

# **The Consortium for Development Partnerships**

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## EXECUTIVE SUMMARY

### Background

The central role played by political parties in the development and nurturing of a virile democracy and its consolidation can not be overstated. Where democracy survives for a long period of time, it is because political parties, among other vital institutions, are well established, and have played the role expected of them. The ability of political parties to attain this feat is the function of how effectively and excellently they are financed, organized, structured and ran on the basis of openness and internal democracy. Thus, the institutionalization of political parties and the degree to which they are deeply embedded in a political system constitute the beacon of hope that democracy should sail towards consolidation.

The emergence of multiparty democracy in Nigeria's Fourth Republic can be seen as a major landmark in the process of the so called 'second liberation'. In this process, the existence of political parties in the country is taken to mean the backbone of democracy; its success or failure, and its survival or downfall. The journey thus far since 1999 raises a lot of concern and apprehension, chief among them is the level of financial autonomy, strength and viability of political parties in the country.

Indeed, in the current Nigeria's political scene evidently political parties as pillars of democratic sustenance are either not adequately financed or formed primarily in order to get funds from the government, or dubiously financed and hijacked by political entrepreneurs?

It is against the above background that the Centre for Democratic Research and Training, Mambayya House, Bayero University, Kano under the auspices of the Consortium for Development Partnerships (CDP), an international research network that brings together scholars and institutions committed to the promotion of democracy and development in Africa embarked on this study: *Financing Political Parties in Nigeria: 1999-2007*. The study raises and examines some key questions regarding financing of political parties in Nigeria as follows.

- To what extent is the high dependence on federal government's financial grant to political parties inimical to the process of nurturing independent parties with grassroots support and mobilization?
- What criteria does government use in financing political parties?
- What are the legal and acceptable alternative sources of party financing in the face of increase in the number of political parties, ever expanding campaign expenditure and party activities?
- Does the level of political party activities call for supplementary sources of finance?
- How can political parties prevent the advances of 'political entrepreneurs' in influencing their internal and democratic credentials?

- What are the prospects for political parties in their continuing search for credible and acceptable means of generating funds internally?

### **Objectives of the Study**

The main aim of the study was to investigate the current practice of financing political parties in Nigeria with a view to understanding the problems in the flow of independent, acceptable and reliable sources of funds to political parties. The study therefore, seeks to deconstruct unlawful practices in the funding of political parties and proffer realistic alternative means of such funding. Other related aims of the study are to provide an empirical and in-depth knowledge from baseline survey data on the public perception, pattern and dynamics of financing political parties in Nigeria and to provide insights into the activities of political parties in respect of party resource management and accountability, and the best practices for fund raising within the legally defined framework of financing political parties in the country. In specific terms, the study seeks to:

- Identify the legal and constitutional framework in the financing of political parties in Nigeria.
- Analyze the formal and informal sources, mechanisms and processes of financing key political parties in contemporary Nigeria.
- Analyze how the Nigerian social structure and its cross-cutting issues of corruption, poverty, gender, class and prevalent political culture influence the financing of political parties in the country.
- Document the best practices of financing democracy using the experience of Nigeria.
- Recommend alternative policy options and framework in the financing of political parties in Nigeria.

### **Scope of the Study**

The study covers the first eight years of democratic experiment in Nigeria since the end of military rule in 1999. Given the experience of party politics in the country and the increasing competition for power, the study is restricted to the examination of issues on funding political parties only. The period marked the intensification of contestations over the autonomy of Independent National Electoral Commission (INEC) and its capacity, as the chief financier and regulator of political party finances in the country, to set in motion an acceptable sharing formula for the allocation of grants to political parties.

The scope of the study as well as its analytical variables are numerous and, in some cases, overlapping because halfway through the democratization process the number and structure of political parties multiplied as a result of INEC's registration of more political parties, resulting in fifty (50) parties competing for power in the 2007 elections. For this reason, the study has limited its scope to three (3) parties; Peoples Democratic Party (PDP), the Action Congress (AC) and People's Redemption Party (PRP).

Furthermore, in order to narrow the scope of the study to a specific target population for easy generalization and comparability, the study concentrated on the major cities in which data were gathered: Abuja, Ibadan, Kano and Lagos. Thus, elite interviews were confined to important personalities identified in these cities. This is not to suggest that politics and the activities of political parties at local government levels were intentionally overlooked. The aim was to get adequate information as easily as possible since cities are

the bee-hives of political activities in Nigeria. Despite this, however, most of the issues covered in the study also resonate in local governments, although their magnitude is by far less than in cities.

### **Methodology**

The data for this study were gathered from primary and secondary sources using a combination of four instruments, viz: in-depth interviews, Focus Group Discussion (FGD), questionnaire and content analysis. Data were gathered from four major centers of political activities in the country: Abuja, Ibadan, Kano and Lagos. The target population of this study consists of the national and state leadership of the selected political parties, the general public, officials of INEC and members of civil society organizations (CSOs).

The secondary data were collected from the internet, INEC, political party offices and existing literature on party financing in Nigeria and Africa as well as best practices in advanced democratic countries.

In order to engage the stakeholders in discussing the main subject of the study, two FGDs were held one each in Ibadan and Kano respectively. The two FGD's engaged politicians, scholars, officials of INEC, SIEC, and political parties, community leaders, CSOs and students on the discussion of critical issues of political parties' sources of funding, problems of these sources and the way to overcome the identified shortcomings associated with the funding of political parties in Nigeria.

Two sets of questionnaires namely, questionnaire 01 for the general public and questionnaire 02 for the party officials were administered. A total of one hundred and thirteen (113) questionnaires 01 were administered in the sampled locations. The questionnaire generated information on the public perception of the importance of political parties, their performance, sources of funding, reasons why individuals donate, desirability of state funding of political parties, as well as on general perception of corruption and the influence of donors on political parties. A total of 70 questionnaires (questionnaire 02) were distributed to political party officials of the three sampled parties.

Interviews with key informants drawn from party executives, INEC officials, CSOs and MPs were conducted. The qualitative data were used, citing relevant statements and quotations. Ultimately, the study contrasted the perceptions of the party officials with those of the surveyed public looking for broad themes of party and political development, corruption perceptions, and identification of new ideas for party financing.

### **Key Findings**

- 33.6% of the respondents that participated in this study identify with political parties, while 64.6% did not. Furthermore, majority (76.3%) of the respondents that belong to political parties possessed party membership card, but only 52.6% pay membership dues.

- Three most important functions of political parties identified by respondents from the general public are: the provision of policy alternative (21.26%), Public education (16.91%), and access to government (16.07 %).
- Respeondents identified the following serious problems confronting political parties in Nigeria; Lack of adequate funds 23.0% (general public) and 30.0% (party officials); inadequate personnel 23.0% (general public), internal party conflict 27.1% (party officials); lack of definite ideology 15.0% (general public) and 22.9% (party officials)
- 81.4% of the respondents indicated that political parties source their funds from donation from friends. 64.6% of the respondents said government grant is the second largest source of party financing in Nigeria, followed by corporate donations, 62.6%, while, 11.44% of the respondents identified membership dues as the source of funds for political parties.
- When party officials were asked to rank the contribution of the various sources of funds to political parties, (65.7%), ranked donations from the government controlled by a political party, as the highest, followed by donations from wealthy individuals (61.4%), and government grant/subvention (35.7%).
- 31.43% of the respondents from party officials suggested that continuing government support to political parties is desirable. 12.86% said such support should be in form of financial assistance, 12.86% said facilities, while 10.0% and 5.71% respectively indicated that training and other related facilities are the form of assistance required by political parties from the government.
- 61.1% of the respondents' from the general public preferred political parties to raise their funds rather than depending on government sources.
- On criteria for government support to political parties 52.9 % of respondent from party officials said the main criterion for any support should be the equality of political parties, while, 2.9% said the criteria for government support to political parties should be the number of seats in the National Assembly in last election.
- A slight majority of respondents from party officials (55.7%) is of the view that the current level and formula of government funding of political parties are inadequate while In contrast, 44.3% felt that the level and formula for funding parties by government are adequate.
- Majority of the respondents -89.30%- (general public) and 87.5% (party officials) said that corruption exists in political parties, while 5.31% (general public) and 12.5% (party officials) said it did not exist. Indeed, 60.71% of the respondents

- from party officials said that the phenomenon has been on the increase since 1999 and 60.71% ranked the level of party corruption in the country as very high.
- Respondents (party officials) cited extortion (22.31%), “Kickbacks” (21.32%) and unfair business practices, (20.55%) as the greatest manifestations of corruption in political parties.
  - Respondents (party officials) identified the absence of discipline in the parties (47.14%), get-rich-quick syndrome (18.57%); lack of funds (10.0%); and lack of effective regulation by government agency, (5.71%) as the main causes of corruption in political parties.
  - The general public said the phenomenon of get-rich-quick syndrome by party bureaucrats (80.5%), weak internal accountability (68.1%), ineffective financial regulation by government agencies (54.9) and poor remuneration of party staff (35.4) are the main causes of corruption in political parties.
  - On the question of whether it is appropriate or inappropriate for INEC to supervise political parties’ financial accountability, 51.3% of the respondents from the general public said it is appropriate, 41.6% said it is inappropriate.
  - 62.86% of the respondents from the party officials support the government control over sources of political party finances in Nigeria, but 37.14% of the respondents do not support such action. Again, (60.0%) of the respondents agreed that their parties give regular financial reports to INEC, while 40.0% held the view that such reports are not given to INEC. An overwhelming majority (70.8%) of the respondents from the general public agree strongly that there should be regular publication of audited parties accounts for public scrutiny
  - Majority -77.9%- (general public) and 52.86 (party officials) said that political parties finance their campaign activities from the contribution of wealthy party members.
  - Large proportion of the respondents (90.3%) said that money influenced the voting pattern of delegates in the party primaries. 78.8% of the respondents believe that there was a significant influence of “money bags”/ “godfathers” on party primaries results.
  - 69.9% of the respondents agree that there is a relationship between availability of funds and party’s electoral performance while 20.4% do not agree.
  - On whether a party that wins elections through the use of money can perform in government. A significant percentage of respondents, representing 70.8% said it cannot perform in government, 21.2% affirmed that it can.

- 88.57% confirm the assertion that the electoral performance of political parties is a function of their financial status, while a small percentage (11.43%) disagreed with this assertion.
- 81.4% of the respondents accept the fact that their parties have offices in all the states and local government areas of the federation. Only 18.6% of the respondents said their parties do not have offices in the entire states and local government areas of Nigeria.
- 40.0% of the respondents from party officials were of the opinion that party offices are averagely equipped; 35.7% of the respondents said the offices are fairly equipped, while 17.1% respondents said such offices are adequately equipped.
- A total of 37.1% and 35.7% of the respondents said Chief Executives at both the state and federal levels are influential and very influential respectively on political parties activities.

### **Recommendations**

- Political parties should depend on their ordinary members in financing their political parties as was the case in some grassroots political parties in the First Republic [that is the Northern Elements Progressive Union (NEPU) and Action Group (AG)]. Although sales of party emblem and other materials are negligible sources of generating funds for political parties, this source can still be revived, diversified and promoted by political parties in the country. At present, donation from wealthy individuals contributes substantial part of political party sources of funding. Contrary to the ideal of promoting of democracy, the study reveals that individual donors make donations to their parties for particularistic interests, thereby hampering the internal democratic content of the political parties. Thus, it can be hypothesized from the findings of this study that the more “money bags” donate huge sums of money to their parties the lesser their internal democracy and performance in public office. The study, therefore, recommends higher membership dues for members of political parties. The contribution of a certain percentage from members of political parties holding key public offices as started by the PDP should be stopped. This is in order to make political parties independent from individual control and influence that can thwart the process of democracy.
- Although the opinion of respondents is divided on the issue of state funding of political parties as CSOs were against the financing of political parties by the government while the respondents in the elite interview and

the general public supported it, it can still be said that on the average the respondents concur with the view that government's involvement in monitoring the finances of political parties is desirable. This finding also reinforces the need to recommend that while the state should not unnecessarily strangle political parties financially, the state therefore should continue with the funding of political parties until democracy in the country mature and consolidated. This of course will prevent "money bags" and "godfathers" from controlling political parties through their despicable political activities. For this reason, grant to political parties should be made contingent on the number of seats won by a party in the National or State House of Assembly.

- A realistic limit on political party spending needs to be set and effectively enforced in order to prevent the influx of illegal sources to the account of political parties. Adequate tracking measures need to be devised and well enforced by the INEC. Thus, there is the need for the commission to enforce the enabling laws empowering it to regulate political party finances.
- Although one of the major causes of corruption in Nigeria is poverty and unemployment, in political parties the phenomenon has been sustained as a result of bad use of money in politics and the failure, largely due to politicization, of institutions set up to enforce discipline and fight corruption in the public sphere. For corruption in political parties to be eradicated, the flourishing of the rule of law is needed and institutions like the EFCC must be empowered and allowed to work independent of any meddling by the executive arm of government. In addition, the Electoral Act 2006 should be reviewed and become part of it a clause that will empower the EFCC to take corrupt politicians to court. INEC should also be made to work independently and empowered to disqualify corrupt politicians found wanting even at the party primary level.
- With regards to party bureaucracy and internal democracy, party discipline should be enforced in order to overcome corruption. Since the survey research reveals that corruption in political parties is informed by lack of party discipline and lack of definite ideology, political parties should have a well defined ideology which will serve as the basis for mobilizing support rather than the use of monetary gratification.

## CHAPTER ONE

### GENERAL INTRODUCTION

#### 1.1 Background

The central role played by political parties in the development and nurturing of a virile democracy and its consolidation can not be overstated. Where democracy survives for a long period of time, it is because political parties, among other vital institutions, are well established, and have played the role expected of them. The ability of political parties to attain this feat is the function of how effectively and excellently they are financed, organized, structured and ran on the basis of openness and internal democracy. Other key elements in the flourishing of virile political parties are transparency, accountability, sound ideology, independence, and high level of organizational and administrative structures. Thus, the institutionalization of political parties and the degree to which they are deeply embedded in a political system constitute the beacon of hope that democracy should sail towards consolidation. Randall and Svasand (1999:2), like many other scholars before them, noted that the relationship between parties and democratic governance to a greater extent determines the viability of representative democracy, and that the survival of modern democracies is unthinkable without the existence of political parties.

In Nigeria, the return to democracy since 1999 has ushered a renewed process of democratization and, thus, heralded another opportunity for the country to launch a new strategy towards democracy, after many years of lost opportunities under a prolonged period of military authoritarian rule. Indeed, the emergence of multiparty democracy in Nigeria's Fourth Republic can be seen as a major landmark in the process of the so called 'second liberation'. In this process, the existence of political parties in the country is taken to mean the backbone of democracy; its success or failure, and its survival or downfall. The journey thus far since 1999 raises a lot of concern and apprehension, chief among them is the level of financial autonomy, strength and viability of political parties in their search for a legitimate, credible, and acceptable competition for power (Anifowose, 2004:57). In one of such concerns, Simbine clearly warns that:

Party system in a democracy needs to be taken more seriously as important purveyors of sustainable democracy. Their structure, operations, funding and general activities can make or mar the democratic process. The way political parties in Nigeria are going does not however, portend good tidings for her democratic process (2007:1).

Undoubtedly, since the successful transfer of power from civilian to civilian government in 2007, which heralded a successful process of civilian rule, the concern of Nigerians has now been shifted to the question of how the mistakes of democratic experiments in the last eight years can be overcome. Yet it is also imperative to suggest that much remains to be done in the performance of political parties in Nigeria, given the nauseating experiences of how their finances are made and controlled, who control their structures and by what means. Bearing in mind that the contribution of political parties to

democracy “gets increasingly important as the process evolves and is especially central to successful consolidation” (Randall and Svasand, 1999:4), all hope is not lost in making political parties in Nigeria stand the test of time and work on the pedestal of democratic consolidation. But, how do we achieve this significant milestone in Nigeria’s democracy where the political parties as pillars of democratic sustenance are either not adequately financed or formed primarily in order to get funds from the government, or dubiously financed and hijacked by political entrepreneurs?

Although some of these political parties are strong and could survive even without dependence on financial grants from the government because of the contributions from their members, corporate organizations and other groups, they still manifest some worrisome value orientations. One of such orientations is the dominance of ‘political entrepreneurs’ or in Nigerian parlance ‘money bags’. Furthermore, as some political parties could not stand on their feet without government’s financial grant, they become weak and incapacitated in developing new structures outside their local bases. Still others are financially weak to the extent that they become moribund for a long period after the conduct of general elections, until another round of elections when they revive their activities.

It is against the above background that this study: *Financing Political Parties in Nigeria: 1999-2007*, raises and examines some key questions concerning the finance of political parties as follows.

- To what extent is the high dependence on federal government’s financial grant to political parties inimical to the process of nurturing independent parties with grassroots support and mobilization?
- What criteria does government use in financing political parties?
- What are the legal and acceptable alternative sources of party financing in the face of increase in the number of political parties, ever expanding campaign expenditure and party activities?
- Does the level of political party activities call for supplementary sources of finance?
- How can political parties prevent the advances of ‘political entrepreneurs’ in influencing their internal and democratic credentials?
- What are the prospects for political parties in their continuing search for credible and acceptable means of generating funds internally?

## **1.2 Purpose and Objectives of the study**

The main aim of the study is to investigate the current practice of financing political parties in Nigeria with a view to understanding the problems in the flow of independent, acceptable and reliable sources of funds to political parties. The study therefore, seeks to deconstruct unlawful practices in the funding of political parties and proffer realistic alternative means of such funding. Other related objectives of the study are to provide an empirical and in-depth knowledge from baseline survey data on the public perception, pattern and dynamics of financing political parties in Nigeria and to provide insights into

the activities of political parties in respect of party resource management and accountability, and the best practices for fund raising within the legally defined framework of financing political parties in the country. These closely related objectives offer an insight into the perception of the public regarding the effective and promising strategies to adopt in financing political parties. The study is therefore, meant to offer a reliable national policy framework for financing political parties in the country.

### **1.3 Specific Objectives**

Specifically the study seeks to:

- Identify the legal and constitutional framework in the financing of political parties in Nigeria.
- Analyze the formal and informal sources, mechanisms and processes of financing key political parties in contemporary Nigeria.
- Analyze how the Nigerian social structure and its cross-cutting issues of corruption, poverty, gender, class and prevalent political culture influence the financing of political parties in the country.
- Document the best practices of financing democracy using the experience of Nigeria.
- Recommend alternative policy options and framework in the financing of political parties in Nigeria.

### **1.4 Scope of the Study**

The study covers the first eight years of democratic experiment in Nigeria since the end of military rule in 1999. Given the experience of party politics in the country and the increasing competition for power, the study is restricted to the examination of issues on funding political parties only. The period marked the intensification of contestations over the independence of Independent National Electoral Commission (INEC) and its capacity, as the chief financier and regulator of political party finances in the country, to set in motion an acceptable sharing formula for the allocation of grants to political parties.

The scope of the study as well as its analytical variables are numerous and, in some cases, overlapping because halfway through the democratization process the number and structure of political parties multiplied as a result of INEC's registration of more political parties, resulting in fifty (50) parties competing for power in the 2007 elections. For this reason, the study has limited its scope to three (3) parties; Peoples Democratic Party (PDP), the Action Congress (AC) and People's Redemption Party (PRP).

Furthermore, in order to narrow the scope of the study to a specific target population for easy generalization and comparability, the study concentrated on the major cities in which data were gathered: Abuja, Ibadan, Kano and Lagos. Thus, elite interviews were confined to important personalities identified in these cities and the Federal Capital Territory, Abuja. This is not to suggest that politics and the activities of political parties at local government levels were intentionally overlooked. The aim was to get adequate information as easily as possible since cities are the bee-hives of political activities in

Nigeria. Despite this, however, most of the issues covered in the study also resonate in local governments, although their magnitude is by far less than in cities.

### **1:5 Literature Review**

The role of finance or money in politics whether regulated hard money, soft or unregulated had since been recognized in all democracies. In advanced democracies, the use of money as a tool of future influence, determinant of policy outcomes had been well researched. Thus, the financing of democracy in terms of sources, regulation of that finance is one of the means of measuring the integrity of a political system. What this means is that democratic practice needs to ensure that money in spite of its importance in political campaigns and electoral competition should not be the most important determinant in achieving political power.

In Nigeria, despite the recurring allegations of the use of money to influence political elections not much has specifically been written on it. Thus, the best one may do in terms of literature dealing with financing democracy is to consult some books and articles dealing with the many aspects of Nigerian politics and democracy and fish out the aspects dealing with that. This review intends to take its point of departure from some writings on the transition to and the second Republic and the subsequent transitions and republics where we witnessed or are still witnessing party politics or its semblance.

It needs to be pointed out that during the debates on the 1977 draft constitution both at the drafting stage and later constituent assembly, the issue of financing democracy especially political parties and electoral agencies came up. Thus, the draft constitution reviewing the activities and mode of financing political parties came with the idea of how national political parties can emerge and their sources of finance. Section 205 of the draft and subsequently 1979 Constitution required all parties to publish statements of “Sources of their funds and assets” and further stated “No political party shall hold or possess any funds or other assets outside Nigeria nor shall it be entitled to retain any funds or assets remitted or sent to it from outside Nigeria.” It was illegal for any party to retain such funds and assets as it should by law transfer such to the Electoral Commission. During the debate on the draft constitution, Ikeotuonye (1977) argued the need for multiparty system

...but the state should recognize and finance only two of them... the party in government and the party in opposition.... The parties will be financed from the same source as the Executive, the Legislature, the Judiciary.... In a healthy democracy the parties are the parents of government... each of the two parties shall receive its funds in proportion to its strength in the legislatures (Ikeotuonye, 1977: 406-407).

The 1979 Constitution did not only legislate for an open democratic financing but the Electoral decree of 1977 came up with a new innovation that the federal government will now make a block grant to the parties. Article 85(2) of the Electoral decree of 1977 stated that “fifty percent of the block grant shall be shared equally among all the political parties

that have candidates for election in not less than 20 percent of the constituencies for the particular election at the commencement of campaign for votes”. The remaining fifty percent was to “be shared among the political parties after the result of election have been known in proportion of the number of seats won by each part in the Senate and House of Representatives”. According to Dudley (1982) who was a member of the constitution drafting committee and the sub-committee on political parties, the logic behind the provision preventing political parties holding or possessing any funds or assets outside Nigeria was to stem what happened during the first republic. He argued “... There could be legitimate grounds for concern, if party financing were left totally unregulated – external interests seeking to influence electoral outcomes by contributing funds to specific parties” (Dudley, 1982:185).

It was however part of the new requirements for the registration of political parties that they must establish nation wide offices that in practice resulted in wealthy individuals taking advantage to become financiers of political parties. Thus, with the lifting of the ban on political activities “the party field as... seen by some as a market in which what was being offered for sale was not votes but bloc support and, not surprisingly parties emerged with names like “I chop you chop party” (Dudley, 1982:185). The field was left open to wealthy individuals and “the ways in which political parties were admitted favoured the establishment of parties headed by well-known politicians... the old politicians contacts with big business and other sources of funding meant that they were more easily able to establish the required facilities in the various states – party premises were donated, funds were pledged, supporters materialized from virtually nowhere” (Graf, 1979:59).

Balogun (1980) one of the active politicians in the first and second republics was able to capture the intrigues that went into party formation concentrating on the abortive bid by a wealthy individual “poorly prepared for office of supreme leadership” in Nigeria. He argues “in the field of politics, wealth as a resource is of infrastructural value. An aspirant to public office needed some money to get together such facilities as would enable him sell himself and his ideas to the electorate” (Balogun, 1980:3). When this resource is however flagrantly displayed it can invite counter productive results. Wealth as a “resource is not usually enough to win political office especially the office of supreme leadership involving millions of voting citizens. In the 1979 Presidential Election, this political lesson was clearly brought to one of the candidates, who placed too much reliance on his possession of wealth and made this only resource the cornerstone of his campaign strategy” (Balogun, 1980:4). Part of the failure of the candidate is answered by Chuba Okadigbo (1981) who in narrating about the rise of the National Party of Nigeria (NPN) said its secret for success lied in its ability to find formidable men “a mighty stream of irresistible and indefatigable togetherness”. Thus the “party went out of its way to locate men of fibre and integrity, to blend men of timber and caliber and young radicals with old reliable” (Okadigbo, 1981:4). Thus in the choice of a cabinet after the elections it was not only the timbre and caliber or iron and steel men that were prominent but “politicians who suffered (lose) an election in which both body and purse suffered together” (Oyovbaire, 1988:94). It was no wonder then that the whole party activity was taken over by the wealthy and became “a mechanism for regulating access to the trough

of state patronage and resources” (Graf, 1988:80). Political power become highly valued because it is used in “the control of state power to amass wealth in an attempt to consolidate its material base to the extent that political power is now the established way to wealth” (Ake, 1996:24). It was this which made Awa (1996) to define democracy in Nigeria as government of the people but “by the elite essentially in the interests of the elite”. For, during “the second republic it became virtually impossible to distinguish between state and private sector action” (Awa, 1996:12).

The above argument made by Awa was aptly revealed by the memoirs of Labode (1988) the accountant of the then Unity Party of Nigeria (UPN). His book *Party Power: The Experience of an Accountant* is the only detailed account of party-finances written by a specialist in defense of his office and the party. He did not only reveal the sources of funds, motive of some funders but also a defense of the N2.8 million Kickback story. He observed in spite of the respect which the UPN state governors had for the presidential candidate Chief Obafemi Awolowo, the governors were “conscious of the financial jokers they held and played same at will”. That at “the National level the party was looking for funds and materials to win the presidential election while the incumbents at state levels saw their return as state governors as priority over and above the presidency” (Labode, 1988:51). Even the national secretariat ended up only financing and controlling party activities in the “non – UPN controlled states and since funds were being tapped mostly from party faithful in the UPN controlled states, caution was the watchword in dealing with the five UPN controlled states” (Labode, 1988:51). Individuals who made huge contributions prefer to hand over the money directly to governors or the presidential candidate because they expected returns for their investments. “Private Investments in the political parties by the affluent class by ways of either donations or underwriting of campaign expenses were the major sources of funds for many of the political parties... were obliged to show appreciation to the financiers / investor who became impatient over any delayed action in respect of returns on their investment” (Labode, 1988:165). In his own conclusion, having looked at all the problems he argued for state financing of political parties as in his own words, “the state should be prepared to finance democracy”.

It was in his attempt to fashion out a new political order not based on the politics of the past that the Babangida military regime set up the Political Bureau in 1986 with the responsibility of among other things “producing the blue-print of new political model” and a realistic implementation program. For Babangida the setting up of the seventeen people Political Bureau is a commencement of the “search for a new political order...part of the strategy towards evolving a viable political order”. In their recommendations or the funding of political parties, the members of the Political Bureau observed three possible “ways of funding political parties” open to Nigeria. These were total private or public funding and a combination of private and public funding which Nigeria opted for in the second republic. One of the problems was then in the inability to limit the amount “corporate and individuals would contribute to political parties”. They recognized funding as being very crucial to the two party system they suggested and argued “it is very essential in the light of the experience of 1979-1983 to set limits on the amount of financial contribution that can be made to political campaign of candidates by

any individual whether or not he is a member of the political party... the objective is to control the role that money should play in the political fortunes of political parties and candidates at the polls. Disclosure of donations to political parties should be made compulsory. Failure to disclose should be regarded as criminal offence” (Cookey et al, 132). The regime accepted the two-party recommendation and lifted ban on the formation of associations which could later become political parties. As Ake (1987) predictably observed the Babangida two party prescriptions could not lead to the emergence of real national parties and “only caucuses of wealthy people will have any chance of registering a party” and dominate. This was what actually happened as the government had to ban all the prospective associations and decreed the formation of two “grassroots political parties”. The Social Democratic Party (SDP) and the National Republican Convention (NRC).

Babangida in his address observed that none of “the political associations has passed the tests” as informed by their vision of a new political order. According to Babangida, the National Electoral Commission in its report to the government discovered that the associations had “deep roots” in the politics of the past where old politicians played prominent role in “their formation, consolidation, finance and organization”. That “the associations depended by and large on charity donations from undisclosed sources. There were strong indications of wealthy individuals in the executive committees of the associations, thus confirming fears that the political associations were being hijacked by money bags” (Babangida, 1991:7). It is in order to sanitize the system that the government decided to fund the two political parties. No individual or group should make any financial contributions to “party treasury” and that government will build party offices so that they could not become victims to “hostage politics”. Before the Babangida regime came up with its position of party financing, the Centre for Democratic Studies (CDS) which was one of the most important think tanks of the regime came up with series of publications meant to guide the transition program. In one of the publications, they recognized the effect of “money on political campaigns” and the concern not to sell political posts to the highest bidder. There are several ways of raising money for campaign “in Nigeria the personal source is essential, but its importance may have been over-emphasized. Unless the candidate is a Rockefeller – type millionaire, he/she must depend more on fundraising than on personal resources” (CDS, 1991:25). After outlining plans for fundraising, when the candidate may need it and who he/she should entrust it to, it was emphasized that winning an election contest must involve “two campaigns, the political campaign to win the voters and the fund raising campaigns to finance the game plan” (CDS, 1991:29). Both require “trust, teamwork, imagination, stamina and dedication”.

The problem of financing democracy was further addressed in a training workshop organized by the Centre for Democratic Studies for officers of the NRC and SDP to enhance their political competence. Anao (1991) writing on party finances stated,

...finance by its very nature will always remain a potent factor because of its enormous commanding power. The country’s political machinery had once again very nearly come under seizure by a powerful oligarchy who

would have spared no pains themselves into dominant positions in the new republic and thus undermined and stifled once again the genuine political yearnings and aspirations of the ordinary citizenry (Anao, 1991:45).

He thus welcomes the Babangida regime's decision to midwife and fund the two political parties. The need for financial accountability by each party and enlisting the services of a qualified and experienced accountant who can design a sound accounting system was emphasized. In his consideration of the same topic Kingibe (1991) the then Chairman of the SDP observed that government's intention of decreeing two political parties seemed to be informed by ensuring that "democratic process" takes firm root. This is by ensuring "that all members of the political parties are co-founders and co-joiners. One of the mechanisms for owning the parties was through funding their establishment and their activities" (Kingibe, 1991:90). After providing a detailed assessment of the financial needs of the two parties, he went on to "venture to suggest some half ways of accommodating the needs of government knowing its own pre-occupation and perhaps not so heavy revenue based with overcoming the undemocratic tendencies of money – bags and resource limitations of government (Kingibe, 1991:91). His concluding argument was that there can be money bags quite willing to "spend their money in order to strengthen democracy". What is crucial is not to shy away from that but government should "explore the possibilities of establishing perhaps a Trust – fund for strengthening of Democracy... at all levels of organization in this country, so that individuals who want to contribute... can do so without obviously specifying which party they are contributing to... and that can be a source of revenue from money bags but without the risk of their high jacking the parties (Kingibe, 1991: 91-92).

In spite of the almost total funding of the political parties created by the Babangida regime the primaries leading to the emergence of the two presidential candidates were taken over by the same force (that is money politics) which the regime wanted to fight. The Civil Liberties Organization in its report on the SDP and NRC national conventions uncovered not only the role of money in determining the outcome of the elections but brought out details on the amount given to delegates. Thus, in spite of government funding "cash gifts were so widespread that some leaders of delegations announced the various sums collected to the entire delegation as a means of ensuring proper accountability before the proceeds were shared among all the delegates from that state" (Ubani and Ediheji, 1993:10). Apart from money, delegates were offered free feeding, transportation and accommodation by some candidates. For Olatunji (1994) what Babangida grassroots politics turned out to be was a "democracy of the rich by the rich, for the rich". During the primaries, "money was freely used... in such quantities and with such audacious dispensation that every enlightened and patriotic Nigerian felt as ashamed. The whig aspect of Nigerian politics became privatized" (Olatunji, 1994:138). Erhagbe (1997) also stated "many aspirants sought to improve their chance of success by renting voters...for a fee or foodstuff... so commonplace was the tactics that NEC had to make it an offence for anyone to bring food and drinks into the voting area... money was freely used before and during the primaries" (Erhagbe, 1997:74). Okedeji (2005) one of the contestants to the SDP primaries reflecting now as a Christian and his responsibility in politics even provided a list of individuals and the amount they donated to his

campaign funds. In his conservative estimate of what it will cost to seek various political offices, one will need about one billion naira and seven to ten billion naira for governor and president respectively. He argued this “high electoral cost is partly due to the fact that in an atmosphere of extreme poverty, citizens have come to see the electoral period as payback time in a redistributive macroeconomic system albeit with limited and parlous benefits” (Okediji, 2005:46). Political aspirants go to any length to accommodate this as they expect “returns on investment”. What however do we expect in a situation which Ake (1994) described as Hobbesian where the state is not put to service democracy and elections are seen as a process of hunting down, inducing, intimidating and manipulating the poor? In such a situation “voting has become a metaphor for powerlessness and exploitation... in accepting bribe voters collude in commoditizing their democratic rights and reinforcing their low esteem, thus turning elections into bondage (Ake, 1994:22). Toyo (1994) viewed the two parties created by Babangida regime as parastatals with the two main presidential candidates MKO Abiola (SDP) and Bashir Tofa (NRC) as the “biggest elephants in the jungle of money bag politics”. During their conventions “their weapon was money, it was estimated that nothing less than N250 million must have been disbursed in Jos in cash by politicians for mobilization... as for Abiola’s victory... rested on the fact that his supporters did not put a ceiling on the amount of money to be spent on mobilization” (Toyo, 1994:56). The whole exercise was tainted with corruption.

A lot of criticism had been made with regards to the cost of the transition running into billions of naira. Olagunju, Jinadu and Oyovbaire (1993) intellectuals associated with the administration argued against the tendency of people “to monetize the cost of the transition... on the basis of their arithmetical calculation of monies expended on it... say N30 billion or more is to miss the wider opportunity cost of the social investment dimension of the whole programme... what would the cost of no transition in monetary terms be to the country” (Olagunju, Jinadu and Oyovbaire, 1993:229).

The collapse of the Babangida transition program following the annulment of the June 12 1993 election led to the emergence of the short lived interim government under Ernest Shonekan. The subsequent coup led to the emergence of General Sani Abacha whose primary preoccupation was that of crafting a transition program that would extend his dictatorial personal rule. Abacha’s obsession to succeed himself led to his being adopted by almost all the political parties “he overtly midwife at a time when the political landscape of Nigeria” was tensed up. Abacha’s sudden death in June 1998 led to the emergence of General Abdulssalam Abubakar who came up with a transition program to terminate in May 1999. What needs to be pointed out is that during Abacha’s dictatorship various groups including politicians emerged to oppose his self-succession bid. It was some of these groups which later crystallize into political parties. It was because of the high propensity to invest among the elite that makes competition for control of governmental power to be intense, unstructured and sometimes violent. In a situation where political struggle is dictated and narrowed to achieving personal gains, both “the legitimacy, capacity and finances of the state” will end up being the casualties.

Three major political parties emerged during the Abdulsalam transition, the People's Democratic Party (PDP), Alliance for Democracy (AD) and All-Nigeria Peoples Party (ANPP). In a report by the Transition Monitoring Group (TMG) (2000) on the 1998-1999 transition in Nigeria, it was alleged that during the party nominations "candidates vying for the various elective offices were required to pay fees running into thousands of naira (in the case of AD N100,000 for Senatorial and N50,000 for House of Representatives aspirants). There were reports at the same time that "a lot of money changed hands during the parties screening process" (TMG, 2000:54). There was also interference by state and national executives to ensure victory of their favored candidate. As for the PDP it was public knowledge that one of the retired generals was able to mobilize millions of naira to support Obasanjo. Olagunju (2000) a very prominent member of the PDP in a PDP organized conference admitted that the PDP "success in the election" was not only due "to its elaborate network of constituent units" but that its platform was "sufficiently broad" to accommodate diverse interests. As to the use of money he stated "it was freely alleged that the undemocratic practices during the nomination processes were aided largely by the undue inducement of convention members resulting in the thwarting of the free judgment of the voters" (Olagunju, 2000:72). In his recommendation for measures to ensure party democracy, he suggested "parties must regulate the use of money in the conduct of politics. A situation whereby money is available to individual candidates that the party undermines the authority of the party over its candidates and creates a wide gulf between the party in government and the party outside the government" (Olagunju, 2000:73).

The TMG final report on the 2003 General Elections observed the phenomenon where "state governors and party big wigs simply selected the candidates of their choice and imposed them on the parties. They also made sure those candidates with moderate financial means did not get nominated through the position of unreasonable conditions for their expression of interests forms and filing fees" (TMG, 2003:xi). The inability of the electoral commission to "place limitation" on the amount of money individuals and corporate organization can contribute to political parties gave "office holders a big opportunity to appropriate the funds of the state to finance their campaigns and disadvantage parties with no control over state resources" (TMG, 2003:52). Contrary to the laws, "political parties and their candidates convened huge fund raising events and companies and allied organizations donated to the campaign". (TMG, 2003:52). The TMG report did observe the emergence of patron-client politics which is popularly called godfatherism in Nigerian politics. On the use of money during the primaries, TMG observed that "there was widespread bribery of delegates with sacks stuffed with money to influence their votes. The PDP and ANPP were most notorious in this form of electoral irregularities (TMG, 2003:167). Adinuba (2003) did not see anything "intractably wrong with the existence of godfathers in politics" as the founding leaders in Nigerian politics can be seen as godfathers. The problem however is with the crippling effects of "godfathers with criminal tendencies" towards subverting democratic principles. It is the crisis of values, personalization and primitive accumulation of wealth to subvert democratic process that can lead one of them to claim to single-handedly sponsor the whole elected representatives in a state. The godfather stated "it is not just the Governor of Anambra state and his deputy that I sponsored. This is the first time in the history of

Anambra state that one person sponsored all three senators from the state, all members of the House of representatives from the state, and 29 out of 30 members of House of Assembly. And I have the power to remove any one of them who does not work up to my expectation” (Adinuba, 2003:56). This was by no means a threat because the godfather did remove a governor from the office and brought the state to a standstill.

What the above reveals is the ability of some of the “super-rich Nigerian politicians, young and old can almost make the impossible easily possible” (Sani, 2003:19). Thus in his assessment of the alleged personalization of office and the role money can play in politics, Sani (2003) argued that it is only “the public treasury looter... money launderer without any iota of value placed on morality and ethical standards among others, who have free money in abundance are more likely to achieve their goals” (Sani, 2003:18). Any honest, moral person will thus lose elections.

In a gender audit of the 2003 elections to determine the level of and impediments to women participation in the political process, Momodu (2006) observed among other things the role of money bags and godfathers in the parties “who buy off contestants, enthrone their candidates through the “paying off the entire party executive from party formation... to the election proper all put women at a greater disadvantage than the men... in general terms, the number of male politicians who have the kind of money that is required to win any election from ward to presidency far outweighs the women” (Momodu, 2006:49-50).

Ibrahim and Egwu (2005) in a report after wide consultation with stakeholders all over the geopolitical zones in the country on depending people mandate in an election observed certain elements in Nigeria now that make parties to become “obstacles to democracy”. These include the “tendency for parties to be high jacked by financiers and political godfathers bringing to the fore the problem of undemocratic oligarchic tendencies.... Party financiers and heavy weights imposed their choices allegedly as consensus candidates” (Ibrahim and Egwu, 2005:60). The subversion of internal democracy within the parties raises question on “how political parties are funded... the phenomenon of godfatherism as a consequence of the undue influence of private party financiers and therefore a disincentive to private funding... others insist that public funding is a necessary element for Nigerian democracy” (Ibrahim and Egwu, 2005:61). The Electoral Act 2006 did address some of the issues in Section 93. The election expenses to be incurred by a candidate seeking the office of the president should not exceed N500 million, governorship N100 million; senate N20 million, House of representative N10 million and state House of Assembly and local government chairmanship N5 million. That individual and entity donation should not exceed one million naira. Such is by no means small money and how or when do we start tracking the expenses in cash and informal economy.

For Smah (2006) though the laws prevent parties from receiving funds from foreigners outside Nigeria. It did not say anything about foreign based companies and companies that operate in Nigeria. This is also not to talk about the source of money especially as we all know how public officials dip their hands and spend as they wish for political

offices from security votes. According to Smah "...in Nigeria the bulk of political money is spent on logistics and security. As the name stands, the money is used to buy off voters cards, prosecute thuggery against opponents, fixing of votes, falsification of results... election officials and other state funded security officials become vulnerable to moneybag politicians" (Smah, 2006:64). It is no wonder then when Ikubaje (2006) observed on his study of corruption in Nigeria that "During the fourth republic \$5 billion has been recovered from perpetrators of advance fee fraud (419), money laundering and other financial crimes" (Ikubaje, 2006:74). This involved state governors, politicians and even a former police head. These sorts of monies end up in politics. Do we then have political parties or "private militia" bankrolled by wealthy individuals and political entrepreneurs always investing to reap benefits in the future? Are we not misleading ourselves by calling the "contraptions we now have" as political parties? What we call parties now come to life only when there is an election to allocate positions and offices. The basic rule seems to be that "the further away a party is from getting power the more democratic and mass oriented it is likely to be since such a party would not have the resources to mobilize and effectively represent the interests of the people" (Tukur, 2005:66). When politicians lack faith in themselves and believe that "it is money that makes iron to float in politics" and pathologically "rely solely on money... as the basis of politics" then what they need is a thorough "political education" (Omoruyi, 2006). To win the war of financing democracy we must have to deepen democratic practice.

### **1:6 Relevance of the Study**

The search for an enduring democracy through the process of making political parties truly independent of the state is a project of vital concern and interest to policy makers, politicians, researchers and other stakeholders in the democracy project. This is because democracy makes sense only when its relevant institutions are autonomous and independent of individual or state control; it prospers when the interest of the electorate is safeguarded on matters of public good and policy concerns, as well as socio-economic and political development, generally.

In a nutshell, this study is important in several ways, the most prominent being: First, researchers and scholars on party politics in Nigeria have for long concentrated their interest on the "drama" of politics (intense competition for power and its outcome) without necessarily investigating how the stage of the performance is prepared. This study hopes to bridge this gap by investigating how political parties are financed and the inherent problems associated with the financing as well as find a viable solution towards enriching the financial capacities of political parties in the country.

Second, as one of the newest democracies in Africa, Nigeria stands to benefit by making some changes in the ways political parties in the country are financed. As it is today, government is the major contributor to the funds of political parties in the country. A study into how other relevant sources of funding can be harnessed will be of great value in ensuring an enduring democracy.

Thus, the study is timely as it comes during a period when politics of ideology is overshadowed by politics of materialism, when the means of getting power is devoid of

the conventional tenets of democracy, and the end of politics is seen as perpetual acquisition and retention of power for the material benefit of a few. The study, therefore, is an attempt to investigate the lapses of funding political parties and recommend the best practices in such undertaking.

## **1.7 Methodology**

The data for this study were gathered from primary and secondary sources using a combination of four instruments, viz: in-depth interviews, Focus Group Discussion (FGD), questionnaire and content analysis. Data were gathered from four major centers of political activities in the country: Abuja, Ibadan, Kano and Lagos.

Before the commencement of the study, a research methodology workshop to improve the capacity and skills of the researchers involved in the project was conducted at Mambayya House on 27<sup>th</sup> – 28<sup>th</sup> July 2007. At the workshop, research instruments were revised for effective use in the field. In all, 6 junior researchers were selected from the two partner institutions involved in the project in Nigeria as follows: University of Ibadan – 3 and Bayero University Kano – 3. The junior researchers worked under the close supervision of the principal researchers involved.

### **1.7.1 Target Population**

The target population of this study consists of the general public, officials of INEC including the Legal Services Department, national and state leadership of the selected political parties and members of Civil Society Organizations (CSOs).

### **1.7.2 Sampling Technique**

Currently in Nigeria, there are fifty registered political parties. However, only about six are dominant and have a national spread. From these, one political party, PDP is selected for this study being the ruling party. In order to provide a basis for comparison, two additional parties were selected, namely: PRP and AC. The latter has a national spread, while the former is comparatively among the weak political parties and has no national spread; in addition, it is a regionally based political party. Samples were drawn from the leadership of the parties at the national and state levels, officials of INEC, Civil Society Organizations (CSOs) and the general public, using a random sampling method.

### **1.7.3 Data Collection**

The secondary data were collected from the Internet, INEC, political party offices and existing literature on party financing in Nigeria and Africa as well as best practices in advanced democratic countries. Archival materials from such institutions as the National Archives, Kaduna, the National Library of Nigeria (NLN), Abuja, the National Institute for Policy and Strategic Studies (NIPSS), Kuru, Jos, Nigeria Institute for International Affairs (NIIA), Lagos, the National Assembly Library, Abuja, Arewa House, Kaduna etc, were accessed and reviewed.

In order to engage the stakeholders in discussing the main subject of the study, two FGDs were held in Ibadan on Monday, 8 October at the Faculty of Arts, University of Ibadan and in Kano at Mambayya House, Bayero University, Kano on Saturday, October, 27, 2007. The two FGD's engaged politicians, scholars, officials of INEC and political parties, community leaders, CSOs and students on the discussion of critical issues of political parties' sources of funding, problems of these sources and the way to overcome the identified shortcomings associated with the funding of political parties in Nigeria generally.

The questionnaire 01 for the general public was administered in each of the sampled locations. A total of one hundred and thirteen (113) questionnaires were administered in Kano, Lagos, Ibadan and Abuja. The questionnaires generated information on the public perception of the importance of political parties, their performance, and sources of funding, reasons why individuals donate, desirability of state funding of political parties, as well as on general perception of corruption and the influence of donors on political parties. A total of 70 questionnaires (questionnaire 02) were distributed to political party officials.

#### **1.7.4 Data Analysis**

Our team of researchers analyzed the data generated through a variety of data analysis techniques in order to reflect on the (a) complexity of the Nigerian political structure and (b) the diversity of sources of political information. The FGDs were used to generate hypotheses, operationalize variables, and gather preliminary data for the surveys. They were also important in supplying seed data which were used to revise the questionnaires for the study.

The survey of 113 randomly selected members of the general public in Abuja, Ibadan, Kano and Lagos, were corroborated by the focus group results. Developing sampling frames is always a challenge in African social research, but we believe that with each new data collection effort we change the direction of research into the political behaviors of the people. In order to both address the key issues and move swiftly through the selected population, the questionnaires were limited to about 20 items related to public perception of the study's issues. The data were analyzed using the SPSS software, and relations between variables such as the perception of corruption and private versus public financing of the political party structures were established.

The qualitative data, largely interviews with key informants such as party officials, were used, citing relevant statements and quotations. Ultimately, the study contrasted the perceptions of the party officials with those of the surveyed public looking for broad themes of party and political development, corruption perceptions, and identification of new ideas for party financing.

The qualitative and quantitative data are not directly comparable, but are both drawn from the study's central topics. Their joint use in the study serves as a type of 'triangulated' design for research reliability and validity. Nuances caught in the in-depth

interviews complement the strength of the large survey. Finally, the study's conclusions were drawn based on careful team review of all of the data.

### **1.8. Organization of the Report**

The research report comprises seven chapters; chapter one presents the introduction and background of the study. Chapter two presents the general characteristics of the sampled population. Respondents' party affiliation and their level of involvement in party activities, as well as their knowledge of the problems of political parties in Nigeria were among the issues raised in the chapter. Chapter three presents a general perception of the survey respondents on political party financing. Its main focus includes problems of political parties and their finances. The sources of finance for political parties, including the views of respondents on the desirability or otherwise of government financial support to political parties were also examined in this chapter. Other issues presented are possible means of getting additional sources of funds for political parties and the problem of realizing this goal.

Chapter four examines political parties and their financial accountability. Important issues pertaining to party accountability such as corruption, INEC supervisory role of regulating the finances of political parties etc, were also examined. Chapter five discusses party primaries; their conduct and factors that influence party primaries within the context of campaign expenditure, political godfathers, and how such phenomena affect the process of democratization. Chapter six examines party bureaucracy. Respondents' views on the extent to which party bureaucracy supports internal democracy or promote weak organizational structure are examined in the chapter. Chapter seven concludes the report with findings and recommendations for policy formulation and implementation.

## CHAPTER TWO

### CHARACTERISTICS OF THE RESEARCH POPULATION

This chapter presents the characteristics of the respondents, i.e. respondents to both questionnaire 01 (for general public) and questionnaire 02 (party officials).

#### 2.1 Characteristics of the Party Sample

Currently in Nigeria there are fifty registered political parties. However, only about six are dominant and have a national spread. From these, one political party, Peoples Democratic Party (PDP) is selected for this study being the ruling party. In order to provide a basis for comparison, two additional parties were selected namely AC and PRP. AC has relative national spread, while PRP has no national spread.

#### 2.2 Social Characteristics of the Respondents

This sub-section provides background information on the respondents and their knowledge of the subject of study.

#### 2.3 Demographic Characteristics of the Respondents (General Public)

About a third (28%) of the respondents are aged between 18-30 years, while 39% are within the age group of 31-40 years. Furthermore, the remaining one third (32%) of the respondents are over 40 years.

Similarly, 77.9% of the respondents are male and 16.8% are female. It is evident that 69% of the respondents do not have any form of western education and 1.8% has only primary education. Slightly over five percent (5.3%) have secondary education and 22.1% have post secondary education.

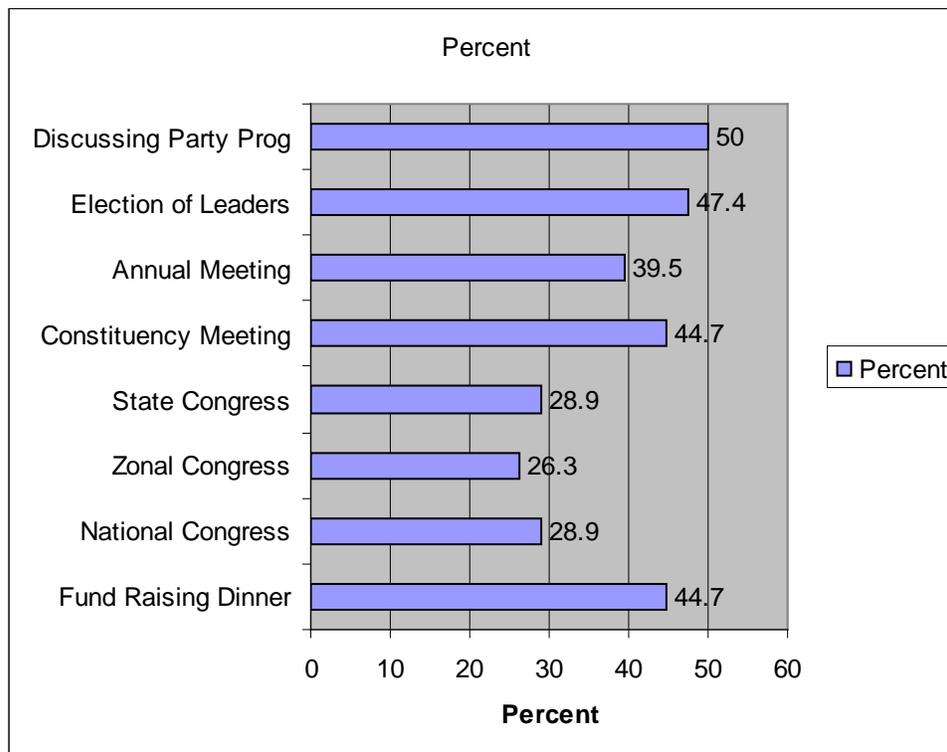
The data further show the occupational distribution of the respondents. 41.6% of the respondents are civil servants and 8.8% are students. On the other hand 8.8% are politicians, 5.3% are traders. Another 5.3% are unemployed while 21.2% of the respondents did not specify their occupation.

#### 2.4 Respondents Belonging to Political Parties (General Public)

The data shows that 33.6% of the respondents belong to a political party while 64.6% did not. Furthermore, 76.3% of the respondents that belong to political parties possessed party membership card. However, only 52.6% pay membership dues. A large proportion of the members of political parties (81.6%) have participated in party meetings, and 47.4% have participated in the election of leaders of the party. Fifty percent (50%) of the party members have also been involved in discussing their party issues and programmes.

## 2.5 Respondents Participating in Party Congresses (General Public)

**Figure 1: Attendance at Party Meetings**



In order to know the level of participation in party activities, the survey asked respondents to indicate the type of activity in which they featured as members of political parties. This is represented in figure 1. The responses show that 50% of the respondents discussed party programmes; this is followed by 44.7% of the respondents who said they attended constituency meetings and fund raising dinner, respectively. It is pertinent to note that 47.4% of the respondents attended elections of leaders at the primary levels, and 39.5% attended annual meetings. On the one hand, while the state and national congresses were attended by 28.9% of the respondents respectively, on the other hand only 26.3% said they attended national congresses of their parties. The overall picture depicts that members of political parties attended various meetings of their parties and discussed party programmes frequently. This also suggests that the general public actively participated in the activities of the parties they belong to and were very much visible in every aspect of meetings. However, constituency meetings and fund raising dinner constituted the highest attended meetings by the general public.

## **2.6 Demographic Characteristics of Respondents (Party Officials)**

### **2.6.1 Age of Respondents (Party Officials)**

The age distribution of the respondents shows that those between the ages of 31 – 40 years constitute the highest percentage of the sample from the party officials, which represents 37.1% of the population. This is followed by those between 41 – 50 years, representing 34.3% of the sampled population. On the other hand, 18-30 years bracket constitutes 11.4%, while 51-60 years age bracket constitutes 10.0%. Only 7.1% of the sampled respondents are 61 and above. This is to suggest that party officials comprise mainly an adult population of between 31 and 40 years old. Thus the party officials are strictly older than the sample from the general public.

### **2.6.2 Sex of Respondents (Party Officials)**

Data on sex distribution of respondents show that male respondents dominate the sample with 78.6 %, while the female constitute 21.4% of the population. This wide gap in the gender distribution of the population can be explained on the basis of the active involvement of the menfolk in Nigerian politics compared to the womenfolk.

### **2.6.3 Income of Respondents Per Annum (Party Officials)**

Party officials who earn less than N100, 000 have the highest percentage of 32.9%, followed by 25.7. % who earn N201, 000 – 300,000 per annum, and 14.3% are those who earn above N501, 000. What the data indicate is that party officials in Nigeria are poorly remunerated. Indeed, other income earning categories of respondents are as follows: only 12.9% and 11.4% earn between N301, 000 and N400, 000; and between N200, 000 and N201, 000 respectively.

**Figure 2: Political Party Affiliation of Respondents (General Public)**



From Figure 2 above, it is clear that the PDP has the highest number of the respondents amounting to 57.14%, followed by AC that has 34.29%. PRP has the least percentage of 7.14%, while any other party constitutes 1.43%. The high percentage of the PDP can be attributed to the party's presence across the country since it is the largest political party in Nigeria. PDP is followed by AC, while PRP has the smallest number due its miniature presence nationwide and therefore, has a small number of membership.

#### **2.6.4 Occupation of Respondents (Party Officials)**

Respondents who are professional politicians constitute 62.9% of the sampled population. Those who were either traders or businessmen/women represent 31.4%. The percentage of respondents who were students and artisans was insignificant, representing 4.3% and 1.4% respectively.

**Figure 3: Respondents' Knowledge of functions of Political Parties  
(General Public)**



When asked to indicate the functions of political parties in Nigeria, 21.26% of the respondents said political parties serve as institutions that provide policy alternative. This is followed by 16.91% of the respondents who described the function of political parties as educating the public, and 16.07 % who said political parties provide access to governmental authority. The figure above also shows that 15.58% of the surveyed respondents said that political parties provide alternative government, 15.42 % indicated that political parties provide leadership, and 14.75% said they perform the role of mobilizing support.

The overall picture on the level of respondents' knowledge of the functions of political parties shows that the general public amply demonstrated an understanding of the various functions of political parties in Nigeria.

## CHAPTER THREE

### POLITICAL PARTY FINANCING

Political parties are formed with the aim of contesting elections and possibly forming government at national, state and local government levels. Thus, political parties have structures and are involved in activities to mobilize the support of the electorate. In order to sustain the political party structures and effectively canvass for support, funding is essential. Over the years, political parties have developed mechanisms of sourcing funds in Nigeria. Similarly, in order to achieve maximum independence in, and effective delivery of the expected role of, political parties in the country, the question of how political parties are financed becomes an issue in the survival of democracy in the country. Currently, the ways in which political parties are financed suggest that they are heavily dependent on the government for their activities. State funding of political parties, as African Governance Report (2005) reveals, differs from one country to another. Nigeria alongside countries like Malawi, Mali and Tanzania, belongs to the “A Category” of states in Africa where direct state funding of political parties accounts for more than fifty percent of the total expenditure of political parties. In Nigeria, Section 228 (6) of the electoral law allocates grants to political parties through the Independent National Electoral Commission (INEC). This chapter, therefore, presents the views of respondents on various issues pertaining to state funding of political parties and the contribution of other sources of funding to their activities.

Thus, in order to establish whether shortage of finance is one of the problems facing political parties in Nigeria, the respondents were asked to indicate the main problem of political parties in the country.

#### **3.1 Problems Facing Political Parties in Nigeria: General Public’s View**

To know how well the general public knows the problems of political parties in Nigeria, the survey asked respondents to indicate the most serious problem that political parties face in the country. The result shows that lack of adequate funds represents the highest percentage, constituting 23.0%. This is followed by a percentage of respondents who said that inadequate personnel is the most serious problem of political parties, representing 20.4 %, and then followed by 21.2% of the respondents who described internal party conflicts as the most serious problem that face political parties. Other reasons given by our respondents are: lack of definite ideology, 15.0%; lack of internal democracy, 10.6%; and the influence of godfathers, 7.1%. Only 2.7 % did not respond to the question asked.

#### **3.2 Problems Facing Political Parties in Nigeria: Party Officials’ View**

On the problems of Nigerian political parties, respondents from party officials share similar view with the general public in the sense that they identified lack of adequate funds, constituting 30.0%, internal party conflict, representing 27.1% and lack of definite ideology, constituting 22.9%, as the core problems affecting parties in the country. Other problems such as lack of competent personnel and absence of internal democracy exist

but have minimal impact on the parties as shown by the data because they constitute 14.3% and 4.3% respectively.

### 3.3 Importance of Financial Strength of Political Parties: General Public’s View

Respondents’ views on whether political parties have to be financially strong to enable them participate competitively in the democratic process show that a large percentage of respondents, constituting 74.3% agreed that political parties need to be financially strong to participate in the democratic process, 21.2% disagreed and 4.4% did not respond to the question. This shows that on average, the view of the general public was that financially stronger political parties were likely to participate most successfully in the democratic process, particularly in competitive elections, than the political parties that were financially weak.

### 3.4 Financial Position of Political Parties and their Participation in Nigeria's Democratic Process: Party Officials’ View

Data obtained from party officials it is evident that 91.4% of the respondents agreed that political parties have to be financially strong for them to participate in Nigeria’s democratic process. Only 8.6% of the respondents held a contrary view that parties do not have to be financially strong to participate in the process of democracy in Nigeria.

### 3.5 Sources of Funds for Political Parties.

In order to know the opinion of respondents on the different sources of funds for political parties, they were asked to state the current sources of funds they know for political parties in Nigeria.

**Figure 4: Sources of Funds for Political Parties: General Public’s View**

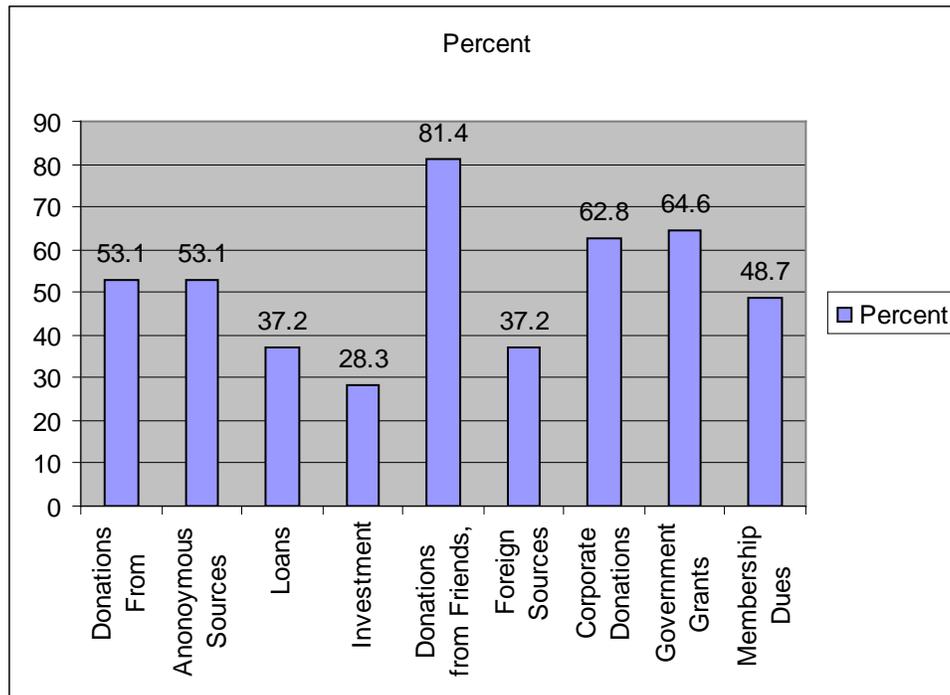


Figure 4 above indicates the level of the respondents' understanding of the sources of party financing in the country. 81.4% of the respondents indicated that political parties source their funds from donation from friends. The figure also shows that 64.6% of the respondents said government grant is the second largest source of party financing in Nigeria, followed by corporate donations, 62.6%, anonymous sources, 11.79%, membership dues, 11.44%; donations from Nigerians abroad, 53.1%; loans and foreign sources, 37.2% respectively. Only 28.3% said investment by political parties is the major source of financing their parties.

But what constitutes an investment for political parties differ from one person to another. The elite interview involving politicians reveals that investment for political parties means investment in real estates or in capital markets, whereas from the perspective of the general public, "investment" by political parties means the contribution of "god-fathers" or "money bags" to the funds of their parties in the hope of getting contracts and other lucrative financial pay-offs. In this form of 'investment' an individual's financial donation/ contribution to his party is predetermined to ensure pay-offs whenever the party wins elections not necessarily for the support of party programmes, ideology or democracy. This is an overall view of the FGD held for the study in Kano where contributors unanimously agreed that investment in political parties is a lucrative undertaking by some politicians, as such, returns to "investment" is a major reason why individuals and corporate organizations donate huge sums to political parties.

Thus, given the skewed nature of the respondents' views on the sources of funds for political parties, it is interesting to know whether they agree with the contribution of each of the sources to the general fund of political parties. This is in order to elicit information on the desirability or otherwise of the different sources of funds mentioned by our respondents.

### 3.6 Contribution of Various Sources of Funding to Political Party Financing

In order to corroborate data obtained from the general public on the various sources of funds, party officials were also asked to rank the contribution of the various sources of funds to political parties.

**Figure 5: Contribution of Various Sources of Funds to Political Party Financing: Party Officials' View**

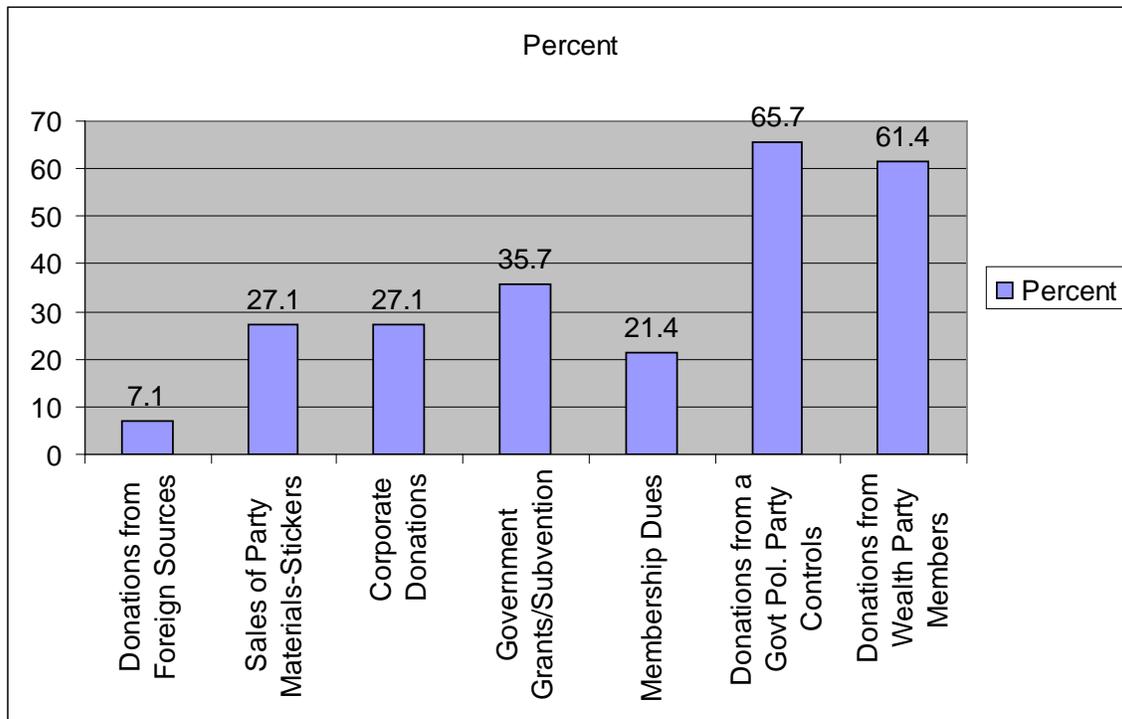


Figure 5 above has revealed that the three principal sources of funds at the disposal of political parties in Nigeria are donations from the government especially from government controlled by a political party, 65.7%, donations from wealthy party members, 61.4%; and government grant/subvention, 35.7%. Also the data show two other prominent sources are sales of party materials and corporate donations, constituting 27.1% each. Thus, there are various sources that contribute to the finances of Nigerian political parties. Others include membership dues and donation from foreign sources; they represent 21.4% and 7.1% respectively.

From the data gathered through the interview with various stakeholders, there is a consensus on the sources of funding for the activities of political parties. From the data generated in figure 5, the conventional sources of fund to political parties have been neglected. They include dues, sales of party registration cards, nomination forms and donations from members of political parties. The importance of these sources to political party financing can not be overstated. This point has been corroborated by one of the respondents:

Conventionally, political parties levy their members, registration cards are sold, flags are sold, memorabilia of various types [are] produced by political parties, which they sell and generate funds. Where there is commitment to party by its members, this should generate enough money to run their parties

However, in addition to these conventional means of fund raising, there are other sources of fund which include subvention from government as enshrined in the 2006 Electoral Act, fund raising dinner, and surcharge on the salary of people elected into various offices.

### 3.7 Adequacy of Sources of Finance for Political Parties

The respondents were asked if funding is adequate for political party activities before and after elections?

**Figure 6: Adequacy of Sources of Finance for Political Party Activities (Party Officials)**



From figure 6 above, it is evident that the sources of funds available to Nigerian political parties are inadequate as indicated by 75.71% of the respondents from party officials when asked: *Do you think the sources of your party finance are adequate for party activities?* This, in addition to concurring with the views of the general public, also affirms the view held by the overwhelming majority of participants in the FGD held in Kano that some political parties are relatively inactive due to insufficient funds to

conduct their activities and the situation arises largely due to lack of diversification of their sources of fund. Indeed, experience has shown that as weaker political parties pass through the turbulent waters of excessive campaign expenditure, they find it difficult to even maintain their state secretariat or national headquarters. This is exactly the experience of the PRP as observed in the course of this study. Hence, the end of elections for smaller parties like the PRP often means their virtual inactivity, thereby reinforcing the view that for political parties to be financially strong other sources of funding need to be explored. This is precisely what we can infer from the percentage of respondents who said the existing sources of political party finance are grossly inadequate, and therefore, a diversification of the sources of funds becomes essential. For this reason, therefore, political parties largely have to rely on donations from wealthy party members and corporate donations.

In other words, in terms of sheer quantity, donations from wealthy individuals constitute a substantial proportion of political parties finance today. This is the view of some of the respondents to the research interviews, according to whom donations from wealthy individuals pave the way for the existence of godfathers in Nigerian politics.

### **3.8 Other Sources of Finance Recommended to Parties (Party Officials)**

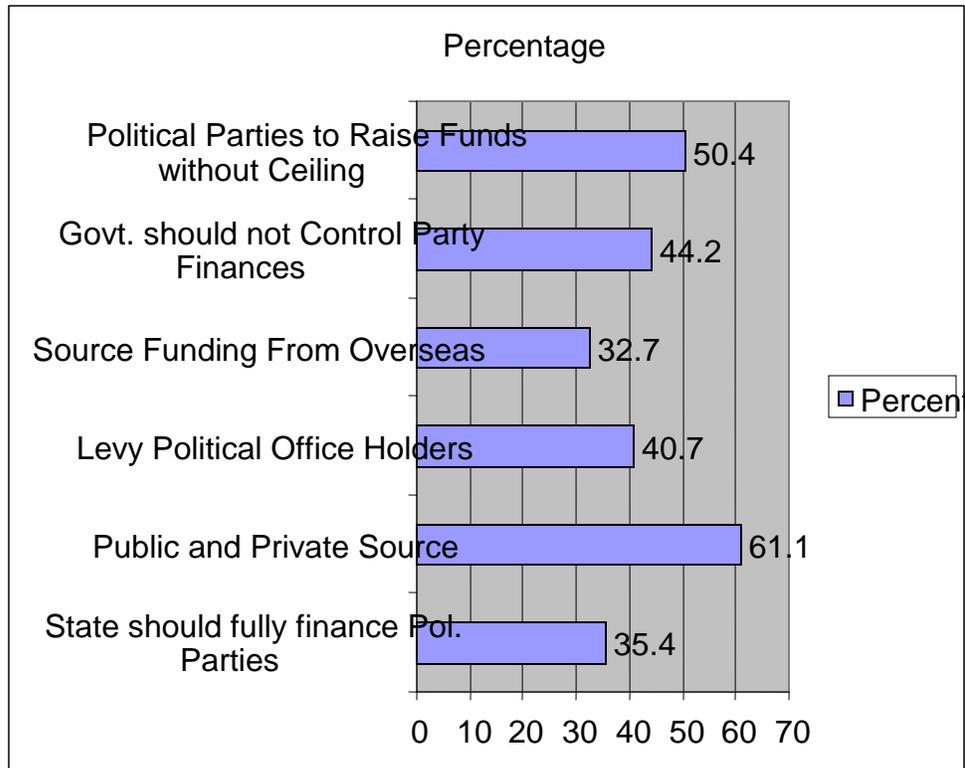
As a follow up question to the respondents' view shown in Figure 6, respondents were further asked to recommend some other sources of funds to political parties. Majority (41.4%) of the respondents recommended higher dues from party members. More funds from government and personal funds of the political leaders, constituting 27.1% and 17.1% respectively were also suggested. Others are sales of party banners, logo, badges etc, and support from corporate bodies, representing 8.6% and 4.3% of the respondents respectively.

The consensus among the respondents to the elite interview is that the current financial position of most political parties is not very strong. Therefore, subvention from the government to political parties is very essential to the survival of many political parties. As opined by one respondent "government should back political parties with money to prevent money bags from taking over the parties". However, respondents from the CSOs have a contrary opinion. The consensus among them is that government should stop funding political parties. This is to suggest that government alone can not fund political parties and that for any meaningful development and prospects of political parties in Nigeria, party members have to make a lot of sacrifice by contributing higher dues to their parties. This will make political parties independent, particularly in view of the current practice of excessive reliance on the government for financial support. For many Nigerians, political parties becoming independent will be a positive thing.

### 3.9 Preferred Sources of Party Financing

The respondents were asked to indicate the preferred sources of funding activities of political parties.

**Figure 7: Respondents Preferred Sources of Party Finance: General Public's View**



As figure 7 shows, it is evident that a large percentage (61.1%) of the respondents preferred political parties to raise their funds from public and private sources, while 50.4%, said parties should raise their funds without any ceiling. On the issue of whether or not government should control the finance of political parties, 44.2 % of the respondents suggest that the party finance should not be controlled by the government. In Nigeria, the relevant laws set ceilings on the amount of money to be used for party campaigns (see SERI report on Campaign Finance, 2007) but it is difficult to trace their sources of funds because of the prevalence of undisclosed sources and poor financial accountability on the part of the parties. These findings suggest that the general public view on financing of political parties is predicated on the belief that political parties need to be autonomous, and can source money for their activities without any ceiling set by INEC or any relevant body.

The figure further shows that while on the one hand, 40.7% agreed that political parties should levy office holders to finance their parties, on the other hand 35.4% said the state should finance political parties. Only 32.7% said political parties should source funds from overseas. In Nigeria, the constitution and Electoral Act 2007 provide that political parties should not seek financial support abroad, and any party that dares do so, such funds should not be used for their programmes and activities but should be tendered to

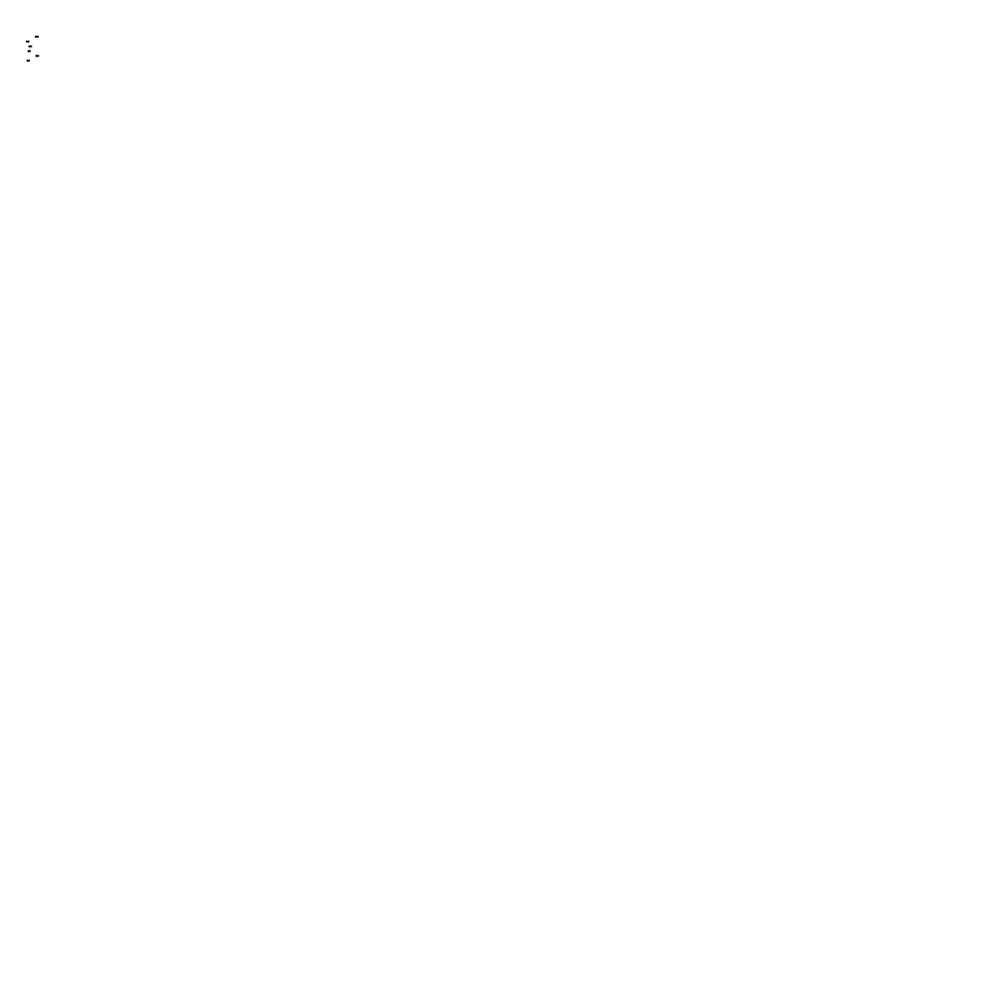
the government. In particular, section 225 (3) of the constitution prohibits every political party from holding or possessing funds or other assets from outside Nigeria or retaining such assets or money in foreign accounts.

However, one of the new trends in party financing which receives an official backing by the ruling PDP is the levy on political office holders. Shortly before he handed over to Alhaji Umar Musa Yar'Adua, former President Olusegun Obasanjo sent a memo to his party, directing the deduction of 5 percent as dues from the monthly salaries of every officer elected on the platform of the PDP. In party's National Executive Council (NEC) meeting held on May 22, 2007, the president's memo was approved (Bissala, 2007: 58). This concurs with the opinion of respondents (40.7%) who agreed that political parties should levy political office holders to finance their parties.

### **3.10 Contribution of Fixed Percentage of Salary to Party Funds by Elected Members: Party Officials' View**

Asked whether they agree with the idea initiated by some political parties that every officer elected on the platform of his/her party must contribute a fixed percentage of his/her salary in order to fund the party, the party officials who were the respondents overwhelmingly accepted the idea by answering 'Yes' to the question with 82.9% of the responses. Only 17.1% said 'No' to the idea.

**Figure 8: Form of Support by Government to Political Parties (Party Officials)**



If government is to give any support to political parties, 32.86% of the respondents as illustrated in figure 8 hold the view that all the forms of support, including facilities, training and infrastructure are necessary and as such government should as well render them to political parties. The inference here is that political parties need support from government in whatever way. In addition, 31.43% of the respondents suggest that such support should be in form of financial assistance, 12.86% said facilities, while 10.0% and 5.71% respectively indicate that training and other related facilities are the form of assistance required by political parties from the government.

Overall, the general picture shows that political parties still need the support of the government which should be in the form of financial support or capacity enhancement through training or provision of facilities and infrastructure.

### 3.11 Institutions to Support the Financing of Political Parties: General Public's View

In view of the fact that Nigeria needs an autonomous body that can finance political parties independent of the influence and control of the executive arm of government, respondents were asked to state other institutions that could support political parties. 1.8% of the respondents, said other sources; 5.3% said the National Assembly (NASS) and 23% said an Independent body. Furthermore, 15% said Revenue Mobilization, Allocation and Fiscal Commission (RMAFC) and 10.6% indicated that the Ministry of Finance, Budget and Planning can be entrusted with the role of supporting the funds of political parties in Nigeria. The remaining 44.2% did not respond.

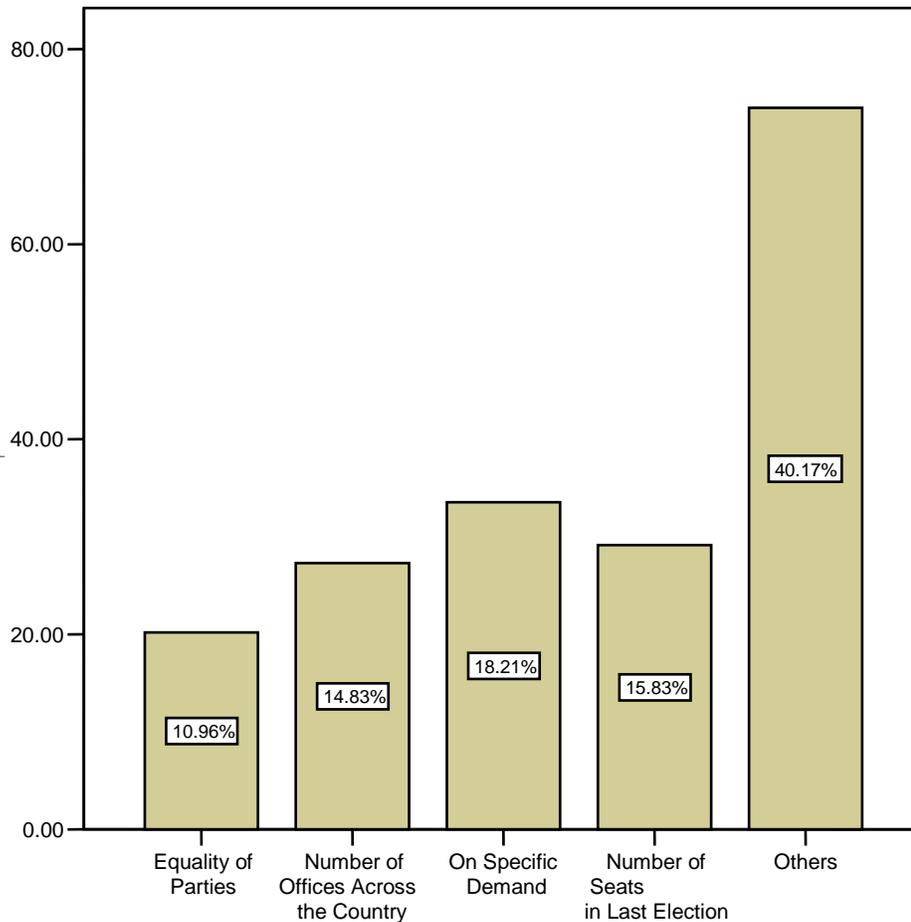
**Figure 9: Ways to Increase Government's Funding of Political Parties: General Public's View**



In view of the financial weakness of some political parties, particularly those that do not have a national spread (e.g. ACCORD, PRP, Allied Congress Party of Nigeria, Alliance for Democracy, Labour Party, Peoples Mandate Party etc) there was the view held by some respondents during the elite interview that political parties in Nigeria need to be adequately funded by the government. Similarly, the fact that our survey respondents also opined that political parties need to be adequately funded, they were also asked the following question: *If government is to increase funding for political parties, from what source should the fund be generated?* Figure 9 above shows that 32.74% of the respondents said they don't know the sources that the government will use to increase the funding of political parties, 25.66% said such finance should come through budgetary allocation to political parties, 14.16% said from indirect taxes. The figure further shows that 12.39% said all of the above sources listed in the questionnaire; and 6.19% did not respond to the question.

The figure reveals that a substantial percentage of the respondents did not know where the government can source money to fund political parties. Thus, it can be said that even though the general public would want the government to fund political parties, the source of such funding has not been determined by them. This also reinforces the argument held by some elite interviewed in the study that there is low level of awareness on the part of the general public about how democratic institutions like political parties can be funded.

**Figure 10: Government’s Criteria for Financial Support to Political Parties: General Public View**



When the general public was asked to state the criteria to be used by government in financing political parties, figure 10 shows the respondents view as follows: 40.17% said others, meaning criteria other than the ones specified in the questionnaire. These include, *inter alia*, geographical spread of political parties, spread of their campaign activities etc. This is followed by 18.21% of the respondents who said disbursement of financial support to political parties should be on demand specifically made by political parties, while 15.83% and 14.83% respectively identified the number of seats in last election, and the number of offices across the country. A total of 10.96% indicated that equality of parties should be used by the government to provide financial support for political parties.

### **3.12 Criteria for Government Support to Political Parties: Party Officials' View**

In sharp contrast to the opinion of the general public, party officials totaling 52.9% said the main criterion for any support should be the equality of political parties. This is followed by respondents who said the criteria for funding political parties should be the number of offices established by a political party, constituting 17.1%. Furthermore, while on one the hand, 15.7% of the respondents said a percentage of party's own contribution should be the determinant of government support to political parties, on the other hand 5.7% each said the support should be based on request for specific demands. Only 2.9% said the criteria for government support to political parties should be the number of seats in National Assembly in last election.

### **3.13 Adequacy of Level and Formula of Government Funding of Political Parties: Party Officials View**

Data show that 55.7% of the respondents (party officials) are of the view that the level and formula of government funding of political parties are inadequate. In contrast, 44.3% felt that the level and formula for funding parties by government are adequate, which is to say that they are satisfactory and meet the requirement of their parties.

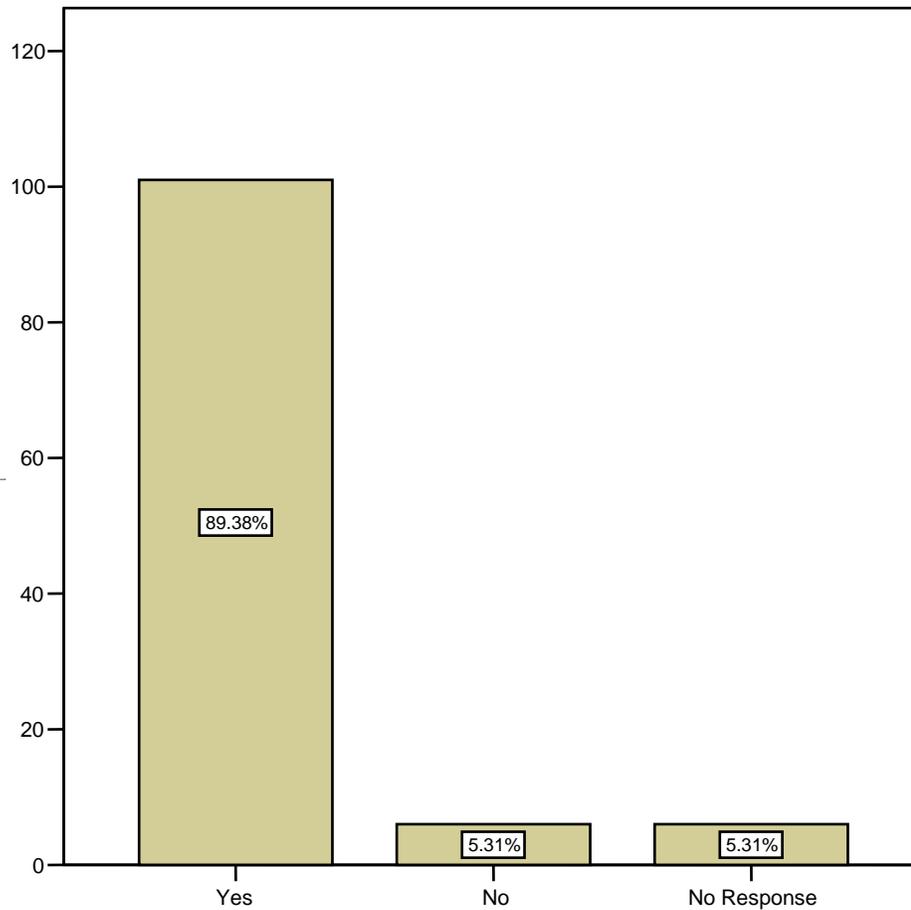
## **CHAPTER FOUR**

### **POLITICAL PARTIES AND FINANCIAL ACCOUNTABILITY**

For strict financial accountability, the electoral law specifies that, among other measures, (1) “[A]ll political parties shall at all times maintain a record of their sources and application of funds for all their activities, including elections and campaigns”; (2) “[A]ll political parties shall endeavor to submit their audited account and reports to INEC as required by law” (Electoral Act, 2006:226-227). The extent to which political parties comply with these provisions depends on many factors two of which are outstanding. First, the existence of corrupt-free politicians and political party bureaucrats and second, the capacity of INEC to keep track of and sanction any defaulting party. To an extent, the second factor is one of the greatest challenges facing the Commission because the process of exercising this role requires monitoring, evaluation and reporting of the activities of political parties in their relationship with the state, society and the economy.

Thus, for detailed understanding of political parties’ activities vis-à-vis their financial accountability, the survey respondents were asked to appraise and bare their minds on the existence, types of as well as remedies to persistent corruption in political parties since 1999.

**Figure 11: Corruption in Political Parties: General Public View**



On the issue of alleged corruption and its rampant manifestation in political parties, a significant percentage of the survey respondents, representing 89.30% said corruption exists in political parties, 5.31% said it did not exist and the same percentage of respondents did not answer the question at all. The view of the overwhelming majority of respondents on party corruption can be explained from two perspectives. First, government’s grants to political parties have become a conduit through which politicians accumulate wealth in a primitive fashion in Nigeria. As one respondent stated, “it is a ‘lucrative’ undertaking for an individual or a group to form a political party; once the party is registered by INEC it can easily secure funds from the government coffers. In this kind of political parties, corruption always begets corruption in their activities and render their democratic content empty”. Second, lack of ideology in political parties and the dominance of “political entrepreneurs” who turn out to be political godfathers have intensified corruption in political parties. Most of the chief executives, at both state and federal levels, use the incumbency factor to perpetrate corruption in the choice of candidates for their parties in primary elections.

**Figure 12: Corruption in Political Party Organizations in Nigeria: Party Officials' View**



That corruption is prevalent in Nigerian political parties is also confirmed by party officials, as said by 87.5% of them. This further reinforces the view of the general public as shown in Figure 11 above. A negligible percentage, representing 12.5% rejects the claim that there is corruption in the parties. Thus, despite the mechanism put in place to check corrupt practices in Nigeria, corruption still exist in the country's political parties.

**Figure 13: Increase in the Rate of Party Corruption since 1999: Party Officials' View**

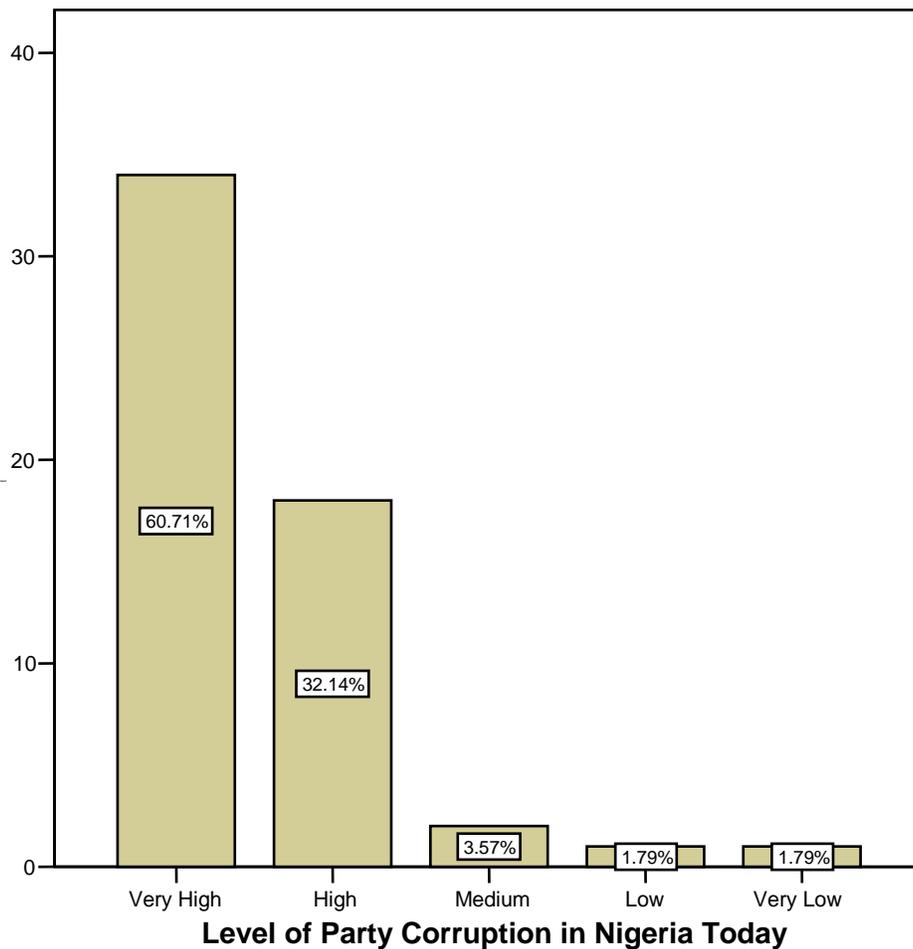


Beyond any doubt, data from the preceding figures suggest that there is corruption in Nigerian political parties. However, the rate at which the menace of corruption is found in political parties is presented in figure 13, which shows that the phenomenon has been on the increase since 1999 when Nigeria returned to civilian rule. The data clearly reveal that party corruption has been on the increase as evident in the responses of 60.71% of the respondents, 25.0% as well agreed; only 10.71% had no idea while an insignificant 3.57% of the population disagreed.

It is important to note that many of the respondents to the elite interview attribute the phenomenon of corruption in political parties to their weak financial position. It is not an exaggeration to say that lack of funds affect political parties in many ways. Prominent among the effects is the inability of the party to maintain its structure and bureaucratic machinery as well as the inability to project the party's profile and image. Furthermore, lack of funds affects the ability of political parties to campaign widely and cover the vast area of Nigeria and to provide the necessary logistics associated with political campaign. But the single most important problem the use of money poses in Nigerian politics is corruption; this can best be summarized in the words of a respondent to the elite interview:

If you do not have money, you can not be able to massively campaign through the media, you can hardly be able to buy guns or give bribe, no matter how acceptable your programme is to the public. Money plays an important role because of the corrupt nature of the election process in Nigerian politics which, in nearly all cases, is devoid of ethical conduct.

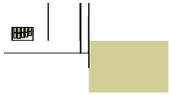
**Figure 14: Level of Corruption in Political Parties: Party Officials' View**



Having known the view of respondents about whether corruption has been on the increase in political parties or not, another question was asked in order to help rate corrupt practices and their manifestation in political parties. Thus, figure14 represents the responses of party officials when asked to rank the level of party corruption in the country. It is instructive to note that 60.71% and 32.14% of the respondents said it has been very high and high respectively. A small population of respondents, representing 1.79% each said corruption is low and very low respectively. As such, two observations must be made. First, members of political parties know that corruption is endemic in their institutions, but they still pretend that it does not exist. Therefore, any allegation of

corruption is primarily condemned by the strongest political parties as a machination orchestrated by opposition parties and individuals. Second, as evident from the responses of both the general public and party officials, the increase in the rate of corruption in political parties can be interpreted as being the result of lack of strict political ideology. The latter governs party's principles and code of conduct, manifestations and manifesto for strict discipline and acceptability to the general public and party members.

**Figure 15: Prevalence of Bad Practices in Political Parties: Party Officials' View**



Arising from the confirmation of the existence of corruption in political parties in Nigeria in Figures 11 and 12 above, Figure 15 presents responses of party officials on the level of the different types of corruption found in political parties. Extortion represents 22.31% and was ranked the highest. This is followed by “Kickbacks”, 21.32%; and unfair business practices, 20.55%. Other practices are also prevalent in political parties. They include indiscipline and anti-party activities among party members, 19.23%; and infighting/intra-party feud, 22.31%. In reality therefore, corruption and internal schisms are evident in political parties in Nigeria.

Furthermore, the views of the respondents during the elite interview and participants in the FGDs point to the fact that of all the political parties studied, PRP has least manifestation of corruption. But for others, corruption has been, and often brazenly, manifested in their party primaries and conduct of state and national elections. Perhaps this explains why in the Fourth Republic there has been a large scale of decamping of party members, unknown in the history of democratic politics in the country.

**Figure 16: Main Causes of Corruption in Political Parties: Party Officials' View**

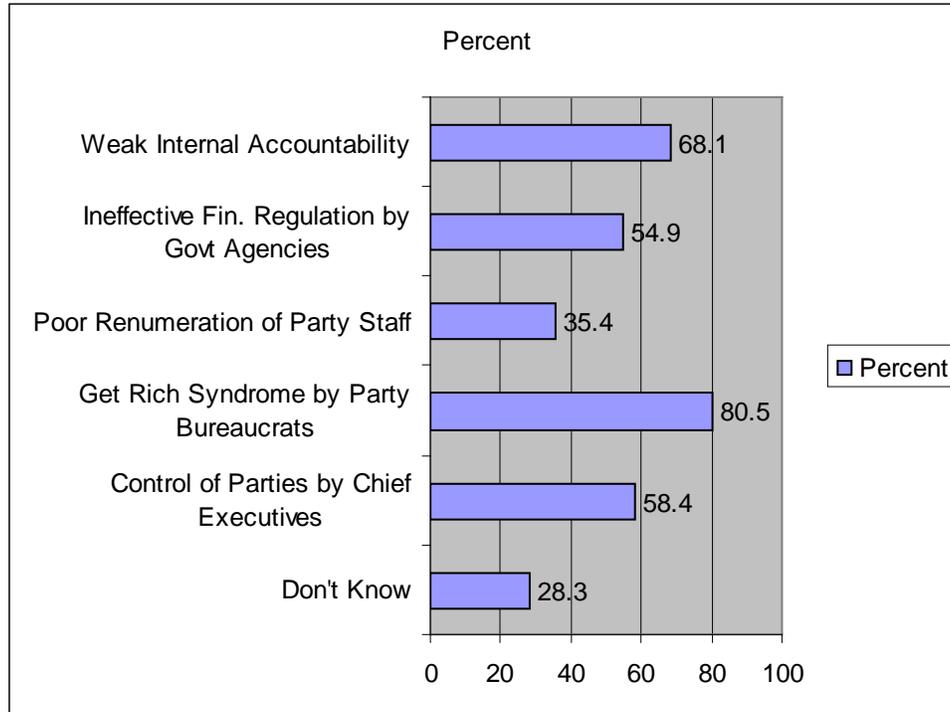
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Figure 16 above shows the party officials' views on the main causes of corruption in political parties. In other words, if corruption exists in Nigerian political parties, what could be its main causes? The figure presents data that answer this question and the simple but prominent reason is the absence of discipline in the parties. This factor alone constitutes 47.14% of the responses. Other reasons given do not constitute any significant percentage: get-rich-quick syndrome, 18.57%; lack of funds, 10.0%; control of party machinery, 1.79% and lack of effective regulation by government agency, 5.71%.

It is pertinent to note that 10.0% of the respondents said they do not know the main cause of corruption in political parties. This is mainly because corruption is a very delicate social problem and its occurrence can not be easily detected, and sometimes public awareness of corruption only comes through official statements. In the case of political parties, the disclosure of corrupt practices for public knowledge by party

bureaucrats is rarely made. This explains why some of the respondents said they don't know the main cause of corruption in political parties.

**Figure 17: Other Causes of Corruption in Political Parties: General Public's View**



In order to know the perception of the general public on political party corruption, a question similar to the one responded to by political party officials regarding the causes of corruption was asked. This is presented in figure 17 which shows that, unlike the majority of party officials who cited lack of party discipline as the main cause of corruption, a significant percentage of respondents from the general public, representing 80.5% said the phenomenon of get-rich-quick syndrome by party bureaucrats explained why corruption exists in political parties; 68.1% and 54.9% identified weak internal accountability and ineffective financial regulation by government agencies as the main causes of corruption in political parties.

The picture from these findings shows that the general public has access to information on corruption or understands the dynamics of corruption in political parties. However, 35.4% said poor remuneration of party staff is the cause of corruption in political parties. In contrast, only 28.3% of the respondents said they don't know the reason why there is corruption in political parties in Nigeria. Their position may not be unconnected to the fact that corrupt practices in political parties as in public offices are not always made public, and therefore, they have insufficient information to come to the conclusion that a particular factor causes corruption in political parties.

**Figure 18: Government’s Funding and Reduction of Corruption: General Public’s View**



In order to know the relationship between the funding of political parties by the government and the extent to which the money received by political parties reduces corruption, the survey respondents were asked whether government funding of political parties will reduce corruption. In figure 18 above, a substantial percentage of the respondents described government funding as incapable of reducing corruption in political parties, representing 57.52%. However, 30.09% said government funding can reduce corruption, 7.08 % said they did not know whether corrupt practices could be reduced through government’s funding of political parties.

The overall picture as shown in the figure is that government funding can not reduce corruption. 5.31% of the respondents did not respond to the question.

**4.1 INEC’s Supervision of Political Parties: General Public’s View**

On the question of whether it is appropriate or inappropriate for INEC to supervise political parties’ financial accountability, 51.3% said it is appropriate, 41.6% said it is inappropriate and; 7.1% of the respondents did not respond to the question. This suggests that the general public would like INEC as a regulatory body on political party financing to continue its work as conferred on the Commission. Part 1 of the third schedule of the 1999 Nigerian Constitution, particularly paragraph 15 (c) calls for INEC’s monitoring of the organization, operation and finances of political parties.

Thus, it can rightly be said that, at least from the view of the respondents, the existence of a regulatory body like INEC to supervise the finances of political parties and ensure accountability in the actual disbursement of such funds is a right step in the right direction.

**Figure 19: Support of Government Control over Sources of Party Finances: Party Officials' View**



Figure 19 shows the view of political party officials on government's control over the political party finances. It indicates that 62.86% of the sample supports a situation where government will have control over sources of political party finances in Nigeria, but 37.14% of the respondents do not support such action. This finding also reinforces the view that government is always needed to monitor the activities of political parties on finances. Without such control, political parties alone cannot exercise accountability, fairness and transparency in the disbursement of their funds. This is evident in the respondents view on corruption in figure 16. Thus, as corrupt as parties are, they should have their finances controlled by the government.

#### **4.2 Political Parties and Regular Financial Reports to INEC: Party Officials' View**

A substantial number of the respondents (60.0%) agreed that their parties give regular financial reports to INEC, depicting that there is in existence a structure that works towards enhancing accountability among political parties in Nigeria, while 40.0% held the view that such reports are not given to INEC.

#### **4.3 Appropriateness of INEC's Regulation of Party Financing: Party Officials' View**

The INEC as the ultimate umpire in the electioneering process is expected to regulate political party finances. Section 225(2) of the 1999 Constitution requires every political party in Nigeria to submit to INEC a detailed annual statement and analysis of its sources of funds and other assets together with a similar statement of its expenditure. Furthermore, under section 225 (6) the Commission is empowered to delegate the powers conferred on it under subsection 4 to a qualified auditor to audit the accounts of political parties. However, the opinion of the respondents is that this form of regulation is not appropriate, according to 67.1% of the party officials. Only 32.9% of them held the view that INEC's regulation of the parties is alright. For better accountability, a related question was asked of the general public about auditing of political party accounts for public scrutiny.

#### **4.4 Publication of Audited Account of Political Parties: General Public's View**

Data show that the view of the general public is diametrically opposed to those of the party officials. An overwhelming proportion of the respondents from the general public, representing 70.8% agree strongly that there should be regular publication of audited parties accounts for public scrutiny. This is followed by 16.8% of the respondents who said they agree; 6.2% did not respond, while 0.9% disagree strongly, and the same percentage said they do not know. These findings show that the general public wants to have accountability in the way political parties spend their money and that they want political parties to publish their audited accounts for public scrutiny, a condition which the party officials oppose strongly.

## CHAPTER FIVE

### PARTY PRIMARIES

Party primaries constitute one of the tangible features of internal democracy of political parties. The extent to which internal democracy prevails in the selection of party candidates is a question that has been on the lips of many Nigerians, particularly as the nasty experiences of the influence of chief executives and “money bags” in 2003 and 2007 party primaries, at the national and local levels, showed. This section presents data on party primaries and financial accountability of political parties and the extent to which party primaries, as the foundation of internal democracy, reflect the character of politics at the national level. In order to squarely address all the relevant issues on the activities of political parties on primaries, questions such as why people donate to political parties, and what kinds of influence do political “godfathers play” in Nigerian politics were examined in this chapter. The chapter begins with the views of respondents on party primaries and internal democracy.

#### **5.1 Party Primaries as Manifestation of Internal Democracy: General Public’s View**

It is evident from the data generated that 54.0% of the general public affirmed the notion that party primaries can be considered as a true manifestation of internal democracy, while 40.7% disagreed, and only 5.3% did not respond to the question at all. The findings show that the general public believes in party primaries because their conduct is a manifestation of party’s internal democracy. However, despite their agreement that party primaries is a recipe for internal democracy in political parties, the survey respondents questioned the conduct of such primaries because they noticed that money often influences the voting pattern of delegates.

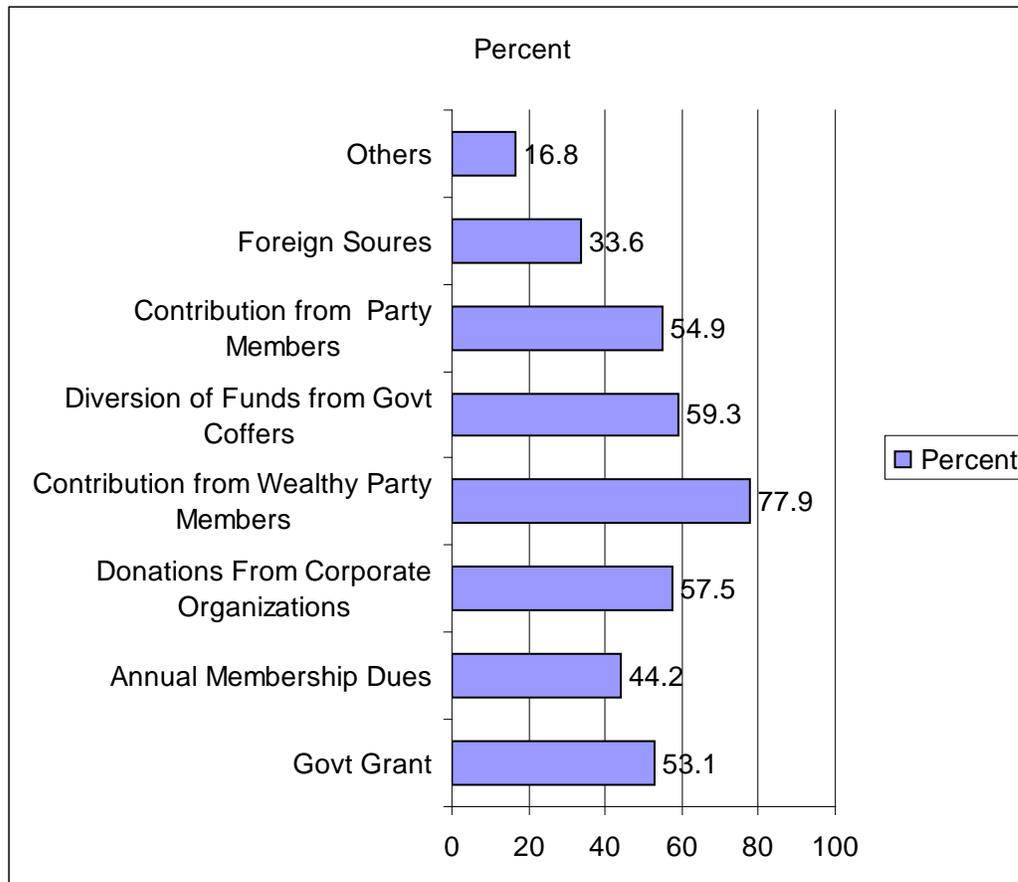
The issue of internal democracy and political party primaries was a major theme raised by all categories of the interviewees. Majority of them believe that the conduct of party primaries in all political parties was undemocratic. The use of money and the overbearing influence of “money bags” or godfathers determine the outcome of party primaries. According to them, candidates are not elected in a free, fair and transparent electoral contest. Accordingly, in the process, unpopular, and sometimes unsuitable, politicians often emerged as party candidates. As one of the respondents put it “party primaries were characterized by lack of transparency, corruption, intimidation, thuggery and excessive use of money to influence voters”.

Effective sourcing of funds through legally accepted means is one of the most important aspects of good governance. This fact has been aptly mentioned in INEC’s political party Finance Handbook in the following words “the sources of funding and finance of political parties and the way and manner these funds are spent largely determine the quality and acceptability or otherwise of almost every election” (2005:20). To this end, respondents from the general public were asked a question on how political parties finance their activities in Nigeria.

## 5. 2 Party Primaries as Manifestation of Internal Democracy of Political Parties: Party Officials' View

There is no strong indication that party primaries are a manifestation of internal democracy within Nigerian political parties. This position is underscored by the fact that 58.6% and 41.4% of the respondents answered yes and no respectively to the question. This finding is contrary to the views of elite interviewees in the sense that most of them see the practice of producing candidates through consensus rather than competitive elections as one of the ironies of internal democracy of political parties in the country.

**Figure 20: Finance of Political Party Campaign: General Public's View**



As Figure 20 shows, 77.9% of the repondents from the general public said monetary contribution from wealthy party members is the main source of funds to finance political party campaign activities. This is followed by the respondents who said political parties finance their campaign activities through diversion of funds from government coffers. Furthermore, the figure also shows that while 57.5% and 54.9% of the respondents said donation from corporate organizations and contribution from party members are the main source of financing their parties campaigns, 53.1% and 44.2% indicated government's grant and annual membership dues respectively. On the other hand, only a negligible percentage (16.8%) of party officials said that the campaign funds of their parties come from other sources.

**Figure 21: How Political Parties Finance Campaign Activities: Party Officials' View**



Data in Figure 21 indicate the view of party officials on the different ways political parties finance their campaign activities. It can be seen that the major means of financing such activities by parties is through contribution from wealthy party members; this view represents 52.86% of the sample. It can be inferred from this distribution of responses that wealthy party members not only dominate the finance of a party, but also influence party decisions, and in the most extreme cases, control the general direction of party affairs, thereby determining who gets what, when and how? In short, what breeds the phenomenon of “money bags” and “godfatherism” in Nigerian politics is the dominance of wealthy members and their contribution to the formation of political parties and electoral victories of other members. In effect, the rising tide of corruption in political parties and overbearing attitude of “money bags” are informed by their contribution to the campaign funds of their political parties.

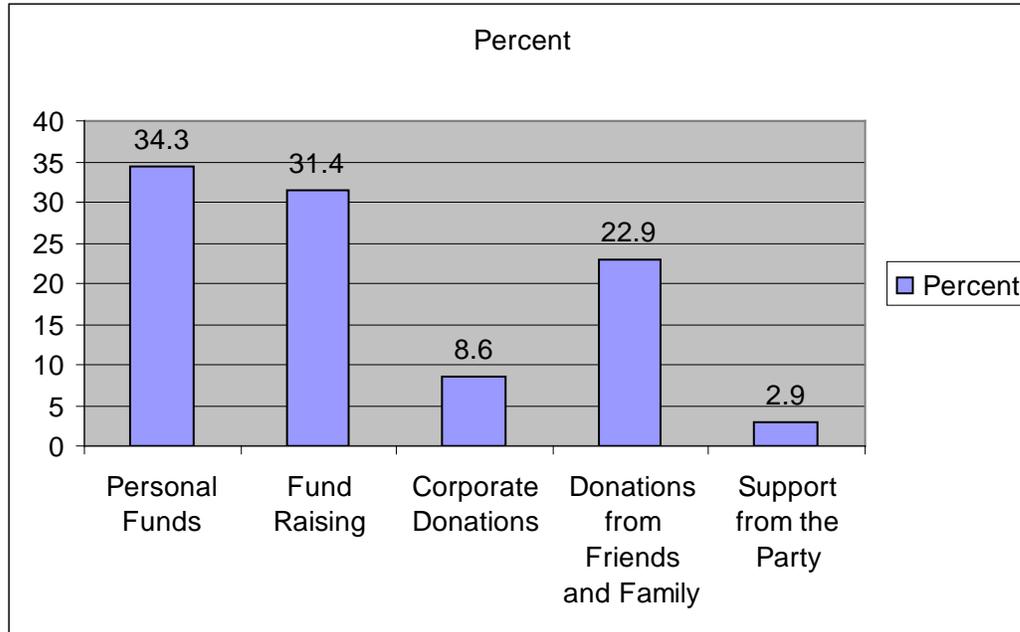
### **5.3 The Influence of Money on Party Primaries**

On the question of whether money influenced the voting pattern of delegates at party primaries, data show that an overwhelming number of respondents, representing 90.3% agreeing that money influenced the voting pattern of delegates in the primaries. A handful of respondents, constituting 4.4% said they do not agree, and 5.3 % did not respond to the question.

In order to know the view of the general public on the influence of voting behavior of delegates at party primaries, another related question on the role of “money bags” was

asked. This is in order to establish a relationship between “godfathers” and their influence in the determination of the outcome of the results of party primaries.

**Figure 22: How Candidates Raise Money for Political Parties: Party Officials’ View**



There are various ways through which candidates raise money to finance their party primaries. From Figure 22 above, it is clear that the three most prominent sources of raising such money are personal fund, fund raising and donation from friends, representing, 34.3%, 31.4 and 22.9% respectively. Other sources are corporate donations and support from political parties, representing 8.6 and 2.9% respectively.

#### **5.4 The Influence of Money on Delegates at Political Party Primaries: Party Officials’ View**

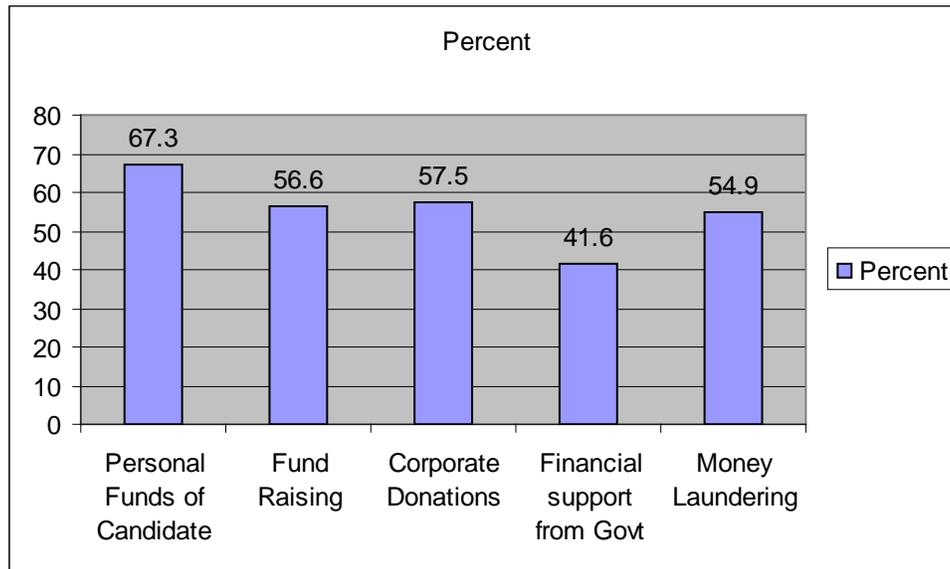
The negative use of money in the electioneering process in Nigeria is a common phenomenon. It has been established that money is used to influence delegates during party primaries. 88.6% of the sample confirms this with only a small percentage, 11.4% rejecting the view that money influences the voting behavior of delegates at political party primaries.

#### **5.5 Influence of Money Bags/Godfathers on the Result of Party Primaries: General Public’s View**

Data reveal that 78.8% of the respondents believe that there was a significant influence of “money bags”/ “godfathers” on party primaries results; this is followed by respondents that did not respond to the question, constituting 8.8%. In contrast, 5.3% said there was moderate influence, while 3.5% said they don’t know; only 2.7% said there was no influence of “money bags”/”godfathers” in party primaries, and an insignificant

percentage, representing 0.9% opined that there was little influence. Overall, the general picture of this distribution indicates that the general public observed a significant involvement of “money bags”/ “godfathers” in party primaries. This involvement has profoundly influenced the internal democratic component of political parties.

**Figure 23: Political Parties and Finance of Party Primaries: General Public’s View**



In order to know the perception of the public on financing party primaries, a question was asked on how political parties financed their primaries in Nigeria. This is presented in figure 23 above which shows that 67.3% said personal funds of candidates provided the major funds for the finance of political party primaries, 57.5 % said corporate donations; 56.6% said fund raising, while 54.9 and 41.6 said money laundering (illicit funds such as the “419” scam and other dubious means) and financial support from the government respectively. This shows that on the average, the view of the survey respondents is that personal funds of candidates, corporate donations and fund raising have been the dominant sources of financing party primaries.

**Figure 24: Reasons for People Donating to Political Parties: Party Officials' View**

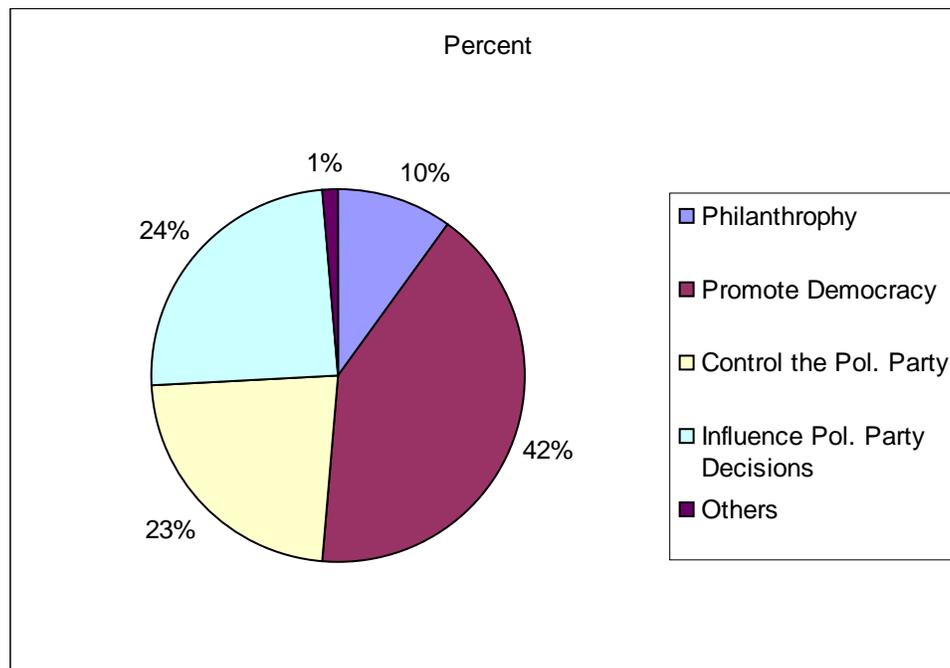


Figure 24 shows the respondents view on why people donate to political parties. The figure shows the highest percentage of respondents, representing 42% saying that people donate to political parties in order to support democracy. This is followed by 24 % of the respondents who said the motive behind donation to political parties is to influence the decision of the party by the donor. Whereas, 23% said people donate to political parties in order to control the parties, 10 % said people donate to political parties for philanthropic reasons, and only 1% of the respondents cited other reasons, namely material gains, social status, cheap publicity etc.

### **5.6 Party Members and Donation to their Political Parties: Party Officials' View**

To gauge the reasons why political party members donate to their parties, the respondents, this time party officials were asked to state their reasons. The data show the reasons for such donations which range from the intention of the members to promote democracy, representing 41.4%; to influencing the decisions of the political party to which donations are made, 24.3%. Other reasons given by the respondents are: to take control of the political party, 22.9%, philanthropy, 10.0% and others, 1.4%.

However, data gathered from the interviewees of the study suggest that reasons given for donation by party members differ from those given by the general public and party officials. At the level of analysis, it can be said that according to the elite interviews party members donate to their parties for purely social and political reasons. It is opined that many people donate to political parties because of their loyalty to the party, in order to get attention, and secure public office. Other reasons given are not different from the ones identified by the general public e.g. the political expediency of the individual contributor

or donor. Hence, members donate to their parties in order to enhance their chance of winning an election, getting appointments, contracts or emerging as flag bearers of the party concerned. As opined by a respondent:

The donation by members of political parties is in tune with the politics of “give and take theory”, which essentially relies on expectation of power, government patronage and godfatherism. These are the main objectives!

From the foregoing, it is very clear that there are several reasons why party members donate to their parties. However, most of the reasons given by the respondents are related to personal interest of the person making the donation. Thus, there is the tendency to subvert democracy if the phenomenon of party control or influence of its bureaucracy is the single motivating factor for individuals donating to their parties.

### **5.7 Availability of Funds to Political Parties and their Electoral Performance: General Public’s View**

It is evident from the data that the general public see a close relationship between availability of funds to political parties and their electoral performance in the sense that 69.9% agree that there is a relationship between availability of funds and party’s electoral performance, 20.4% do not agree, only 9.7% did not respond to the question. By these responses, it can be said that there is a close nexus between the financial strength of a party and its electoral victory. Respondents during the elite interviews further reinforce this argument when many of them pointed to the fact that the PDP emerged victorious in both the 2003 and 2007 elections because it was able to raise funds more than any other political party in Nigeria.

This also explains why many of the respondents during the elite interviews are not satisfied with the way political parties handle their campaign expenditure. For instance, one of the respondents said, “most of the political parties break the law that stipulates ceiling of campaign expenditure”. What this view suggests is that political parties do not respect the stipulated limits on campaign expenditure, which of course is very difficult to keep track of. Thus, a party that successfully used money beyond the stipulated limit due to its financial strength or control of state resources is likely to enhance its chance of winning votes. This makes the financial strength of a political party a critical factor in how successful such a party could be in elections, as stated by a respondent:

It is only in Nigeria that the financial buoyancy of a political party determines its survival. Our experience has shown that Nigerian politicians do not believe in free and fair election.

This is essentially because financiers of political parties sometimes insist on fielding candidates of their choice who may not necessarily be popular with the people or among the members of his/her party.

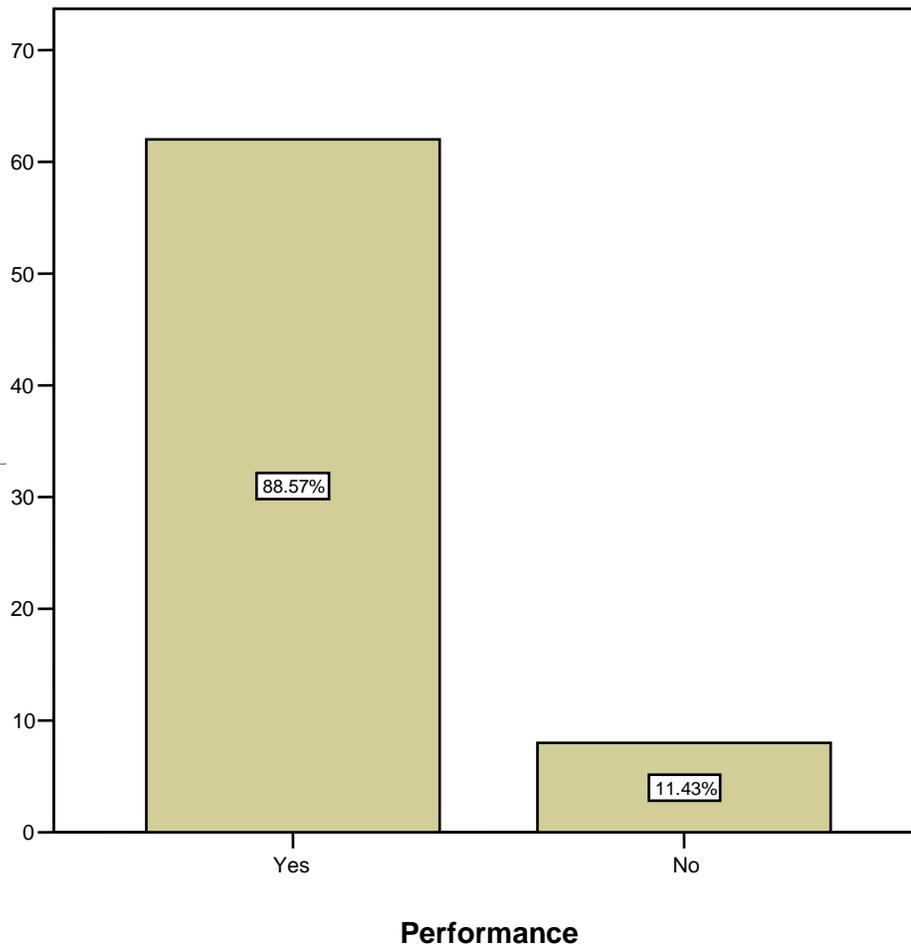
### **5.8 Party Victory Based on Money Politics and Performance in Government: General Public's View**

Respondents were asked whether a party that wins elections through the use of money can perform in government. A significant percentage of respondents, representing 70.8% said it cannot perform in government, 21.2% affirmed that it can and 8.0% did not respond to the question. What this table shows is that a corrupt political party that emerges victorious through the use of money cannot provide good governance and political accountability. Again, the overwhelming majority of the interviewees attested to the view held by the opposition political parties that the actual dividend of democracy in Nigeria has remained elusive in the country partly because the ruling party at the national level and in many states of the federation, i.e. PDP, used money illegally and by far more than all other political parties to emerge victorious in 2003 and 2007 elections.

### **5.9 Offering of Gifts and Other Incentives to Voters by Political Parties: Party Officials' View**

There is a close gap between those respondents who hold the view that parties offer gifts and other incentives to voters and those respondents who said parties do not. Those who answered 'Yes' represent 52.9% of the respondents, while those who answered 'No' constitute 48.2% of the sample of party officials. So it can be said that to a certain degree, gifts and incentives are given to voters in Nigeria.

**Figure 25: Level of Party Funding and Electoral Performance: Party Officials' View**



Without adequate funding, no political party can survive let alone engage competitively in the electoral process. The data in figure 25 show that how well a party performs in the electoral process is a function of the level of its funding. To begin with, the formation of a political party is a function of money, so also are its activities. This point has been buttressed by the report of Political Party Financing in Nigeria conducted by IFES. As the report rightly pointed out:

It is expensive to form a party in Nigeria. In addition to the registration fee, a party is required to have a physical presence throughout the country. Until recently, the requirement has been that the party have [sic] a physical presence (an office) in at least two-thirds of Nigeria's states. This requirement has been reduced to a physical presence in each of Nigeria's six geo-political zones. However, in either case, the requirement imposes high administrative costs on political parties (IFES, 2006:6).

Thus, a financially buoyant party can meet the above expectation, while the weak political parties cannot. In figure 25, an overwhelming percentage of the respondents, representing 88.57% confirm the assertion that the electoral performance of political parties is a function of their financial status, as they answered 'yes' to the question, while a small percentage, representing 11.43% disagreed with this assertion.

The nature of disbursement of funds to political parties in Nigeria is very unsteady. It changes with time and in most cases, it is unacceptable to all political parties, particularly as "30% of the 600 million naira designated for public funding of political parties is divided equally among all registered parties and the remaining 70% is allocated after the election based on each party's representation in parliament" (IFES, 2006:5). Due to this situation, the consensus among the respondents of the elite interview is that since most of the political parties are not adequately funded, they rely heavily on chief executives for their survival, particularly in various states of the federation. Therefore, any political party that controls government would use the opportunity of controlling state resources to finance its party activities. This practice has been deeply embedded in Nigerian politics because political parties have to be financially strong to compete in electoral politics.

## CHAPTER SIX

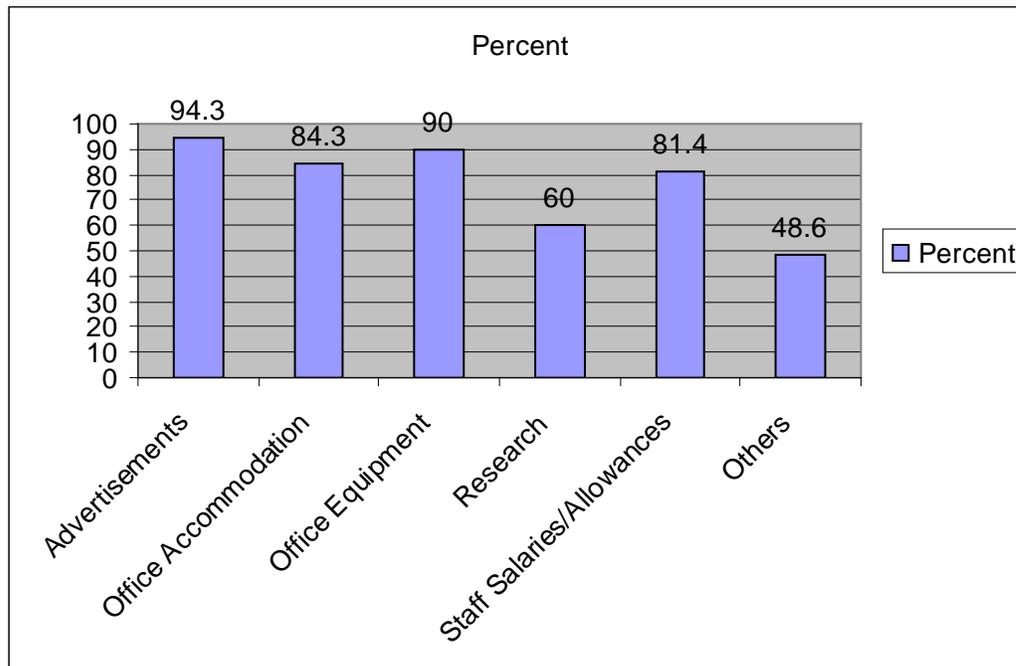
### PARTY BUREAUCRACY

What type of bureaucracy political parties in Nigeria established, and to what extent the resources of political parties are utilized for political party administrative and organizational activities? These questions and many more were raised in the questionnaire, as well as in the elite interview and the FGDs. Answers to these questions form the basis of this chapter. Specifically, the aim of the chapter is to investigate the mechanisms of internal accounting for political parties and the extent to which party bureaucracy contributes to resource utilization.

#### 6.1 Internal Accounting for Managing Party Funds: Party Officials' View

The respondents were asked to ascertain whether an internal accounting system for managing party funds exists in Nigeria or not. 65.7% answered in the affirmative, while 34.3% did not accept that there is such internal accounting mechanism. The problem of internal accounting measures can be attributed to lack of authentic data. This is because since there is the existence of corruption, which has been on the increase since 1999 as suggested earlier, a political party could hardly present any authentic data about its expenses.

**Figure 26: Utilization of the Resources of Political Parties: Party Officials' View**



If one looks at the data in Figure 26 above, the conclusion he/she would reach is that political parties utilize their resources on a variety of facilities and programmes because all items listed above share close percentages. For instance, advertisements have 94.3%, office equipment has 90%, staff salaries/allowances have 81.4%, office accommodation

has 84.3% and research represented 60%. The implication is that parties spent their resources on all of these programmes and activities significantly.

### **6.2 Existence of Offices in States and Local Governments: Party Officials' View**

Data show that 81.4% of the respondents accept the fact that their parties have offices in all the states and local government areas of the federation. Only 18.6% of the respondents said their parties do not have offices in the entire states and local government areas of Nigeria. Thus, despite their weak resource base a large percentage of officials of political parties believe that they still maintain party offices in states and local governments in the country. However, this is not to suggest that even “dummy” political parties created to attract fund from INEC still maintain their party offices. In fact, since the bulk (70%) of the money the commission distributes to political parties is allocated after elections based on the number of seats won by each party in NASS, less established parties like the PRP are left with virtually nothing to set up party structures or maintain the few existing ones.

Also, data gathered from the respondents to the elite interviews indicate that all the political parties have political party offices, at the national level, which in fact is one of the requirements for registration of political parties in the country. However, stronger and medium political parties like the PDP and AC have offices in states where they have no large number of followers. The reverse is the case for smaller parties like the PRP. The party does not have state headquarters in many of the southern states of the country. It is, however, pertinent to note that many of the political party offices are located in rented buildings.

### **6.3 Sizes of Political Party Offices at the State Level**

Data on the size of political party offices across the states show that of 47.1% of the respondents that the offices are big. The same percentage said the offices are of the medium sizes, while 5.7% acknowledged the fact that such offices are small in size. The overall picture of this distribution is that a significant percentage of the respondents have moderately sized party offices at the state level.

### **6.4 Equipment of Political Party Offices: Party Officials' View**

Party offices are generally well equipped because 40.0% were of the opinion that party offices are averagely equipped; 35.7% of the respondents said the offices are fairly equipped, while 17.1% respondents said such offices are adequately equipped. This is to suggest that in offices of political parties modern office facilities and equipment such as computers, Fax Machines, and executive office equipments are readily available to meet the administrative needs of political parties. For instance, the PDP national headquarters in Abuja is well equipped with modern office facilities and is connected with Internet facilities, while the National Headquarters of PRP does not have many of the equipments found either in the PDP or AC National Headquarters.

### **6.5 Influence of Chief Executives (State Governors and President) on Political Party Structure: Party Officials' View**

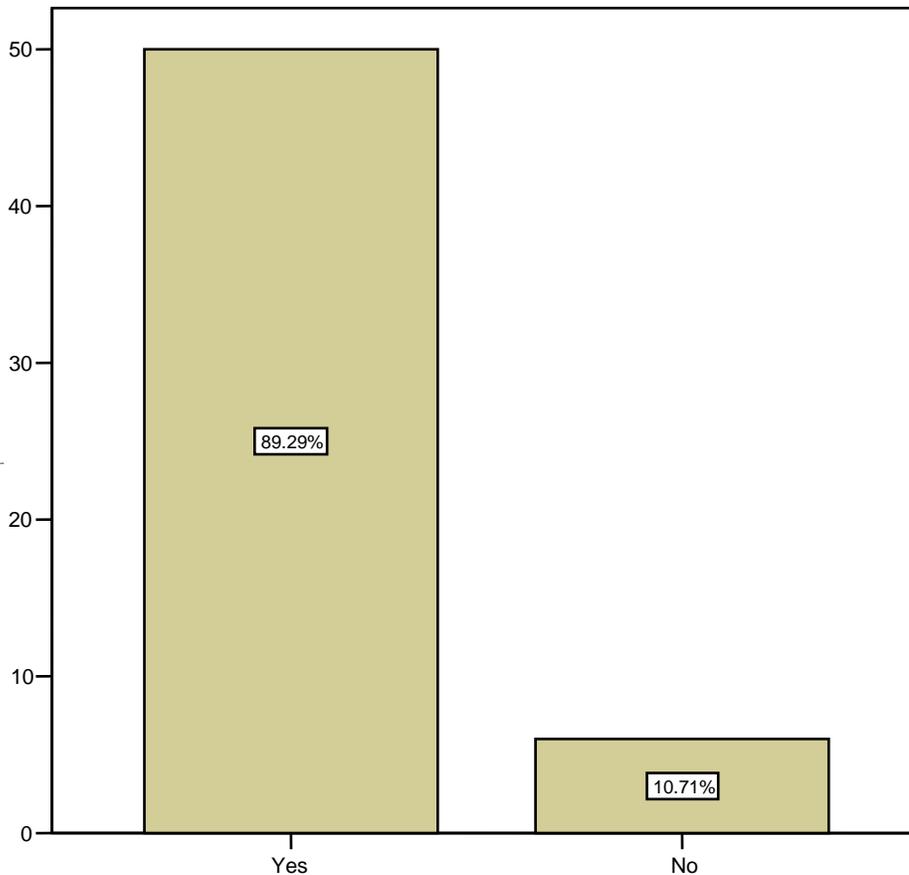
One of the political undercurrents in Nigeria's Fourth Republic has been the control and manipulation of political party structure and bureaucracy for political expediency by the

chief executive of the States and Federation. State governors not only midwife and handpick candidates, but in many cases install them into power against the democratic aspirations of the electorate. Thus, the influence exerted by Chief Executives on political parties in Nigeria is glaring. A total of 37.1% and 35.7% said Chief Executives at both the state and federal levels are influential and very influential respectively. Only 17.1% denied the existence of the influence of executives on party structure in Nigeria.

### 6.6 Support of Party Offices from the Government Controlled by Political Party: Party Officials' View

From the data generated in this study, it can be inferred that the control of party offices and bureaucracy can be explained in terms of the huge financial contribution the chief executives offer to their parties. It has been revealed that the various governments controlled by a particular political party support the administrative costs of running party secretariats and activities. 88.6% overwhelmingly acknowledge the existence of this phenomenon by answering 'Yes' to the question. Only a negligible percentage, 11.4% answered 'No'.

**Figure 27: Financial Difficulties Encountered in Running Party Offices: Party Officials' View**



It is evident from the data in Figure 27 above that Nigerian political parties face financial difficulties in running their party offices across the country. 89.29% of the sample opined that parties encounter difficulties, whereas 10.71% disagreed.

### **6.7 Calibre of Staff in Party Offices: Party Officials' View**

In terms of personnel, the political parties studied have competent personnel. They consist of professional staff and political office holders. It is understandable that a large proportion of the staff in party offices in Nigeria are graduates. This is the opinion of 35.7% of the sample in the course of this study. Although there is the existence of a large number of staff with school certificate, representing 28.6% of the respondents, 25.7% are adhoc staff; others (including primary school certificates and Diploma holders etc) represent 10.0% of the staff of political parties. Overall, as one party official of the AC mentioned with particular reference to his party: "the majority of the personnel are recruited from within the party members; they are competent and remunerated accordingly".

### **6.8 Party Staff Training**

Training is an important tool for enhancing efficiency among staff in an organization. But what the data has shown is that party staff in Nigeria often go for training to improve their skills. This has been established because 51.4% of the respondents held this view. 21.4% of the respondents said the staff do not undergo training at all, which further strengthens the view regarding the lack of training among party staff in the country.

### **6.9 Party Staff and Good Remuneration: Party Officials' View**

Members of staff of Nigerian political parties are not well remunerated. This is what can be inferred from the data obtained from the respondents, in which 67.1% of the responses collected affirmed the situation, while 32.9% said party staff are well paid. One major observation from data is party staffs are poorly remunerated and this situation makes them highly dependent on the little that trickles down from big party chiefs and politicians; party staff can easily be manipulated and be made to dance to the tune of politicians at all costs. Unlike staff in the public service who are governed by ethics, such code of conduct is rarely found in party offices, particularly at the states and local government levels where party activities depend on the prevailing matter of interest and concern to the party.

### **6.10 Reason for Poor Remuneration: Party Officials' View**

To explain the problem of poor remuneration of party staff above, respondents gave their reasons which include: lack of sufficient money to pay staff 34.3%, the staff of political parties are short-changed by politicians 30.0% and that party staff are compensated with political appointments 11.4%. A number of the respondents, 10.0% said that party members volunteer to work free.

### **6.11 Accounting Officer of Political Party: Party Officials' View**

The data show that 41.4% of the respondents said that it is the chairmen of the parties who serve as their accounting officers, while 37.1% said that the accounting officers of parties are the party treasurers; still other respondents (4.3%) felt that party secretaries are

the accounting officers of their parties. What this proves is that the chairmen of Nigerian political parties have an overbearing influence on their parties ranging from financial to policy issues.

#### **6.12 Effective Party Structure and Enforcement of Party Discipline: Party Officials' View**

Political party structures in Nigeria are relatively effective in enforcing discipline as 58.6% of the respondents were of the view that these structures are just effective in imposing discipline within the parties, while only 20.0% held the view that the structures were very effective. The same percentage stated that party structure and enforcement of party discipline are not effective, while an insignificant percentage, 1.4% said they do not know.

## CHAPTER SEVEN

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

This report has generated information from the respondents on financing political parties in Nigeria. Arising from the data generated and analyzed from the public and elite survey results in the study, six key findings can be delineated. First, lack of sufficient funds available to all political parties affects their active participation in the democratic process, and this poses a serious concern for parties because of the hijacking of some political parties by influential party members, popularly called “money bags” or “godfathers” in local parlance.

Second, financially stronger political parties participate most successfully in the competition for power at both the state and national levels, thereby making such parties more competitive than the financially weaker parties.

Third, as the data clearly show, even though respondents want the political parties to source funds from within their membership for their activities, mainly through the enhancement of membership dues collection, it is evident that the single most important source of funding for political parties still remains grant from the government. This accounts for nearly all the percentage of funds available to weaker political parties like the PRP.

Fourth, corruption in political parties exists and that the phenomenon has been on the increase since the return to civilian rule in 1999. Manifestations of corruption in political parties as the survey research shows is take the form of misuse of funds, bribery, kickbacks and other fraudulent party campaign expenses. These have compounded the already existing bad situation among cash-trapped political parties; thereby dampening their chance of competing with the nationally spread and financially stronger political parties like the PDP and AC.

Fifth, although the enabling laws have empowered INEC to disburse funds to, and monitor the account of political parties, the mechanism for the effective discharge of this function by the commission leaves much to be desired. This is what can be inferred from the respondents view that Nigerian politics has increasingly been hijacked by individual donors who, not only determine who contests, but also who wins election, at both the level of party primaries and general elections. The influence of such elements in Nigerian politics is informed essentially by their level of contribution to the parties they belong to. This is the overall conclusion of the public and elite survey respondents.

Sixth, in terms of public knowledge of how political parties are funded, political parties provide little, if any, information to the general public and the regulatory institutions (e.g. INEC), as well as authentic and detailed information about their sources of funds. The result is that members of the general public have little knowledge about the sources of funds for political parties. This has been illustrated in the study when a large percentage of respondents did not present, from their understanding of the activities of political

parties in Nigeria, their view on the major sources of funds to political parties. Other possible alternative means of funding and even the source(s) of funds to be used by the government for funding political parties also seem unknown to them.

Thus, according to both public and elite surveys as well as the FGDs, the principal problem affecting political parties in Nigeria today is inadequate funding. This is not surprising because most of the young African democracies suffer the same problem of financing key governance institutions, as the report on Ghana suggests (see the *Diagnostic Study Report of the Funding of Key Governance Institutions in Ghana*, 2003). However, the problem in Nigeria is compounded by the fact that democratic institutions like political parties rely heavily on government's grant, thereby belittling the contribution of their individual members. Other problems of political parties in Nigeria can be identified as corruption, lack of internal democracy and weak organizational structures of the parties. These problems are, however, in many respects the product of weak financial base of political parties.

A corollary to the above conclusion is that competition for power in Nigerian politics has not fundamentally change from its traditional character of bizarre electoral fraud which starts mainly at the party primaries and, finally manifests in full circle at the level of national politics. Thus, to wrestle for power, as one of the findings of the study clearly pointed out, intense competition invariably necessitates the bad use of money. Reinforced by poverty and lack of deeply entrenched political awareness of the values of civic responsibility by the society, electorates, including party delegates, succumb to all sorts of advances by corrupt politicians or "money bags". The result is that since the return to civilian rule in 1999, politics in the country has been characterized by political party corruption, internal wrangling and cases of cut-throat competition and electoral misconduct.

## **Recommendations**

The following recommendations are made based on the overall findings of the study.

- Political parties should have articulated manifestoes which party members should identify with and therefore be convinced to make financial contributions to the course of the party.
- Political parties should depend on their ordinary members in financing their political parties as was the case in some grassroots political parties in the First Republic [that is the Northern Elements Progressive Union (NEPU) and Action Group (AG)]. Although sales of party emblem and other materials are negligible sources of generating funds for political parties, this source can still be revived, diversified and promoted by political parties in the country. At present, donations from wealthy individuals contribute substantial part of political party sources of funding.
- Contrary to the ideal of promoting of democracy, the study reveals that individual donors make donations to their parties for particularistic interests, thereby hampering the internal democratic content of the political parties. Thus,

it can be hypothesized from the findings of this study that the more “money bags” donate huge sums of money to their parties the lesser party internal democracy and performance in public office. In order to enhance peoples owner of political parties card carrying members should at least contribute N50 monthly to the party.

- The contribution of a certain percentage from members of political parties holding key public offices as started by the PDP should be stopped. This is in order to make political parties independent from individual control and influence that can thwart the process of democracy.  
Although the opinion of respondents is divided on the issue of state funding of political parties as CSOs were against the financing of political parties by the government while the survey respondents in the elite interview and the general public supported it, it can still be said that on the average the survey respondents concur with the view that government’s involvement in monitoring the finances of political parties is desirable. This finding also reinforces the need to recommend that while the state should not unnecessarily strangle political parties financially, the state should continue with the funding of political parties until democracy in the country is matured and consolidated. This of course will prevent “money bags” and “godfathers” from controlling political parties through their despicable political activities. For this reason, grant to political parties should be made contingent on the number of seats won by a party in the National or State House of Assembly.
- A special advisory council on financing political parties independent of INEC’s control or the state should be established. The membership of the council should be drawn from various stakeholders i.e. political parties, CSOs, Labour, business community and representatives of religious bodies. The task of the Council is among other things to allocate, regulate and disburse funds to political parties and also monitor compliance with prudential measures for financial spending of political parties.
- A realistic limit on political party spending needs to be set and effectively enforced in order to prevent the influx of illegal sources to the account of political parties. Adequate tracking measures need to be devised and well enforced by the INEC. Thus, there is the need for the commission to enforce the enabling laws empowering it to regulate political party finances.
- Although one of the major causes of corruption in Nigeria is poverty and unemployment, in political parties the phenomenon has been sustained as a result of bad use of money in politics and the failure, largely due to politicization, of institutions set up to enforce discipline and fight corruption in the public sphere. For corruption in political parties to be eradicated, the flourishing of the rule of law is needed and institutions like the EFCC must be empowered and allowed to work independent of any meddling by the executive arm of government. In addition, the Electoral Act 2006 should be reviewed. The EFCC should be empowered to take corrupt politicians to court. INEC should also be made to work independently and empowered to disqualify corrupt politicians found wanting even at the level of party primary.

- With regards to party bureaucracy and internal democracy, party discipline should be enforced in order to overcome corruption. Since the survey research reveals that corruption in political parties is informed by lack of party discipline and lack of definite ideology, political parties should have a well defined ideology which will serve as the basis for mobilizing support rather than the use of monetary gratification. A political party party without a clearly defined manifesto should not be registered.

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- 08) Retiree ( )
- 09) Housewife ( )
- 10) Other (Specify)..... ( )

**GENERAL QUESTIONS**

Q.5 Do you belong to any political party?

- 01) Yes ( )
- 02) No ( )

Q. 6 If yes to Q.5 above, which one?

<b>PDP</b>	<b>AC</b>	<b>PRP</b>	<b>Other</b>
1	2	3	

Q.7 Do you hold a membership card of any political party?

- 01) Yes ( )
- 02) No ( )

Q.8 If your answer to Q. 7 is yes, do you pay membership dues regularly?

- 01) Yes ( )
- 02) No ( )

Q. 9 Have you ever participated in any party meeting?

- 01) Yes ( )
- 02) No ( )

Q. 10 Which of the following party meetings did you attend and participate?

<b>Party Meeting</b>	<b>Yes (1)</b>	<b>No (2)</b>
Electing leaders		
Discussing party program		
Annual meetings		
Constituency meeting		
State congress		
Zonal congress		
National congress		
Fund raising dinner		

Q.11 What is your assessment of the overall performance of political parties in Nigeria between 1999 and 2007?

<b>Performance of Political parties</b>	<b>Excellent (01)</b>	<b>Good (02)</b>	<b>Fair (03)</b>	<b>Poor (04)</b>
Organization				
Election				
Campaign				
Bureaucracy/Machinery				

Q. 12 There are 50 registered political parties in Nigeria, are these too many or too few?

- 01) Too many ( )
- 02) Too few ( )
- 03) The number is okay ( )

Q.13 Give reasons for your answer?

.....

.....

.....

.....

.....

.....

Q. 14 Which of the following functions do political parties perform in Nigeria?

<b>Functions of political parties</b>	<b>Yes (01)</b>	<b>No (02)</b>
Provide leadership		
Educate the public		
Mobilize support		
Serve as instrument of access to governmental authority		
Provide alternative government to the ruling party		
Provide policy alternative		

Q.15 Do you think political parties use money to influence the voting behavior of electorate?

- 01) Yes ( )
- 02) No ( )

Q.16 What in your opinion are the current sources of funding for political parties in Nigeria?

<b>Sources of funds</b>	<b>Yes (01)</b>	<b>No (02)</b>
01) Membership dues		
02) Government Grants		
03) Corporate donations		
04) Foreign sources		

05) Donation from friends, party colleagues and interest groups		
06) Investment		
07) Loans		
08) Anonymous sources		
09) Donation from Nigerians living abroad		

### POLITICAL PARTY FINANCING

Q.17 Do you agree that political parties need to be financially strong to participate in the democratic process in Nigeria?

- 01) Yes ( )  
02) No ( )

Q.18 State whether you agree or disagree with the following statements

Political Party Financing	Agree strongly (01)	Agree (02)	Disagree (03)	Disagree strongly (04)	Don't know (05)
01) The state should fully finance political parties					
02) Political parties should be financed by public and private sources					
03) Political parties should levy political office holders to fund their activities					
04) Political parties should source funds from contributions overseas (foreign sources)					
05) Government should not have any control over sources of party finance					
06) Political parties should raise their own funds regardless of any ceiling					

Q. 19 If government is to increase funding for political parties, from what source should the fund be generated?

- 01) Indirect taxes ( )  
02) Special levy such as VAT, Petroleum levy etc ( )  
03) Budgetary allocation ( )  
04) All of the above ( )  
05) Don't know ( )

Q. 20 Do you think government funding of political parties will reduce corruption?

- 01) Yes ( )  
02) No ( )  
03) Don't know ( )

Q. 21 Which of the following are the **two** most serious problems facing political parties in Nigeria?

- 01) Lack of adequate funds ( )
- 02) Inadequacy of competent personnel ( )
- 03) Internal party conflict ( )
- 04) Lack of internal party democracy ( )
- 05) Lack of definite ideological orientation ( )
- 06) The phenomenon of “God-fatherism” ( )

Q.22 Do you support the idea that political parties should have a ceiling as to how much an individual member can contribute to their fund raising?

- 01) Yes ( )
- 02) No ( )

Q. 23 Do you think political parties should fully disclose to the public the following?

	<b>Yes (01)</b>	<b>No (02)</b>
Source of funding		
Total amount of funds received		
Recurrent expenditure		
Capital expenditure		
Allowances to party officials		
Campaign expenditure		

Q. 24 Are the following campaign finance ceilings contained in the electoral regulations appropriate?

<b>Individual spending limit</b>	<b>Amount</b>	<b>Appropriate (01)</b>	<b>Inappropriate (02)</b>
01) Presidential election	N500,000,000		
02) Governorship election	N100,000,000		
03) National Assembly election	N20,000,000		
04) House of Representatives elections	N10,000,000		
05) State Assembly Election	N5,000,000		
06) Chairmanship election	N5,000,000		
07) Councillorship	N500,000		

Q. 25 Why do you think people donate large sums of money to political parties in Nigeria?

<b>Reasons for donation to political parties</b>	<b>Yes (01)</b>	<b>No (02)</b>
01) Philanthropy		
02) Promote democracy		
03) Control the party		
04) Influence political decisions		

Q.26 Do you agree with the idea initiated by some parties that every officer elected on the platform of his/her party must donate a fixed percentage of his /her salary to fund party activities?

- 01) Yes ( )
- 02) No ( )

Q,27 What form of support should government provide to political parties in Nigeria?

- 01) Financial ( )
- 02) Infrastructure (i.e. Building) ( )
- 03) Facilities (i.e. ICT equipments, Fax machines, training etc) ( )
- 04) All of the above ( )
- 05) Don't know ( )

Q. 28 In your opinion what criteria should the government use to provide financial support for political parties?

Criteria (formula)	Yes (01)	No (02)
Equality of parties		
Number of functional offices established across the country		
On request for specific demands		
Number of seats in each House in the last election		
Others (specify).....		

Q. 29 Is INEC supervision of finances of political parties appropriate?

- 01) Appropriate ( )
- 02) Inappropriate ( )

Q.30 If your answer is inappropriate which one of the following institutions would you recommend?

- 01) Ministry of Finance, Budget & Economic Planning ( )
- 02) Revenue Mobilization Allocation and Fiscal Commission (RMAFC) ( )
- 03) Independent Body ( )
- 04) National Assembly ( )
- 05) Others (specify) -----

Q.31 When do you think is the appropriate time for the government to release funds to political parties?

- 01) Election year ( )
- 02) Annually ( )
- 03) Twice a year ( )
- 04) Quarterly ( )

**ACCOUNTABILITY**

Q.32 Do you agree that there is corruption in political party organization?

- 01) Yes ( )
- 02) No ( )

Q. 33 If yes, what in your opinion are the types of corrupt practices prevalent among political parties in Nigeria?

<b>Corrupt Practice</b>	<b>Yes (01)</b>	<b>No (02)</b>
Bribery		
Extortion		
Unfair Business practices		
Unmerited political appointments		
Inappropriate award of contracts		
Embezzlement		
All of the above		
Don't know		

Q.34 What is the main cause of corruption in political parties?

<b>Corrupt Practice</b>	<b>Yes (01)</b>	<b>No (02)</b>
Weak internal accountability measures		
Lack of effective financial regulation by government agencies		
Poor remuneration of party staff		
“Get-rich-quick” syndrome by party bureaucrats		
Control of parties by chief executives of states/federation		
Don't know		

Q.35 State the extent of your agreement with the following statements on political parties in Nigeria

<b>Political Party Corruption &amp; Accountability</b>	<b>Agree strongly (01)</b>	<b>Agree (02)</b>	<b>Disagree (03)</b>	<b>Disagree strongly (04)</b>	<b>Don't know (05)</b>
01) Political parties should publish their audited accounts for public scrutiny					
02) Corruption in parties prevent people from joining party politics					

### **PARTY PRIMARIES**

Q. 36 Do you consider party primaries as true manifestation of internal democracy of political parties?

- 01) Yes ( )  
02) No ( )

Q. 37 Do you think money influences voting pattern of delegate at party primaries?

- 01) Yes ( )  
02) No ( )

Q.38 How do you think political parties finance their primaries?

Source of Finance	Yes (01)	No (02)
Personal funds of candidates		
Fund raising		
Corporate donations		
Financial support from government		
Illicit/illegal funds (e.g. Money laundering, diversion of funds from government coffers)		

Q.39 What influence do “money bags”/“God fathers” have in determining the result of party primaries?

- 01) Significant influence ( )
- 02) Moderate influence ( )
- 03) Little influence ( )
- 04) No influence ( )
- 05) Do not know ( )

Q.40 Do you expect a party which secures many votes based on the influence of money to perform well in the art of governance?

- 01) Yes ( )
- 02) No ( )

**POLITICAL CAMPAIGNS**

Q.41. Have you ever participated in any party campaign rally?

- 01) Yes ( )
- 02) No ( )

Q.42 How do you think political parties finance their campaign activities?

Source of Finance	Yes (01)	No (02)
Government grant		
Annual membership dues		
Donations from corporate organizations		
Contribution from wealthy party members		
Contribution from party members		
Diversion of funds from government coffers		
Foreign sources		
Others (specify) -----		

Q.43 Do you think the level of funds available to political parties during campaigns have a relationship with the electoral performance?

- 01) Yes ( )
- 02) No ( )

Q. 44 How do you rate the contribution of the following sources of funds to financing political party campaigns?

Sources of funds	Very High	High	Medium	Low	Very Low
01) Membership dues					
02) Government Grant/Subvention					
03) Donations from privileged and wealthy members of political parties					
04) Corporate donations					
05) Donation from government's controlled by your political party					
06) Sales of party materials (stickers, banners, shirts, posters etc)					
07) Donations from foreign sources					

Q. 45 What recommendations would you make to improve party financing in Nigeria?

.....

.....

.....

.....

**Thank You.**



- 03) Trader/ Businessman/woman ( )  
 04) Artisan/Technician ( )

**GENERAL QUESTIONS**

Q.7 Do you agree that political parties need to be financially strong to participate in the democratic process in Nigeria?

- 03) Yes ( )  
 04) No ( )

Q.8 What in your opinion is the major source of funding for political parties in Nigeria?  
 Rank from 1 (least important source) to 12 (most important source)

1.	Membership dues	
2.	Government grants	
3.	Donations from political party	
4.	Donations from wealthy individuals and party members	
5.	Corporate donations	
6.	Foreign sources	
7.	Loans	
8.	Anonymous sources	
9.	Donations from Nigerians living abroad	
10.	Interest groups	
11.	Fund raising	
12.	Other (Specify)	

Q.9 Rate the contribution of the following sources of funds to your party financing?

Sources of funds	Very High	High	Medium	Low	Very Low
01) Membership dues					
02) Government Grant/Subvention					
03) Donations from privileged and wealthy members of political parties					
04) Corporate donations					
05) Donation from government's controlled by your political party					
06) Sales of party materials (stickers, banners, shirts, posters etc)					
07) Donations from foreign sources					

Q.10 Do you consider the level and formula of government funding of political parties adequate?

- 01 Yes ( )  
 02 No ( )

- Q.11 Explain your answer to question 10 above:  
 .....  
 .....  
 .....
- Q. 12 Do you consider INEC’s regulation of party financing appropriate?  
 01) Appropriate ( )  
 02) Inappropriate ( )
- Q. 13 What form of support should the government provide to political parties?  
 06) Finance ( )  
 07) Infrastructure (i.e. building etc) ( )  
 08) Facilities (i.e. ICT equipments, Fax facilities, cars etc) ( )  
 09) Training ( )  
 10) All of the above ( )  
 11) None of the above ( )
- Q.14 In your opinion what criteria should the government use to provide support for political parties?  
 01) Equality of political parties ( )  
 02) Number of functional offices established across the country ( )  
 03) On request for specific demands ( )  
 04) Number of seats in each House in the last election ( )  
 05) A percentage of party’s own contributions ( )  
 06) Others (specify).....
- Q. 15 In your opinion what are the **two** most serious problems facing political parties in Nigeria  
 01) Lack of adequate funds ( )  
 02) Lack of competent personnel ( )  
 03) Internal party conflict ( )  
 04) Lack of internal party democracy ( )  
 05) Lack of definite ideological spectrum ( )  
 06) Other (specify).....
- Q. 16 Do you think the sources of your party finance are adequate for party activities?  
 01) Yes ( )  
 02) No ( )
- Q. 17 If “No” to the above question, what other better sources would you recommend for the party?  
 01) More funds from the government ( )  
 02) Higher dues from party members ( )  
 03) Political leader(s)’ personal funds ( )  
 04) Sales of party banners, logo, badges etc ( )  
 05) Support from corporate bodies ( )  
 06) Loans ( )  
 07) Foreign funds from non-Nigerians ( )  
 08) Other (specify).....

- Q. 18 Why do you think members of your political party donate money to their parties?
- 01) Philanthropy ( )
  - 02) Promote democracy ( )
  - 03) Control the political party ( )
  - 04) Influence political party decisions ( )
  - 05) Others (specify) .....

- Q.19 Do you agree with the idea initiated by some political parties that every officer elected on the platform of his/her party must contribute a fixed percentage of his/her salary to fund party activities?
- 03) Yes ( )
  - 04) No ( )

**BUREAUCRACY**

- Q.20 Do you have party offices in all states and local governments in Nigeria?
- 01) Yes ( )
  - 02) No ( )

- Q.21 What are the sizes of your political party offices at the state level?
- 01) Big ( )
  - 02) Small ( )
  - 03) Medium ( )

- Q.22 How well equipped are your party offices in terms of furniture, computers, cars etc?
- 01) Adequately equipped ( )
  - 02) Averagely equipped ( )
  - 03) Fairly equipped ( )
  - 04) Poorly equipped ( )

- Q. 23 How influential are Chief Executive of states or President in determining your political party structure?
- 01) Very influential ( )
  - 02) influential ( )
  - 03) Not influential ( )
  - 04) Don't know ( )

- Q. 24 Does the government that your party controls either at federal, state or local government levels lend support to the functioning of your party offices?
- 01) Yes ( )
  - 02) No ( )

- Q. 25 Do you encounter financial difficulties in the running of your party offices?
- 01) Yes ( )
  - 02) No ( )

- Q. 26. If yes why: .....
- .....
- .....

Q. 27 What caliber of staff do you have in your party offices?

- 01) Professionals (graduates etc) ( )
- 02) School certificate holders ( )
- 03) Ad hoc staff ( )
- 04) