

## Does context matter in financing political parties? The Ghanaian experience

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### **Abstract**

This article examines the contextual factors that influence political party financing in Ghana. There is no state funding for political activities in Ghana. Political parties have mechanisms to raise funds from their membership and party sympathizers. It is based on primary data collected through questionnaires and in-depth interviews with party members. The findings reveal that the mobilization of money from ordinary members of political parties in Ghana is a serious challenge because of weak institutional factors such as political patronage, lack of transparency and accountability, and lack of effective organizational capacity. The lack of financial support from ordinary members can also be attributed to poverty, fear of political victimization and socio-cultural beliefs of the citizens. A t-test shows that the institutional factors were found to be more severe than factors that were related to the weaknesses of the ordinary members.

**Keywords:** Democratic politics, political parties, political party financing, contextual factors, Ghana.

## **1. Introduction**

The normative view of the practice of multi-party politics is one of a competition to serve public interest. There are theoretical underpinnings with regards to political parties and the consolidation of democratic politics. As central to democratic development, political parties provide alternative policies for voters to choose during elections, mobilize and educate voters, and recruit leaders to form government (Ayee *et al.*, 2007; IDEA, 2012). This implies that a true representative democracy will hardly exist without a vibrant political party landscape. Arguably, political parties have become indispensable actors in the democratization and the consolidation of democracy (Gunther & Diamond, 2003). However, some scholars have noted that due to the “weak institutionalization and prevalence of clientelism” party politics does not necessarily lead to democratic development (Randall, 2007: 633).

Political party finance is a common practice in both old and new democracies. The sources of funds available to political parties remain a subject of controversy in the scholarship of comparative politics. Given the view that the normative aim of political parties is to serve the public interest, some scholars argue that political parties should be exclusively funded by the state (Randall & Svasand, 2002; Pinto-Duschinsky, 2002). They argue that state funding of political parties is efficient for multi-party democracy as it engenders an equal platform for competition and accords the state the moral temerity to hold parties accountable (Biezen, & Kopecký, 2001). However, external sources may breed corruption by allowing wealthy individuals to highjack political parties, thereby defeating the core purpose of effective representative democracy (IDEA, 2014). The literature on democratic politics clearly shows that unhealthy private financing of political parties poses one of the greatest threats to economic growth, political stability and development (Ninsin, 2006). It has a devastating impact on public confidence in political, economic and social systems (Randall & Svasand, 2002). This suggests that there are unresolved issues in the literature on the sustainable means of financing political parties.

In Ghana, financing political parties has been on the agenda since the inception of the Fourth Republic, however, the issue has not been appropriately discussed within the socio-cultural, political, and economic context. Drawing on several theoretical perspectives, this study argues that political parties can take their rightful place in the current democratic consolidation agenda only if they are able to organize party structures to become effective agents of party vibrancy and competitiveness. Specifically, this paper attempts to answer the following

questions: (a) What is the nature of political party financing in Ghana? (b) What are the major contextual or environment factors that have impacted on party financing and organization in Ghana? (c) What are their implications for democratic politics? In this paper, political party financing is conceptualized as all the means through which political parties and individual political actors mobilize resources for the execution of their electoral, political and party organizational activities. The paper proceeds as follows; the next sections examine the general literature on party financing and democratic politics and contextual/environmental factors that influence party financing. The findings of the study are discussed and the conclusion with policy implications are drawn toward democratic politics in Ghana and other emerging democracies.

## **2. Political Party Financing and Democratic Politics**

Although financing political parties is somewhat necessary for the consolidation of democracy, the theoretical conceptualization of party financing is nebulous. Political party financing has narrow and broad meanings. Some scholars conceived political party financing as how candidates and political parties seeking to occupy political office and political parties secure funds to enable them carry out campaign activities during elections (Ssenkumba, 2005; Walecki, 2004). This is a narrow conception because political party financing is conceived as money meant for financing only campaign activities. However, Ohman (2014) opines that political party financing is all the money employed in the political process. Similarly, Pinto-Duschinsky (2002) sees it as the use of money or the use of other material resources for political activities. The latter definitions are all-encompassing in that political party financing is understood as funds or other resources meant for the execution of all political activities.

The theoretical assumptions underlying political party financing is the view that money is a crucial factor in any effort to mobilize electorates and secure political activity by breaking down public inertia (Ayee *et al.* 2007). As Ohman (2014) observes, political party activities especially election campaigns require numerous programmes ranging from traveling, advertisements and other huge logistical needs which demand that any serious candidate or a political party devote energy and time to mobilize money to finance these inevitable expenditure. Thus, the availability or lack of finance is a critical element that directly impacts on the extent to which political parties can shape democratic politics (Butler, 2010). Hence, political activities require huge financial commitment making party finance both the object and result of political processes (Nam-Katoti *et al.* 2011).

Extant literature argues that the prudent type of party financial management is the funding mechanism adopted by mass political parties (Hopkin, 2004; Arthur, 2017). Mass parties emerged out of the weakness of cadre parties - parties in which voting right was based on the property of citizens (Duverger, 1980). Cadre parties were weakly organized and had unstable members. Cadre parties depended on the donations from wealthy and prestigious supporters, resulting in clientelistic relationships (Duverger, 1980). However, mass political parties are deemed viable because party organization is placed in the hands of members and funding is drawn from a wide-range of sources including membership dues, donations, party fundraising platforms, and profits generated from the businesses owned by political parties ( Biezen, 2003). Mass parties are more centralized, but have local branches, and appeal to the public. As put forward by Duverger (1980: 64) mass parties appeal “to the listening, active public which receives a political education and learns how to intervene in the life of the State”. However, the immediate Post-World War II witnessed tremendous political reforms in Europe and America where mass party organizations were replaced by Catchall parties (Katz & Mair, 2012). The catchall parties rather moved power to the leaders and reduced the influence of individual party members (Katz & Mair, 2012). This was justified by the claim that the centralization of power in the party leadership was necessary for electoral efficiency which the mass party model failed to provide.

Nonetheless, the mass party stream of political party financing bodes many prospects for democratic consolidation because it encourages voluntary contribution and active participation of citizens in the democratic process. Arguably, membership contribution is an effective means to political party financing since it does not allow greater influences on political parties’ programmes and related functions and discount manipulations from a few wealthy individuals (Biezen, 2003). Hence, the mass party model has the potential to lessen the logistical constraints through its large financial model, and the greater number of party faithfuls who are ready to work for the party without direct compensations (Hopkin, 2004).

More broadly, Pinto-Duschinsky (2002) identifies public and private financing as the two main sources which, most democracies today acknowledge, are needed to perform democratic tasks. 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 (Weissenbach & Korte, 2010). The introduction and encouragement of state funding in various democracies are largely due

to insufficient income generated by the political parties through fund-raising activities. Supporters of public funding of political parties argue that 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 (Ninsin, 2006). More importantly, the incumbent party has access to state resources and this does not create a level playing field for opposition parties (Hopkin, 2004; Gyimah-Boadi, 2009).

While some old democracies (e. g. Germany, Uruguay) and new democracies of central Europe provide a large amount of public funding to political parties, others especially those in emerging democracies provide a relatively small amount ( Biezen & Kopecky, 2001). What is heart-breaking concerns African countries where, as at 2002, a relatively small number of fourteen countries had state funds available to political parties (Austin & Tjernstrom, 2003). In Ghana, for instance, Article 55 (3) of the 1992 Constitution and the political parties Act 1992 regulate the extent to which political parties are funded (Debrah, 2014). While only party members and donations from the national businesses are required by law to contribute towards financing political parties, non-citizens, foreign governments and Non-governmental organizations are required to support the country's Electoral Commission for the benefit of all political parties in the national interest (IDEA, 2012). However, it is rather surprising to note that in spite of the legal framework that regulates political party financing, there is no state funding for political parties in Ghana. This suggests that the landscape of political party financing needs further examination within Ghana's social-political and economic context as means to ascertaining the sustainable financing regime that can spur on Democratic Party politics.

### **3. Contextual/environmental factors and Democratic Party politics**

There are several environmental factors that have the potential of impacting positively or negatively on the financing of political parties and democratic politics. The pool of money available to a political party, the wealth of the citizens and that of the other people willing to contribute, the geographical size of a constituency, and the party history of the constituency are some of the structural factors that determine the amount of money raised and spent on political organization in the United States and other developed democracies (Witko, 2016). In developed societies where regulations and enforcement systems for political parties are strong, money (in case of state funding) tends

to be more equitably distributed. The practice is contrary in some developing countries where there exist a problem of widespread misuse of state resources for political gain by incumbent parties (Speck & Olabe, 2013). Where there are strong parties, they may create more freedom for their own fund-raising and contribute to the practice (IDEA, 2003; Gierzynski, 1998). Gierzynski's (1998) contends that knowing about party financing behavior in one setting is not the same as knowing other settings or environments. As a result, he suggests that since political finance behavior is influenced in different enthronements by different environmental factors, a study of political party financing in a particular setting should be carried out with a different combination of environmental factors. Saffu (2003) has rightly observed that in Africa, party financing is a function of people of low income levels, illiteracy, weak rules and regulations. He also notes that the phenomenon of a candidate owning a party as a businessman 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.

The International Institute for Democracy and Election Assistant (International IDEA) has noted a good number of contextual factors that are likely to impact on the political party financing model of African countries. It is argued that membership dues serve as the greatest source of funds to most political parties in the African countries with or without party regulation (IDEA, 2014). However, evidence abounds that there is increasingly general decline of trust in parties by national citizens and this is expected to impact negatively on the membership drive (Hopkin, 2004). Even in developed democracies, there is a growing recognition that membership of political parties are generally on a decline (Biezen & Kopecký, 2001). This suggests that given the fact that political clientelism and gross abuse of public office by politicians is pervasive on the African continent, there is a likelihood of citizens' apathy in the activities of political parties. For instance, Yobo and Gyampo (2015) argued that there have been fluctuations in the number of valid votes in Ghana and this can be attributed to the fact that the party politics in the Ghana's Fourth Republic is dominated by two main parties, due to the abysmal performance of 'third parties'. They contended that this is likely to engender voter apathy as electorates who are dissatisfied with the two political parties may entirely abstain from exercising their franchise, and this may have negative impact on the parties' membership drive. In terms of regulation, African countries have varied financing regulations that seek to prohibit some sources of funds that are deemed unwanted including donations from organizations with government contract or anonymous foreign donations

(IDEA, 2012). Similarly, countries tend to differ with regards to the requirement for party and candidate's financial disclosure and reporting mechanisms. As IDEA (2014: 23) points out, in terms of "comparison to developed democracies, the practice of making reporting and disclosure mechanisms from the parties public is less common, and far less so when it comes to candidates" in most African countries. It must be emphasized that countries have their own history and context and any search for sustainable sources of political party financing regime must be understood within the socio-political and economic milieu of individual countries.

#### **4. Study Design, Method and Data**

The study used a combination of quantitative and qualitative research approaches to collect and analysis its data. Four political parties, namely, the National Democratic Congress (NDC), New Patriotic Party (NPP), Convention People's Party (CPP) and People's National Convention (PNC), which had representation in Parliament under the Fourth Republic were purposively selected. The selection of these political parties was done because the NDC and the NPP were the two main parties that had alternated political power under the Fourth Republic (Bob-Milliar & Paller, 2018; Daddieh, 2011; Daddieh & Bob-Milliar, 2014; Bob-Milliar, 2012), while the CPP and the PNC are parties but had representation in parliament (Kwofie & Bob-Milliar, 2017).

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 made it possible to undertake the study within the local context where the party activities occur (Silverman, 2016). The qualitative data for the present study was gathered through desk reviews and 17 in-depth interviews with eight grassroots members, one former head of state; six Members of Parliament, eight political party officials including national treasurers of political parties represented in parliament, the qualitative data is used to triangulate the quantitative data for the study. The quantitative data for this study came from a larger study (see Agomor, 2015:59). The analysis of the quantitative study covered 1006 self-declared card-holding members of the four political parties. 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 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 of



Ghana, 102, representing 37 percent, were randomly sampled in proportion to their seats in Parliament. It is important to emphasize that the representation of MPs in the study suggested that at least 102 constituencies representing 37% of all the constituencies were sampled. The final survey respondents are stratified in terms of position in the parties. The NDC had 147 members (54%), the NPP had 122 (44%), the CPP and the PNC had one each. The positions of the survey respondents are presented in Table 1. This high profile sample provided a rich understanding of the party financing issues in Ghana.

TABLE 1: MEMBERSHIP POSITIONS AND POLITICAL PARTIES

<b>Membership Positions</b>	<b>NPP</b>	<b>NDC</b>	<b>CPP</b>	<b>PNC</b>	<b>Total</b>
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
Tertiary Student Executives	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:* Agomor, 2015: 64.



## **5. Findings of the Study**

The discussion of the findings of the study is divided into two main parts: descriptive statistical results and qualitative analysis of contextual variables of party financing in Ghana.

### *5.1 Descriptive Results: The nature of funding political parties in Ghana*

The respondents (1006 in number) were 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. Indeed, 82.5 per cent of the total number of respondents indicated wealthy members of the political parties as the major source of contribution to their parties. This is made up of the rich individuals, 38.1 per cent, Members of Parliament, 19.2 per cent, party executives, 18.1 per cent, and founding members, 7.2 per cent. In contrast, only 2.2 per cent of respondents indicated ordinary members as the major source of funding. The contribution of rich individuals was very much felt in the NPP as 42.8 per cent 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 per cent 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 2). It is, therefore, logical to assert that political parties in Ghana's Fourth Republic largely depend on the rich individuals and party executives for the funding of political activities.

These findings do not support the assertion by IDEA (2014) that membership contributions through dues serve as the greatest source of funds to most political parties in Africa. The findings (Table 2) also suggest that foreign businesses contribute to financing political activities although the Article 55 (3) of the 1992 Constitution of Ghana prohibits direct funding to parties from such sources. The law requires that external funding can be made to the Electoral Commission for the benefit of all political parties. These findings suggest that due to the absence of state funding, political parties tend to raise funds from unlawful and undisclosed sources posing serious threat to the Democratic parties in Ghana. Although the study confirms IDEA's (2012) view that African countries have varied financial regulations that prohibit some sources of funds, parties in Ghana tend to disregard the financial disclosure and reporting mechanisms.

TABLE 2: MAJOR SOURCES OF INCOME BY PARTIES (CROSS TABULATION)

Sources	Political Parties									
	NPP		NDC		CPP		PNC		Totals	
	#	%	#	%	#	%	#	%	#	%
Ordinary Members	3	0.8	4	1	6	5.9	9	8.7	22	2.2
Rich Individuals	171	42.8	155	38.8	30	29.4	27	26	383	38.1
Founders	22	5.5	17	4.2	13	12.7	20	19.2	72	7.2
Local Business	44	11	42	10.5	10	9.8	9	8.7	105	10.4
Members of Parliament	88	22	93	23.2	8	7.8	4	3.8	193	19.2
State Funding	3	0.8	5	1.2	1	1	0	0	9	0.9
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	1	1	12	1.2
Foreign Business	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: Agomor, 2015: 153.

### 5.2. Contextual variables of party financing

Six items were used to identify the contextual variables that influenced party financing in Ghana. An exploratory factor analysis was conducted to identify the major categories that influence the mobilization of party funds. The exploratory factor analysis was deemed necessary because it provided room for the six variables under study to be reduced to less categories. The tests for model adequacy yielded significant results as the Bartlett’s test of model adequacy yielded a p-value less than 0.01. This indicates that the sample selected is adequate for factor analysis. The factor analysis extracted two factors that explained 69 per cent of the total variation present within the data set. Table 3 gives details of the factor loadings on the two distinct factors.

