Title: "The Impact of Sources of Funding for Political Parties on Democracy in Zambia"

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Abstract

This study identifies the impact of sources of funding for political parties on democracy in Zambia. Reading against the grain of writings on sources of funding political parties, that is, adaptedly tend to divorce or negate how these sources impact on democracy. This study reveals how various sources of financing political parties in democratic dispensation pillage some democratic principles.

In accounting for the sources of funding political parties in the said country, conveniently called Zambia, this study examines some of Zambia’s trends in campaign finance and gives an account of what the sources of funding major political parties are and further analyses these sources’ impact on democracy.
We declare that the study entitled 'The Impact of Sources of Funding for Political Parties on Democracy in Zambia' is our own work. It is submitted in partial fulfillment of the requirements for the Bachelors of Arts Degree with Education of the University of Zambia. It has not been submitted before for any degree or examination at any other University.

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November, 2010
Dedication

We dedicate this study to a forest of men and women in the various fields and sectors of our native land who continue to make Zambia and her name great. In spite of the manifest gloom and despondency of the present, we dare hope for the future of our country - a future in which virtually none of our people will be condemned to the fatal scars of poverty, suffering, human degradation and other man-made injustices.
Acknowledgements

Embarking on a political exploration is enough a challenge on its own, but to do so within the shortest period of time in a semester like was the case during the preparation of this study was vexingly challenging. However, the situation could have been aggravated if it has not been for the assistance of a number of individuals and organizations who eased the frustration and ensured the successful completion of our project. It is in this regard that we are compelled to be initiated into the academic but unjust ritual of isolating a few individuals and organizations for appreciation when so many people and institutions deserve mention.

Our seasoned project supervisor, an outstanding scholar of reputable acumen, Mr. Kandondwe C. S. He did not only succor us in this project but also provided seed-bearing conducive environment through vexing challenges by educating, equipping and empowering the first cohorts in Civic education after it was banned in 1987 and re-introduced in 2007, with it’s first intake graduating in the 2010 academic year. Our debt to him is beyond measure. Mr Muleya G. who treated us differently- not with hostility, not dismissively but as junior colleague ready to be socialized rather than innocent minds eager to be educationally seduced. With profound gratitude and great humility, we thank him very much.

Written sources whose impeccable authors pervade our study in terms of quotations. To a measurable degree, this study owes its foundation, development and ultimate completion from the writings the many scholars whose works, due to their relevance on our topic of research, we consulted. It is particularly out of the evidence that they disposed as well as the inadequacies that characterize their works from which this study evolved. We are grateful and it is our sincere hope that the references that permeate our study do some justice to their efforts. The staff of the Special Collection in the University of Zambia and the Post Newspapers Libraries who, using their vast experience, were often at hand to guide us to the appropriate works. The scores of insightful oral informants who were kind enough to attend to our probing and perhaps irritating questions and who proved to be rich in political content on their own. They valuably contributed data on the sources of funding for political parties and this study partly owes its completion to them.
List of Abbreviations

APRM – Africa Peer Review Mechanism
FDD – Forum for Democracy and Development
HP – Heritage Party
ECZ – Electoral Commission of Zambia
IMF – International Monetary Fund
UPND – United Party for National Development
MMD – Movement for Multi Party Democracy
NGO – Non Governmental Organization
PF – Patriotic Front
SADC – Southern African Development Community
UK – United Kingdom
UNIP – United National Independence Party
USA – United States of America
WB – World Bank
ZIMT – Zambia Independent Monitoring Team
ZNBC – Zambia National Broadcasting Corporation
Definitions of Key Terms

Democracy – denotes that form of government “in which the ruling power of a state is largely vested, not in any particular class or classes, but in the members of the community as whole”

Political Party – is generally an articulate organization of society’s active political agents, those who are concerned with control of governmental powers and who compete for popular support with another group or groups holding divergent views.

Public Funding – Provision of money or resources by or from the state or government. This can be cash subsidies, in-kind or indirect assistance. It can also mean the financing in part from a fund maintained by the country or state’s treasury.

Private Funding – Corporate contributions or resource mobilization from individuals or companies who decide to fund a project or an event, without the concern or knowledge of the general populace (state or the public).

State – implies a human association having four essential elements – population, territory, government, and sovereignty.
CHAPTER ONE

Introduction and Background

Political party financing is a challenge worldwide and Zambia has not escaped this challenge. In more developed democracies like the USA and the UK, there is legal infrastructure that supports the financial status of political parties especially their campaigns. But even in these established nations, many challenges still persist especially with regard to the criteria and quantity of the support. But the challenge of campaign financing is more pronounced in Third World countries where political parties and players are left to fend for themselves and therefore remain at the mercy of various and sometimes unscrupulous forces, with serious implications and consequences on democracy. This is true of Zambia. Ideally, an analysis of political parties sources of funding should have started from 1964 when the country (Zambia) got her independence but the absence of plural politics (from 1972 to 1990) which allows the existence of more than one political party and the holding of free, fair and competitive elections during that time in Zambia makes it impossible or rather difficult for such an analysis. So this study issues from 1991 when multi party dispensation was re-born. From 1991 up to date, we notice significant trends of serious impacts of political party sources of funding on democracy.

The study on sources of funding for political parties has developed in the recent past and has attracted the attention of scholars such as Austin and Tjernström (2003); Ashiagbor (2005); Bryan and Baer (2005); Fischer, Walecki and Carlson (2006); Pottie (2003); Matlosa (2004); Mutesa (2002); Sokomani (2005); and Robinson and Brümmer (2006). Most of this attention has focused on some nation states like Ghana in West Africa, South Africa in the southern part of Africa, Britain in Europe and the United States in North America, which have legislative bills that allow the funding of political parties by the state. In the case of Ghana as an African country, in its Constitution of 1992, the problem of financing political parties has been legalized by guaranteeing all political parties equal help by the state in terms of
resources. Political parties in Ghana are partially, if not fully, funded through budgetary allocations (Ashigbtor 2005).

In South Africa, the Constitution's commitment to furthering multi-party democracy may be witnessed in section 19(1)(a) which provides that every citizen is free to make political choices, which include the right to form a political party; to participate in the activities of, or recruit members for, a political party and to campaign for a political party or cause. A further constitutional provision highly pertinent to elections is section 236 which provides 'to enhance multi-party democracy, national legislation must provide for the funding of political parties participating in national and provincial legislatures on an equitable and proportional basis'. Against this constitutional background, the Promotion of Multi-Party Democracy Bill was introduced in 1997. This Bill was later passed as the Public Funding of Represented Political Parties Act 103 of 1997 (Pottie 2003).

In the history of the United States, federal election campaigns were relatively unregulated. After the Watergate affair, Congress took action to specifically regulate federal campaigns. Amendments to the Federal Election Campaign Act (FECA) in 1974 created an independent agency, the Federal Elections Commission (FEC), to monitor donations and spending on federal campaigns. The federal level, public funding is limited to subsidies for presidential candidates. To receive subsidies in the primary, candidates must qualify by privately raising a specified amount of money in at least 20 states. For qualified candidates, the government provides a dollar for dollar match from the government for each contribution to the campaign. (Bryan & Baer 2005).

From the British perspective, even with the Political Parties, Elections and Referendums Act 2000, the approach of the UK is completely different. Even including the new policy development, public funding of political parties is rather modest. Most of the public subsidy is limited to activities related to campaigning or to opposition in parliament. With respect to campaigning, air time is given to parties free of charge and free postage and free meeting rooms are guaranteed to candidates. Recently there has been a new tendency for Members of Parliament to use public funding for office expenses, partly to pay for services from their
constituency party offices. Since 1975 opposition parties in the House of Commons have received an annual flat grant to help them carry out their parliamentary duties more effectively. During the 1990s other funds have been added to this “short money”: a specific allocation for the office of the Leader of the Opposition, a travel fund for opposition front-benchers and subsidies to parties in the House of Lords. As the United Kingdom rightly claims to have the “mother of parliaments”, it also produced the “mother of political finance regulation” (Austin and Tjernström 2003).
Statement of the Problem

Although much has been written on political parties in Zambia with regard to their contribution to democracy, no scholarly work exists on the sources of funding or financing political parties in Zambia. There seems to be a conspiracy of silence on the part of scholars on this theme. Unlike in other countries where the state funds competing political parties, under a commonly agreed criterion, the situation remains different in Zambia. Put as a question, the problem that was under investigation was: what have been the sources of political party funding in Zambia since 1991, and the impact of these sources on democracy?
Significance of the Study

Apart from filling the void that exists on the impact of sources of funding for political parties on democracy in Zambia, this study will contribute to the existing body of literature on the subject.
Objectives

This study will:

1. Establish the main sources of funding for key political parties in Zambia.

2. Ascertained the impacts that these sources might or have on democracy.

3. Identify the gaps, challenges and solutions to the issue of political party financing and how it can positively impact on democracy.
Research Questions

Stated as questions, the problem under investigation is:

1. What are the main sources of funding for political parties in Zambia?
2. State the impact these sources exert on the democratic principles of governing?
3. What are some of the trends in campaign finance for Zambian polls?
4. Does the public agitate for funding of political parties by the state?
5. Is it feasible to fund all the mushrooming political parties in Zambia by the state?
6. How much, when and how should political parties be funded by the state?
Limitations of the Study

The following were the limitations for the researchers:

- **Time Factor:** the time frame within which the researchers undertook the research was limited. Hence, primarily focused on the three major political parties out of the many that the country (Zambia) has, the three are; PF, UPND and MMD.

