chairman of the NPP, Mr. Kwame Osei Prempeh decried what he termed as a 'moneycracy' creeping into the party's internal politics. He claimed party officials openly endorsed buying of positions in the NPP. Mr. Osei Prempeh's grief was aired when he observed that his opponent, Mr. Bernard Antwi-Boasiako, popularly known as Chairman Wontumi, was using money to influence delegates. Mr. Antwi-Boasiako paid for nomination forms of some candidates vying for polling station and constituency positions.⁵⁸⁹

The issue became murkier when Chairman Wontumi donated an office complex to the party less than a week ahead of the NPP regional elections. Justifying his philanthropic actions, Mr. Antwi-Boasiako said 'it is God who directs me' and that his largesse was not because of the impending regional elections. However, Mr. Osei Prempeh⁵⁹⁰ bemoaned the

‘manipulation of the system’ to favour one candidate: ‘It is shameful; tolerating vote buying in the party is officially endorsing corruption of the system,’ he added. The former Deputy Attorney General and Member of Parliament for Nsuta-Kwamang-Beposo said if ‘money-politics’ is not nipped in the bud to enable responsible people contest positions, ‘the NPP will be a laughing stock’.⁵⁹¹ This is a clear indication that the rich use their money to buy votes and influence internal democracy.

The NPP and the NDC tried to improve upon participation by increasing the number of delegates to elect their presidential candidates. In 2010, the NPP expanded the size of the Electoral College from 2,340 delegates to 115,000.⁵⁹² The amendment of the constitution of the NPP extended the franchise for the selection of a presidential candidate to 105,170 ordinary members from the 21,034 polling stations and to over 9,000 top officials across the country.⁵⁹³ The NPP MP for Prestea-Huni Valley⁵⁹⁴ and the one for Fanteakwa⁵⁹⁵ were of the view that the expansion of the Electoral College would minimize the influence of money and deepen democracy within the party. Those who opposed the expansion of the Electoral College were of the view that the party could not raise enough money to fund the expansion.⁵⁹⁶

Similarly, the NDC saw the need to increase the Electoral College from two (2) members to four (4) members per polling station while retaining the constituency functional executives.⁵⁹⁷ The initial two (2) members were the chairman and the secretary of a polling station. The new additions were the youth organizer and the women organizer who will then constitute the total delegate from a polling station.⁵⁹⁸ Even though the constitution provides for 4 people per polling station, the MP for the Saboba constituency informally

increased the number of delegates from four (4) to ten (10) members per polling station and paid for their expenses.⁵⁹⁹ The MP was of the view that the larger the number of delegates that participated in the primaries, the more likely the delegates who participated in the primaries would have the sense of ownership, remain loyal members and enhance internal democracy.

In Ghana, all registered voters, whether poor or rich, are given the opportunity to vote in general elections to select their leaders. In this way, all citizens are offered the chance to participate in taking crucial decisions for the country. In contrast, no political party in Ghana has ever used an all-member primaries' system to choose its national leaders, presidential or parliamentary candidates, or even to choose delegates who would constitute the 'electoral college' in party elections. The right of some party members to choose their presidential and parliamentary candidates and leaders is denied them. This undermines the principle of universal adult suffrage and citizenship and undermines the promotion of internal democracy within political parties. If an election is regarded as the hallmark of a democratic society, as Ninsin⁶⁰⁰ observed, then participation in political party elections should be seen as a prerequisite for a well-functioning democratic party. Members of a party are more likely to contribute funds to support party activities if they take part in the election of party officials. This will invariably promote effective participation in party activities and enhance internal democratic development.

Findings regarding the imposition of presidential candidates and vote buying during presidential elections are discussed below.

6.8.2: Election of Presidential Candidates

The election of presidential candidates of political parties in Ghana has occurred through diverse processes including voting by delegates and party acclamation of sole candidates. The role of funding in shaping diverse forms of selection of presidential candidates across the four political parties represented in parliament under the Fourth Republic is discussed in turns.

Former President Dr. Hilla Limann who led the PNP in the Third Republic broke away from the CPP to form the PNC when he discovered that the financiers of the CPP family nominated someone else and would no longer give him the opportunity to stand as presidential candidate in the 1992 elections.⁶⁰¹ In 1992, the PNC went to congress to approve Dr. Hilla Limann as the presidential candidate for the party. Similarly, the PNC election of its presidential candidate for the 2008 election was by popular acclamation.⁶⁰² The selection of a presidential candidate for the 2012 elections, however, occurred through elections. Dr. Edward Mahama, the four-time presidential candidate of the PNC lost narrowly to the little known Mr. Hassan Ayariga – with 426 votes to 483 votes respectively. Dr. Mahama's loss to Ayariga was attributed largely to widespread disenchantment within the PNC, and that Dr. Mahama had not been able to build on the electoral legacy inherited from Dr. Hilla Limann.⁶⁰³

An executive member of the CPP observed that vote buying is one of the major challenges facing the unity of the party because the party was divided into camps of vote buyers.⁶⁰⁴ Mr. George Aggudey retrieved his property and withdrew the facilities he had offered the

CPP when the party failed to re-endorse him as the presidential candidate for the 2008 election. His successor Dr. Paa Kwesi Nduom, the party's 2008 presidential candidate paid the filing fees for all the 226 parliamentary candidates who contested the 2008 general elections.⁶⁰⁵

The process leading to the election of the party's presidential candidate for the 2012 polls was a thorny and contentious issue, culminating in the resignation of Dr. Nduom.⁶⁰⁶ In January 2012, Nduom formed the Progressive People's Party (PPP).⁶⁰⁷ A card holding member of the CPP said he wanted to leave the CPP party and join the PPP because most of his friends who followed Dr. Nduom were resourced with bicycles, motor bikes and other materials. He also pointed out that a CPP member employed at the Coconut Groove Hotel owned by Dr Nduom, left the CPP to join the PPP for fear of losing his job.⁶⁰⁸ A Constituency Secretary of the CPP said that in 2007 the two main presidential contestants, namely, Mr. George Aggudey and Dr. Paa Kwesi Nduom warned the delegates not to allow anyone to influence them with money to vote for either of them. However, at the end of their individual meetings in the constituency, they both gave money to the delegates to influence them to vote for them.⁶⁰⁹

In 1992 and 1996, the NDC endorsed the founder of the party, John Jerry Rawlings as the presidential candidate.⁶¹⁰ Another evidence to support the imposition of candidates in the NDC is what is known as the 'Swedru Declaration'. In 2000, President John Jerry Rawlings, a wealthy member of the party, handpicked Professor John Evans Atta Mills, his

Vice President, to succeed him when he finished serving his term of office. Professor Atta Mills was subsequently endorsed at a party national congress at Swedru.⁶¹¹

But in 2004, Dr. Kwesi Botchwey, former Finance Minister in the NDC, challenged Professor Atta Mills for the NDC presidential slot and lost. This, however, opened the floodgate for future aspirants to contest the presidential candidate position in the NDC. In 2008, therefore, the four aspirants who contested the position were Professor Atta Mills, Dr. Ekow Spio-Garbrah, former Minister of Education and Minister of Communications, Mr. Eddie Annan of Masai Group and Alhaji Mahama Iddrisu, former Minister of Defense in the NDC government. Professor Atta Mills was elected. Two members of the party contested the 2012 presidential candidate slot. These were the sitting president Professor Atta Mills and Mrs Nana Konadu Agyeman Rawlings, wife of former President Rawlings. Mrs Rawlings made history for being the first person to contest a sitting President in the primaries, and the first Ghanaian woman to aim at the presidency through multi-party politics.⁶¹² Even though the selection of the 2012 presidential candidate for the NDC seemed to be democratic, it created some internal problems. The defeat of Mrs Rawlings at the NDC national congress led to the formation of a new political party called the National Democratic Party (NDP) to fight social injustice according to the founders.⁶¹³ Mrs Rawlings was subsequently made the Presidential candidate of the NDP.

Nii Marma alleged that delegates were moved into voting for President Mills rather than Mrs Rawlings.⁶¹⁴ He pointed out that former President Rawlings said that Nana Konadu Agyeman Rawlings would have pulled out of the flagbearership contest race if she had

realized that President Mills and his camp had bribed the delegates with heavy sums of money.⁶¹⁵

The NPP, however, had demonstrated a stronger tendency towards electoral democratic politics in the selection of presidential candidates. Seven and four candidates contested for nomination as presidential candidate in 1992 and 2000, respectively. The sitting president Kufuor, a wealthy member of the party, was elected unopposed in 2004. In 2008, as many as seventeen (17) members contested for the presidential candidate slot, while five contested for the 2012 presidential primaries. Seven people filed for the 2016 flagbearership slot but the number was reduced to five after the initial election. The NPP usually allowed all interested presidential candidates to tour the country to canvass for votes. A party congress was then organized for the delegates from all the constituencies in the country to choose the presidential candidate.⁶¹⁶ Notwithstanding the tendency of the NPP to ensure internal democracy in the election of its presidential candidate, contesting candidates usually accused one another of using their financial power to influence, or to buy votes. For instance, at the 2007 NPP national congress at the University of Ghana to elect a presidential candidate, one Mr. Paul Afoko, a member of the NPP finance committee and an agent of one of the leading contestants, Mr. Alan Kyeremanten, was reported to have been caught doling out money to delegates.⁶¹⁷ Arthur Kennedy,⁶¹⁸ one of the contestants during the 2007 NPP presidential primaries, admitted in his book *Chasing the Elephant into the Bush: The Politics of Complacency*, that he gave money to delegates to vote for him.

During a discussion with a former District Chief Executive (DCE) at the Tamale NPP Congress, he disclosed that the 2007 NPP Congress at the University of Ghana, was the most financially rewarding he had ever experienced. According to him, one Constituency Treasurer from the Volta Region collapsed when he saw the huge piles of money meant for the delegates. In his estimation, no delegate from the Volta Region had less than GH¢3,000.00. He lamented that the Tamale Congress was not financially rewarding, perhaps because the party was in opposition. In another interview with a Constituency Chairman who was a delegate during the NPP Presidential election held in October 18, 2014, it was confirmed that there was distribution of money to the delegates by the presidential aspirants.⁶¹⁹ He admitted collecting money from agents of Nana Akufo-Addo and Mr. Alan Kyeremanten. Nana Akufo-Addo personally gave GH¢2,000.00 to all the chairmen, but Mr. Alan Kyeremanten was cautious this time. He gave those he strongly believed would vote for him between GH¢3,000.00 and GH¢4,000.00 and those he was not sure of only GH¢200.00.⁶²⁰

Evidence of vote buying was also reinforced by interviews with some party delegates. An NPP delegate stated, ‘we snapped the ballot paper and we destroyed it because we collected money from many contestants.’⁶²¹ Two other delegates also intimated that the best way they thought they could satisfy their conscience was to vote for all the people who gave them gifts.⁶²² The cause of the alarming rate of rejected ballots among party delegates could partly be attributed to the fact that some voters collected gifts and money from many contestants and decided to waste the ballot paper for the sake of their conscience. Voting

in a democratic society should not be for voting's sake; it should rather be based on the understanding and acceptance of the rationale behind electoral politics.

The role of money in shaping the outcomes of elections of presidential candidates appears to be more pronounced within the parties that were in government under the 4th Republic of Ghana, namely, the NDC and NPP, than those which were not in government. It seems that the greater the likelihood of a party winning national presidential elections, the greater the likelihood of contestants, as rational political actors, making financial investments in party politics. Parties with the higher electoral appeal therefore need to put in place effective mechanisms to minimize the influence of financial investors in their internal electoral politics.

6.8.3: Election of Parliamentary Candidates

The influence of money in elections within parties is not limited to the national level of presidential elections. It is also pronounced at the level of parliamentary elections. Many politicians aspiring for election as MPs use money to try to influence their electoral fortunes.

Within the NPP, at the Abirem constituency in the Eastern Region, a delegate admitted receiving a television set and GH¢1,000.00 cash from a former NPP Minister who contested for the parliamentary primaries. He camped them at a hotel at Nkawkaw to distribute the items and the money.⁶²³ An interview with an MP from the region corroborated the story of the vote buying at the Abirem constituency. According to the

respondent, a businessman, it was not only the former Minister who donated such items to delegates. The MP stated that his shopping mall at Nkawkaw supplied the former NPP Minister and other contestants with some of the items used to canvass for votes. He supplied 50 television sets to the former NPP Minister, 60 refrigerators to another contestant at Koforidua and 150 television sets to an aspirant at Kibi for the purpose of influencing the delegates. He stated that both the Abirem and the Koforidua contestants won the primaries. But the Kibi contestant who lost the primaries returned most of the items that were supplied to him because he had some challenges with the distribution to the delegates.⁶²⁴

Similarly, an NPP MP from Nkawkaw offered GH¢500.00 to each delegate to vote for him. Even though vote buying is a crime in Ghana, the MP did not hide his intention and action at all. He lodged the money with a member of the constituency executive who operated a local restaurant. Those who collected the money (GH¢500.00) to vote for the MP had to swear an oath to affirm their obligation by ‘throwing an egg’; (a form of swearing an oath by smashing a raw egg on the ground). It is believed that the failure to vote for the one whose money had been collected would result in spiritual afflictions on the receiver or on his immediate family members.⁶²⁵

In 2007, the NPP issued a directive that all its incumbent MPs should continue to stand unopposed except in the case where the incumbent did not want to stand again for election into parliament. The chiefs at the Nkawkaw traditional area, in protest, wrote a petition against the directive and demanded that primaries be held for all interested party members

to contest at least within their constituencies. In an interview with an NPP party executive, it emerged that the chiefs took that action because the incumbent MP for Nkawkaw was alleged to have misappropriated monies allocated to him for use to build a lorry park at Nkawkaw.⁶²⁶ The vetting committee managed to disqualify a popular contestant for no apparent reason to pave the way for the incumbent MP to stand.⁶²⁷ Some members of the party persuaded the disqualified contestant to stand as an independent candidate. According to the disqualified contestant, some wealthy party members of the constituency mobilized funds, provided vehicles, paid his registration fees to the Electoral Commission and campaigned for him. On the day of the general election, he also paid the allowance of the polling agents.⁶²⁸ It is important to recognize the role played by the disgruntled political financiers in ensuring his electoral victory.

In the camp of the NDC it was disclosed, that in January 2011, NDC delegates were induced with cash ranging from between GH¢100.00 and GH¢500.00, and, in extreme cases, motorbikes and tractors to influence some delegates to vote in favour of certain parliamentary aspirants during the primaries.⁶²⁹ On 21st January, 2012, I observed the parliamentary primaries of the NDC in the Afram Plains South constituency. The discussion among the delegates was striking. Some of the delegates considered the primaries as their harvest season or the time to get rich. They claimed they received roofing sheets, outboard motors, fishing nets and cash from various contestants. They, however, pointed out that the one who won the parliamentary primaries won partly because he supported the construction of a school building and provided bore-hole water for many communities, which the sitting MP had been unable to do.

At South Tongu, former president Rawlings was seen sharing cloth to delegates in support of Mr. Kobby Woyome as the parliamentary candidate against Hon. Kenneth Dzirasah's⁶³⁰. Social commentators said this incidence has always made former president Rawlings and Hon. Dzirasah not see eye to eye.⁶³¹

In an interview with an NDC MP, he indicated that 'As the political game becomes more competitive, the contest turns into an economic competition. Politicians offer gifts such as cash, mobile phones, television sets, fridges and promise contracts and jobs to win election'.⁶³²

An NDC MP shared an illuminating experience on how he got to Parliament. According to him, the national executives had a way of imposing candidates on the party. In 2008, he was vetted with the incumbent and one other person, who was living outside the country. The outsider was interviewed on phone. He and the incumbent contested the process as unconstitutional but the executives did allow him to contest. The incumbent gave money to the delegates and won the primaries and parliamentary election. The executives were not interested in the incumbent. The outsider could also not come down to Ghana. Therefore, they appointed him as a DCE and asked him to start nurturing ambitions for the parliamentary seat or recommend someone else. The wealthy members of the executive of the party organized themselves against the incumbent, influenced the delegates with gifts and he the DCE won the 2012 parliamentary seat.⁶³³

The buying of votes and the imposition of parliamentary candidates on constituencies by financiers and wealthy people were not so serious in the PNC and CPP because they are small parties which had not been in government before and therefore did not have incumbency advantages and largesse to give out. While many candidates competed on the tickets of the NPP and NDC, the PNC and CPP had to entice candidates, by making the recruitment fee-free. Even with this offer, the PNC, for instance, had to beg people to stand.⁶³⁴

6.9 CONCLUSION

The study found that more of the respondents were of the view that the party is more dependent on the financial contributions of the wealthy members other than on the ordinary members. In addition, most of the respondents were in agreement with the view that the wealthy members within the party have influenced the outcome of elections within the party.

Vote buying or the use of money to influence delegates is a major challenge to the election of party officers, parliamentary and presidential candidates in the major and some minor parties in Ghana. Vote buying has become a significant component of election campaigns of those vying for leadership positions in political parties in Ghana. This is reminiscent of elections in Kenya and Nigeria as shown in the studies of Mwangi⁶³⁵ and Obiorah⁶³⁶ respectively. Like the Kenyan and Nigerian cases, the Ghanaian case has shown that the use of money by wealthy individuals has stifled voluntary democratic participation, a political culture necessary to sustain democracy. Indeed, regardless of how many outlets

party members and voters may have to express themselves, the use of money and gifts to buy votes remains an egregious violation of the notion of the popular will of the people.

The growing lack of internal democracy within the major political parties in Ghana has many ramifications for democracy. First, it is one of the reasons why aggrieved parliamentary aspirants contest parliamentary seats as independent candidates. This has often allowed opposition parties to win an election in the strongholds of other political parties. The NDC and the NPP have been victims of this development.⁶³⁷ Second, it is the cause of apathy among some members of political parties. Some party members had refused to vote in an election to register their protest. No matter the size of such members, the party's total votes were affected at national elections. Since party politics is all about numbers, political parties need to be constantly alert to the possibility that some members are being left out. The lack of internal democracy is also the cause of 'skirt and blouse voting'⁶³⁸ during general elections.⁶³⁹ This does not ensure the commitment of party members and the party's ability to mobilize funds from such members.

In sum, the financial weakness of the grassroots of political parties largely accounted for the lack of democratic methods in selecting political party leaders. The influence of money in political parties in Ghana weakens democracy and threatens to erode the relevance of political parties in democratic politics if nothing is done to check it.

CHAPTER SEVEN

SUMMARY AND CONCLUSIONS

7.0 INTRODUCTION

This study was undertaken to examine the contextual, legal and institutional variables that have influenced the financing of political parties and their implications for the internal democracy of political parties in Ghana. The hypothesis that underpinned the study is that the dependence of political parties on some wealthy members of the society for funding affects their capacity to achieve internal democracy. The purpose of this chapter is to summarize the key findings and discuss their implications for democratic politics. The chapter also makes some recommendations aimed at improving party financing.

7.1 SUMMARY OF KEY FINDINGS

The key findings of the study are summarized below.

7.1.1 Impact of Political Party Financing on its Internal Democracy

Robert Michels⁶⁴⁰ held the view that regardless of the formal rules of political parties to elect their leaders regularly, political parties have a strong tendency towards the centralization of power, of the creation of an oligarchy and of a decline of internal democracy. Political party leaders tend to retain and increase their power. This study found that, notwithstanding the legal rules governing political parties in Ghana to ensure that there is democracy in their internal operations, political parties manifest oligarchic and

undemocratic tendencies largely due to the inability of ordinary party members to make significant financial contributions. This finding is further explained below.

First, the study clearly showed that political parties depended on wealthy members of society for funding. The descriptive statistics reveal that financial contributors with the least mean scores were the ordinary members (non-wealthy members) and state and government funds. The contributors registering the highest mean scores were the rich individuals of the party, founding members, members of parliament (MPs) and executive members of the party. These financial contributors are considered wealthy by the study. The annual audited financial reports submitted by the political parties to the Electoral Commission also clearly indicated that incomes from membership dues and profit from the sale of membership cards constituted less than 6% of their total revenue, while donations accounted for an average between 70-75% of income. The study argued that wealthy financial brokers, both before and after independence, bank-rolled political parties. Wealthy members of political parties commanded power to create internal rules that favoured their pursuit of party and state power. This tendency affected internal democracy, because wealthy members called the shots in the decision-making process and the recruitment for public office, while non-wealthy members were, literally marginalized and disadvantaged.

Second, poverty among the majority of Ghanaians had impaired their capacity to stand for political office within, and on the platforms of, political parties. Ghana, therefore, faces a new challenge of democracy without effective citizen participation by large sections of the political community. Only those who fulfilled some social and economic prerequisites are capable of exercising their political rights effectively. Party financiers and contestants for

party offices paid membership dues for delegates who were eligible to vote in order to influence them on how to vote. Financiers sometimes nominated party members and colluded with key party executives to get their party members elected for party positions. Financiers also paid delegates to vote for them, and this amounted to vote-buying.

The monetization of politics has been a source of great worry for well-meaning citizens.⁶⁴¹ Money has been a vital ingredient of electoral success; the rich have always enjoyed material advantage. As Paul Nugent⁶⁴² pointed out, there have always been ‘big men and small boys’ in Ghanaian politics. The study found out that the monetization of politics affected the internal democracy of political parties. It has also directly and indirectly led to the emergence of three kinds of politicians at the constituency level, namely, (a) the rich individuals who seek political office to maximize their interest; (b) those sponsored by the rich to serve as proxy when elected; and (c) individuals who sell their votes to the highest bidder (wealthy politicians) during the election of party officials.

In theory, every member of a political party qualified to stand for election to a party office. The dependence of political parties on wealthy members enabled political entrepreneurs to capture elected offices. Wealthy members of parties who had been elected into party offices continued to make financial rules that made it unlikely for poor ordinary members to be recruited into elected offices. Practically, poor ordinary members of political parties in Ghana had voting rights but little or no political authority. The poor valued their votes as a commodity for sale to the highest bidder of political entrepreneurs.

The study found that the formal rules within political parties did not prevent those contesting a political office from giving out gifts to the voters. Some contestants who had money offered gifts to voters prior to elections, and this often compromised the electoral process. Thus, inadequate formal rules governing aspirant-voter relations affected free and fair elections within political parties. The rational choice institutional theory draws our attention to the limit of formal institutional design within political parties. Therefore, inadequate formal institutional framework enables political actors to select informal mechanisms that enhance their political benefit. The next section discusses our findings concerning the contextual variables that have impacted on party financing in Ghana.

7.1.2 Contextual variables affecting Political Party Financing

The study showed that a number of contextual variables affect financing of political parties in Ghana. We applied Gierzynski's⁶⁴³ model for the study of campaign finance to complement the rational choice institutional theory to explain the contextual variables that affect the funding of political parties. In the Ghanaian case, the contextual variables are the legal and institutional framework, the organizational and administrative capacity of political parties, and the neopatrimonial and clientelistic electoral politics.

i. Legal and Institutional Framework of Political Party Financing

The rational choice institutional theory assumes that if the rules benefit actors then actors will comply with the rules. However, the statutory rules created to govern political party are not intended to serve the interest of individual actors, but rather to serve the collective interest of citizens. For this reason, a third party known as the Electoral Commission – a

regulatory agency – has been given the authority to enforce the rules of party financing to ensure that the rules enhance the collective interest in democratic politics. The study found that all political parties defaulted in the submission of their yearly audited accounts, but that the Electoral Commission could not punish any of them. The Electoral Commission was unable to enforce compliance with the regulations because of its assertion that rigid application of the relevant rules would kill all political parties and defeat the very purpose of multi-party democracy. The failure of the Electoral Commission in enforcing compliance weakened the motivation of the actors to follow the rules.

Furthermore, the legal rules of political party financing covered disclosure of income, disclosure of general expenditure (including election expenses) and a ban on some sources of income. Also, foreign financial and material supports for political parties were to be channeled through the Electoral Commission. This notwithstanding, the Netherlands Institute for Multiparty Democracy (NIMD) supported political parties since 2003 through the Institute of Economic Affairs (IEA). The IEA used the NIMD resources to directly support political parties represented in Parliament. The inability of the Electoral Commission to enforce compliance with the rules and regulations of party financing, coupled with the fact that the disclosure rules did not apply to individual candidates or politicians have also led to the majority of private contributions going directly to some of the candidates rather than to the political parties.

The rules and regulations on party funding did not specify exactly how the parties should be accountable to their members. There was also no standard format of accountability that

should be used by political parties in the preparation of their audited accounts for the Electoral Commission. Political parties, therefore, submitted their audited accounts in different formats to the Electoral Commission. Political parties gave different interpretations to the same formal rules of accountability. In tune with the claim of the rational choice theory, the uncertainty of the rules of accountability offer the opportunity to political parties to evade accountability in areas that have the potential to limit their political benefits.

ii. Organizational and Administrative Capacity of Political Parties

Political parties had shown little interest in developing mass-based sources of funding. They did not seem to have compelling messages and strategies to generate enough membership dues. It was evident that the constitutions of political parties had provisions on membership, procedures for disqualification of members, the rights, obligation and privileges of members. However, they lacked the capacity to keep proper records on their members. They had sympathizers not in the sense of membership; these were people who voted for the party during general elections. Some political parties also distributed membership cards free of charge to attract members just to fulfill the legal requirement for running a political party. Many voters possessed more than one political party membership card that they used to obtain material benefits from the different parties. It is, therefore, not surprising that the financial contributions from memberships were generally insignificant (less than 6% of total revenue) for the NPP, NDC, PNC and CPP. The organizational weakness of the parties, particularly the lack of convincing messages, had affected their ability to mobilize substantial financial resources from their ordinary members.

iii. Neopatrimonial and Clientelistic Electoral Politics

The study concurs with the studies by Weghorst and Linberg⁶⁴⁴, Linberg⁶⁴⁵ and Clapham⁶⁴⁶ that neopatrimonialism and clientelism have eaten deep into the fabric of Ghanaian electoral politics. The study by Weghorst and Linberg⁶⁴⁷ on voters in Africa showed that ballots were won by clientelism rather than by the performance of the candidates, thus, undermining the quality of democratic accountability. Linberg⁶⁴⁸ demonstrated that politicians in Ghana are rational actors who supplied goods to voters as an efficient means to achieve their end. Clapham⁶⁴⁹ on his part considered this phenomenon as ‘a relation of exchange between un-equals’ in Third World countries. In the context of studying the extent to which financing of political parties affects their capacity to achieve internal democracy in Ghana, this study reflects what neopatrimonialism and clientelism really means in the Ghanaian context. The study showed that the dependence of political parties on wealthy members for finance promoted a culture of vote-buying. Many instances were given by Members of Parliament and political party officials to support this assertion. The analysis of a survey of members of the political parties also suggested that many members considered vote-buying as a problem that affected the internal democracy of their parties. The rich bought the conscience of poor voters and by so doing compromise internal democracy.

An important question is why do political parties continue to depend on wealthy members for funding in spite of the widespread recognition by all stakeholders that the practice

affected the internal democracy of the parties? In other words, why do political parties depend on wealthy members for funding in spite of its negative repercussions? There are several answers to this question. One answer is that the ordinary members of political parties were unable to make financial contributions due to a number of reasons, including the lack of transparency and accountability of political parties in their financial management. The extravagant lifestyle of some politicians also gave negative impressions about politics leading to the unwillingness of poor people to contribute their quota to the operational costs of political parties. The study also found that the existing rules provided no ceiling regarding how much money a wealthy individual or actor can contribute to a political party. The absence of prohibitive rules that limited financial contributions without any threshold and in which donors must disclose their names had promoted the dependence of parties on wealthy members. Thus, the dependence of political parties on wealthy members was due partly to weak democratic institutions within both the political parties and the state. The study found that in the absence of state funding of political parties, the opposition parties were disadvantaged because business entities were reluctant to finance them for fear of victimization. As a result, they tended to rely on a few wealthy members and extremely limited state support in the form of vehicles, other equipment, and access to state media.

7.2 IMPLICATIONS OF THE FINDINGS FOR INTERNAL PARTY DEMOCRACY

The findings of the study confirm the view that poverty and inequalities continue to be the Achilles heel of meaningful democracy. Inclusiveness of the poor in the democratic processes of party politics in Ghana has been an illusion due to the hijacking of party politics by the wealthy in society. In other words, so long as the monetization of Ghanaian politics continues, neopatrimonialism and clientelism will remain. Money lies at the heart of politics and power in most countries⁶⁵⁰. However, as Clapham⁶⁵¹ has argued, corruption, neopatrimonialism and clientelism undermine the credibility of democratic institutions, such as political parties, and weaken the trust of citizens.

The study shows that the legal and institutional framework to regulate political party financing exists not only to eliminate the scandalous capacity of the wealthy to buy political outcomes; it is also to encourage competition and increase popular participation in democracy. This notwithstanding, the compliance by political parties is poor and the enforcement by the Electoral Commission is weak. Consequently, some wealthy members of society have inappropriately influenced internal party decisions. Fair competition and popular participation in decision making in Ghana's political parties are weak. Wealthy party members control political power because they have the money, and they get the money because they control political power. Internal democracy of political parties in Ghana shows that it is not always open and inclusive of the poor, but has on many occasions

served the interest of the rich to the neglect of the poor. Democracy has become the preserve of a few rich people.

Money has come to be closely associated with holding political party office in the country. Apart from the high filing fees charged for presidential and parliamentary positions, the rich have influenced the outcome of elections with money and gifts. The obvious implication is that the influence of money and gifts make the political process very expensive, undemocratic, and neopatrimonial. This is likely to prevent poor but morally upright citizens from getting involved in party politics. The use of money is, therefore, undermining the development of a political culture necessary to sustain an open and democratic society. Indeed, regardless of how many outlets party members and voters may have to express themselves, the use of money and gifts to buy votes is a violation of the sovereign right to choose.

7.3 RECOMMENDATIONS

Based on the findings of the study, the following recommendations are made:

7.3.1 Strengthening the Legal and Institutional Framework of Party Financing

The effectiveness of a political party's financial contribution and expenditure controls depends in a large part on the effectiveness of disclosure systems.⁶⁵² The United Kingdom (UK) currently limits expenditure, but does not limit donations, while in the United States of America donations are limited, but party expenditure is not.⁶⁵³ Both the UK and the US

have thresholds beyond which parties must disclose contributions received⁶⁵⁴. Therefore, placing a slightly more onerous administrative burden on political parties to disclose details of sources of funds seems a small price to pay for ensuring that the public knows the sources of funds for political parties. As long as the public is kept in the dark about the identity of large contributors or special interests and the extent of their involvement, it will be difficult for the public to isolate cases in which the influence on government by the wealthy can be related to donations made to political parties. Legislation to insist on full disclosure of names and amounts donated could help to control the adverse influence of wealthy members on political parties. If political parties are not forced to disclose names and amounts donated, the interest of the few wealthy members will continue to overshadow that of the ordinary people.

Effective oversight depends on access to information by stakeholders such as regulators, ordinary citizens, civil society groups and the media. It has been noted that the Electoral Commission (EC) and the political parties undermine efficiency, accountability and transparency in party politics by their refusal to disclose information which may lead to the detection of illegal and corrupt funding practices. The funding system should be transparent and be subject to full scrutiny by the regulating body in order to ensure sufficient public support and promote public confidence in the political system. The regulatory regime should be workable, and efforts should be made to ensure a consensus among the major political parties. The legal framework should be informed by the principle that the main purpose of political parties is to become a vehicle for public activism and engagement, and should subsequently be focused on making political parties fit for this purpose.

A law should ensure easy access to the financial statements of political parties to help research organizations and civil society monitor how political parties generate and spend their income. The passage of the Freedom to Information Bill which can address some of the concerns about the accessibility of information has been in the corridors of Parliament and other stakeholders for about ten years now in spite of assurances by previous and current governments of its expeditious passage.

7.3.2 Strengthening the Capacity of the Electoral Commission in Monitoring Political Party Finances

The Electoral Commission (EC) accepts statements of accounts presented by political parties without re-auditing and analyzing such statements. The EC should undertake an independent audit of statements of accounts submitted by political parties to minimize the possibility of fabricated accounts. We noted that the implementation of the reporting rules fails to promote transparency because of the way party accounts are presented to the EC. Lack of uniform accounting practices makes it difficult to analyze the income and expenditure of political parties. The EC should produce a user friendly and uniform accounting format to political parties. Evidence suggests that the EC is unable to monitor the accounts of political parties. The state can build its capacity to help it become an effective watchdog with appropriate powers of enforcement. The EC should also be committed to sanctioning political parties that flout the financial regulations. As Alexander⁶⁵⁵ asserts, any system of regulating politics is only as good as the machinery to administer and enforce the rules.

7.7.3 Building Capacity to Improve Income Generation of Ordinary Members

The lack of effective mass mobilization of funds for political parties can best be attributed to the lack of organizational capacity. As multi-party democracy takes roots in Ghana, political parties, civil society, citizens and donors expect not only fairness in elections, but also competence in the management of political parties. Building the capacity for political party management can adequately fulfill this legitimate expectation. This recommendation was identified by many survey respondents and in elite interviews.

Political parties should broaden their internal sources of income in order to improve on their internally generated funds and reduce their overdependence on wealthy members. As practised in Malawi⁶⁵⁶, political parties in Ghana can also undertake productive ventures to generate income and also economically empower members. They need to update their data on members and develop innovative payment strategies such as mobile phone texting through a code and other electronic means to facilitate the collection of membership dues. The development of regular internal sources of income from grassroots members will not only help political parties to plan their activities but also promote greater participation in decision making by the rank and file, as well as transparency and accountability. In addition, efforts to broaden internal sources may result in canvassing for new members and reducing the chances of few wealthy donors hijacking the administration and appointment of their favorites to leadership positions in the party. Fund raising activities are usually undertaken at the national level. In this connection, a decentralized machinery functioning

at the constituency level should be vigorously pursued to ensure a vibrant link with members at the constituency or ward levels.

Well-informed citizens are a vital ingredient for democratic development.⁶⁵⁷ No doubt, 23.3% of the recommendations from the survey respondents on improving party funding focused on educating and encouraging ordinary members to pay their membership dues regularly. To achieve this goal it is imperative for political parties, civil society and the state to improve the civic education delivery by encouraging the media, particularly local radio stations which are available in almost all districts, to develop and disseminate democratic citizenship education programmes. Civic education should have two dimensions which are essential for a healthy democracy. The first dimension should cover an understanding of, and commitment to the fundamental principles and processes of democracy. The second dimension should promote the development of civic disposition of citizens which encompasses both the willingness and the capability of citizens to participate effectively (contribute to party fund, vote in elections, stand for election, resist influence of money to buy, avoid display of wealth and demand accountability) in a democratic society.

7.3.4 Encouraging State Support for Political Parties

The study found that the lack of internal democracy is exacerbated by economic inequality. If democracy is to be sustained, the state must promote conditions necessary for the effective exercise of citizenship, starting from participation in political party activities. It must mobilize public savings and coordinate resource allocations to correct the effect of

economic inequality on the internal democracy of political parties. In other words, there is the need for increased financial and material support from the state to political parties. The state can support political parties to build and develop their internal capacity in areas such as policy development and training. State support should however be conditioned upon sufficient evidence of fully satisfying statutory obligations, including financial disclosure and reporting obligations under existing laws.

The state can match funds raised by political parties. Political parties must show proof of raising a certain amount of funds from their members across the country, particularly membership dues before they are considered eligible for state funding. This will encourage the growth of mass based political parties with strong links to their grassroots members at the constituency and ward levels. This will invariably deepen democracy and accountability within political parties.

To ensure that state funding of political parties does not burden the Consolidated Fund, the state can create what may be called a 'Political Parties' Fund' into which individuals, companies, the state itself and development partners can contribute money. The Fund should then be distributed annually to all registered political parties which meet certain statutory conditions. The EC may be given the responsibility to administer this fund in order to dispose political parties to complying with the electoral rules of the country.

7.4 CONCLUSION

The study has shown that wealthy party members influence the internal politics of political parties in Ghana and undermine internal party democracy. The non-wealthy members of

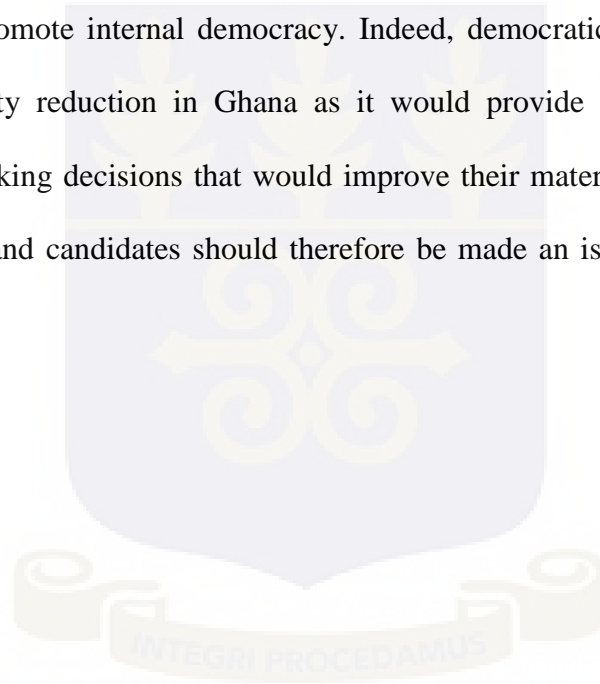
the political parties are incapable of articulating their interests within the party and to effectively exercise their citizenship rights and duties. The study has further shown that social, economic and political factors are the cause of the non-wealthy members' inability to effectively participate in internal party activities such as voting for party candidates and being voted for. Therefore, the internal democracy of political parties is largely influenced by their wealthy members.