The first factor extracted explained 39% of the total variation. This factor contained variables that were related to institutional flaws within the party. These flaws included the issue of political patronage, lack of accountability and weak organizational capacity to mobilize funds for the political party. The second factor extracted approximately 30 per cent of the total variation. Within

this factor were issues that were related to the ordinary members of the party. This included the issue poverty of ordinary members, fear of being victimized by other members of the party, and religious and socio-cultural beliefs (see Table 3).

TABLE 3: FACTOR ANALYSIS OF CONTEXTUAL VARIABLES OF PARTY FINANCING IN GHANA

Challenge of mobilizing funds	Loadings on Factors	
	Institutional factors	Ordinary member factors
Political patronage	.832	.231
Lack of transparency and accountability	.850	.121
Weak organizational capacity of parties	.828	.175
Fear political victimization	.140	.800
Ordinary members are financially poor	.141	.800
Religious and socio-cultural beliefs	.122	.781

Source: Agomor, 2015: 230.

Further tests were conducted to examine the existence of substantial differences between the two identified factors. An independent samples t test conducted yielded significant differences between the severity of the challenges resulting from the institutional factors and the challenges resulting from the weakness of the ordinary members ( $p < 0.01$ ). The t test is often used to identify the difference between two variables. Institutional factors were found to be more severe than the factors that were related to the weaknesses of the ordinary members.

## 6. Qualitative Data Analysis

The nature of the contextual variables that have impacted on the mobilization of funds from members of political parties are discussed below.

### 6.1. Political Patronage

Ordinary party members in Ghana largely see their political parties as money-making machines rather than as avenues for democratic decision-making. Arthur Kennedy (2009), an NPP presidential hopeful in 2008 admitted that he gave out money to party functionaries in a bid to influence his election. 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 (Arthur, 2009:7).

Similarly, a spouse of a president of Ghana in an interview intimated that since her husband entered politics, people always saw them as rich politicians who could solve their financial problems. They 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.' The important point is that political party officials 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. The ability of political parties to mobilize funds 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 organization and democratic politics is weakened.

## *6.2. Political Victimization*

Political victimization is one factor that is likely to hinder people's willingness to make financial contributions to political party activities. In an interview with a Member of Parliament (MP), he disclosed that he was victimized because he financially supported one of the two candidates contesting the MP position in his constituency. The person to whom he gave the money lost the election and the other candidate became the MP. Subsequently, he was victimized as reflected in the following extract:

The candidate who won the election openly told me that I will one day beg for food because I supported his opponent with money to defeat him. To carry out his threat, I was removed from three District Assembly Committees which I was serving without any reason. The banks were instructed not to offer me any loan and I was also disallowed to contest during the party primary elections in 2004 elections. Fortunately, I contested in 2008 elections as an independent candidate and won as the MP for the constituency (Agomor, 2015: 174).

The ruling parties sometimes frustrated companies who contributed to political party funds. Interviews with MPs and party official revealed that during the

NDC rule under former President Jerry Rawlings, a soap producing company (Apino Soap) was banned and eventually crippled. The alleged reason was that owner of Apino Soap, Appiah Menka, was the Ashanti Regional Chairman of the opposition NPP. Similar things happened to International Tobacco Company and Tata Brewery (Agomor, 2015). The NPP retaliated when it took power in 2001. The Masai Developers Limited, was nearly destroyed because the owner donated a vehicle to the founder of the NDC (ibid). Also, Cashpro Company was grounded by the NPP government. Former President Kufuor stopped the operation of the Nsawam Cannery belonging to a top NDC member and the company was left to rot because he claimed that she had not made the full payment for the industrial property (ibid). Although this finding could be described as political allegiance and victimization, it confirms the view that it is common to find party candidates owning parties as businessmen and such situation threaten the survival of businesses during political turnover (Saffu, 2003).

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. These PNC members had to abandon the party to join the ruling parties because they were no longer getting contracts. A national executive member of the CPP observed that citizens with business interests wanted to support more than one competitive political party to avert victimization and reduce the risk to their investment in politics. 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 people to contribute to political party funds.

### *6.3. Socio-economic Factors (Poverty)*

The economic status of a person; 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 identified as a factor limiting the ability of parties to mobilize funds from them (ordinary members). The Vice Chairman of the PNC disclosed in an interview that the PNC was poor because the party did not have many entrepreneurs and contractors. Their members were illiterates and mainly concerned with their daily survival. To expect these people to pay dues with their low income to political parties was a mirage.

One important reason why some Ghanaians did not want to help in financing political parties is the fact that some politicians displayed their material wealth during their election campaigns. A party member said that the kind of vehicles

some politicians use, the expensive way they organize programmes with display of affluence create the impression that political parties and politicians are rich and therefore they do not need any support from ordinary members. Another card bearing member of NPP 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?’ 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, but the payment of dues was irregular and insignificant.

These findings are consistent with Ninsin’s (2006; 2007) observation that poverty among the majority of Ghanaians has impaired their capacity to exercise the will to act in political affairs. As Ninsin (2007) noted, 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 due to their respective parties. It is indeed difficult for smaller parties to have a membership list with regular payment of dues. Smaller parties, therefore mostly depend on the founders of the party. Interview with the Municipal Chief Executive (MCE) intimated thus:

Larger and resourceful political parties such as the NDC and the NPP sometimes support the smaller parties in terms of payment of nomination fees and other undertakings. Some of the smaller parties would take the support and decline getting to the contest and finally ask their supporters to vote the larger party that support them. Even during run-off, the larger party negotiates to pay the expenses of the smaller parties to take over their members to vote them. So, if you observe you would realize that during the run-off elections we had in Ghana, smaller parties had to throw their support to either of the two major parties (Interview with an MCE, October 4, 2018).

It is important to emphasize that poverty among Ghanaians has negative implication for the sustainability of political parties and the situation is dire for the minor parties. As reflected in the above extract, the two major parties tend to manipulate the smaller parties by giving them financial support in return for support during the main and run-off elections. The net effect is that it defeats the core purpose of multiparty democracy as voters are deprived of the opportunity to choose from credible alternatives. This may explain why the picture looks gloomy for the emergence of a “third force” in the Ghanaian political landscape.

The results are consistent with Saffu’s (2003) assertion that, in Africa, low levels of citizen’s income, illiteracy, and weak legal regimes tend to impact

negatively on party financing. 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.

#### *6.4. Lack of Transparency and Accountability*

Another challenge that is likely to affect ordinary party members' willingness to donate to a political party is the issue of lack of transparency and accountability in the use of party funds. One card-bearing member complained that political parties did not give them information on the financial status of the party as they used to do for electoral results, yet they always appealed for funds. 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. The General Secretary of the NPP on Joy FM station (August 19, 2014) stated that the party had opened seven different accounts and that the old executives failed to properly explain how the accounts were managed. Similarly, 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 or the accounts of the party.

Interviews with some NDC and NPP Members of Parliament confirmed that there is little transparency or accountability in the management of party funds. According to them, many faithful party members have problems with accountability and openness in the party, and that ordinary party members did not want to donate to party activities because of the lack of transparency in financial operations. The MPs complained that the fundraising activities were often handled by a small group of individuals with poor procedures for recording financial transactions. This really undermines the very purpose of the disclosure rule which aims at ensuring transparency in financial transactions of political parties.

#### *6.5. Organizational Capacity of Political Parties*

Another issue which makes it difficult for political parties to mobilize funds from the ordinary members is their weak organizational capacity. A party's organizational capacity shapes mass participation in politics in various ways (IDEA, 2012). A successful mass mobilization of funds is inconceivable without



an effective party organization. The financial strength of a party depends on its organizational capacity. 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 (Agomor, 2015: 184).

Looking at the past four presidential general election results (Table 4 below), the big political parties such as the NDC and NPP should be able to generate considerable amounts of money from the large number of members and sympathizers who voted for them. But this not the reality on the ground.

TABLE 4: PRESIDENTIAL ELECTION RESULTS 2004 - 2016

Party	Votes cast							
	2004	%	2008	%	2012	%	2016	%
NPP	4,524,074	52.45	4,159,439	49.13	5,248,898	47.74	5,697,093	53.80
NDC	3,850,368	44.64	4,056,634	47.92	5,574,761	50.70	4,701,162	44.40
CPP	85,968	1.00	113,494	1.34	20,323	0.18	25,078	0.24
PNC	165,375	1.92	73,494	0.18	24,617	0.22	20,910	0.20

*Source:* Compiled by the author from Electoral Commission, July 2017.

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. Many will agree that if parties have an attractive message for the over four million voters, they will be prepared to contribute an average of one cedi every year toward party activities. The NDC and the NPP are likely to generate over four million Ghana cedis a year. Figures obtained from the audited accounts submitted by political parties to the Electoral Commission showed that the total amounts of money spent by the NPP in 2005 and 2006 were GH¢4,719,563.00 and GH¢5,371,227.00, respectively, while those of the NDC for the same period were GH¢1,997,303.00 and GH¢2,657,731.00, respectively. All things being equal, the NDC should have had surplus funds, while the NPP would need a little extra donation to break even.

As Nassmacher (2003) argued, there is the need to collect ‘big money in little sums’ if grassroots supporters are less well-off. This was demonstrated during the nineteenth and twentieth centuries when working-class parties in Western Europe collected ‘big money in little sums’ to promote their political cause. In like manner, the process of raising big money in little sums helped to fund political movements working for the independence of many African states (Nassmacher, 2003). An example of this is how President Barack Obama and his Democratic Party raised ‘big money in little sums’ to support political activities in the 2008 elections. They created a grassroots movement that was funded by a broad base of ordinary people through online contacts. According to Corrado (2011), Obama was so successful in raising money that he refused public funding not only in the primaries but also in the general election, becoming the first president since the creation of the public funding program in 1974 who did not use public funding. The situation in Ghana is different. One can, therefore, infer that the 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 toward contributing to political party funds on the part of the ordinary members and sympathizers should, therefore, be blamed on the political parties themselves.

#### *6.6. 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 Jehovah Witness Church intimated that his church doctrines did not permit them to vote in general elections or participate in political activities at all. According to one MP, 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 the grounds that politics was a dirty game, full of insults and acrimony. A woman MP stressed that women who made some strides in politics had bitter experiences to share with the up-coming ones. 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.

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. The interviewee stressed that so many men refused to allow their wives to attend advocacy workshops designed to encourage women to contest in 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. Another MP 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 were given the opportunity to stand for these positions in the party, the party would lose floating voters in general elections.

## **7. Conclusion**

The study examined the contextual variables affecting financing political parties in Ghana. It found out that the mobilization of money from ordinary members of political parties in Ghana is a serious challenge because of weak institutional factors such as political patronage, lack of transparency and accountability, lack of effective organizational capacity. The lack of financial support from ordinary members can also be attributed to poverty, fear of political victimization and socio-cultural beliefs of the citizens. The t-test was used to determine the differences between institutional and ordinary member factors, and it showed that the institutional factors were found to be more severe than the factors that were related to the weaknesses of the ordinary members. The study also clearly showed that political parties depended on wealthy members of society for funding. The descriptive statistics revealed 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 were considered wealthy by the study.

The study 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.

Consequently, political parties should broaden their internal sources of income in order to improve their internally generated funds and reduce their overdependence on wealthy members. As practised in Malawi, political parties in Ghana can also undertake productive ventures to generate income and also economically empower members (Olaore, 2005). They need to update their data on members and develop innovative payment strategies such as mobile phone texting using 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 a few wealthy donors hijacking the administration and appointing 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.

### **Biographical Notes**

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### **List of Interviews**

- Interview with Hon. Albert Kwaku Obbin, NPP MP for Prestea-Huni Valley, January 2011.
- Interview with Hon. Elliot Agbenorwu, MCE for Keta on October 4, 2018.