- **The topic was sensitive:** it was difficulty and with some political parties totally impossible to retrieve or gather certain information relevant to our study for its enrichment.

The above named factors posed a great challenge in the accomplishment of this study.
Research Methodology

Qualitative methods, using the concepts of coercive and consensual measures were used for his study. This approach was chosen because the researchers were able to quantify essentially political issues that manifested themselves over a long period using the above concepts. More specifically, this method enabled the researchers to conduct interviews with key role players such as the various political party officials (both ruling and opposition), independent political veterans and analysts. Creswell (2003:18) defines qualitative research methods as those that are fundamentally interpretative where the researcher makes an interpretation of the data, drawing conclusions about its meaning personally and theoretically, stating the lessons learnt and offering further questions to be learnt. This means that the researcher examines data as it was recorded during a specific social political and historical moment, and the method uses strategies of inquiry such as narratives, case studies etc. Case studies can also be classified as illustrative, exploratory, cumulative, and critical instance. Illustrative case studies are primarily descriptive, and typically focus on one or two instances of a certain type of event of situation.

Data for this study was collected from primary as well as secondary sources. Primary sources included material studied in the University of Zambia Main Library Special Collection, The Post Newspaper Library, the National Archives of Zambia and Electoral Commission of Zambia. Secondary sources included material in books, journals and magazines. An open-ended interview method was adopted in which informants were allowed to comment freely on what the sources of funding political parties are and how they impact on democracy and how lack of state funding criteria has affected or created an imbalance in terms of political parties' play fields in a democratic dispensation.

Qualitative methods were used to organise, interpret, and analyse data collected from primary and secondary sources as well as the interviews, as described by Leedy and Ormrod (1989) who propose a four-step framework for analysing qualitative data. These involve: First, organising the data using index cards. Second, reading through the entire data set
several times to get a sense of what it contains as a whole. Third, identifying general categories or themes, and subcategories or subthemes as well, and then classifying each piece of data accordingly. Fourth, packaging the data into an organisational scheme chronologically and thematically. The principles outlined by these two sets of authors were used to organise, analyse and interpret the three types of data, and were applied as described below. Interpretation of the data further involved exploring the main and secondary objectives of the paper. The analysis was also linked to the results of the literature review relevant to this study.

The researchers firmly believed that qualitative methodology, using the concepts of coercive and consensual measures would add significantly to the study of the impact of sources of funding for political parties on democracy in Zambia from 1991 to 2008 period. This is because it provided a clear theoretical framework, and effective methods of data collection and analysis. The authors also sought to contribute to the knowledge of the impact of sources of funding political parties on democracy more broadly. However, this could only be done in the context of the current relevant literature published by various scholars at the international, regional and national levels. Therefore, the literature relevant to this study will be reviewed in the next chapter.
CHAPTER TWO

Literature Review

A host of literature exists on the impact of sources of funding for political parties on democracy. Although virtually all of these works have their own share of limitations in relation to the subject at hand, they provide a clear perspective on the challenges that are inherent in the sources of funding for political parties on democracy. When it comes to literature review, researchers have to be both grateful for the insights provided by other academic donors on their subject of research or interest and anguish at the unsatisfactory character of some of it. A review of the existing accounts on the impact of sources of funding for political parties confirms this observation.

In their classic handbook series on the funding of political parties and election campaigns, Austin and Tjernström (2003), identified business tycoons as the key sources of financing for many political players. Both parties flirt with the other on the premise that they would meet each other's interests – the tycoon would sponsor a political party and in turn receive considerable favour from the political beneficiaries once they are in power. Although Austin and Tjestrom do not show the impact of such privately-secured arrangements on democracy, their work helps us to identify some of the sources of financing for political parties. This study will establish that missing link – the effects of such clandestine deals or pacts on political competition among political players, the electorates' choice and the ability of elected representatives to respond to the masses' interests once they have assumed the apparatus of state machinery and power.

Another work that is relevant to our research is Bryan and Barber's (2005), Money in Politics: A Study of Party Financing Practices in 22 Countries. In this work, the authors identify the sources of political parties as private sector contributions; public funding schemes; individual donations from citizens; and foreign donations and party leaders' personal funds. Although these sources may appear to be legitimate, they are mostly applicable to those countries where there is an agreed legal framework to support political parties from the taxpayers'
money, where there is a cap on campaign finance and other laws that demand accountability; in other words, in established democracies. This study will show that in countries like Zambia where poverty and unemployment levels are endemic, no significant contributions come from the general membership, leaving political parties at the mercy of all sorts of private individuals and institutions for their survival, with telling implications on democracy.

Fischer, Walecki and Carlson (2006), in their study, identify other sources of funding which are; trade unions and international donor - funded efforts to support political processes, this study explicitly reveals useful sources of funding political parties and it is therefore appropriate to our research paper. The paper further elaborates on how dominant political power co-opts business elites with public enterprise funding, but it divorces itself from explaining the impact that these trade union and international donor efforts have on the democratic principles of supporting electoral procedures. In this paper we will try construe the implications inherent in having trade unions and international donor efforts to support political process on democracy.

Of importance to our study is also an additional writing on Party Finance Reform in Africa: Lessons Learned from Four Countries – Ghana, Kenya, Senegal and South Africa, by Ashiagbor (2005), this paper reveals that there is poor public perception of parties, which impacts their ability to raise funds. Lack of political parties’ accountability and transparence to their members and the general public renders these parties financially weak. It further connotes that absences of laws does not limit the abuse of incumbency, which is relevant to our study but the paper does not explain how and why abuses of state resources can negatively impact democracy and that is exactly what our study will endeavor to shade more light on.

Sokomani (2005), in Money in Southern African Politics: The Party Funding Challenge in Southern Africa, clearly explains that limited direct public funding to political parties and election candidates has resulted in a heavy reliance on funding from business, foreign governments and other private sources. Pertinent to this study, the paper further argues, these sources of
funding named above produces a real risk that interest groups and wealth individuals will buy influence in political parties, which in turn will erode public confidence in the system. But the paper fails to connect or show clearly the results of eroding public confidence in a democratic society. Hence this paper will critically show how democracy can be pillaged when the public losses confidences in its electoral or political processes.

Another study of significance to our project is that of Pottie (2003), this work explores the three main sources of funding political parties which are: income from private domestic donations (for instance, membership fees, corporate contributions, personal donations and fundraising); foreign donations; and public funding. The paper notes two distinct funding models in Southern Africa: the first one relies on public funding and the second, parties are dependent on private fundraising efforts (for example, Mauritius and Zambia). The paper cautions that the combination of regulated public support and a laissez faire approach to private donations is problematic and undermines efforts to „level the playing field“ and promote accountability. It also highlights that there has been little discussion in Southern Africa on the role of subsidising campaign expenses through non-cash transfers, such as free access to public media, postal subsidies, and tax breaks but fails to connect the above assertion to it's impediment on democracy, the research will thus provide a stride on how combination of regulated public support and a laissez faire approach to private donations is not only problematic and undermines efforts to level the playing field but also violates democratic tenets especially in a country like Zambia.

The Politics of State Resources: Party Funding in South Africa, an enormous writing by Matlosa (2004), is yet one of the works that is germane to our study. The paper explores that funding is provided to parties either on the principle of equity (for example, Mozambique and Tanzania) or proportionality (for example Zimbabwe and Namibia) or both. The paper does not explain the extent of how effective and unbiased these criterions used to fund political parties are with regard to being unfair or fair. It further explains that parties supplement public funding with members' subscription fees and with private local and foreign donations, particularly business interests. Our study will show how donations are
considered to be potentially the most controversial form of funding since they often come with strings attached, are never disclosed publicly and are not regulated in the same way as public funding and this is against the promotion of democracy.

Robinson and Brümmer (2006), also related to our study explain that, apart from private funding, there is what is called corporate front used by the ruling parties to seek profit on its behalf. This, the paper notes has allowed for the solicitation and offering of donations from companies that compete for state contracts. In addition, there is a concern among opposition parties globally that business is reluctant to donate to them for fear of economic reprisal from government. The paper limits itself by not clearly stating how the opposition parties are disadvantaged in the above given scenario and the negative impacts that this exerts on democracy and to that extent this study will show clearly the negative impact of not having equal or no access to corporate front of political parties (especially opposition) on democracy.

**Political Parties to be Funded by the State**, an insightful paper by Centre for Governance and Development (CGD), (2005), in Nairobi, Kenya. This literature is pertinent to our study in that it reveals a profound idea that, there is a direct correlation between funding and formation of political parties, and grand corruption. It identifies the key sources of funding for political parties: membership fees; donations and grants from organisations; proceeds from domestic and international investments and capital projects undertaken by parties; and state funding. The paper further states that these are all legitimate sources of funding of which it does not tabulate how these despite being legitimate can impact negatively on democracy as sources of funding political parties. That is the void this study will try to fill by showing no matter how legitimate a source of funding can be, it obviously has some inherent effects on the democracy.

Mutesa (2002), in his classical work, appropriate to our study clearly asserts that, there are no rules on political-party funding in Zambia and the law does not compel political parties to publish their accounts or to disclose their sources of funding. He further states that, unsurprisingly, the issue of funding political parties has been a source of serious controversy.
Accusations and counter-accusations of bribery of the electorate have come to characterise heated exchanges between the ruling party and its opponents. The paper contends that, opposition political parties are particularly disadvantaged by the fact that business houses are reluctant to donate to them for fear of economic reprisals from government. On the other hand, the ruling party appears to have unlimited access to the use of government financial and human resources, including vehicles and control of the public media. This has created an uneven political playing field, which is to detriment of the opposition.

His study has some limitations or weaknesses, because it basically gives some election trends in terms of use and generation of funds, it isolates how these trends impact democracy and it is narrow on it’s analysis of the benefits of having state funding political parties act. His paper also does not clearly provide particular sources of funding, but rather gives a general overview by stating private sources of funding and if we may ask what these sources are in specific despite being private, the paper does not convincingly provide an answer and in additional, it does not illustratively explain the negative impact of private sources of funding political parties on democracy. In that vain, this study will try to demonstrate what private funding is, its link and impact, which is negative on the democratization process.

Some of this literature acknowledged the sources of funding political parties as an ingredient of successful, mature and liberal democracy but tended to compartmentalize it rather than recognize it as foundational and catalytic. The next chapter gives an account of what the major sources of funding are for the key (giant) political parties in Zambia. The next chapter tries to explore or give the findings on what the sources of funding the major political parties are in Zambia.
CHAPTER THREE

Findings on the Sources of Funding for Major Political Parties in Zambia

In any given democratic society, political parties are the heart of a liberal and mature democracy. The Zambian constitution does not limit the formation or number of political parties. According to the Registrar of Societies gazette of 2010, there are currently twenty seven (27) registered political parties in Zambia. Out of these twenty seven, only three or four are stable and viable to take part in elections and other democratic demands of political parties. The Electoral Commission of Zambia being the overall body that takes care of the electoral process in the country, does not supplement any needs of the political parties but does provide all the necessary resources needed for elections at all times (either in a by-election or general elections) these needs range from printing of ballot papers, procurement of ballot boxes, paying of polling agents or assistants and many more demands that come with elections. Of course it is important to state that the political parties do not contribute anything towards elections expenses. Therefore, ECZ happens to have sponsored all parties indirectly through making resources available for elections. The only time the parties or independent candidates pay is towards the nomination fees. ECZ is a constitutionally body empowered to receive a budget allocation from the state confers, which it uses to run and not to fund or supply political parties, although it does check, regulate the expenses and means of resource mobilisation for parties, if they are authentic and if these resources are used rightly in campaigns particularly, to avoid malpractice among parties. In this vein the commission has an electoral code of conduct that all parties are expected to adhere to in their operations.

According to Cheeseman & Marja (2010), the Zambian political play field is not balanced. The opposition political parties are not weak per se but luck a levelled play field with the ruling party and hence we have been seeing the significant attempts by the opposition to win elections, though greatly incapacitated with funding or resources compared to the incumbent party which has state resources at its disposal. The tenet of democracy, which is vividly clear
to have been robed in this case, is that of inclusive national character. Political parties being left out to take part in an election is sign of impotence in terms of resource or fund mobilisation.

Let us consider the findings gathered on what the sources of funding are for the two giant opposition parties in Zambia (PF and UPND) despite having many of them, these two according to Simutanyi (2009), are more authentic and we shall also consider afterwards, identifying what sources the ruling party (MMD) has in terms of its fund mobilisation.

The United Party for National Development (UNDP) founded in the year 1998 by Anderson Mazoka, is one of the most prominent and sound party in the country today. From the time of its inception, to date, the party has received its major funding through membership contributions and sometimes from well wishers. In an interview with the national party Secretary General, Mr. Chibwe, he noted that, the party has mostly received these contributions from members in terms of projects in which members are compiled to do so, mostly during election times. The existence and continuity of the party lies much on how far and how the party members contribute to sustain the political activities within its sphere of operation.

Pleading with the members has been the only most effective way in which the party leadership secures funding for the elections. Since most funds are contributed by the members, it gives them a sense of ownership and responsibility for the operations and party activities. Internally, the party has not suffered democratic crisis in terms of appointments and its functions while externally the party has seen these forms of funding as exerting negatively on the country’s democracy. The contributions made by the members do not influence or impart negatively on appointments within the party, since the principle of meritocracy is maintained and observed.

Mr. Chibwe observes that the only coercion or factors that can impinge on democratization process at national level, partly to the opposition, is the unfair levels of funding that have tremendously hit most state parties for the past years. He noted that when the playing field is not levelled, it gives the opposition little or no say on the issues of policy formulation and
implementation, thereby costing the state. Accordingly, the unfair coverage of the media on one hand is one noticeable factor that appears to be much a threat in the process of democratisation. As to him, in representation of the party, he alluded to the fact that the use of the media and funding are critical to offering a good and well levelled playing field to put all participants in an election on an equal and fair continuum. Disparities on campaign finance and media coverage are a worry to UPND as they are viewed to be threats to democracy and its application.

In this regard, the party sees it necessary for the state to fund political parties from government treasury. However, the party is of the view that, it is not possible to fund all parties but the state must put in place strategies or conditions on how and who should receive what and when to avoid unnecessary mushrooming of parties in the near future.

In trying to investigate what roles the ECZ, State and Corporate (business houses) have played in sponsoring and monitoring sources of funding for political parties in Zambia, the party Secretary General indicated that the above institution have played no role whatsoever because they do not give any help to any one (do not sponsor). According to him, “one can only monitor where they invest.” Of what sense is it therefore that they should monitor sources of funds when they don’t put any coin to it? In trying to admit that the sources of funding are of major interest in the nation, UPND party national secretary general further noted that the National Constituency Conference (NCC) adopted the clause in the current draft constitution on which the state should fund political parties. As a party, it feels and sees that this is one defining cry they have always waited for to be heard in order to enhance democracy in their native motherland Zambia.

From 2001 when Patriotic Front (PF) was formed, it has won and received support at least from all the provinces of Zambia in each successive election without exception. Its popularity and impact cannot be ignored as a key political party in the country. In an interview with Dr. Phiri, in his capacity as one of the top officials in the PF, noted that the sources of funding for PF are basically from well – wishers, who refuse to be disclosed for fear of being crushed by the ruling party. Some business houses do as well help or wish to help with funding, but reject to be disclosed publicly to have helped an opposition political for fear of their
businesses being closed by the ruling party once known to be funding the opposition. Therefore, private and corporate sources of funding are among the financiers of the PF.

Mr. Chisenga J, confidently revealed that the PF’s sources of funding are assorted and come in different forms of either money or materials or equipment such as computers, vehicles and many more. As a party, the patriotic front has day to day operations costs which are to be met at all times. In order to ensure the smooth operation of the party during and even after elections, and to carter for these expenses, the party has strategically devised a system which requires or compels all seating members of parliament affiliated to it (PF), to make substantial contributions monthly towards any miscellaneous costs.

The other source is that which comes from aspiring candidates. The candidate puts in some resources towards any cost that may arise as a result of campaigns and this is more pronounced in an instance where the party can not suffice to meet all the demands, it is incumbent upon the candidate to initiate and contribute towards the intended purpose. In the same vein, sympathisers may or also chip in to help by way of contributions. Further, he said that women candidates are mostly supported by women movements in order to promote women’s inclusion in politics, so the women candidates sometimes receive some help from women movements around the country that have a mandate of empowering women to participate and take up political offices.

The party president has a key role to play in seeing to it that all is well in the party being the chief executive officers. Mr. Chisenga, further explained that, the president does or is more often than not compelled to contribute from his own personal pocket money or confers just to see the party running. Sometimes, he reaches an extent of helping the party members in times of funerals, by contributing personal resources to such members. Apart from that, economically sound individuals have and continue to make significant strides in sourcing or financing the party willingly. These have been and continue to be through massive donations that come in terms of cars or vehicles, buildings as party offices, computers and many more as earlier noted, hence these have to a great extent helped the party function towards it’s mandate which is to form government, such sources not go without being noticed regardless of the value, size or type the sources have helped.
The informant also made this distinction which at this point is important to state; the above sources are internal, meaning they are from within the party members or are derived from deliberate mechanism devised to succour the base on the sources of funding the party. Of course, sympathisers can be taken as neutral but can still be classified under internal sources. External sources of funding involve those that come from foreign donors particularly and under external funders, the PF only has or gets some funds from the National Institute for Multi-party democracy of the Netherlands, which runs a program in Zambia of financing all political parties, these funds however, are made available or channelled to the PF and other political parties through Zambia Centre for Inter-party Dialogue (ZCID) which is a non-governmental and non-partisan organisation.

Movement for Multiparty Democracy (MMD) since it’s inception in 1990 under a trade unionist leaders and defectors from UNIP, formed government in 1991 just after it’s formation and has been in reign for about 20 years now. As the endeavour of this study, establishing what the sources of funding for the ruling party are, was key to knowing how government or state machinery runs or is operated, though this was sensitive accomplish. In an intense interview with Mrs Mweupe of the MMD, she gave a number of sources of funding for the MMD as a party not only in government but also as one which is fighting to maintain and dominate the political scene at all times. Among the sources she mentioned, a levy or monthly contributions from the party members of parliament (MP) is the main chunk and it is doing a good deal in sustaining the party’s resources. The other source is that of what she called ‘friends’ of the party, in other words ‘sympathisers’ especially the business houses or corporate entities who make donations or pledges and see to it that they fulfil their commitment. She further emphasized on a cardinal point that she felt was vital. The MMD has delinked itself from getting or using state or government as it’s primary sources of funding, though the president is the only one who is constitutionally empowered to use state resources especially during elections and they have used this prerogative when incapacitated principally when parliament is dissolved towards elections time, as MPs no longer contribute since they cease to be in office at that time.
From the above information gathered, we can convincingly assert that, in general, political party funding in Zambia is characterised by the following:

- An absence of public funding of political parties (State has no role in funding).
- A heavy dependence on a few wealthy donors (especially business or corporate entities) by political parties.
- A lack of legal regulation of fundraising, campaign spending or financial disclosure.

All political parties raise some of their funds internally through membership dues, levies on members of parliament and, for example, in the case of the United National Independence Party (UNIP), through assets owned by the party (Momba 2005).

Trade unionists led to the formation of the Movement for Multiparty Democracy (MMD), not only with their organizational skills and energy but also with their donations. In 1991 the MMD was to wrest power from Kenneth Kaunda’s United National Independence Party (UNIP), which had ruled Zambia since 1964. Democrats would have had no difficulty applauding these kinds of donations. They indicated democratic citizen participation of the highest kind. But, useful as such donations were, they usually fell short of the huge sums required to put up a credible show in elections. 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 was and is still too low, could be made only by business tycoons. However, there was a marked tendency on the part of the tycoon donors to regard politics as business by other means and political parties as appropriate investments and this tendency persist up to the present day. Their donations either funded parties, which they owned, or made them king-makers in the parties they heavily bought into. Donations are the modal source of political financing in Africa as a whole and Zambia in particular. Whereas only parties in government can exploit “toll-gating” or percentage kickbacks, or use front organizations to funnel state money to the party as seen on the sources of funding for MMD earlier in this chapter, all parties can depend on donations to varying degrees (Pottie 2003).
Furthermore, given that in the transition to electoral democracy new parties have had to be formed outside government circles in order to challenge incumbent autocrats and/or military regimes, seed money was necessary from the beginning. This came almost exclusively from donations. Some donations came in small parcels from the salaried and professional sectors of civil society. Both a greater understanding of the damage that the neopatrimonial systems had done and a capacity to donate a few hundred dollars could be expected from those sectors.

Prime to reveal here, are returns on investments, some political parties, especially the older ones dating from before 1990, such as UNIP (which is said to be rich, though with diminishing political popularity, due to fixed assets it possesses as compared to other political parties the MMD inclusive), have investment portfolios that generate substantial incomes. Furthermore, in Zambia as elsewhere, a prior problem with this source of party funds is that income-generating investments need initial capital. Where is this kind of capital to be found apart from donations, corrupt commissions, fleecing the state or raising a bank loan? For an opposition party in Zambia, the options are very limited. In the Zambian context, organizing a bank loan is unlikely to be any easier than finding wealthy backers who are not political entrepreneurs. Other sources, there is evidence from the findings of this study, that political parties still derive some income from membership subscriptions and local fundraising as noted earlier.

For instance, a candidate for the post of UNIP treasurer donated materials for the printing of 250,000 party membership cards (Times of Zambia 30 November 1999), suggesting that the sale of membership cards (membership dues) still raises money for the party. From the amounts mentioned in such reports, it is clear that these sources can yield only a tiny proportion of the income required by the political parties. However, the general level of poverty means that setting membership fees at levels that would produce respectable incomes for the parties would also put them beyond the reach of most people. Further, substantial numbers of voters and potential party members probably take the view that they should be paid by political parties and politicians rather than that they should pay, through dues and local fundraising.
activities, for the privilege of supporting the party or candidate. An incomparably more lucrative source of funds, but only for governing parties, is state funds funneled through front organizations, voluntary groups and NGOs affiliated with the party but receiving state subventions for allegedly doing useful and necessary community or welfare work (Sokomani 2005).

Though indirect funding is said to be any help or resources which can be shown to have monetary value but are given free to political parties or taken or used freely by governing parties. Free air time on radio and television or free advertising space in the publicly-owned print media are good examples of the former; a governing party’s use of state vehicles, government employees, office equipment and so on are examples of the latter. In many African countries not only Zambia, elections are not really contests between candidates and parties; they turn out, in effect, to be contests between all opposition parties and candidates on the one hand, and the governing party’s candidates and the state on the other. The following chapter explores the political economy of campaign finance in Zambia by showing some of the trends that punctuate elections campaign finance.
CHAPTER FOUR

The Political Economy of Campaign Finance in Zambia

Unlike in other countries where the state funds competing political parties, under a commonly agreed criterion, the situation remains different in Zambia. Apart from the fact that political parties have been left to fend for themselves in terms of financing their parties, there is currently neither a law requiring disclosure of their sources of campaign financing nor one that sets a cap or limit on how much political parties can spend on election operations. They (political parties in the country) have thus become more sophisticated in the manner they approach election campaigning. It is not unusual, for instance, to find political party leaders literally assuming the task of paying for all the party expenses and support, a task which should have been collectively borne by the party membership.

Since the re-introduction of multi-party politics in 1991, there have been no laws in place to guide the funding of political parties, and this has left many parties at the mercy of unscrupulous donors or financiers, both local and foreign. Now, there is nothing wrong with organisations or individuals sharing a common world outlook or ideological positions supporting each other within or across borders. But such support must be done with maximum disclosures and provided that the amount of such support does not distort the electoral process or amount to an imposition of a ‘foreign’ government.

In a political system that has become so money-dominated like Zambia’s, only parties or candidates with financial resources or which can solicit the needed financial resources, whether from abroad or home, have been able to stem the rising tide. But in trying to do so, many political parties have fallen prey to the machinations of their financial sponsors. A glance at previous elections reveals glaring irregularities with regard to the sources of the main political players’ financing (Mutesa 2002).
Trends in Campaign Finance

Zambian polls since the second dawn of multipart elections in the early 1990s have not been immune from the influence of money. During the landmark election of 1991, widespread and credible allegations that the then opposition Movement for Multiparty Democracy (MMD) received external funding from unscrupulous governments and businessmen arose. Former Republican president Lt. Gen. Christon Tembo was later to reveal that the MMD received massive financial assistance from the then apartheid government in South Africa for its campaign activities. Tembo disclosed that in 1990,

...drug barons and foreigners funded [party presidential candidate Frederick] Chiluba and the MMD Presidential campaign”. This is just a tip of the iceberg; there are many examples of president Chiluba soliciting money from drug barons and other foreign financiers, which he used to buy expensive 79 vehicles for the Party.

PF leader Michael Sata, in a testimony corroborated by Tembo, also revealed that the Party received financial support from leading Asian businessmen and foreign governments. Apart from disclosing that the MMD was bankrolled by the apartheid South African government, Sata also revealed that in 1990, an Indian drug trafficker, whom he only identified as Goswami, contributed K13, 000,000 to the MMD through State House towards the party’s 1991 election operations. There were also reliable widespread allegations that the MMD received enormous funding from Taiwan, on understanding that the party was to recognise the beleaguered Chinese province as a sovereign state if elected into power, a pledge that the MMD was to renege on after the party’s sweeping electoral victory.

The MMD’s marriage with external foreign financiers continued in the 1996 elections. Goswami bounced back and heavily bankrolled the party as he did in the 1991 polls. Having fallen out with Taiwan, the party erected new links of sources of finance. The party, through Chiluba, received US$ 1, 5 million from an Italian businessman based in South Africa. Tembo explained that “but Chiluba only surrendered US$ 250, 000 [to the party]; the other US$ 1.2
million we have no clue where it went”. As a result of this funding, the businessman was rewarded with the take over of Medical Stores. Set against this well financed party were opposition parties like ‘Agenda for Zambia, a party which went into the polls with a campaign budget of only “K1, 000, 000, one vehicle and one campaign advertisement each on radio and television”.

Having been a part of the MMD government until 2001 when he was expelled together with the other MMD dissidents, Tembo only revealed this in 2001 when he led FDD into that year’s election and upon being seriously attacked by Chiluba on the fact that this party was being bankrolled by foreign governments. For details, see The Post, 16th November 2001. Sata, an insider of the Chiluba cabinet for 10 years, ’s testimony was corroborated by Tembo in a separate disclosure.

In 2001, all the major political parties - the MMD, the FDD, the HP, the UPND - accused each other of soliciting for funds from abroad and from leading local businessmen. The MMD gave each of its parliamentary candidates a K50 million cheque, raising serious accusations from the opposition parties that the party was receiving funding from unscrupulous businessmen and international firms and governments. Former president Chiluba was to confirm that the party received generous financial support from it partners abroad but refused to disclose the sources, claiming that there is an unwritten law of secrecy the restricts beneficiaries from disclosing their sources of funding for fear of victimisation.

The opposition FDD was accused of having received funding from foreign donors, and there were calls that the party be thoroughly probed for spending huge amounts of money whose sources was unknown, a charge that party leader Tembo graciously admitted but justified on grounds that even liberation movements received foreign financial assistance, a valid but perhaps misplaced argument. The were also allegations that HP leader Brig. Gen. Godfrey Miyanda financial assistance from Libyan leader Col. Muamar Gaddafi for his presidential and party activities, a charge that Miyanda denies. A lot of furore was also raised by Chiluba and NGOs like ZIMT about the influence of foreign funding on the UPND’s political activities. There were allegations that the UPND Presidential candidate, Anderson Mazoka had strong connections with foreign financiers in his run up to plot one.
The 2006 elections were not spared from the influence of money in campaign activities. PF leader Michael Sata whose party had claimed innocence in the money that characterised the 2001 polls received heavy financial backing from the unlearning Taiwanese who bankrolled the Zambian opposition party on the same premises the MMD did in 1991. The MMD also received immense funding from its external financiers and local backers, and its candidate Levy Mwanawasa caused a stir when he diverted money meant for party operations from abroad into his personal account.

There are other credible incidences of the influence of money in election campaigning not highlighted here but the few cited cases are enough to illustrate the point that there is need to introduce legislation on the funding of political parties.

In 2001, the MMD’s Presidential candidate Levy Mwanawasa promised to introduce a piece of legislation on campaign finance that would ambitiously prevent parties from getting money from outside the country. He won the elections, but was only too happy to continue with the practice which persists up this day after his reign in Zambia’s political processes.

The next chapter tries to analyse the findings on sources of funding political parties and the impact they have on democracy in Zambia.
CHAPTER FIVE

Analysing the Findings on Sources of Funding for Political Parties and the Impact they have on Democracy in Zambia

The current situation is regrettable and blame can be placed at the door of the country’s parliament despite having a recommendation or clause in the current draft constitution in support of state to fund political parties. In line with the Anglo-American multiparty political system that Zambia like many other countries, adopted, a majority of parliamentary bills are introduced by the executive and members of parliament through private members’ motion. The fact that close to 20 years after the re-emergence of plural politics, there exist no law to guide funding of political parties suggests that the executive and the parliament have been sleeping with respect to effecting legislation over state funding of political parties, though it may also indicate political players’ convenient marriage with such a status quo.

What clearly emerges from chapter four reviews and disclosures is evidence of external financial support towards political parties in Zambia. But this evidence remains unextracted because of the absence of compelling disclosure laws. The grand result of this unregulated campaign finance has been what Simutanyi calls ‘the commercialisation of the country’s politics’. Unchecked and unequal financial muscle destabilises democracy and prevents the construction of a level playing field for all political players in conformity with the principles of inclusive political processes, free and fair elections. In an interview with Mr. Tembo, B., in the SADC region today, out of fourteen (14) member states, only ten (10) countries have a constitutionally agreed upon criterion of state funding the political parties. Zambia is among the four (4) which do not have such a democratic provision.

Beetham (1994), states that, we can think of democracy as a system of government with four key elements on which it is founded and theses elements can be impacted upon negatively or positively by the sources of funding political parties in a country. These elements are:

1. A political system for choosing and replacing the government through free and fair elections.
2. The active participation of the people, as citizens, in politics and civic life.


4. A rule of law, in which the laws and procedures apply equally to all citizens.

**Democracy as a Political System of Competition for Power**

Democracy is a means for the people to choose their leaders and to hold their leaders accountable for their policies and their conduct in office. The people decide who will represent them in parliament, and who will head the government at the national and local levels. They do so by choosing between competing parties in regular, free and fair elections. Government is based on the consent of the governed. In a democracy, the people are sovereign—they are the highest form of political authority. Power flows from the people to the leaders of government, who hold power only temporarily.

Elections have to occur at regular intervals, as prescribed by law. Those in power cannot extend their terms in office without asking for the consent of the people again in an election. For elections to be free and fair, they have to be administered by a neutral, fair, and professional body that treats all political parties and candidates equally. All parties and candidates must have the right to campaign freely, to present their proposals to the voters both directly and through the mass media. Any country can hold an election, but for an election to be free and fair requires a lot of organization, preparation, and training of political parties, electoral officials, and civil society organizations who monitor the process (Burnell 2001).

**Participation: The Role of the Citizen in a Democracy**

The key role of citizens in a democracy is to participate in public life. Citizens have an obligation to become informed about public issues, to watch carefully how their political leaders and representatives use their powers, and to express their own opinions and interests. Voting in elections is another important civic duty of all citizens. But to vote wisely, each citizen should listen to the views of the different parties and candidates, and
then make his or her own decision on whom to support. Participation can also involve campaigning for a political party or candidate, standing as a candidate for political office, debating public issues, attending community meetings, petitioning the government, and even protesting. A vital form of participation comes through active membership in independent, non-governmental organizations, what we call "civil society." It is important that women participate fully both in politics and in civil society. This requires efforts by civil society organizations to educate women about their democratic rights and responsibilities, improve their political skills, represent their common interests, and involve them in political life. In a democracy, participation in civic groups should be voluntary. No one should be forced to join an organization against their will. Political parties are vital organizations in a democracy, and democracy is stronger when citizens become active members of political parties. However, no one should support a political party because he is pressured or threatened by others. In a democracy, citizens are free to choose which party to support. Democracy depends on citizen participation in all these ways. But participation must be peaceful, respectful of the law, and tolerant of the different views of other groups and individuals (Beetham 1994).

The Rights of Citizens in a Democracy

In a democracy, every citizen has certain basic rights that the state cannot take away from them. These rights are guaranteed under international law. You have the right to have your own beliefs, and to say and write what you think. There is freedom and pluralism in the mass media. You can choose between different sources of news and opinion to read in the newspapers, to hear on the radio, and to watch on television. You have the right to associate with other people, and to form and join organizations of your own choice, including trade unions. You are free to move about the country, and if you wish, to leave the country. You have the right to assemble freely, and to protest government actions. However, everyone has an obligation to exercise these rights peacefully, with respect for the law and for the rights of others.
The Rule of Law

Democracy is a system of rule by laws, not by individuals. In a democracy, the rule of law protects the rights of citizens, maintains order, and limits the power of government. All citizens are equal under the law. No one may be discriminated against on the basis of their race, religion, ethnic group, or gender. No one may be arrested, imprisoned, or exiled arbitrarily. If you are detained, you have the right to know the charges against you, and to be presumed innocent until proven guilty according to the law. No one may be taxed or prosecuted except by a law established in advance. No one is above the law, not even a king or an elected president. The law is fairly, impartially, and consistently enforced, by courts that are independent of the other branches of government. Torture and cruel and inhumane treatment are absolutely forbidden. The rule of law places limits on the power of government. No government official may violate these limits (Ibid 1994).