Ghanaians have recognized political parties as non-state political institutions which constitute the hub around which democratic political activities evolve. Political parties perform very important functions of governance in the state and society. They encourage / inspire ordinary people to participate in governance through town meetings, constituency level meetings, press conferences, demonstrations, and radio discussion programmes. They mobilize the electorate and contest elections. Money is essential for every political organization; therefore, the competing parties need adequate resources for their activities. But the challenge is to find the best ways of matching the need for a sustainable financial base for parties with the wider public interest by curbing corruption and avoiding the undue influence of a few wealthy members.

Excessive reliance on a few wealthy members of political parties is unhealthy for democratic politics and the development of the society. Democracy involves pluralism in all things, including sources of funds for political party activities.⁶⁵⁸ Political parties which generate more grassroots contributions are likely to have strong links with their supporters

in their representational functions, in the aggregation of interest, policy formulation, and in the recruitment of candidates much more effectively than those which do not.

Money and power will forever remain intertwined. Therefore, an effort to make rules and regulations about party financing to promote a more democratic party system is essential. The rules and regulations of party financing should be simple to understand and should be easily adaptable to the changing environment. Disclosure and reporting rules of party financing and their effective implementation will ensure adequate transparency of party financing and promote internal democracy. Indeed, democratic politics is the key to a successful poverty reduction in Ghana as it would provide the poor the channel to participate in making decisions that would improve their material conditions. Financing political parties and candidates should therefore be made an issue of continuous public debate.



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- 229 *Ibid*, p.127.
- 230 *Ibid*, 127
- 231 *Ibid*, p. 127.
- 232 *Ibid*, p.113.
- 233 *Ibid*, p.113.
- 234 *Ibid*, 172
- 235 *Ibid*, 172
- 236 Awoonor, *Ghana a Political History* .p.152.
- 237 *Ibid*, p.153.

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- ²³⁸ Austin, *Politics in Ghana*, p. 172
- ²³⁹ Republic of Ghana. *Report of the Commission appointed under the Commission Enquiry Act, 1964 (Act, 250) to Enquire into the Affairs of NADECO Ltd.* Accra-Tema, State Publishing Corporation, 1966, Chairman Samuel Azu Crabbe. p. 8.
- ²⁴⁰ Ibid, p. 3.
- ²⁴¹ Gold Coast, *Report of the Commission of Enquiry into the Affairs of the Cocoa Purchasing Company, 1956 (Jibowu Commission report)*, Accra-Tema, State Publishing Corporation, 1956, p.3.
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- ²⁴³ Awoonor, *Ghana a Political History*, p.152.
- ²⁴⁴ Gold Coast, *Jibowu Commission Report*, p.11.
- ²⁴⁵ Ibid, p. 7.
- ²⁴⁶ Republic of Ghana *Enquire into the Affairs of NADECO*, p. 7.
- ²⁴⁷ Ibid, p. 5.
- ²⁴⁸ Ibid, p. 36.
- ²⁴⁹ Ibid, p. 36.
- ²⁵⁰ Ibid, p.44.
- ²⁵¹ Ibid, p. 33.
- ²⁵² Ibid. p.34.
- ²⁵³ G. O. Mwangi “Political Corruption, Party Financing and Democracy in Kenya” *Journal of Modern African Studies*, 46, 2(2008) p.267.
- ²⁵⁴ Z. Jolobe, “Financing the ANC: Chancellor House, Eskom and dilemma of Party Finance” in Anthony Butler (ed). *Paying for Politics: Party Funding and Political Change in South Africa and Global South*, Dunkeld, South Africa: Konrad Adenauer Foundation, 2010.pp 201-217.
- ²⁵⁵ Republic of Ghana, *The Political Parties Decree (NLCD) 345*, p. 1.
- ²⁵⁶ NAL, *The Constitution of the NAL*, p. 3.; PP, *The Constitution of the Progress Party*, p. 2.
- ²⁵⁷ Emmanuel Debrah, *Political Parties and Democratic Consolidation in Ghana*, PhD Thesis submitted to the Political Science Department, 2008, p. 73.
- ²⁵⁸ Ibid.p73.
- ²⁵⁹ Ibid, 73.
- ²⁶⁰ Ibid, p73
- ²⁶¹ Gyimah-Boadi and Debrah, “Political Parties and Party Politics” p. 137
- ²⁶² Ibid, p. 137
- ²⁶³ Joseph Ayee, “Financing Political Parties in Ghana: An Exploratory Study”, in K.A. Ninsin & F.K. Draah (eds.) *Political Parties and Democracy in Ghana’s Fourth Republic*, Accra: Woeli Publishing, 1993, p. 248
- ²⁶⁴ Ibid. p.248
- ²⁶⁵ Interview with Alhaji Abdul Moomin, Vice Chairman for the PNC in November, 2008.

²⁶⁶ Republic of Ghana, *The Political Parties Decree (NLCD) 345*, p. 5.

²⁶⁷ Ibid, p. 4.

²⁶⁸ Ibid, p. 6.

²⁶⁹ PNP, *Constitution of the PNP* (Unpublished), p.3.; PFP, *Constitution of the PFP* (Unpublished), p.3; UNC, *Constitution of the United National Convention* (Unpublished), p.2;

²⁷⁰ Debrah, *Political Parties and Democratic Consolidation in Ghana*, p. 99.

²⁷¹ Interview with I. Addae-Mensah in September 2008. He was once the General Secretary to PNP from 1979 to 1981.

²⁷² Ibid,

²⁷³ Ibid

²⁷⁴ Ibid

²⁷⁵ According to Addae –Mensah, one Goil station owner (name withheld because the man is still alive) credited fuel to the campaign teams of the party. He was fully paid back when the party won the election. Most people willingly gave money to the party because of the love they had for Kwame Nkrumah.

²⁷⁶ Ibid.

²⁷⁷ K. Awoonor, *The Ghana Revolution: Background Account from a Personal Perspective*, Bronx Oases Publishers, 1984, p. 121.

²⁷⁸ Awoonor *Ghana a Political History*, p. 244

²⁷⁹ Ibid p. 244.

²⁸⁰ Ibid, p. 243.

²⁸¹ K. Shillington, *Ghana and the Rawlings Factor*, London: Macmillan Press, 1992, p. 64.

²⁸² Ibid, p. 243.

²⁸³ Ibid, 244

²⁸⁴ Ibid, 244

²⁸⁵ Interview with the former President of Ghana; Jerry John Rawlings on 15th December, 2007. The interview was conducted with one Antoinette Handley, Assistant Professor of Department of Political Science, University of Toronto who was conducting a study into the domestic and international factors in Ghana's transition to democracy. Jerry John Rawlings was military and political leader who twice (1979, 1981) overthrew the government and seized power. He was returned to office by election in 1992 and 1996 and stepped down from the presidency in 2001.

²⁸⁶ Ibid.

²⁸⁷ Ibid.

²⁸⁸ Ibid.

²⁸⁹ Awoonor, *Ghana a Political History*, p. 154.

²⁹⁰ Interview with I. Addae-Mensah PNP General Secretary in September 2008.

²⁹¹ Interview with Mr. Owusu Gyimah in January 2009. He is an elder in the present day CPP. He was a registered CPP member in 1958, a registered member of the PNP during the Third Republic and a vice chairman of the Nkrumah Revolution Guard in 1983.

²⁹² Interview with Dr. Kwaku Osei-Akom in May 2011. He was the NPP MP primaries contestant who lost at Tano North Constituency in the Brong Ahafo constituency in April 2011. He was also member of the PFP during the Third Republic (1979-81).; Interview with Mr. Owusu Gyimah in January 2009.

²⁹³ Rathbone, *Business in Politics*. p. 394.

²⁹⁴ See PNP, *Constitution of the PNP*, p.5.

²⁹⁵ Interview with Dr. Kwaku Osei-Akom,

²⁹⁶ Interview with Haruna Esseku April, 2009. Haruna was a member of the PP and Member of Parliament during the Second Republic (1969-1972). He was an active member of the PFP during the Third Republic. He served as the National Party Chairman for the NPP between 2000 and 2004.

²⁹⁷ See Shillington, *Ghana and the Rawlings Factor*.; Chazan, *An Anatomy of Ghanaian Politics*.; and K. A. Ninsin (ed.), *Ghana Transition to Democracy*, Dakar, Council for the Development of Social Science Research in Africa (CODESIRA), 1998.

²⁹⁸ Shillington, *Ghana and the Rawlings Factor*, p.64.

²⁹⁹ Ibid, p.78.

³⁰⁰ Ibid, p.66.

³⁰¹ Ibid, p. 65.

³⁰² Ibid, p. 65.

³⁰³ Ibid, p.78.

³⁰⁴ Ibid, p.78

³⁰⁵ Ibid, p.78.

³⁰⁶ Ayee, *Financing Political Parties in Ghana*, p. 248

³⁰⁷ Ibid,p. 248.

³⁰⁸ Ghana Centre for Democratic Development (CDD-Ghana) *Review and Analysis of Draft Bill*, Accra: CDD-Ghana, 2008, p. 5.

³⁰⁹ Ibid. p.47.

³¹⁰ Ibid. p. 47.

³¹¹ Republic of Ghana, *The Ghana (Constitution) Order in Council, 1957*. Accra: Government printer, Assembly Press 1957, pp. 1-39. Also see the Republic of Ghana, *Constitution of the Republic of Ghana, 1960*, Accra: Government printer, Assembly Press 1960, pp 1-26; Republic of Ghana, *Constitution of the Republic of Ghana, 1969*, Accra: Government printer, Assembly Press 1969, pp 1-156; and Republic of Ghana, *Constitution of the Republic of Ghana, 1979*, Accra: Government printer, Assembly Press 1979, pp 1-182.

³¹² M. Tjernstrom and A. Katz “Introduction to the Matrix”, in International Institute for Democracy and Electoral Assistance (IDEA), *Funding of Political Parties and Election Campaigns*, Handbook Series, Stockholm: International IDEA, 2003.p.181.

³¹³ K-N Nassmacher, “Introduction: Political Parties and Democracy”, in International Institute for Democracy and Electoral Assistance (IDEA), *Funding of Political Parties and Election Campaigns*, Handbook Series, Stockholm: International IDEA, 2003 p9.

³¹⁴ Interview with Professor Kwamena Ahwoi in January 2009. He was the longest serving minister under the PDNC regime and PNDC Secretary (Minister) of Local Government from 1988 to 1993. He chaired the Inter- Ministerial Task Force that prepared the first major legislation on decentralization, that is, the Local Government Law on 1988, PNDCL 207, and served as a member of the Inter- Ministerial Task Force that prepared the Political Parties Law, PNDCL 281, and many others.

³¹⁵ Ibid

³¹⁶ Interview with the former President of Ghana; Jerry John Rawlings in December, 2007. The interview was conducted with one Antoinette Handley, Assistant Professor of Department of Political Science, University of Toronto who was conducting a study into the domestic and international factors in Ghana’s transition to democracy. Jerry John Rawlings was military and political leader who twice (1979, 1981) overthrew the government and seized power. He was returned to office by election in 1992 and 1996 and stepped down from the presidency in 2001.

³¹⁷ Ibid

³¹⁸ K. Boafo-Arthur, “Party Organization, Finance, and the Democratic process: The Case of the Opposition Parties,” in Aye, J.R.A. (ed) *The 1996 General Elections and Democratic Consolidation in Ghana*. Accra: Gold Type Ltd, 1998, p. 84.

³¹⁹ Ibid. p. 84. .

³²⁰ Ibid. p. 84.

³²¹ International Institute for Democracy and Electoral Assistance (IDEA). *Funding of Political Parties and Election Campaigns*, Handbook Series Stockholm: International IDEA, 2003.p.195.

³²² Interview with Mr. Ben Ephson, Editor, Daily Dispatch in June 2009.

³²³ Interview with Honourable Joseph Agbenu NDC MP for Afram Plains North constituency in November 2008; Interview with Hon. Albert Kwaku Obbin, the NPP MP for Prestea-Huni Valley, June 2009; Interview with Hon. Kwabena Ashiama, NPP MP for Fanteakwa, January 2011.

³²⁴ Interview with Mr. Christian Parry-Owusu, the Acting Director of Public Affairs of the Electoral Commission in June 2009. He is a member of a committee Electoral Commission has asked to review the Political Parties Law, Act 574.

³²⁵ Interview Samuel Aidoo, Director of Finance, Electoral Commission, in July 2014. This is the second interview him.

³²⁶ Nassmacher. “Introduction” in *Funding of Political Parties*, 2003, pp 9-12

³²⁷ Ghana, *Political Party Act 574*, p.10.

³²⁸ Sections 23 and 24 of Act 574 (2000).

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- 329 Ibid. p 10.
- 330 Interview Samuel Aidoo, Director of Finance, Electoral Commission, in June 2009.
- 331 J.R.A. Ayee “The Evolution of the New Patriotic Party in Ghana” in *South African Journal of International Affairs*, Vol. 15, No. 2. December 2008, p. 209.
- 332 Opinion expressed by some NDC members in November 2008.
- 333 Interview with B.A. Effah, NDC member in November, 2008
- 334 The Chronicle, April 23, 2010
- 335 www.myjoyonline.com “The NDC flouted no Law”, accessed April 5, 2012
- 336 Ibid
- 337 Ibid
- 338 Ghanaian Times, March 30, 2011, p.11.
- 339 Francis Kokutse, “Ghana Political Parties Urged to Come Clean” www.ipsnews.net accessed September 3, 2011
- 340 Ibid,
- 341 Interview with Mr. David Apasera the national treasurer of the PNC in July 2014.
- 342 Nassmacher. “Introduction” *Funding of Political Parties*, 2003, pp 9-12
- 343 Ibid. p.15.
- 344 Interview with Mrs. Jean Mensa, Administrator, IEA in June 2009
- 345 Ibid.
- 346 Ibid
- 347 Interview with Mr. T.N.Ward-Brew, DPP 2004 and 2008 presidential candidate in November 2008.
- 348 Ibid.
- 349 Republic of Ghana, *The Political Parties Act 574*, p. 10.
- 350 Interview with Mr. Samuel Y. Aidoo, Director of Finance, Electoral Commission in June 2009.
- 351 Marcin Walecki, *Political Money and Corruption*, 2003. p. 9.
- 352 Ghana, *Political Parties Act 574*, p. 10.
- 353 www.idea.int/publications/funding_parties/upload/matrix_intro.pdf date accessed, September 23, 2014
- 354 Interview with Haruna Esseku a former NPP Chairman in November 2008.
- 355 Interview with N. Ward Brew, the Presidential candidate of the Democratic People’s Party (DPP) in November, 2008.
- 356 Ibid.
- 357 Interview with Director of Finance and Director of Public Affairs in July 2014
- 358 Political Parties Act, p.
- 359 www.peacefmonline.com It Won’t Happen Again - NPP Assures EC, September 14, 2011.
- 360 Ibid.

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- ³⁶¹ Ibid.
- ³⁶² Asiedu Nketia, NDC General Secretary “NDC has no money to hire accountant, auditor to prepare reports” www.myjoyonline.com September 14, 2011.
- ³⁶³ Interviews with political party officials in November 2008.
- ³⁶⁴ Interview with Daivid Apasera
- ³⁶⁵ Interview with Alhaji Abdul Moomin, Vice Chairman for the PNC in November, 2008.
- ³⁶⁶ Ibid.
- ³⁶⁷ Interview with Mr. Attoh Jonathan, CPP National Administrator on June 11, 2014. This was a follow up interview.
- ³⁶⁸ Ibid. Attoh Jonathan
- ³⁶⁹ K-H. Nassmacher, “Monitoring, Control and Enforcement of Political Finance Regulation”, in International Institute for Democracy and Electoral Assistance (IDEA) *Funding of Political Parties and Election Campaigns*, Handbook Series (Stockholm: International IDEA), 2003 p. 142.
- ³⁷⁰ Ibid. p.139.
- ³⁷¹ Ibid, p. 139.
- ³⁷² Tjernstrom and Katz, “Introduction to the Matrix” in *Funding of Political Parties*, 2003 p. 181
- ³⁷³ Ghana, Political Parties Act 574, p. 10.
- ³⁷⁴ Interviews with the Director of Finance of the Electoral Commission, Mr Samuel Yorke Aidoo in June 2009.
- ³⁷⁵ Ibid.
- ³⁷⁶ Ibid.
- ³⁷⁷ Ibid.
- ³⁷⁸ Sheple, Rational Choice Institutionalism, p.25.
- ³⁷⁹ Kwadwo Afari-Gyan, *The Challenges to conduct Free and Fair Elections in Emerging African Democracies: The Case of Ghana*, Accra: CDD-Ghana, 2009: p.13.
- ³⁸⁰ Ibid. p. 13.
- ³⁸¹ Ibid. p. 12.
- ³⁸² Interview with Mr. Christian Parry-Owusu, the Acting Director of Public Affairs of the Electoral Commission in July 2014. I did interview him on the same subject five years ago (June 2009)
- ³⁸³ Ibid.
- ³⁸⁴ Interview with Mr. Samuel Y. Aidoo, Director of Finance, Electoral Commission in June 2009.
- ³⁸⁵ Interview with the NDC National Treasurer Madam Margaret Clarke-Kwesie, November 2008.
- ³⁸⁶ Nassmacher, “Monitoring, Control and Enforcement of Political Finance Regulation”, in *Funding of Political Parties and Election Campaigns*, p.142.
- ³⁸⁷ Herbert E. Alexander “Introduction” in H.E. Alexander (ed.) *Campaign Money: Reform and Realities in the States*, New York: The Free Press, 1976, p .1.
- ³⁸⁸ Interview with Haruna Esseku, former NPP national chairman, in November 2008

³⁸⁹ The Chronicle, Friday 28 September, 2007, p. 3.

³⁹⁰ Kwesi Aning, *Global Crime, Are there Emerging West African Criminal Networks? The Case of Ghana*(<http://www.informaworld.com/smpp/title-content=t714592492>) 2007 p.203. Honourable Eric Amoateng, at the time of his arrest in November 2005, was the Member of Parliament for the ruling New Patriotic Party (NPP) for Nkoranza North Constituency. He played multiple roles in his community. He is a benefactor sponsoring about 100 students, Local chieftain, development-oriented person, a successful businessman and contractor, and provider of soft loan without interest.

³⁹¹ Dispatch, Tuesday August 1, 2006.p.4.

³⁹² Ghana, *The Political Parties Act, 574 of 2000*, Accra: Government Press, 2000, p.10.

³⁹³ TEIN is the Tertiary Education Institution Network of the NDC while TESCON is the Tertiary Students Confederation Executives of the NPP. These are student branches of the two main parties in Ghana.

³⁹⁴ OM=Ordinary Members, RI= Rich Individuals; FM= Founding Members; LB= Local Business; MP= Members of parliament; SF = State Funds; PE= Party Executives; CO= Contributions from overseas branches; and FB= Foreign Business.

³⁹⁵ A.P. Fenny, “Party Finance and Political Corruption”, in *The New Legon Observer*, Vol. 2 No. 4, February 21, 2008, p .26.

³⁹⁶ Interview with Mrs Gifty A.A. Ayeh, National Treasurer of the NPP; Ms Margaret Clarke-Kwesie, National Treasurer of the NDC; and the CPP National Treasurer Mike Eghan; all in November, 2008

³⁹⁷ Ibid.

³⁹⁸ Interview with Hon Kofi Ahaliga, NDC MP for Afram Plains South; Interview with Hon. Stephen Kunsu, MP for Kintampo North in November 2008.

³⁹⁹ Ibid.

⁴⁰⁰ Ibid.

⁴⁰¹ Interview NDC MP and party executive member in November, 2008.

⁴⁰² Discussion between me and one NPP National Executive (Name withheld because the information is sensitive) in November 2013.

⁴⁰³ Interview with Honourable Samuel Ampofo NDC National Organizer for 8 years in June 2014.

⁴⁰⁴ Interview with NDC Deputy General Secretary, Baba Jamal in November, 2008.

⁴⁰⁵ Interview with Ward Brew, the DPP 2004 and 2008 presidential candidate in November, 2008. In December 2012, it emerged that the Chief Executive Officers of many state institutions made financial donations to the NDC’s ‘Heroes Fund’, see <http://edition.myjoyonline.com/pages/news/201212/98109.php>. Date accessed: December 3, 2012. This exemplifies how ruling parties illegally and undemocratically obtain funding from the state.

⁴⁰⁶ Interview with one NDC member in November, 2008

⁴⁰⁷ Interview with NPP chairman, Haruna Esseku in November 2008.

⁴⁰⁸ Interview with Mr. Attoh Jonathan CPP National Administrator in November, 2008.

⁴⁰⁹ Interview with party executives in November 2008

⁴¹⁰ Interview with CPP Administrator, Attoh Jonathan and other party executives

⁴¹¹ Interview with Party officials in November 2008

⁴¹² Interview with Baba Jamal Deputy General Secretary of the NDC in November, 2008.

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- ⁴¹³ T.W. Aminou, “Financing Election Campaigns in French-Speaking Africa” in *AAEA Report on the Inaugural Meeting of the General Assembly of the Association of African Election Authority*, Accra: AAEA, 1998, p.27.
- ⁴¹⁴ Interviews with the NPP, the NDC, the PNC and the CPP executives in November 2008.
- ⁴¹⁵ Interview with Political Party Executive in November 2008.
- ⁴¹⁶ Interview with party officials of the NDC, NPP, CPP and PNC in November, 2008
- ⁴¹⁷ Interview with Mr. Baba Jamal, Deputy General Secretary of the NDC, and the National Treasurer, Ms Margaret Clarke-Kwesie in November, 2008.
- ⁴¹⁸ Interview with the NDC National Treasurer, Ms Margaret Clarke-Kwesie in November, 2008.
- ⁴¹⁹ Interview with the PNC National Deputy Treasurer, David Nibi in November, 2008.
- ⁴²⁰ The Constitution of New Patriotic Party, amended on 29th August, 1998, p.5. (unpublished).
- ⁴²¹ Interview with Kwabena Essem , Press Secretary of NPP in November, 2008
- ⁴²² Interview with CPP National Administrator Attoh in November 2008.
- ⁴²³ Ibid.
- ⁴²⁴ Interviews with Political Party Executives in November 2008.
- ⁴²⁵ Interview with Haruna Esseku former chairman for the NPP in November 2008.
- ⁴²⁶ Interview with Attoh Jonathan, CPP Administrator,
- ⁴²⁷ K. A. Ninsin, *Political Parties and Political Participation in Ghana*, Accra: Konrad Adenauer Foundation, 2007, p. 10.
- ⁴²⁸ Interview Wisdom Gidisu NDC MP for Krachi constituency in November, 2008. Interview with John Tia Akologu, NDC MP for Talensi constituency in November 2008, Interview with Albert Kwaku Obin, NPP MP for Prestea –Huni Valley constituency in January 2011.; and Interview with Ayimadu-Antwi Kwame, NPP MP for Asante-Akin North constituency in January 2011
- ⁴²⁹ Ibid,
- ⁴³⁰ Ibid.
- ⁴³¹ Interviews with Mr. David Nibi, National Deputy Treasurer for PNC in November, 2008.
- ⁴³² Ibid.
- ⁴³³ Interview with NPP former National Chairman, Haruna Esseku in November 2008.
- ⁴³⁴ Interview with NDC party executives in November, 2008.
- ⁴³⁵ Interview with Mr. Baba Jamal, Deputy General Secretary of the NDC, and the National Treasurer, Ms Margaret Clarke-Kwesie in November, 2008.
- ⁴³⁶ Interview with PNC executive member in November, 2008.
- ⁴³⁷ Interview with party executives of the NPP, NDC, CPP and PNC in November, 2008.
- ⁴³⁸ Interview with the CPP National Treasurer Mike Eghan in November 2008
- ⁴³⁹ Interview with David Nibi the PNC Deputy National Treasurer in November 2008.
- ⁴⁴⁰ Interview with Margaret Clarke-Kwesie the NDC National treasurer in November, 2008
- ⁴⁴¹ Interview with Margaret Clarke-Kwesie the NDC National treasurer in November, 2008
- ⁴⁴² Interview with Essem Kwabena, Press Secretary of the NPP, November 2008
- ⁴⁴³ Republic of Ghana, *The 1992 Constitution* p.49

- ⁴⁴⁴ Interview with Mr. David Kanga, Deputy Chairman of the Electoral Commission, in November 2008.
- ⁴⁴⁵ See Appendix for the list of party officials who were interviewed.
- ⁴⁴⁶ Interview with the NPP, NDC, DPP, CPP and PNC party officials in November 2008.
- ⁴⁴⁷ Ghana, *1992 Constitution*, p. 49.
- ⁴⁴⁸ Interview with the General Secretary of PNP of the Third Republic, September, 2008.
- ⁴⁴⁹ Interview with Samuel Aidoo, Electoral Commission of Ghana
- ⁴⁵⁰ Ibid,
- ⁴⁵¹ Interview with Mr Attoh Jonathan CPP Administrator in November 2008; Interview with Mrs Margaret Clarke-Kwesie, the National Treasure for NDC in November 2008; and interview with Alhaji Abdul Moomin, Vice Chairman for PNC in November, 2008.
- ⁴⁵² www.Ghanaweb. *Funding Political Parties in Ghana: Whose responsibility?* Date accessed: Tuesday, 13th July 2010.
- ⁴⁵³ CDD-Ghana, *Political Party Funding*, p.17.
- ⁴⁵⁴ J.A.R. Ayee, F.G. Anebo and E. DebrahE. *Financing Political Parties in Ghana*. www.codesria.org/IMG/pdf/2007.p.28.,
- ⁴⁵⁵ M. Oquaye, “Oquaye Warns against proliferation of Parties” (Daily Graphic, April 8 2008, pp. 1&3).
- ⁴⁵⁶ Ibid. p. 3.
- ⁴⁵⁷ Ayee, “The Evolution of the New Patriotic Party in Ghana” in *South African Journal of International Affairs*, Vol. 15, No. 2. December 2008, p. 190.
- ⁴⁵⁸ The Electoral Commission of Ghana, *Report on the Consultative For a on Financing Political Parties*, Accra: Electoral Commission of Ghana, 1998. p. 9
- ⁴⁵⁹ Interview with Hon. Joseph Agbenu, MP for Afram Plains North, November, 2008.
- ⁴⁶⁰ Adzei Bekoe, “State Funding of Political Parties Desirable” The Daily Graphic, March 13, 2008, pp.1&3
- ⁴⁶¹ Interview with Kwesi Jonah September 12, 2008
- ⁴⁶² F. Anebo, “The Case for Public Funding of Political Parties in Ghana” Daily Graphic, April, 15, 2008, p. 9.
- ⁴⁶³ Ibid. p. 9
- ⁴⁶⁴ See The Ghanaian Times, March 26, 2008, p.3.
- ⁴⁶⁵ Nii Thompson “State Funding of Political Parties in Ghana: The Cost, Benefit and Risks”, New Legon Observer, 21 Feb 2008, pp. 8-9.
- ⁴⁶⁶ Ibid, p. 9.
- ⁴⁶⁷ E. Gyimah-Boadi, “Debating State Funding of Ghana’s Political Parties” in *Democracy Watch*, Vol. 8, August 2008, pp.2-3.
- ⁴⁶⁸ Ibid, p. 2
- ⁴⁶⁹. Interview with the PNC National Acting Vice Chairman, Alhaji Abdul Moomin in November, 2008.
- ⁴⁷⁰ Interview with Mr. David Kanga, Deputy Chairman of the Electoral Commission in November 2008.
- ⁴⁷¹ Interview with Mrs Gifty A.A. Ayeh, National Treasurer of the NPP in November 2008.
- ⁴⁷² Interview with NPP Treasurer in November 2008.
- ⁴⁷³ Ibid.

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- ⁴⁷⁴ Interview with Mrs. Gifty A.A. Ayey, National Treasurer of the NPP, November, 2008.; Interview with Ms Margaret Clarke-Kwesie, National Treasurer of the NDC in November 2008.; Interview with David Nibi the PNC Deputy National Treasurer in November 2008.; and Interview with CPP Administrator, Attoh Jonathan and other party executives
- ⁴⁷⁵ Interview with Mrs Gifty A.A. Ayeh, National Treasurer of the NPP in November 2008.
- ⁴⁷⁶ Interview with Ms Margaret Clarke-Kwesie, National Treasurer of the NDC in November 2008
- ⁴⁷⁷ Ibid.
- ⁴⁷⁸ Interview with party officials in November, 2008.
- ⁴⁷⁹ Interview with Dr. Kwaku Osei-Akom, May 2011.
- ⁴⁸⁰ Ibid.
- ⁴⁸¹ Interview with the NDC National Treasurer, Ms Margaret Clarke-Kwesie in November, 2008.
- ⁴⁸² The House of Commons Constitutional Affairs Committee Party Funding: *First Report of Session 2006-2007*, London: The Stationery Office Limited, 2006, p.5.
- ⁴⁸³ Interview with the Treasurer of the CPP, NDC, NPP and PNC in November 2008.
- ⁴⁸⁴ Ibid
- ⁴⁸⁵ Interviews with Political party Officials in November 2008
- ⁴⁸⁶ Interview with Alhaji Abdul Moomin of PNC
- ⁴⁸⁷ Interview with Ward-Brew the DPP 2004 and 2008 presidential candidate
- ⁴⁸⁸ Ibid.
- ⁴⁸⁹ See Arthur Kennedy, *Chasing the Elephant into the Bush: The Politics of Complacency*, Accra: AuthorHouse, 2009, p.viii.
- ⁴⁹⁰ Ibid. p.7.
- ⁴⁹¹ Interview NPP constituency chairman and constituency secretary (Names withheld) from Volta Region in October, 2014.
- ⁴⁹² Interviews with some NPP constituency executives at Tamale NPP Congress in April, 2014.
- ⁴⁹³ www.myjoyonline.com: God Directs Me to Donate to NPP, Chairman Wontumi. 24th January, 2014. Date accessed August 12, 2014
- ⁴⁹⁴ Interview with a wife of a Vice President in June 2009.
- ⁴⁹⁵ Interview with Honourable Seth Adjei Baah , Independent Member of Parliament for Nkawkaw constituency in August 2009.
- ⁴⁹⁶ Ibid. 2009.
- ⁴⁹⁷ Interview with Mr. Steve Ahiawordor, contestant for MP for NDC Dzodze constituency, February, 2011.
- ⁴⁹⁸ Interview with Dr. Kwaku Osei-Akom in May 2011. He was NPP MP primaries contestant who lost at Tano North Constituency in the Brong Ahafo constituency in April, 2011. He was also member of the PFP during the Third Republic (1979-81).

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- ⁴⁹⁹ Staffan I. Linberg, *Some evidence on the demand side of private-public goods provisions by MPs*, London: Africa Power and Politics Programme (APPP) Working Paper No. 8 February, 2010, p.1.
- ⁵⁰⁰ C. Clapham. *Third World Politics: An Introduction*, London and Sydney: Crookhelm 1985, p.56.
- ⁵⁰¹ Ibid. p.56.
- ⁵⁰² Interview with Honourable Seth Adjei Baah, Independent Member of Parliament for Nkawkaw constituency in August 2009.
- ⁵⁰³ Ibid.
- ⁵⁰⁴ Interview with the NDC National Treasurer Madam Margaret Clarke-Kwesie, 2008.
- ⁵⁰⁵ Interview with former NDC Member of Parliament and Deputy Minister of State under the first and second Parliament of the Fourth Republic in October 2008. (name with-held as part of confidentiality agreement)
- ⁵⁰⁶ Interview with Hon. Albert Kwaku Obbin, the NPP MP for Prestea-Huni Valley, January 2011.
- ⁵⁰⁷ Interview with Dr. E Agambila, NPP contestant who lost the primaries at Bolgatanga in October, 2009. Dr. Agambila served as a Deputy Minister for Finance under NPP administration.
- ⁵⁰⁸ Interview with Mr. Steve Ahiawordor, contestant for MP for NDC Dzodze constituency, February, 2011.
- ⁵⁰⁹ Interview with Mr. Vincent Tawiah, NDC card bearing member and a Head of Banking division of Barclays Bank Ghana, in June 2009.
- ⁵¹⁰ Interview with Professor Kwamena Ahwoi in January 2009.
- ⁵¹¹ The Herald News Paper, Konadus Nsawan Cannery Rots Away 2nd August 2011, p1.
- ⁵¹² www.Ghanaweb *How NPP victimized John Mahama's Brother* date accessed: October 2, 2012
- ⁵¹³ Interview with Mr. David Apasera the national treasurer of the PNC in July 2014.
- ⁵¹⁴ Interview Attoh Jonathan, CPP National Administrator in November, 2008.
- ⁵¹⁵ Ibid.
- ⁵¹⁶ Interview with Mr Aoyi Emmanuel Chegeweh, a former District Chief Executive for Tolon District in June 2009.
- ⁵¹⁷ Interview with Alhaji Abdul Moomin.
- ⁵¹⁸ Interview with Mr. Augustine Yaw Nti NPP card bearing member in June 2009.
- ⁵¹⁹ Interviews with the NPP, the NDC, the PNC and the CPP national treasures.
- ⁵²⁰ Interview with Mr. Kweku Baah, NDC card bearing member, Tema West Constituency in August 2009.
- ⁵²¹ Interview with Mr. Paul Kpai, NDC card bearing member in Hohoe South Constituency in June 2009.
- ⁵²² Interview with Honourable Joseph Tsatsu Agbenu NDC MP for Afram Plains North constituency in November, 2008.
- ⁵²³ Arthur Kennedy, p.2.
- ⁵²⁴ Interview with B.A. Effah, NDC card bearing member, in November 2008.

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- ⁵²⁵ Interview with Mr. Kweku Baah, NDC card bearing member in August 2009; and Interview with Abrebesse Amponsah NDC card bearing member in June 2009.
- ⁵²⁶ Interview with Haruna Esseku former National chairman of NPP in November, 2008.
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- ⁵⁴¹ Interview with Hon. Albert Kwaku Obbin, the NPP MP for Prestea-Huni Valley, January 2011.
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- ⁵⁴⁷ Interview with Bernard Deh, an Elder of Jehovah Witness Church, Legon Branch, June 2009
- ⁵⁴⁸ Interview with Albert Kwaku Obbin, the NPP MP for Prestea-Huni Valley, January 2011
- ⁵⁴⁹ Interview with Hon. Juliana J. Azumah-Mensah, MP for Ho East Constituency in November 2008.
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- ⁵⁵¹ Interview with Madam Elizabeth Addai-Boateng, Executive Director for Christian Mothers' Association in January 2011.
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- ⁵⁵⁸ Interview with Honourable Samuel Ampofo NDC National Organizer for 8 years in June 2014.
- ⁵⁵⁹ Ibid.
- ⁵⁶⁰ The names of interviewees and key financiers identified could not be disclosed because this is very sensitive.
- ⁵⁶¹ Discussion between me and one NPP National Executive (Name withheld because the information is sensitive) in November 2013.
- ⁵⁶² Interview with Mr. Ernest Atua , NPP Constituency Chairman of Ho in November, 2014.
- ⁵⁶³ Interview with the PNC National Deputy Treasurer, David Nibi in November, 2008.
- ⁵⁶⁴ The Constitution of the CPP, 2012, Accra, p. 10; The Constitution of the National Democratic Congress, 1992, Accra, p. 6;. The Constitution of the NPP, 2009, Accra, p. 5; The Constitution of the PNC 1992 p. 6-8.
- ⁵⁶⁵ Ibid.
- ⁵⁶⁶ Interviews with the NDC National Treasurer Mrs. Margaret Clarke in November 2008; NPP National treasurer Mrs. Gifty Aryeh in November 2008; CPP National Treasurer Dr. Adolph Lutherdt in November, 2013; and PNC National Treasurer Mr. David Apasera in July 2014.
- ⁵⁶⁷ Ibid.
- ⁵⁶⁸ See the Constitutions of the PNC p.7.
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⁵⁸⁰ See Ghana, 1992 Constitution p. 198.

⁵⁸¹ Ohman Magnus *Determining the Contestants : Candidate Selection in Ghana’s 2000 Elections*, Accra: CDD-Ghana, 2002, p. 9.

⁵⁸² A. Essuman-Johnson, “The Democratic Ethos and Internal Party Democracy: The Case of Parties in the Fourth Republic” in Ninsin & Drah (eds) *Political Parties and Democracy in Ghana*, Accra: Woeli Publication, 1993, p. 198.

⁵⁸³ Interview with N. Agboada, Executive party member at Keta constituency in November, 2008.

⁵⁸⁴ Interview with some party executives of the NDC and the NPP in November 2008

⁵⁸⁵ Ibid.

⁵⁸⁶ This information was gathered when I boarded a chartered bus with delegates from their residence to the NPP Congress venue during NPP Congress at Tamale on Saturday April 12,2014. The delegates did not know that I was not one of them.

⁵⁸⁷ Anthony Downs A. *An Economic Theory of Democracy*. New York: Harper and Row, 1957.

⁵⁸⁸ A debate among some delegates drew my attention to the scene. When I drew closer to follow the discussion, one of them cautioned them to stop the discussion because someone was listening to them. Another snubbed him saying the person standing there did not understand their language. One of them tried to greet me in the language they were speaking but I pretended as if I did not understand him. The second one said, but I told you he did understand our language. So they continued with the debate.

⁵⁸⁹ <http://www.myjoyonline.com/politics/2014/January-24th/monicracy-is-a-threat-to-npps-democracy-osei-prempeh-asserts.php>

⁵⁹⁰ This was discussed on *Asempa FM’s Ekosii Sen programme* Friday January 24, 2014,

⁵⁹¹ <http://www.myjoyonline.com/politics/2014/January-24th/monicracy-is-a-threat-to-npps-democracy-osei-prempeh-asserts.php>

⁵⁹² See The NPP, The Constitution of the NPP, Unpublished p.5.

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- ⁵⁹⁴ Interview with Albert Kwaku Obbin, the NPP MP for Prestea-Huni Valley, January 2011.
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- ⁵⁹⁶ Interview with Mr. Aoyi Emmanuel Cheweh former DCE for Navorongo under the NPP regime in June 2011; Mr Klu Zakour, NPP Chairman for Etoe polling station in January, 2011.
- ⁵⁹⁷ Interview with Joseph Nikpe Bukari, NDC MP for Saboba in January 2011.
- ⁵⁹⁸ Ibid.
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- ⁶⁰⁵ Interview with Mr. Ivor Greenstreet, the General Secretary for CPP in November, 2008.
- ⁶⁰⁶ www.graphic.com.gh accessed July 17, 2012
- ⁶⁰⁷ www.dailyguideghana.com accessed, July 17, 2012.
- ⁶⁰⁸ Interview with Mr Prince A. Joshua an ordinary card holding member of the CPP in July 2014.
- ⁶⁰⁹ Interview with a Constituency Secretary of the CPP in October 2014.
- ⁶¹⁰ Essuman-Johnson, *Political Parties and Democracy in Ghana*, p. 202
- ⁶¹¹ Opinion held by the NPP to undermine the democratic processes of the NDC
- ⁶¹² www.citifmonline.com accessed July 18, 2012.
- ⁶¹³ www.grahic.com accessed July 18, 2012.
- ⁶¹⁴ Nii Marma *NDC will pay for what happened in Sunyani* www.mijaku.com 22 July 2011 date accessed August 12, 2014.
- ⁶¹⁵ Ibid.
- ⁶¹⁶ Interview with Haruna Essuku; Mr. Antwi Agyei National Administrator for NPP in November 2008; and Mr. Kwabena A Asiamah NPP MP for Fanteakwa, ER, August 2010
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- ⁶²⁰ Ibid.
- ⁶²¹ Interview Mr. Zakour Klu, (Etoe VR) NPP polling station chairman in June 2009.

⁶²² Interview with Mr. Vincent Tawiah, card bearing member in June 2009; and interview with Amenyo Ntiri, (Odumansua ER) NPP polling station secretary, October 2011.

⁶²³ Interview with Kwabena Ayisi NPP constituency executive member, in June 2009.

⁶²⁴ Interview with Hon. Seth Adjei Baah, Independent MP for Nkawkaw constituency in August 2009.

⁶²⁶ Interview with Mr. Kwabena Essem, NPP National Press Secretary in November, 2008.

⁶²⁷ Interview with Honourable Seth Adjei Baah , MP for Nkawkaw constituency in August 2009.

⁶²⁸ Interview with S.A Baah independent MP in January 2009.

⁶²⁹ See The Daily Guide, January 17, 2012, p. 1.

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⁶³² Interview with Hon Jonathan Lackie-Komme NDC MP Odododiodioo, GAR in June 2009.

⁶³³ Interview with NDC MP (name withheld) in June 2014.

⁶³⁴ Interview with Alhaji Abdul Moomin, the Acting Vice Chairman for the PNC in November, 2008.

⁶³⁵ G. O. Mwangi “Political Corruption, Party Financing and Democracy in Kenya”

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⁶³⁶ N. Obiorah “Preface” in N. Obiorah (ed) *Political Finance and Democracy in Nigeria: Prospects and Strategies for Reform*, Lagos: Centre for Law and Social Action, 2004, p. vii.

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- ⁶⁵⁴ International Institute for Democracy and Electoral Assistance (IDEA), *Funding of Political Parties and Election Campaigns*, Handbook Series, Stockholm: International IDEA, 2003.
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1. PRIMARY SOURCES

INTERVIEWS

List of Members of Parliament Interviewed

No.	Date of Interview	Name of MP	Party	Constituency/Region
1	7/11/2008	Kofi Ahaliga	NDC	Afram Plains South, ER
2	7/11/2008	Juliana Azumah-Mensah	NDC	Ho East, VR
3	7/11/2008	Stephen Kunsu	NDC	Kintampo North, BA
4	10/11/2008	Joseph Tsatsu Agbenu	NDC	Afram Plains North, ER
5	10/11/2008	John Tia Akologu	NDC	Talensi, UER
6	10/11/2008	Josephine H. Addoh	NPP	Kwadaso, AR
7	11/11/2008	Frederick Opare-Ansah	NPP	Suhum, ER
8	11/11/2008	James Appietu-Ankra	NPP	Lower East Akim, ER
9	12/11/2008	Samuel K. Obadai	NPP	Agona West, CR
10	13/11/2008	Kwadzo Opare-hammond	NPP	Adenta, GAR
11	13/11/2008	Wisdom Gidisu	NDC	Krachi, VR
12	15/11/2008	Francis Addai-Nimoh	NPP	Mampong ,AR
13	15/11/2008	John A. Ndebugre	PNC	Zebilla, UWR
14	30/01/2009	Samia Yaba Nkrumah	CPP	Jomoro, WR
15	12/06/2009	Jonathan Lackie-Komme	NDC	Ododiodioo, GAR
16	04/08/2009	Seth Adjei Baah	Ind	Nkawkaw, ER
17	02/08/2010	Tetteh, T. Chaire	NDC	Ablekuma, GAR
18	27/01/2011	Kwame Ayimadu-Antwi	NPP	Asante-Akin North Ash
19	28/01/2011	Kwabena A Asiamah	NPP	Fanteakwa, ER
20	28/01/2011	Albert Kwaku Obbin	NPP	Prestea –Huni Valley, WR

21	13/01/2012	Joseph Nikpe Bukari	NDC	Saboba, NR
22	12/06/2014	Dominic Napare	NDC	Sene B/A
23	13/06/2014	Kwadzo Baah Agyemang	NPP	Akim North

List of Political Party Executives and Card Bearing Members Interviewed

No.	Date of Interview	Name	Party	Position
1	15/12/2007	H.E. J.J. Rawlings	NDC	Founder
2	15/10/2008	Prof. Ivan Addae-Mensah	PNP	Gen. Secretary
3	3/Nov/2008	Mr. Napoleon Agboada	NDC	Constituency Exe. Keta
4	17/11/2008	Mr. Mike Eghan	CPP	National Treasurer
5	18/11/2008	Mrs Margaret Clarke-Kwesie	NDC	National Treasurer
6	18/11/2008	Mr. Baba Jamal	NDC	Dep. Gen Secretary
7	20/11/2008	Mr. B. A. Effah	NDC	Card bearing Member
8	20/11/2008	Mr Ivor Greenstreet	CPP	Gen. Secretary
9	21/11/2008	Mr. David Nibi	PNC	Dep. Treasurer
10	21/11/2008	Alhaji Abdul Moomin	PNC	Vice Chairman
11	23/11/2008	Mrs. Chriatiana Fugah	PNC	Administrator
12	23/11/2008	Mr. T.N. Ward-Brew	DPP	Presidential Flag bearer
13	24/11/2008	Mr. Haruna Esseku	NPP	Former Chairman
14	25/11/2008 11/06/2014	Mr. Attoh Jonathan	CPP	Administrator
15	27/11/2008	Mrs Gifty A.A. Ayeh	NPP	National Treasurer
16	28/11/2008	Mr. Kwabena Essem	NPP	Press Secretary
17	28/11/2008	Mr. Antwi Agyei	NPP	Administrator
18	28/11/2008	Mr. E. Tsay	NPP	NPP, Patron/ Card
19	3/12/ 2008	Mr. Atik Mohamed	PNC	Education Spokesperson

20	10/01/2009	Dr. J.E. Oppong	DPP	Administrator
21	11/01/2009	Prof. Kwamena Ahwoi	NDC	Founding Member
22	16/01 2009	Mr. Owusu Gyimah	CPP	Elder, CPP, 1958
23	17/01 2009	Mr. Zakour Klu	NPP	Polling Station Chairman
24	02/06/2009	Mr George Opare Addo	NDC	DCE, Akropong/ Card
25	05/06/2009	Mr. Paul Kpai	NDC	Youth Organizer VR
26	05/06/2009	Kwabena Ayisi	NPP	Youth Organizer, ER
27	11/06/2009	Mr.Abrebesse Amponsah	NDC	Card Bearing member
28	12/06/2009	Mr. George B. Azumah	NDC	DCE, Tolon/ Card
29	12/06/2009	Mrs M. Opare-Hammond	NPP	Card Bearing Member
30	18/06/2009	Mr. Augustine Yaw Nti	NPP	Card Bearing Member
31	19/06/2009	A Second Lady	NDC	Card Bearing member
32	26/06/2009	Mr. Vincent Tawiah	NDC	Card bearing member
33	10/08/2009	Mr. Kweku Baah	NDC	Card Bearing member
34	15/10/2009	Dr. G. Agabila	NPP	MP contestant/Card
35	14/01/2011	Mr.Ludwig Hlodze	NDC	Nat. Youth Organizer
36	26/01/2011	Mr. Aoyi E. Chegeweh	NPP	DCE, Nanvorongo/ Card
37	04/02/2011	Mr. Steve Ahiawodor	NDC	Const. Executive, VR
38	15/05/2011	Dr. Augustine Siaw	NPP	Card Bearing Member
39	26/05/2011	Mr. Kwame Jantuah	CPP	Dep. National Organizer
40	27/05/2011	Dr. Osei-Akom Kwaku	NPP	MP Contestant Tano North constituency, BA
41	09/09/2011	Mrs.Dorcias Amoa	NPP	MP Contestant/ Evaluate-Gwira constituency
42	07/10/2011	Mr.Amenyo Ntiri	NPP	Card Holding member
43	09/07/2014	Mr. David Apasera	PNC	National Treasurer
44	06/07/2014	Mr. Jabila Zakari	PNC	Card Holding member
45	06/07/2014	Mr. Habib Ahmed	PNC	Card Holding member
46	27/11/2013	Dr. Adoph Lutherodt	CPP	National Treasurer

47	12/04/2014	Mrs. Joyce Atudu	NDC	Card Holding member
48	12/04/2014	Mr. Seth Awuku	NPP	Card Holding member
49	12/04/2014	Madam Gina Oduro	NPP	Card Holding member
50	14/04/2014	Mr. Prince Adobah	CPP	Constituency Secretary
51	15/04/2014	Joseph Addae	NPP	Card Holding member
52	15/04/2014	Mr. Paul Mantey	CPP	Card Holding member
53	17/04/2014	Mr. Oduro Mensah	NPP	Card Holding member
54	18/04/2014	Mr. Oduro Mensah	NPP	Card Holding member
55	18/04/2014	Mr. Oduro Mensah	NPP	Card Holding member
54	02/06/2014	Ms Joyce Appau	CPP	Card Holding member
55	02/06/2014	Mr. Foster Asante	NDC	MP Contestant ER
56	03/06/2014	Mr.Saeed Ahmed,	NDC	TEIN President GIMPA
57	03/06/2014	Mr.Minta Eyifah	NPP	TESCON President GIMPA
58	06/06/2014	Mr Samuel Ampofo	NDC	National Organizer
61	04/11/2014	Mr.Ernest Atua	NPP	Constituency Chairman VR

List of People from Civil Society and Public Institutions Interviewed

#	Date of Interview	Name	Position/Institution
1	12/09/2008	Mr. Kwesi Jonah	IDEG
2	26/11/2008	Mr. David Kanga	Dep. Chairman, E.C.
3	5/06/ 2009	Mr. Samuel Y. Aidoo	Finance Director E. Commission
4	5/06/ 2009	Mr. Kofi Kye-Duodu	Senior Electoral Officer, E.C.
5	5/06 2009	Mr. Anthony Amedzakey	Principal Electoral officer
6	12/06/2009	Mrs. Jean Mensa	IEA, Administrator
7	16/06/ 2009	Mr. Ben Ephson	Editor Daily Dispatch
8	17/06/ 2009	Mrs Comfort Mensah	GBC, Editor in Chief

9	18/06/ 2009	Mad. Kathrin Meissner,	Residence Director, Frederick Ebert Foundation
10	19/06/ 2009	Mr. Papa Nketia	Director Public Affairs, NCCE
11	19/06/2009	Mr. Kojo Tito	Commission Secretary, NCCE
12	20/06/ 2009	Mr. Bernard Deh,	Elder of Jehovah Witness Church, Legon Branch
13	20/06/ 2009	Rev. Ekow Eshun	Head Pastor, Revival Christian Ministry
14	27/01/ 2011	Mrs. Elizabeth Addai-Boateng	Executive Director for Christian Mother's Association
15	14/09/2011	Mr. Christian Owusu-Parry	Director, Public Affairs, E.C.
16		Mr. Kingsley Tettey	TV3
17	14/08/2014	Mr Victor Brobbey	Research Consultant, Centre for Democratic Development-Ghana (CDD-Ghana)
18	18/08/2014	Nana Banyin	Lecturer, GIMPA
19	20/08/2014	Nana Asante	Traditional Leader
20	11/09/2014	Dr. James Tufuor	Lecturer (UPSA)
21	12/10/2014	Mr. David Agbee	Executive Director, Ghana Institute of Governance and Security (GIGS)

