

FINANCING POLITICAL PARTIES IN NIGERIA: A CURSORY EXPLORATION OF THE FOURTH REPUBLIC

Oluwadare Ayeni

Department of Public Administration, Obafemi Awolowo University, Ile-Ife, Nigeria

Corresponding Author's email: oluwadareayeni.oauife@gmail.com



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ABSTRACT

Political party finance in Nigeria has been a subject discourse among scholars, politicians and civil society organisations in recent time. This is not only because of the currency of the concept, but as a result of the important roles it plays in democratic process across different political settings. This study examines the existing state and method of political party financing in Nigeria and assesses the political party financing regulations by Independent National Electoral Commission (INEC) in Nigeria. Secondary data were relied on in carrying out the study. The results show that the existing state and method of political party finance in Nigeria are considerably similar to the political party finance practice across different political settings. It also shows that political party finance regulations by INEC in Nigeria are ineffective as a result of weak legal framework which needed to be overhauled.

Keywords: Political Party, Political Party Finance, Democracy

Introduction

The historical pedigree of political parties in the country, it started in the southwestern region and it is not an aberration to say that the region is known for its political consciousness and volatility. This is not unconnected with the accessibility of this region to early education. Consequently, most of the political parties that championed the struggle for Nigeria's independence were formed and made popular in the south west region. While money was important in party politics in those days, it was not a decisive determinant of 'who gets what'. If money was to play a significant role, the colonial government would have successfully planted its stooges to occupy the three seats in Lagos

then (Adeyi, 2006). As Dike (2001) aptly noted, twenty-six political parties were formed during the First Republic (1959-1966). Some of the parties formed were the National Council of Nigeria and Cameroun (NCNC), Northern Element Progressive Union (NEPU), United Middle Belt Congress (UMBC), Borno Youth Movement (BYM), and United National Independent Party (UNIP).

Three major political parties dominated the political landscape during this period. They were the Northern Peoples Congress (NPC), the Action Group (AG) and the National Council of Nigeria and Cameroun (NCNC) which was later changed to National Council of Nigerian Convention. Despite the fact that the

activities of these political parties were so pronounced at the Federal Capital Territory (FCT) which was then situated in Lagos, it was a known fact that the leading political parties in the country were formed on regional lines. NPC led by the late Alhaji Ahmadu Bello represented the Northern Region; the NCNC led by Dr. Nnamidi Azikwe represented the Eastern Region while AG led by Chief Obafemi Awolowo was the leading party at that time in southwestern Nigeria.

These political parties experienced a lot of alignments and realignments between 1959 and 1966. These alignments led to the emergence of two major political parties in 1964. These two major political parties were Nigeria National Alliance (NNA) and the United Progressive Ground Alliance (UPGA) (*ibid*). The Nigeria National Democratic Party led by late Chief Ladoke Akintola represented Western Region in the NNA while the AG represented southwestern region in the UPGA. The scramble for power at the center and at the regional levels by the three early political parties was so competitive and required adequate funding which obviously remains the foundation of political party finance in Nigeria. Political party as a major institution is pivotal to the entrenchment of any democratic polity. As a result of this, its finance is germane to the achievement of the ethics and ethos that endear people to the ideology of democracy. At the inception of democratic process in Nigeria, there was no constitutional provision for the finance of political parties in Nigeria even in the First Republic. The absence of necessary legislations to regulate political party finance enabled the politicians and political parties to engage in illicit political party funding in the country which eventually led to the setting up of 1962 Coker Commission of Inquiry to look into the affairs of six Western Nigeria public corporations allegedly involved in corruption with the leadership of the AG and Foster Sutton

Tribunal of Inquiry to look into the affairs of NCNC under the watch of Zik as premier of Eastern Nigeria.

Despite the indictment, early party politics in Nigeria is reasonable as political parties were financed with a modicum of sanity, even when there was no constitutional provision for it. Officially, like other political parties in Nigeria, parties in Nigeria were being financed with revenue generated from sources such as selling of political parties' emblems; political party's membership dues; local fundraising by party activists and individual donations by party members and sympathizers and registration fees (Salih, 2001).

In the Nigeria First Republic, no single individual could hijack a party as a result of his contribution to such party. Political leaders such as Chief Obafemi Awolowo, Sir Ahmadu Bello and Nnamidi Azikwe were so prominent not because they were so rich to hijack the electoral process, but charismatic and accepted by the people. This study is therefore examines the existing state and method of political party financing in Nigeria and assesses the political party financing regulations by Independent National Electoral Commission (INEC) in Nigeria.

Methodology

This study relies solely on secondary data. Secondary data were collected from journals, relevant textbooks, government publications, political parties' publications, periodicals, newspapers, magazines, INEC publications and internet materials as well as other relevant publications using content analysis.