From the above four principles that constitute a true and developed democracy in order to be observed and followed by both the governing and governed, demands reinforced confidence. A political finance regime is not an end in itself but a means to promote the confidence of the general public in the financial operations related to the political process. The demand for transparency of political funds is incompatible with a claim to privacy for political donors and voluntary associations. Nevertheless both demands are legitimate. Complete transparency will not be achieved; complete privacy cannot be granted. Public confidence has to be the yardstick which applies when a reasonable demarcation line is drawn. The aim of promoting and if necessary reinforcing confidence will also shape the overall composition of any political finance regime. Regulation should aim to be comprehensive in scope and practical in design if it is to contribute to public confidence, which signify recognition and respect of the democratic tenets mentioned above. Failure to aim towards this building of public confidence by political parties is and alienates the country’s citizens from being meaningful partners of a democratic dispensation that is striving to mature like that of Zambia (Bryan & Baer 2005).
Transparency should ensure information for the voting public. Who is giving financial support to a party? How do the financial operations of one party compare to those of others? Thus any transparency regulation has to address two dimensions of the issue: the disclosure of large donations, and the reporting of income and expenses, debts and assets. Items identified by the reporting rules should strike an adequate balance between the party’s right to privacy as a voluntary association and the public’s right to know the important financial details of the struggle for power. Any “best practice” of campaign and party financing would strive to: contribute to public confidence by means of improved transparency, without aiming at perfection; encourage grass-roots funding without trying to make it the only source of financing for party activity, including election campaigns; discourage dangerous sources of political funds without expecting too much of “catchy” bans and symbolic limits; provide public funding as a partial substitute, but tie subsidies to parties’ own fund-raising efforts via matching or reimbursement provisions; create legal incentives to address potential contributors as well as potential fund-raisers; exclude public funding for all parties which fail to comply with transparency obligations as prescribed by law; and create a supervising agency which strikes an adequate balance between law-enforcing authority, judicial independence, public auditing of political funds and the practical needs of competing parties.

According to Pottie (2003), money is an important resource and is instrumental to the competition for political power in any democracy. This competition, especially at election time, has to be free, fair and equitable. Does this require complete transparency of all funds used for political purposes? Not necessarily, because minor amounts of cash contributions are unlikely to disguise undue influence. A demarcation line between voluntary work by party supporters and in-kind contributions provided by the same people is difficult to draw. On the other hand, the flow of interested money into the political process should be monitored, and transparency is an important means to this end and lack of it may lead or leads to political strife and hinders the aim of a democracy to work for its own measure of adequate transparency. The prevailing scenario where political parties are left to source limitless finances for their electoral campaigns without any legal inhibition is a danger to democracy as it threatens to curve the parties’ attention upon winning towards the dictates of
the financiers, thereby sacrificing the interests of the masses who ordinarily should be the focus of attention.

Role of Incumbency in Elections and How It Could Contribute to Political Opposition’s Failure to Win

The failure of the opposition has been a recurring theme in the literature of political parties and democratic consolidation in Africa. Several weaknesses of opposition parties have been identified in the literature and these include: weak institutionalization, reliance on personality of the leader, lack of sustainable financial base, lack of a reliable and identifiable membership and absence of programmatic differences (Salih 2003 in Simutanyi 2009). In terms of elections, as discussed earlier on, opposition parties face serious challenges of funding and having to contend with an incumbent that has unlimited access to state resources and that use incumbency in ways that disadvantage it from effectively competing for power. However, despite these obvious limitations the opposition has been able to dislodge incumbents as cases of Kenya (2002) and Ghana (2009) illustrate.

In the case of Zambia, the dominant position of the ruling MMD has been altered since the 2001 election despite the incumbent’s use of state resources during elections. In the last three presidential elections (2001, 2006 and 2008) the combined opposition vote exceeded that of the MMD. Should Zambia have been a parliamentary system of government the MMD would no longer be in power, as a coalition government would have dislodged it from office. The table below illustrates opposition performance between 2001 and 2008.

**Performance of the Zambian opposition, 2001-2008 (in percentages)**

<table>
<thead>
<tr>
<th>Party</th>
<th>2001</th>
<th>2006</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMD votes</td>
<td>29</td>
<td>43</td>
<td>40</td>
</tr>
<tr>
<td>Combined opposition votes</td>
<td>71</td>
<td>57</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Electoral Commission of Zambia, various results 2001-2008*
A number of scholars of Zambian elections agree that the opposition failure to win since 2001 had much more to do with fragmentation, disunity and ethno-regional dynamics than the absence of coherent ideologies and institutionalized structures (Burnell 2001). It can be argued that party fragmentation in Zambia is a function of a weak party system characterized by executive dominance, poor governance and weak observance of the rule of law. The discretionary use of state power to disadvantage the opposition has been an enduring feature of Zambia’s political system since independence. Incumbents have often found ways of blocking, obstructing, frustrating known and imaginary political opponents using all kinds of strategies. These have ranged from detention without trial, arrest on trumped up charges, denial of access to public media, prevention of public demonstrations to obstructing opposition parties to hold public meetings.

This enduring legacy of discretionary use of state power to disadvantage the opposition has had the effect of weakening opposition parties, as very few have been able to organize and seriously compete in elections. Equal opportunities is key to the promotion of democracy, lack of it impacts negatively on democratic fundamentals. An adequate system of rules for the funding of political parties should improve the equality of opportunity for all parties competing in an election rather than work against it. Like other rules for the political process, party finance regulation overall should favour neither big and established nor small and new parties, neither governing nor opposition parties, neither rich nor poor parties, neither parties of the “small guy” nor those of “big money”. Public subsidies should be extended to minority opposition parties some of the benefits which are always available to the parties in power and supporting the government (Kabemba & Eiseman 2004).

Another factor that has contributed to opposition’s failure to win elections has been the MMD’s use of advantages of incumbency which disadvantage them in different ways. The Zambian Electoral Act while prohibiting the state from using public resources during election campaigns allows an incumbent President and his vice unlimited and unrestrained access to state resources and facilities. Following Mwanawasa’s death, MMD’s Rupiah Banda, as acting president, was at liberty to use state funds for his campaign in 2008 presidential by-elections, and as such he managed to reach the electorate in hard to reach
areas (areas not along the line of rail). The monopolistic control and influence over government institutions and vehicles, state run media, especially the national broadcaster (ZNBC) radio and television, gave Banda an advantage in getting his campaign message to all parts of the country. The opposition may have had access to the private media, but they needed to pay for the publicity. But even when the opposition could afford to pay for advertisements, the ZNBC is known to have declined to air them if they were critical of the government’s performance. The government also used incumbency to engage in acts of political appeasement by distributing free relief food to rural areas, especially those perceived to be MMD strongholds (Simutanyi 2009).

**Political Contributions are a Means of Participation**

Legitimizing decisions in a political system by encouraging the potential subjects to participate in such decisions is widely accepted as a necessary feature of popular government in liberal democracies. Participation as a principle of democracy has its own contradictions: The inalienable right to participate is inextricably linked to obvious practical difficulties. Unequal opportunities for participation and an unequal propensity to participate are relevant features of the very concept. A realistic view of democratic government has to accommodate the general claim to participate as well as the actual variations in the degrees of participation caused by economic inequality and the voluntary nature of that participation. Modern democracy as a form of mixed government applies different rules at one and the same time. The principle of “one person, one vote” coexists with the concept of the legitimate use of money for political purposes. In societies with a broad middle class the tension between these two principles is not as great as it is in developing countries, where it can result in the rich having overwhelming influence. The poor may use their right to vote, but sometimes without real choice because the competition is unfair.

In democratic systems public funding to political parties has to address two major goals: first, granting to parties and candidates the essential resources for the exercise of their functions, promoting equality in their access to and use of resources, and correcting any privileges which may affect that equality; and second, promoting and stimulating citizens’ participation and involvement through private funding and achieving the maximum impact of civil
society in politics. This objective also imposes limitations on the amounts and the modalities of private contributions.

We have seen that generally speaking there are four major sources of funds for party activity and election campaigns: grass-roots support, interested money, public subsidies and foreign funding. Each of these potential sources is closely associated with specific risks which may endanger the successful operation of a democracy. The most obvious danger comes from foreign funding. If a governing party depends heavily on financial resources provided by foreign governments or especially multinational corporations, their influence may undermine national sovereignty and the democratic principle of self-determination. If public funding is the dominant source of party and campaign funds this reduces the financial linkage between a party and its supporters, the party leadership and the grass roots. It also poses additional problems. How much money is necessary to keep parties working without inviting them to waste public money or just fund an “arms race” in political competition?