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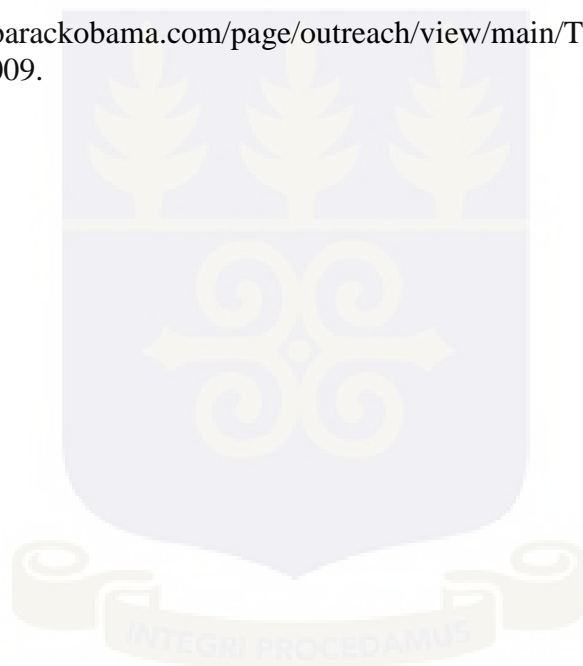
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APPENDIX “A”

**LIST OF REGISTERED POLITICAL PARTIES IN GHANA UNDER THE FOURTH
REPUBLIC AS AT NOVEMBER, 2012**

NAME OF PARTY	LEADER/ CHAIRMAN	GENERAL SECRETARY	COLOURS	EMBLEM	SLOGAN/ MOTTO
1. National Democratic Congress (NDC)	Dr. Kwabena Adjei	Mr. Johnson Asiedu Nketia	Green, White, Black and Red	The Umbrella with the Head of a Bird at the tip	Unity, Stability and Development
2. New Patriotic Party (NPP)	Mr. Jake Obetsebi Lamptey	Mr. Kwadwo Owusu Afriyie	Red, Blue and White	Red White And Blue background with an Elephant in the middle	Development in Freedom
3. Convention People’s Party (CPP)	Madam Samia Nkrumah	Mr. Ivor Kwabena Greenstreet	Red, Green and White	A Red Cockerel	Unity in Strength
4. Democratic People’s Party (DPP)	Mr. T. N. Ward Brew	Mr. Lawrence Hornu	White and the Rainbow	White Dove with Olive Branch in its Beak flying above the Rainbow	God is Great
5. Egle Party (EP)	Ag. Chairman Mr. Henry Gidi	Mr. C. K. Binewoatsor	Red, Blue and White	Coot Landing in the colours o Red, Blue and White	Party of the People for the People by the People
6. People’s National Convention (PNC)	Alhaji Ahmed Ramadan	Mr. Bernard Mornah	Red, Green and White	Coconut Tree	Service with Honesty
7. Great Consolidated Popular Party (GCPP)	Not available	John Thompson	Red, White and Yellow	A Bird at Rest in the Centre of 3 Concentric Circles	Caring for People
8. United Ghana Movement (UGM)	Nii Armah Tagoe	Mr. Erick Dyienya	Green and Blue	An Arm with Two Fingers Pointing Up	Grooming People for Ghana’s Development
9. Ghana Democratic Republican Party (GDRP)	Dr. Kofi Amoah	Mr. Kwakye Yiadom	Yellow, Blue and Black	A Group of Ghanaians Sitting in Council	Good Democrats for Real Progress
10. Democratic Freedom Party (DF)	Dr. Obed Yao Asamoah	Mr. John Ameka	White, Red, Violet and Green		Service in Freedom
11. Reformed Patriotic Party (RPP)	Kwabena Adjei	Charles Boateng	Green, White and Blue	Stool and Bloom	Youth in Service for Development
12. National Reformed Party (NEP)	Mr. Peter Kpordugbe	Mr. Kyeretwie Opoku	Yellow, Blue and Red	A Rising Sun	Ghana First

13. Ghana National Party (GNP)	Mr. Kobina Amoo-Aidoo	Simon K. Dewotor	Blue, White and Gold	Pilled Up Palms	Redeem Ghana Now! Now! Now
14. United Renaissance Party (URP)	Mr. Kofi Wayo	Alhassan Saeed	Blue, White, Green and Yellow	Human Palm Wit Rainbow Colours at Background	Putting Ghana First
15. New Vision Party (NVP)	Daniel Nkansah	Robert Kobby	Mauve, White and Gold	Lamp and Star	Development for All
16. United Love Party (ULP)	Ramon Osei Akoto	Ken K. A. Amoah	Purple and White	Purple, Red and Heart	United Eye Free
17. United Front Party (UFP)	Nana Agyenim Boateng	Samuel Bekoe Owusu	Red, White and Black	Golden Key	Empowerment for Development
18. United Development System Party (UDSP)	Tetteh K. Abraham	Henry Teye Quarshie	Yellow, White and Blue	Two Hands Bending full Brown	Unity the Best
19. Independent People's Party (IPP)	Kofi Percival Akpaloo	Dr. Divine Gabriel Brefo	Orange, Blue and White	Computer	Putting People's Lives First through Technology
20. Progressive People's Party (PPP)	Nii Allotey Brew-Hammond	Kofi Asamoah Siaw	Red Sun on White Background	Red Sun	Prosperity in Peace
21. Ghana Freedom Party (GFP)	Madam Akua Donkor	Kusi Collins	Blue, White and Yellow	Cocoa	Love and Unity
22. Yes People's Party (YPP)	Annin – Kofi Addo	Stephen Amo Dabanka	Gold, Metallic Black and Red	House, Maize, Yam and Fish	Te-Na-Fa (Keep Profits in Ghana)
23. National Democratic Party (NDP)	Dr. Nii Armah Josiah-Ayeh	Dr Joseph K. Manboah-Rockson	Green, Black and Red	White Dove in Flight Position	Justice, Unity, Peace and Progress

APPENDIX B

POLITICAL PARTY FINANCING IN GHANA

SURVEY INSTRUMENT

We are collecting data on views of party members on political party finance. This study seeks to understand the nature of political party financing in Ghana. The information obtained is for academic use only. Your participation is voluntary. All responses are 100% anonymous therefore your name is not necessary. It will help contribute to the on-going debate on party financing and democracy in Ghana. It would be appreciated if you could spare some time to answer the following questions as best as you can

SECTION A: PARTY AFFILIATION

1. Are you a card holding member of any political party? (1) Yes (2) No
2. If yes, which political party?
(1) NPP (2) NDC (3) CPP (4) PNC
3. [If Yes to question 1] How long have you been a member of the party?
(1) Less than 1 year (2) 1 - 5years (3) 6 -10 years
(4) 11 -15 years (5) 16 - 20 years (6) 20 years and above
4. What is your membership status? (1) Executive member (2) Ordinary member
5. Which of the following positions do you hold in your party?
 - (i) Member of Parliament (MP) []
 - (ii) National Executive []
 - (iii) Regional Executive []
 - (iv) Constituency Executive []
 - (v) Polling Station Executive []
 - (vi) TESCO Executive []
 - (vii) Council of Elders []
 - (viii) Overseas Branch Executive []
 - (ix) Any other, specify []
 - (x) Ordinary member []

SECTION B: POLITICAL PARTY FINANCING

6. Do you pay party membership dues? (1) Yes (2) No
7. Who pays your party membership dues? (please tick all that apply)

- (i) I always pay it myself []
- (ii) Other party executives sometimes pay for me []
- (iii) Some wealthy non-Executive members of the party pay for me []
- (iv) Some wealthy non-party members pay it for me []
- (v) Other (specify)..... []

8. Indicate your level of agreement or disagreement that your party obtains its major funds from the following financial contributors.

Party Financial Contributors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Ordinary members	1	2	3	4	5
2. Rich individuals of the party	1	2	3	4	5
3. Founding members	1	2	3	4	5
4. Local Businessmen/Businesswomen	1	2	3	4	5
5. Members of Parliament	1	2	3	4	5
6. State / Government funds	1	2	3	4	5
7. Executive members of the party	1	2	3	4	5
8. Contributions from overseas branches	1	2	3	4	5
9. Foreign businesses	1	2	3	4	5
10. Any other, specify	1	2	3	4	5

9. Which **one** of the above financial contributors to the party would you say is the major source of funding for your party?

.....[]

10. Indicate your level of agreement or disagreement with the following statements.

1. strongly Disagree 2. Disagree 3. Neutral, 4. Agree 5 Strongly Agree

Party Financial Contributors					
a) The party is more dependent on the financial contributions of wealthy members.	1	2	3	4	5
b) The party is more dependent on the financial contributions of ordinary members.	1	2	3	4	5
c) Wealthy people who provide money for the party tend to influence the outcome of elections within the party	1	2	3	4	5
d) The State should fund political parties	1	2	3	4	5
e) Political parties should fully disclose to the public their sources of funds	1	2	3	4	5
f) Political parties should fully disclose to the public their expenditure	1	2	3	4	5

g) The state should limit the amount of money that individual citizens and companies can donate to parties	1	2	3	4	5
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11. Are you aware of the practice where some individuals pay party dues for party members?

(1) Yes (2) No

12. Apart from the payment of party membership dues, have you ever made other financial contribution to the party? (1) Yes (2) No

13. What do you expect in return from your political party for the financial contributions that you have made for its activities?

Expectations for making financial contributions	Please tick as many that apply
Executive position in the party	
A position in Local Government if the party wins	
A position in National Government if the party wins	
Award of government contract if party wins elections	
Other (specify)	

14. Indicate your level of agreement or disagreement about how wealthy individuals who finance your party influence the outcome of elections within the party.

1. strongly Disagree 2. Disagree 3. Neutral, 4. Agree 5 Strongly Agree

Party Financial Contributors	1	2	3	4	5
They impose candidates on the party					
They pay membership dues for potential delegates and aspirants					
They provide economic and social incentives					
They buy votes with cash and kind					
They fix high election filling fees					

15. What is your level of agreement or disagreement with the following as factors that affect the ability of your party to mobilize funds from ordinary members of the party?

Factors affecting mobilization of funds from ordinary party members	1	2	3	4	5
Lack of transparency and accountability in the use of party funds					
Weak organizational capacity to mobilize funds from ordinary members					
Ordinary members are financially poor					

Ordinary members fear political victimization	1	2	3	4	5
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16. What do you suggest should be done by your party to mobilize more money from the ordinary members of the party?

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SECTION C: BACKGROUND INFORMATION

17. Age (1) 18- 30 (2) 31-40 (3) 41-50 (4) 51-60 (5) 60 and above

18. Gender (1) Male (2) Female

19. Marital Status (1) Married (2) Never Married (3) Not married

20. Level of Education

(1) No formal education (2) Primary education (3) JHS (4) SHS (5) Teacher training (6) Tertiary

21. Employment status?

(1) Artisan (2) Employed by the state (3) Employed by private business (4) Unemployed

22. What is your average monthly income?

(1) Less than 500 (2) 500 – 2,000 (3) 2,001 – 4,000 (4) 4,001 – 6,000 (5) Above 6,000

23. Which of the following religious groups do you identify with?

(1) Traditional (2) Christian (3) Islam (4) others (specify).....

28. Region of your constituency	WR 1	CR 2	GAR 3	VR 4	ER 5	AR 6	BAR 7	NR 8	UER 9	UWR 10
29. Name of your Constituency	INTEGRI PROCEDAMUS									

THANK YOU VERY MUCH

APPENDIX “C”

INTERVIEW GUIDE

Issue 1: Nature of Sources Funding

F1: What is the major source of funding for your party?

F2: Are there any other sources?

F3: Will you agree that rich individuals are the main financiers of the party?

F4: Why do you think rich individual support the party?

F5: How do the party mobilize funds from rich individuals?

Issue 2: Dependence on wealthy few

D1: Will you agree that the party is dependent on the few rich individual financiers?

D2: To what extent do rich individual party financiers influence the internal democracy in the election of constituency, regional, and national executives?

D3: How does the party's reliance on rich individual for funding affect party's the capacity of the party to sanction or discipline such individual when they violet party constitution/rules?

D4: How does the involvement of rich individual in party financing affect their businesses?

D5: What are the expectations of rich individuals and businesses who make financial contributions to the party?

D6: Is the party able to meet the expectations of the rich individuals and businesses who finance the party? If yes, please give examples.

Issue 3: Challenges of funding and proposals for state funding

C1: What are the major challenges faced by the party in mobilizing funds?

C2: Concern raised by some party members about transparency in the use of the party funds to the extent that it demotivates the concerned members from making further financial contributions? Do you share such concern about transparency in the use of party funds?

C3: What do you suggest should be done to enhance transparency in the use of party funds?

C4: Does the party render account to members about how party funds are used?

C5: If yes, in what specific ways is such accountability rendered?

C6: Do you support the view that the state should fund political parties? Give reasons.