

Political Finance: Funding good politics

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Money in politics – a common dilemma

- Too much money? Too little?
- Badly distributed?
- The cost of entering politics?
- The power of large contributors?
- Political contributions as bribes?
- Public perceptions...

It is tempting...

- To fight bribery first
- To **restrict funding** sharply
- To insist on full disclosure of all activities
- To substitute public funds for private
- To think of parties as “public utilities”
- To see politics as a civic process
- To **insulate politics** from private interests

But there are risks:

- Starving the political process of resources
- Raising the risks of contributing
- Reducing incentives to participate
- Undermining the credibility, social base of politics
- Weakening checks against corruption
- Raising unrealistic expectations

Positive goals: what should a political finance system do?

- Provide ample resources for open, competitive politics
- Encourage and reward the growth of mass participation
- Build credibility of politics
- Build political trust
- Reduce risks of participating
- Link politics and funding to real interests, groups in society

Priorities for action...

- A **clean and credible** voting process
- **Security** for ordinary citizens, civil society
- An independent elections authority
- Sound estimates of needed resources
- Fair, understandable schemes for distributing resources
- A dedicated, reliable source of funds
- Ways to distribute **information** quickly, in understandable form

Ideas to consider...?

- Not just controls and limits...
- “Seed money” and matching funds
 - ◆ to increase competition
 - ◆ to increase participation
 - ◆ to support a small number of **broad-based parties**
 - ◆ to encourage civil society activities
 - ◆ to encourage, reward internal party **accountability**

More unusual ideas...?

- Extra support for **new parties**
- Extra support for **challengers**
- Allow one or two large contributions to launch campaigns
- A “tax” on very large contributions, budgets
- Free media time, space
- **Blind Trusts?**