Alternatively, if a party relies solely on limited individual contributions because its particular clientele or the citizens in general are poor, funds available for political activity may be limited – to the point where organizational or publicity efforts almost cease to exist. This is, however, less dangerous than having politicians in search of funds turn to interested money or even corrupt practices. “Just as there are needy politicians and greedy donors ... there are greedy politicians seeking out needy donors” (Alexander 1992:356 as cited in Sokomani, 2005). Although in theory the borderline between influence trafficking and institutional donations is quite obvious, in day-to-day politics this is less clear. Interested money may be given because the business community or the trade unions support a wide range of policies on which a party and a group of donors are in agreement. Some donations may be given because a donor wants to “buy” access to a governing party or even influence specific policy decisions. Politicians may demand a contribution to party coffers in exchange for granting a licence – “toll-gating” – or a commission on government contracts – “kickbacks” (Ashiagbor 2005). In order to keep party financing on track, in other words, mid-way between a shortage of party funds, which is not good for a sustainable democracy, and a waste of money, which
the 1991 Zambian elections drew attention to the unfair advantage UNIP had as the
governing party, using state resources, including government vehicles, although even its
superior resources did not save it from defeat that time. The difference between the amount
of money available to governing and to opposition parties tends to be far larger in Zambia.
This difference in fortune cannot be explained by differences in ideology, policies or the
social bases of party support. Instead, the primary explanation is the advantages of
incumbency. Kickbacks and the abuse of office, or corruption, play a large role in party
financing. Only governing parties are in a position to award contracts, grant other favours or
divert state funds illegally to themselves. African governments exploit the opportunities of
office to “bankroll” their parties without many of the political constraints and restraints that
operate in mature democracies (Burnell 2001).

There is a far sharper distinction between the sources of income of governing parties and
those of opposition parties. All over the world business owners who donate to parties to
obtain business advantage or to influence policy donate to either the governing party or the
pro-business party. In Zambia, because there is not much alternation in power between
competing parties or clear ideological differences, or because the competitive, multiparty
process has only just begun again, the opposition parties tend to attract political
entrepreneurs rather than business owners, if they manage to find any wealthy business
backers at all. Wealthy financiers of opposition parties in Zambia are not likely to be ordinary
business-owners who donate to parties for the usual reasons business owners do (Cheeseman
& Marja 2010).

The reluctance of ordinary business owners to donate to opposition parties is one legacy of
the recent authoritarian past of one-party systems and military dictatorships, and explains
much. Dr. Phiri in an interview noted that, “we as a country (Zambia) thought we were
moving away from one party state of 1991 but it seems we are not”. The government still
finds it difficult to accept that business owners who donate to opposition parties are as
entitled to bid for government contracts as anyone else. This is a facet of the larger difficulty
that African governments seem to have in accepting the role of the opposition, or indeed of
the independent role of organizations, such as trade unions, that are capable of providing a base for a potential challenge to their power. The government, thus inflate for the Zambian business owner and other elements in civil society the risk, perceived and real, of making donations to political parties other than those in government. Local financiers are usually threatened by the Zambia Revenue Authority and other state agencies whenever they are exposed to be funding political parties.

The relative absence of public funding provisions in the constitutions and the laws that governed the transitions to multiparty democracy in Zambia is testimony to the extent to which the transition programmes were and are directed and dominated by incumbent authoritarian rulers who do or did not lack political or financial resources. The partisan interest of ruling parties is a major reason for the relative absence of public funding schemes in Zambia. The poor economic and financial base of the state is also without doubt a contributory factor.

While political party financing is a challenge worldwide, it can be especially difficult in developing countries and impact negatively on democracy. The reasons for this include: low national and per capita income levels; poor party fund management in Zambia, a symptom of more widespread problems with public financial management and accountability; weak enforcement of legislation and regulation governing party financing; and poor public perception of political parties, which inhibits both private fundraising and support for public funding.

With reference to the findings in chapter three, the methods of party financing used in Zambia are primarily individual donations (membership fees and fundraising); private sector donations (corporate contributions); foreign donations (foreign governments, diaspora communities) and also though absent, public funding in Zambia has some impact which are cardinal to analyse (cash subsidies, in-kind or indirect assistance). All of the above mentioned sources have positive impacts (advantages) and negative impacts (disadvantages) on
democracy. Key points to note on each of these methods as sources of funding for political parties are:

**Individual donations:**

*Advantages:* Membership fees are considered essential, as they encourage parties to reach out to and involve the grassroots, promoting democratic participation.

*Disadvantages:* Low personal income levels constrain the ability to pay membership fees; and the prominence of any one wealthy donor can produce a personality-based party which results in unacceptable ways of choosing leaders for the party in a more free and fair way. And also reduces increased participation of all members in the affairs of the party.

**Private sector donations:**

*Advantages:* they are essential to party development as public funding is relatively minimal in Africa and membership fees are insufficient.

*Disadvantages:* the current absence of regulations for private donations, including no requirements for disclosure, has allowed for corrupt kickbacks and the disproportionate influence of special interests. This in turn can further erode public confidence in political parties.

**Public funding:**

*Advantages:* regulated public funding to parties has been helpful in leveling the playing field; it can also reduce reliance on illegal methods of funding and influence of special interests from private sector donations; and its provision can be made conditional on political party reforms and improvements in accountability and transparency.

*Disadvantages:* the availability of such funding can reduce incentives to reach out to the grassroots; reliance on government funding may result in a loss of party independence; there may be a diversion of resources from important social sectors, such as health care and education; the public in some cases are unsupportive of public funding, in connection with their poor perception of political parties and concerns about state corruption; insufficiently
regulated public funding, as in the case of private sector donations, has allowed for corruption; and the way in which such funds are distributed can reinforce the status quo and prevent the rise of new parties (i.e. by providing funding proportionate to a party's representation in Parliament).

**Foreign funding:**

**Advantages:** such donations can help to fill the funding gap and they can keep diaspora communities involved in their home countries.

**Disadvantages:** some leaders are concerned about the possibility of national policies being influenced by external parties; the ruling government would operate by the dictates of the foreign financier thereby negating the well and aspirations of the local people by not advancing or serving the common good for all citizens, due to an external influence interested in its own agenda and there may be also greater difficulties with accountability with foreign sources of funding.

In general, it is considered that a combination of both private and public funding is beneficial. It is recommended that private funding also be regulated, with requirements for disclosure and potentially a cap on the amount. Some of the literature suggests the use of a general private fund to reduce the influence of special interests; private donations would be pooled together and distributed to all eligible parties. However, there may be little incentive for private donors to contribute to such a fund. Regarding public funding, some form of equitable allocation is desirable, as opposed to a purely proportional system that rewards parties for their current strength and representation in Parliament. In addition, in-kind assistance (e.g. free public radio and television time) and indirect assistance (e.g. tax benefits for individual donations) should be considered, in order to reduce the risk of corruption with cash subsidies. Indirect assistance in the form of tax benefits can also be beneficial in encouraging grassroots involvement. Another way to encourage parties to reach out to the grassroots is the use of matching funds, whereby the state agrees to match all private donations.
The resources that the opposition political parties have with regard and comparison to those of the ruling party as seen from the findings of this study are inadequate to meet the demands of electoral campaigning and the burden of fund raising for campaigning falls on the top leadership structures of the party. Top party structures are thus obliged to rely on three main sources of funding, the personal wealth of party leaders, funding of campaigns by candidates themselves and contributions by donors (Kabamba & Eiseman 2005). These sources of funding undermine the democratic functioning of the parties in Zambia and lead to a disproportionate influence by a few wealthy people on leadership selection and party decision making. The situation that has emerged in Zambia is little short of plutocracy. According to Mutesa (2002:3) "Unless the growing influence of money in Zambia's electoral processes are checked, the expected gains of a multi-party dispensation will become the preserve of a select few".

The Advocacy Option

Transparency of financial operations may not be enough. As voters will rarely care for details of party funding, the anticipated sensitivity of parties, leading to sound fiscal behaviour, will be limited. The current public policy does not create a public agency which is expected to monitor and check the flow of political funds on behalf of the general public (Transparency International 2004). Whereas the transparency option assigns wide margins of decision to individual voters, such a public agency will need a set of reliable yardsticks. Statutory rules of conduct, bans, limits and controls have to be legislated for and implemented. This procedure seeks to make sure that no financial malpractice or ultimately corrupt practices between parties, candidates and their sources of funds will happen. At first glance these arguments provide a strong case for a tightly-knit system of political finance regulation. A closer look, however, indicates that major findings from policy analysis in other fields of public policy also apply in this area.

The implementation of policy through any state agency involves more than the simple application of rules. The agency is only one of the actors in the policy arena. Regulatory measures have to be backed up by incentives in order to be effective. The more detailed a set of rules is the more intensive, and probably successful, the search for loopholes will be. In a
modern society no complex or complicated issue can be addressed head-on. A multifaceted, piecemeal approach based on trial and error may be more promising. The above realization may answers the question on whether there is any public agitation for state funding of political parties. Which we can say has been professing an audible silence due to lack of advocacy options in the recent past, until now, the Zambian public has to voice out on the dire need of having political parties be funded by the state to create a level political play field and reduce the imbalance among or between political parties that exists.