The Problematique

Pricing democracy away from the reach of the common men has been a major obstacle to community participation in the process of consolidating democracy on the continent of Africa. The involvement of citizens in the political process has reduced drastically

owning to the roles money play, and the enormity of the money required in Nigerian politics is obviously not within the reach of an average Nigerian. To this extent, the search for an enviable political party finance practice has been the concern of every democratic country across Africa. This is not unconnected with the threat that improper political party finance poses to democracy in achieving its inherent value of equality, citizens' participation in decision making process, accountability and transparency, and free and fair election. The need for proper political party finance has equally been associated with the desire to painstakingly avoid the ways individuals and organizations finance parties and campaigns with the aim of hijacking the political parties and, subsequently, the government after coming to power. Experiences all over the world have shown that business men, moneybag politicians often finance political parties and campaigns with the objective of installing their godsons and cronies, influencing the public policy agenda both at the formulation and implementation stages.

However, the defective political party finance regulations and the capacity of the electoral umpire to superintend the existing political party finance laws in Nigeria appear to have given latitude to politicians who are always ready to exploit the loopholes in the electoral laws for the advancement of their narrow interests. Obviously, this has been a major problem in Nigeria as many political party finance provisions in the Constitution and Electoral Act are not enforceable or their enforcement cannot achieve the desire goals. Over the past three decades, the debate on political party finance has been ongoing across the globe and frantic efforts are being made by scholars (Pinto-Dutschinsky 1997, Fogg 2003, Nassmacher 2003, Walecki 2004, Adetula 2008 and Kanev 2005) and international organizations (International

Foundation for Electoral System, Center for Law and Social Action and International Institute for Democracy and Electoral Assistance) to address the problem through public awareness campaign, legislative initiatives, spending limits and reporting requirements. While these solutions have addressed some of the problems in the developed democracies, existing studies have not, in concrete terms, taken a cursory look into the nature of party finance and the enforceability of some party finance regulations as applied to elections in the Nigeria Fourth Republic.

The Literature Democracy

Democracy has become an enviable concept, although misconstrued by many. Today, many governments consider themselves as being democratic as a result of mere conduct of elections. It obviously goes beyond one man one vote. According to the Bureau of International Information Programmes (BIIP) U.S. Department of State (2007), democracy is basically conceptualized as government in which the supreme power is vested in the people. It can be exercised directly by the people in large societies as the people get represented through their elected agents. To elite theorists (Vilfredo Pareto, Gaetano Musco) cited in Ayodele (2008), in all societies two classes of people appear, a class that rules and a class that is being ruled. In most cases, the former is the custodian of supreme power which they often use to manipulate the political behaviour of the electorates. Although, democracy rests upon the principles of majority rule and individual rights, the relevance of the principle of majority rule may not go beyond election day as the interests of the majority may not actually be considered in policy formulation and implementation. These variations and contradictions have made Agagu (2011) to join others in resolving that democracy is one of the most difficult

concepts to define. Irrespective of the divergence of definitions of democracy, in most cases by scholars of different intellectual background, it is a system that answers two essential questions of governance; who shall govern and how they shall be governed. It certainly gives right to the people to determine the process of governance and who to govern them.

Although, the above position is comprehensive and has brought to bear the interest of the electorate in democracy, as well as emphasise the relevance of election as an acceptable way of leadership succession, any attempt to limit democracy to this may also make a mockery of the concept. The management of political parties, campaign funding and funding of post-election litigations should also be seen as part of the process of democracy,

Theoretical Underpinning

The framework that appears to be the most suitable for this study is the elite theory. This does not mean that the two theories discussed earlier do not have a meeting point. They both agree that the financial contributions to political parties are done with great consequences that often determine the direction of governance in any democratic environment. Similarly, elite theory is considered because of its utility, and its diagnostic explanation in completely addressing problems emanating from economic, socio-political and societal arrangements which have endeared a lot of scholars to it. Obviously, Vifredo Pareto (1848-1923), Gaetano Mosca (1858-1941) and Robert Michels (1876-1936) did a lot of pioneering studies on the elite theory which remain a major reference point among scholars.

This theory is suitable because political party finance is not an area of political party

that every politician or political party member can venture into, but the moneybag politicians, the businessmen, the political juggernauts and political digerati who finance political parties and campaigns in order to influence decision making process for the preservation of elite class and perpetual continuation of their dominance. This further confirms Michel's observation in his 'political party' "who says organization says oligarchy" (Michel, 1962). Irrespective of the differences between political systems (the big or small, democratic or authoritarian), two major goals are sacrosanct to the elite class; elite preservation and elite recruitment. The mode of preservation and recruitment may be different depending on the type of government in operation. Certainly, when the relatively few have the power to make changes in the polity, the direction of change is very likely to depend on the relatively few.

The political and economic directions of Nigeria are being determined by these few elites who are also known as godfathers. They determine the economic and political directions of the country through the instrumentalities of political party finance and campaign funding. The goodness (good governance) or otherwise of governance in this context, is dependent mainly on the elites' expectations and goals after the election. In many cases, political elites finance political parties to enthrone their godsons with the aim of influencing government policies or hijack governance for the enrichment of the elites' class (godfathers) and their cronies, but certainly at the detriment of the citizens. Elites are so powerful and determine who gets nominated at primary elections, who win at the general elections and even sponsor post-election litigation of their godsons at different levels of government in a way have a grip of the government, determine who is appointed and awarded contracts. Attempts to recoup their financial commitments in multiple-folds

usually cause rifts between godfathers and godsons which in many cases heat-up the polity. To a large extent, this has been a negative phenomenon militating against governance in Nigeria. Despite the suitability and appropriateness of the elite theory in explaining political party finance as it affects good governance, we are not oblivious of the fact that there is no way by which the elite can use power to benefit all and sundry in the society. What is germane is for the elite (few) to rule in the best interest of the majority and allow elections and governance to be a reflection of people's wishes and aspirations.

This is important in the sense that, to determine whether government is good or bad is a function of how it affects the lives of the citizens in areas that are critical to their well-being and existence. The elite who finance political parties determine who emerges as candidates in all political parties most importantly in transitional democracies like Nigeria. The perpetual control of resources and electoral process by the few elite has necessitated the contention of the classical theorists that all governments are oligarchical and that democracy is fraud (Dahl, 1989). This, no doubt, explains the prebendal activities of the elite in undermining good governance in every political setting including Nigeria. The insight this theory creates into the motive of financiers in every political setting has made it more appropriate in understanding political party finance in southwestern Nigeria.

Political Party

Generally, a lot has been written on political party. It is an important aspect of democracy that cannot be obliterated. This was attested to by Fogg (2003: v) in the preface of the International Institute for Democracy and Election Assistance's Handbook series. He opined thus:

Democracies cannot function without political parties. Parties are expected to reflect the concerns of citizens, aggregate and mediate diverse interests, project a vision of a society and develop policy options accordingly. They are supposed to inspire and attract supporters to their cause, their membership being of key importance in their claim to represent citizens. Parties may well not live up to expectations regarding their services to citizens or quality of leadership. They nevertheless continue to be entrusted with what is perhaps the most strategic responsibility of modern democracy – to prepare and select candidates for parliamentary and Presidential elections and then to support them into positions of leadership and government (Fogg, 2003: v).

To this end, no nation can be said to be democratic without strong and viable political parties. Such parties should be given freedom to offer direction to government and performing the vital task of steering the ship of the state. To this extent, democracy and political party finance are governance issues that cannot be examined in isolation of political parties owing to the central roles it plays in any democratic political system.

In line with the above position, Dalton and Weldon (2005) assert that political parties are often described as the bedrock of democracy. This is largely because election is central to democratic process, and political parties are the leading actors in electoral politics. The view of Lapolombora and Weiner (1966) further entrenched that the argument for the dominance of political parties over and above other democratic institutions largely stems from the fact that parties play a leading role in structuring the political debate in most nations. They field candidates and compete for public offices and ultimately form and structure the functioning of democratic government. These views, no doubt, are

correct. But to what extent are political parties in the developing countries like Nigeria alive to their responsibilities? Obviously, fielding of candidates for elections and forming government are not an end but a means to an end when taking into cognizance the roles that political parties are expected to play in any democratic system.

Odion (2008) therefore posit that, political parties are among the political infrastructures that make democracy to flourish. Political parties are organised group of citizens who hold common views on public issues and act as a political unit, seeking to control the government with a view to furthering the programmes and the policies they profess. This has been the major reason for the establishment of political parties and its advancement across the globe. Without periodic elections with political parties offering candidates for different positions no country can be said to be democratic. Nigeria Political system present a very good example of parties with no internal democracy, no unifying ideology, switching of politicians from one party to the other becomes so rife and call to question the readiness of politicians in building an edifying democratic structure in the country.

Political Party Finance

Divergent views on political party finance cannot be downplayed among scholars of dissimilar intellectual background. Walecki (2003) categorized political party finance into legal and illegal types. Illegal political party finance refers to contributions or use of money that contravenes the existing laws on political party finance while legal practice is total adherence to the laws of the country. The above definition by Walecki is unique in the sense that both the legal and illegal political party finance are influencing factors in any developed or transitional democracy. Political party finance, according to Pinto-

Duschinsky (2004) (cited in Obiorah, 2004) is the use of money or the use of other material resources for party's activities. It embodies the sources or means through which political party activities are sponsored in a given country. The concept has two broad connotations viz money used for electioneering (campaign funds) and money used for political party expenses (party fund). This definition is explanatory but, its connotation is a difficult task, most especially when it comes to drawing a distinct line between the campaign cost and political party expenses.

Political party finance should not only mean campaign expenses, but the costs of maintaining permanent officers, carrying out policy research and engaging in political party activities. Some of such funds may not be official and certainly not at the reach of common men and the importance of such funds availability to good governance in any nation is not in doubt.

The Nature and Method of Political Party Finance in Nigeria

The ban on party politics was lifted in September 1978. This culminated in the registration of five political parties out of about fifty-two political associations that sought registration from the Federal Electoral Commission (FEDECO). The five political parties registered were the National Party of Nigeria (NPN) led by Alhaji Shehu Shagari, the Unity Party of Nigeria (UPN) led by Chief Obafemi Awolowo, the Nigerian Peoples Party (NPP) led by Dr. Nnamdi Azikiwe, the Peoples Redemption Party (PRP) led by Mallam Aminu Kano, the Great Nigerian Peoples Party (GNPP) led by Ibrahim Waziri and the Nigerian Advance Party (NAP) which was formed in 1983 and brought the number to six (Babawale and Ashiru, 2006).

Political party finance in the Nigeria Second Republic was different in all ramifications from the First Republic. Despite

the constitutional provision for public funding as stipulated in Section 205 of the 1979 Constitution of the Federal Republic of Nigeria, which empowers the National Assembly to make laws 'for annual grant to the Federal Electoral Commission for disbursement to political parties on a fair and equitable basis to assist them in the discharge of their functions, huge amount of money was lavished on campaigns and political parties by the leading political parties in the Second Republic. Two reasons could be responsible for this; first, the longtime of military rule created a class of millionaires as a result of military-politician patronage which made a lot of money available to be spent on politics. Second, the complexity of the presidential system of government allowed wide of positions to be contested by politicians which created rivalry and tension within the political class. The nature of political party finance became so clear when the UPN relied majorly on business men based in the South-West for the party presidential campaign why candidates in the Eastern and Northern states were funded with the resources from the party. Similarly, the elections of the NPN were funded by the candidates and few party leaders. For example, NPN election in Ogun State was solely funded by Chief MKO Abola.

The implication of this is that party politics in the Second Republic was driven by money. Party politics that was hitherto issued-based suddenly became a money making venture in the hands of financiers and political gladiators. It is therefore not an aberration to state that the nature of political party finance in the southwestern Nigeria was actually a cock in the wheel of democratic entrenchment in the Second Republic. In the same vein, Adeyi (2006) further posited that:

Several Second Republic politicians were sentenced to jail terms by military tribunals for crimes ranging from financial

impropriety to looting of public treasury. For example, the Lagos Zone of the military tribunal charged three UPN governors Chief Bola Ige, Chief Micheal Ajasin and Chief Bisi Onabanjo of Oyo, Ondo and Ogun respectively for corruptly enriching UPN by way of kick back of #2.8 million representing 10% of a #28million contract sum awarded to Boargues (Nig) Ltd., which was meant for the construction of a building for the Great Nigerian Insurance Corporation- a member of Odua Investment Companies. In Ibadan Zone, the military tribunal jailed Professor Ambrose Alli, Governor of Bendel State and his Commissioner for Finance, Augustine Omoleye for obtaining kick back from one Mr Babatunde Adeyemi, Chairman and Managing Director Hispanic Construction (Nig) Ltd. Who handled a contract of #48.5 Million and allegedly the kick back which is #983,000 was given to UPN. Also, the Enugu Zone of the military tribunal jailed Governors Melford Okilo and Jim Nwobodo for similar offence, while the Kaduna Zone did not spare Governor Bakin Zuwo, Abubakar Rimi and Adamu Attah. The Jos Zone jailed Governor Solomon Lar for withdrawing huge sum of money as "security vote". Virtually all the politicians of the Second Republic tried and jailed were found guilty of corruptly enriching their political parties.

However, attempt to instill sanity into the Nigerian party politics which was characterized by political corruption and spoil-merit occasioned by political party finance, led to the sack of the government of Alhaji Shehu Shagari on December 31, 1983. Since the Second Republic, the level of political corruption has grown owing to the nature of political party finance and the incapability of the electoral umpire to consistently stem down the act of corruption by ensuring compliance to the political party finance laws and regulations.

Since 1983 general elections in Nigeria, money appeared to have been the major factor that determines the direction of party politics in the country. The role of political party finance in the hijacking of political parties must have necessitated the public funding arrangement by General Ibrahim Babangida (IBB) in 1992/1993 election in Nigeria. In 1992, the two political parties (Social Democratic Party (SDP) and National Republican Convention (NRC)) were registered, during their primaries, money played prominent roles and the roles it played was eventually given as the reasons why the election was annulled by the Ibrahim Badamosi Babangida's administration in 1993.

To Igwe (1994), Nigeria held presidential primary elections during its unusually long-drawn-out transition programme in 1992. These elections were distinguished not only by the extent of rigging, "unimaginable levels of electoral fraud" but also by the amounts of money that were reportedly spent by the candidates who owned the parties that nominated them. In the same vein, Olatunji (1994) declared that some presidential "hopefuls" spent over NGN 1 billion (\$ 204 million) while the least-wealthy competitor had a budget of only NGN 120 million (\$ 24,5 m.). Also in 1999, few years after the IBB transition programme was aborted, the involvement of money in party politics in the Fourth Republic increased. In 1999 general election, according to Austin and Tjernstrom (2003),

When Nigeria finally organized its transitional presidential elections, the amounts of money that the presidential aspirants had to raise were staggering by any standard. Indeed, they made the amounts involved in presidential campaigns in the USA pale into insignificance. According to *Africa Confidential*, at a pre-election fund-raiser meeting of the People's Democratic Party

(PDP), the eventually successful PDP presidential candidate brought in over NGN 400 million (Int'l \$ 11,6 m.) for the party, much of it reportedly furnished by his chief financial backer, now his defence minister, a vastly rich businessman and oil tycoon (*Africa Confidential* 40(21) 1999). According to unconfirmed reports, the presidential candidate for the coalition of the Alliance for Democracy (AD) and the All People's Party (APP) similarly secured his nomination because he was able to bring in over NGN 100 million (Int'l \$ 2,91 m.).

The nature of political party finance in Nigeria has a modicum of similarity with what is practiced elsewhere in the world. The similarity is that almost all the political parties since the Second Republic in Nigeria got their finances from both illegal and legal means. The most conventional among other sources is the local fund-raising by party activists and small, individual donations by party members and sympathizers.

However, the salaries of categories of party members occupying public office are levied; public funding and return on investment portfolios are other sources of political party finance. Other sources that are very prominent in the region are the donation by interest groups, lobbyists, corporate bodies, and investments by political entrepreneurs, proprietor or owners of political parties who launch and finance parties like personal investments. Lastly, one of the illegal sources that is very common in Africa and in the southwestern Nigeria is kickbacks from recipients of government contracts other largesse, diverting state resources to the governing party through proxy organisations, and donations from foreign sources such as business owners, multinationals and government (Saffu, 2003). Democracy has therefore become a mere abstract philosophy in which its ethos and

dividends have been eroded by the interests of the godfathers. However, between 2003 and 2007 in the southwest Nigeria, about 1billion naira was raised by political party faithfuls to support the election of Chief Bola Tinubu of Lagos State while PDP raised billions of naira to finance the party in which donors had been rewarded with appointments, contracts and influence. In 2003, about 10 billion naira was raised for Chief Olusegun Obasanjo and Alhaji Atiku Abubakar's election while about 10 billion was also raised to support the PDP in building its national secretariat in Abuja (Kura, 2011).

All these activities made Gambo (2006) to conclude that while the first generation of political godfathers were driven by community sense of interest in seeking to influence the electorate to vote for candidates of their choice, the fourth republic godfathers employed money and other influences to award electoral 'victory' to their 'godsons' for some pecuniary motives. To these godfathers, electoral politics is one huge investment opportunity with considerable promise of massive return.

The Political Party Finance Regulations in Nigeria

The hurdle confronting political party finance all over the world appears to largely rest on the legal framework. This may not be peculiar to any nation as many countries according to the International Foundation for Electoral System (IFES) (2010), the developed and transitional democracies have great problems in enforcing the legal frameworks of political party finance. There are many factors contributing to the failure of enforcing political party finance laws. For example, as early as 1966, the Canadian Barbeau Committee reported that: the established political parties unwilling to initiate action against each other; the trouble and cost of contesting an election suit is prohibitive to the

private citizens; no organized, non-political group has felt itself responsible or been made responsible, for prosecuting candidates violating the laws on election expenses (*ibid*). When these appear to be the problems confronting many nations, Nigeria's problems can be classified into two: the lacuna in our laws and problem of enforceability of the political party finance laws. Section 153 of the 1999 Constitution established the Independent National Electoral Commission (INEC) and empowered it with the following responsibilities: to monitor the organization and operation of the political parties, including its finance; arrange for the annual examination and auditing of the funds and accounts of political parties, and publish a report on such examination and audit for public information; monitor political campaign and provide rules and regulations which shall govern the political parties and carry out such other functions as may be conferred upon it by an Act of National Assembly (Center for Social Justice, 2015).

Despite the self-acclaimed capability and capacity of INEC to conduct free and fair elections and to superintend other constitutional responsibilities, problems associated with the political party finance remain a major threat to the Nigerian democracy. This has further provoked thoughts on the need to address the grey areas in the legal framework of political party finance laws in the country.

Lacunas in the Regulations of Political Party Finance in Nigeria

Political party finance is wide and it encompasses both political party finance and campaign expenses. It covers the entire life, processes and procedures of political parties and electioneering associated costs. It relates to money spent on the formation, registration and running cost of political parties; money for conventions, congresses, nomination of

candidates and electioneering. It includes the legal and illegal costs for administrative expenses to subvert the electoral process (Center for Social Justice, 2015). The coverage of political party finance laws is like its implementation, very key to the democratic consolidation of any country. Any legal framework that does not incorporate the above stated areas may not be able to monitor effectively and adequately the political party finance activities of such nation.

The 2010 Electoral Act as amended in Nigeria stipulates in Section 91 sub-sections 8a-c that, in determining the total expenditure incurred in relation to the candidature of any person at any election, no account shall be taken of any deposit made by the candidate on his/her nomination in compliance with the law; any expenditure incurred before the notification of the date fixed for the election with respect to services rendered or material supplied before such notification; political party expenses in respect of the candidate standing for a particular election.

This section has created major impediments to the capacity of INEC in tracking political party finance in Nigeria. For example, Section 91 subsection 8a does not regulate how much political parties can place

on the contestants as nomination fees and intention fees, but previous elections had shown that if the roles of godfathers in hijacking electoral process and political office holders is to be reduced, the legal framework must put a ceiling on how much political parties can charge their candidates. In the preparation for 2015 general elections, the All Progressive Congress pegged the nomination fee for presidential candidate at 27.5 million naira while that of Peoples Democratic Party (PDP) was 2million naira for the expression of interest fee and 20 million naira for nomination fee for presidential candidate. It was 10 million naira for nomination fee for all the governorship candidates while 1 million naira was charged for expression of interest. In the same vein, candidates for the Senate and House of Representatives paid 4 million naira and 2 million naira while 500,000 naira for expression of interest respectively in the PDP. Candidates for the State Assembly paid 1 million naira for nomination form and 200,000 naira was for the expression of interest. Party members, non-governmental organisations and academics have condemned this trend as elitist and a catalyst for the entrenchment of the concept of godfatherism.

Table I: The Nomination Fees of the Two Leading Political Parties in Nigeria

	APC		PDP	
	Sitting Candidate	Fresh Candidates	Sitting Candidate	Fresh Candidates
President	27.5 million naira	Not Applicable	22 million naira	Not Applicable
Governor	10.5 million naira	5.5 million naira	11 million naira	Not Applicable
Senate	5.3 million naira	3.3 million naira	4.5 million naira	Not Applicable
House of Representative	3.2 million naira	2.2 million naira	2.5 million naira	Not Applicable
State House of Assembly	800,000 naira	550,000 naira	1.2 million naira	Not Applicable

Compiled by the Author: 2016

Looking at the above table, it is evident that enormous fees are being paid by the aspirants and the candidates as the intention and nomination fees which are not known to the Nigeria Electoral Laws. This to a large extent is

further complicated by Section 91 subsection 8b which does not take into cognizance whatever transaction that happened before the date of election is announced. What happens between the date candidates make

his or her intention known at the ward or local government party meetings and the date the notification of election is made known is also very important in calculating how much a candidate or his party has spent on his campaign. However, the 1999 constitution and the Electoral Act 2010 do not stipulate the ceiling of the money that can be expended in financing political parties. Financing political parties should be a daily activity while campaign funding occurs in electioneering year and because the electoral laws are not holistic, it has created opportunity for politicians to rely on the loopholes in the law to frontload the campaign funding and political party finance.

Like many other presidential candidates between 1999-2015, a campaign fund raising was organized to support president Goodluck Ebele Jonathan's reelection bid. The fund raising was characterized with a lot of illegalities as many business men, multinational organisations, interest groups, individuals as indicated above donated a sum of 21.27 billion naira which contravenes Section 91 subsection 2, subsection 9 of the Electoral Act and Section 38 subsection 2 of the Companies and Allied Matter Act. The fund raising was criticized by many political and economic stakeholders based on the legal provisions which are clear on who can donate, the amount that can be donated and the ceiling. The Electoral Act stipulates in Section 91 Sub-Section 2-7 "that the maximum election expenses to be incurred by a candidate at a presidential election shall be one billion naira (1,000,000,000). One may be questioning the enforceability of the law in the face of the current economic reality, but that is the position of the law. In the same vein, Section 91 subsection 9 declares that "no individual or other entity shall donate more than one million naira (1,000,000 naira) to any candidates". Section 38 subsection 2 of the

Companies and Allied Matter Act (CAMA, 2004) stipulates thus:

a company shall not have or exercise power either directly or indirectly to make a donation or gift of any of its property or funds to a political party or political association, or for any political purposes, and if any company is in breach of this subsection makes any donation or gift of its property or fund to a political party, or political association, or for any political purpose, the officers in default and any member who voted for the breach shall be jointly and severally liable to refund to the company the sum or value of the donation or gift and in addition, the company and every such officer or member shall be guilty of an offence and liable to a fine equal to the amount or value of the donation or gift.

Despite the contradiction between Section 83 subsection 1 of the 2002 Electoral Act, which supported donation to political campaign by corporate organisations and Section 221 of the 1999 Constitution which bans donations from corporate organisations to political parties, the Peoples Democratic Party (PDP) 2003 PDP campaign organization received donations from corporate organisations. Although, the 2002 Electoral Act allows donations from corporate organization, but any law that is inconsistent with the constitution, such other laws shall be void to the extent of its inconsistency with the constitution (CSJ, 2015). The same thing repeated itself in the 2015 general election when corporate organisations donated almost 18 billion naira out of the 21.27 billion raised for the presidential campaign of the President Goodluck Ebele Jonathan. The fact that, the 1999 Constitution of Nigeria and the 2010 Electoral Act do not set a limit to how much can be spent on political party, the money that was originally raised to finance presidential campaign, after a lot of criticism from political

stakeholders, the PDP declared that the money raised was not to finance presidential campaign alone but to also finance political party bearing in mind that both the 1999 Constitution and 2010 Electoral Act do not set a limit on the amount that can be expended on political party.

Similarly, Section 91 subsection 9 stipulates that no individual or entity shall donate more than one million Naira to any political party. Apart from the fact that some donations were made by the corporate organisations, the donations negated the ceiling set by the 2010 Electoral Act in its Section 91 subsection 2 which stipulates that 'the maximum election expenses to be incurred at a presidential election shall be one billion naira.

There are serious allegations that the PDP contravene the provision of Section 91 Sub-Section 9. There was allegation that was revealed from the two-page advertorial in Thisday Newspaper by Martin Elechi, Governor of Ebonyi State who was then facing impeachment proceedings from the State House of Assembly. He declared that "the campaign materials from the Presidential Campaign Office which are meant to be disbursed by the State Governor or Coordinator of the Presidential Campaign for the state were diverted and utilized without the knowledge of the State Governor and the eighty million naira given to Ambassador Franklin Ogbewu (Deputy Coordinator) for the January 16th, 2015 rally in Abakiliki was paid into his personal account" (CSJ, 2015). Two things are sacrosanct here. In line with the Center for Social Justice's explanation, Ebonyi State is not a high profile state like the Federal Capital Territory (FCT), Lagos and River State. If eighty million naira could be earmarked for a presidential rally even as a benchmark for all states (36 states including the FCT), it will come up to 2.960 billion naira which has

already contravened Section 91 subsection 2 of the 2010 Electoral Act as amended.

Political party finance as an omnibus concept is greater and larger than a presidential rally. It covers both campaign funding and party funding. In a flagrant disobedience to rule of law, there was an allegation by the then Governor of River State, Rotimi Amaechi that the former President Goodluck Jonathan's campaign team doled out 6billion naira to churches through the Christian Association of Nigeria (CAN) (*ibid*). This allegation was later corrected by Pastor Kallamu Musa-Dikwa who accused CAN of collecting 7billion naira as against the 6billion naira earlier alleged which was a contradiction of section 91 subsection 2 of the Electoral Act.

The Problem of Enforceability of the Political Party Finance Laws in Nigeria

Looking at the provisions in the 2010 Electoral Act as amended and the reality in the country, one may query if these under listed provisions were actually designed to re-enforce the electoral process in Nigeria or not. Considering the number of wards and the polling units in Nigeria, the enforceability of section 91 subsections 2, 3, 4, 5, 6 and sub-section 7 of the Electoral Act 2010 may just be laws that are not meant to be enforced. Section and subsections cited above stipulate that election expenses shall not exceed the sum of one billion naira (#1,000,000,000) for the presidential election, two hundred million (#200,000,000) for governorship election, forty million naira (#40,000,000) and twenty million (20,000,000) respectively for senatorial and House of Representative elections etc.

Considering the activities of political parties in draining the aspirants and candidates as indicated in Table I, and the geographical spread of Nigerian State, it is arguable that these provisions cited above do not take into cognizance the political and

economic realities of Nigeria. In a country where we have about 774 local governments, 120,000 polling units in 2011 and 119,973 in 2015, it is evident that one billion naira may not be enough to prosecute presidential election in Nigeria (INEC, 2011 and 2015). To win presidential election in Nigeria, such a political party should have agents in almost all the 119,973 polling units during presidential election ditto other elections, and if a political party is to pay its agents ten thousand naira (#10,000) which is the least if such a party does not want its agents to be bought over by its opponents, it must be ready to pay over a billion on party agents alone. The implication of this is that a ten thousand naira in 119,973 polling units is over one billion naira as stipulated in the section 91 subsection 2 of the 2010 Electoral Act. This does not include money for advertisements or jingles, rallies, transportations, entertainment etc. This is always evident at different levels of elections in Nigeria.

In the same vein, section 91 subsection 8b stipulates that 'in determining the total expenditure incurred in relation to the candidature of any person at any election, no account shall be taken of any expenditure incurred before the notification of the date fixed for the election with respect to services rendered or material supplied before such notification'. A critical review of electoral process in Nigeria shows that a large percentage of political party fiancé or campaign expenses are always expended before the notification of the date fixed for any election.

Elections in a multiethnic and multilingual country like Nigeria require adequate planning which politicians always start immediately the result of a particular election is announced. This often requires politicians to spend a lot of money on political parties and campaigns before the notification of the date fixed for election. The inability of the law to cover the date a candidate makes public declaration about his ambition to contest for election has encouraged frontloading by the politicians and therefore make it difficult for INEC to track their expenses. The social political nature and the level of poverty in every part of the country create a burden on political leadership that continually escalates the political party finance in Nigeria. As a result of this, the relevance of every politician in Nigeria is largely dependent on the extent you can make yourself available in solving the immediate problems of the electorate.

However, Section 91 Subsection 9 declares that 'no individual or other entity shall donate more than one million naira (#1,000,000) to any candidate', when this may be possible in other political climes of developed countries because of the dispositions of political leadership and the level of information available to the electorate in these areas, political response is always different in Nigeria. As the Table II below showed, almost all the donors for the president Goodluck Jonathan campaign fund raising in the 2015 presidential election contravened this section. Despite this illegality, the then ruling political party quickly rose in defence of the funding raising.

Table II: Fund Raising for Goodluck Jonathan 2015 Presidential Election

Sector/Donor	Oil and Gas	Roads and Construction	Power	Transport and Aviation	Food and Agriculture
Amount	₦5bn	₦560m	₦500m	₦1bn	₦500m
Sector/Donor	Tunde Ayeni and Co	Real Estate and Building	PDP Governors	Jerry Gana and Co	Automotive Association
Amount	₦2bn	₦4bn	₦1.05bn	₦5bn	₦450m

Source: *The Punch Newspaper, December 21, 2014.*

Consequently, section 91 subsection 10 a indicates that any candidate who knowingly acts in contravention of section 9 commits an offence and on conviction shall be liable to a maximum fine of one million naira (#1,000,000) or imprisonment of 12 months or both. If an act of illegality carries a punishment of this nature, politicians would be ready to flaunt the laws as long as the end will justify the means. Casualization of punishment to a crime in any country will definitely increase the level of crime and criminality. Under the watch of President Jonathan, as indicated in Table II, individuals donated two billion naira, one billion naira and five billion naira to support his campaign and nothing was done to serve as deterrence despite its implication on effective service delivery and good governance that are currently and conspicuously missing in the Nigerian political system.

This picture was further and clearly painted by Saffu (2003) when he declared that the really huge donations counted in thousands and millions of dollars in an economic environment of desperate poverty where gross domestic product (GDP) per capita per year might be only some USD 300, or even less, could be made only by business tycoons. However, there was a marked tendency on the part of tycoon donors to regard politics as business by other means and political parties as appropriate investment. The manifestation or entrenchment of these trends in Nigeria is largely because the

political party finance laws are weak, not enforceable and the punishment for the offenders cannot even serve as a longtime deterrence to the politicians who are deviants to the political party finance laws in Nigeria.

Conclusion

The paper concludes that the Nigerian Fourth Republic marks the beginning of political party finance in real sense of it with the emergence of 2006 and 2010 Electoral Acts. In line with previous efforts towards repositioning political party finance across different political settings as showed in the literature, the study also concludes that steady progress is being made to consolidate the country's democracy through effective political finance laws in Nigeria. While these efforts may be commended, bad governance traceable to political party fiancé is still evident in the polity owing to lack of political will to enforce extant laws, lacuna and disparities in our laws and the problem of enforceability of most of the existing political party finance laws. The entrenchment of Nigeria democracy is therefore dependent largely on how fast Nigerian government can make appreciable progress in these grey areas of the political party finance legal framework.

Recommendations

The existing state and method of political party finance in Nigeria are characterized with a lot of illegalities and undue processes occasioned majorly by lack of adequate

political education and flagrant disregard to rule of law. Therefore, there is need for the Election Management Body as well as National Orientation Agency to sensitise Nigerians and the rank and file of political parties on the dangers of relying on illegal political party finance and the appropriate ways of using money for electoral purposes. This is necessary because there is globally acceptable way of funding political parties. Nation-states must look for the best ways to finance their political parties that would not only be in line with global practice but with the acceptable laws operating in such countries. To discourage influx of money from illegal sources into politics, there must be community discouragement, people must be made to know the implications of their actions through aggressive mass education and by bringing perpetrators to book. To achieve this, Political Party Finance Monitoring Department, Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC), must be strengthened and empowered to investigate and prosecute political party finance offenders in such a way that will stand as deterrence to others.

The assessment of political party finance regulation has revealed that in understanding and enforcing political party finance laws, political parties' expenses for candidates should be part of the total to be considered in calculating whether the candidate has reached or exceeded the ceiling. This is based on the

fact that ceilings are made to ensure that outright monetization of politics is curbed. However, pre-election expenses before the notice of polls is given should also be controlled through regulations. This will discourage frontloading of expenses by political parties or politicians that always orchestrated this to defeat the purpose of which political party finance laws are meant to uphold. However, nomination of candidates and conduct of primary elections are supposed to be the internal matters of political parties, practical experience in Nigeria and lack of internal democracy demonstrate the need to regulate fees chargeable for parties' nomination and expression of interest to contest. The 2010 Electoral Act should be amended to regulate the sums chargeable for nomination forms and expression of interests as a response to the current monetization of the electoral process and to make the Nigerian political party finance in tune with the economic reality of the country. Whether the expenditure is in the name of the party or the candidates, it is still spent for the same purpose. Section 91 Sub-Section 8a allows political parties to place too much burden on their candidates through high cost of nomination fees and intention fees which they will recoup when they emerge at the polls and it is taken serious toll on service delivery. This will prevent the moneybag politicians from hijacking political parties and electoral process Nigeria.

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