Our political parties are said to be the building blocks of our democracy. And indeed if they are truly the building blocks of our democracy, then they cannot afford not to be democratic themselves especially with issues of financing options, for to do so will be a contradiction both in terms and in values. This very important institutional dimension is, however, lacking in most of, if not all, our political parties. As such, any initiative to address this democratic deficit will be both noble and pertinent. Our political parties have a fundamental and indispensable niche in the governance of our country. Indeed, so fundamental are our political parties to the operation of our politics that their role and significance are often taken for granted. As a matter of fact, our democracy is inconceivable without political parties; hence we talk of multi-party democracy (Interview with Dr. Mulikita).

Clearly, a proper measure of democracy should be put into effect in all our political parties. Once this is done, unity will be achieved in our political parties and the militancy will be greatly increased. If this is done, our political parties will be able to achieve more even with their poor or very limited financial resources as revealed in this study. Members should be free to hold meetings and to speak out; trivial formalities should be done away with; and the party accounts should be open for all to inspect. Our political parties need democracy just as much as the whole nation needs it. But the exercise of such initiative depends on the spread of democracy in party life. It cannot be brought into play if there is not enough democracy in party life. Only in an atmosphere of democracy can large numbers of people be brought forward. Anyone should be allowed to speak out, whoever he or she may be, so long as he or she does not make malicious attacks, and it does not matter if he or she says something wrong. Leaders at all levels have the duty to listen to others.
Conclusion and Recommendations

Conclusion

As this study has sought to identify that several political transition programmes worldwide have devoted attention to political parties, usually with a view to shoring up their internal democracy and encouraging them to be national and non-sectarian, but few have grasped the nettle of party financing as such. The gross inequality of resources between governing parties and opposition parties, shown in a ruling party’s ability to outspend all the opposition parties put together, affects the fairness or democratic quality of the elections or processes. Fairness of electoral processes and outcomes is, in turn, a major factor in the chances of successful consolidation of a fledgling democracy. It is for the sake of consolidating the fragile democracy that has re-emerged in Zambia that public funding of political parties should be considered seriously and may need to be adopted at all cost. There are several well-founded arguments that can be advanced against public funding, for instance, that parties will come to depend less on their members and supporters or become more focused on gaining or retaining access to state funds and thereby possibly become dependent on the government; and that in very poor countries every penny of state revenue needs to go into education, health or economic infrastructure, instead of creating another “gravy train” for politicians.

Conversely, there are strong arguments on the other side. Political parties need funds in order to play their roles effectively in the democratic process, especially the opposition parties’ role of balancing the incumbent. If parties received public funds, the incentives for using illegal sources for funding might decline. Public funding can also level the playing field somewhat for all players and, equally important, act as the “sweetener”, the quid pro quo, for a stringent regulation of election expenditure. Parties that accept public funding can be made to agree thereby to disclose their other sources of income, publish audited accounts and observe spending limits. A legal provision entitling any registered political party to seek judicial enforcement of the regulations will give all participants in the democratic process the tools to insist on transparency, and thereby protect and advance democracy, but this in a part
demands internal democracy of parties to reduce the dominance of elites, non-competitive leadership elections, discriminatory selection of candidates and clientelism. A standard of good practice for political finance is a recipe for having a mature democracy and reduces the negative impacts that punctuate the sources of funding political parties on democracy. The best practice in an adequate regime for party and campaign funding will consider the specific features of the national polity as well as the general problems of democratic governance. Rule-making for the role of money in politics has to be a multifaceted search for the optimum, not the mere transfer of a perfect set of rules applied somewhere else. Nevertheless, a “toolbox” of options can be offered which is based on experience so far.

**Recommendations**

If electoral democracy in Zambia is to become liberal democracy, political parties, along with an independent electoral commission, independent judiciary, ombudsmen and independent media need to be nurtured to ensure greater accountability of the executive and the legislature, ultimately through the agency of elections. Legal restrictions and transparency, the Electoral Act (2006) has no provisions on the raising and expenditure of party funds. The Societies Act, under which parties are registered, requires that parties make some disclosure of their financial records to the Registrar of Societies, but places no restrictions on how money is raised or spent. The Registrar of Societies is not obliged to disclose these records unless she believes it is in the interest of party members to do so. Transparency and accountability for the raising and expenditure of funds are almost wholly in the hands of the party structures themselves. The combined dominance of parties by wealthy members and donors with the absence of financial regulation and transparency creates a real threat to the integrity of electoral and political processes in Zambia and opens them to corruption. The law has been flouted by incumbent parties who have used state resources freely in the past for party political campaigning.

What Zambia needs is for all the key political players to agree on the need for legislation to guide the funding of political parties in order to reduce the influence of foreign as well as local money in Zambian politics. As is the case in the more developed democracies, there is a need to have a system whereby any Zambian political party receiving external and local
funding should declare its sources of funding so as to reduce undue influences brought about by money on the country’s politics. What this country needs are not strong leaders but strong democratic institutions with visionary leaders who will do away with fears of enacting a clause of state funding political parties would suffocate the nation’s development due to the mushrooming formation of political parties and also fear of being voted out of power once the opposition is empowered with viable resources. But this is exactly what democracy requires; those in government offices should also bear in mind that democracy is expensive and thus must dedicate our efforts collectively to see to it that it works as it has done for other national states. Public funding once adopted can be annually and based on; number of seating MPs for a party, gender sensitivity in the party structure, time of party existence from its inception, and must have a viable economic standing. These and many more considerations can help in solving the challenge of when, how and the quantity of state funding budget allocation to political parties in the country.

A legal ban on unjustifiable sources of funding political parties (ruling party inclusive) may seem the obvious solution. Another is making contributions visible to the public, and this depends largely on the media. A more promising approach is to open up different channels for political fund-raising so as to counteract the risks inherent in each individual source by creating some kind of balance among the different sources. Although no perfect mix can be identified, the very idea of balancing a variety of risks through a variety of opportunities seems an important basis for any good political funding practice. The most important item on the agenda for regulation is the general aim to establish and reinforce public confidence in the soundness of financial sources and funding practices. Though from the perspective of selfish rulers and ruling parties, adopting provisions for the public funding of political parties seems like a careless dissipation of the advantages that incumbency is conferred. This study hence recommends that more attention be paid to monitoring and enforcing existing and new regulations through special enforcement/auditing agencies, the media and various civil society groups on the sources of funding for political parties in Zambia, if her democracy is to be liberal and more beneficial for all ordinary people’s prosperity and well being.
References


Centre for Governance and Development (CGD), (2005). Political Parties to be Funded by the State. CGD Policy Brief, no. 01/03, CGD, Nairobi.

Electoral Act 2006. [www]


Zambia Societies Act (CAP 119).
Appendix 1

Interview Schedule

General Information

Age in years: Between 20 – 25 / 26 – 35 / Above 36

Gender: Male / Female

Marital status: Widow / Divorces / Married / Single / Other

Main income and source of living:

Name of political party and position held:

What would you say is/are the sources of funding your political party?

What impacts did or do these sources of funding have on how the party functions, allocate, appoint and up hold democratic values?

What role did or is the party leadership and members play(ing) in ensuring that the party’s sources of funding at all times especially during elections are sustainable?

In your own view, what factors do you think will or might weaken the Zambian opposition political parties in future, by stopping them to play a significant role in the democratization process?

What roles have the following institutions continued to play in monitoring sources of funding for political parties in Zambia: the Electoral Commission of Zambia; State; and Corporate entities (Business Houses)?

Duration of the interview:

Name of the Informant / s:

Name of the interviewer:

Date:
Appendix 2

Oral Sources

1. Name: Dr. Phiri J.T
   Date: 12th October 2010
   Position: Top Ranking Official and Member of the PF. Became a neutral informant, political analyst for the sake of our area of research during the interview.

2. Name: Mr. Chisenga J.
   Date: 11th October 2010
   Position: Member of the PF Manifesto Committee and Representative of the National Party Secretary General

3. Name: Mr. Tembo Bonnie
   Date: 1st October 2010
   Position: Anti-Voter Apathy (AVAP) President, during the APRM forum

4. Name: Dr. Mulikita
   Date: 1st October 2010
   Position: Center for Inter-party Dialogue (ZCID) Representative on the APRM forum

5. Name: Mr. Chibwe
   Date: 5th October, 2010
   Position: UPND Party National Secretary General

6. Name: Mrs. Mweupe Creda
   Date: 22nd October 2010
   Position: MMD Research and Development Assistant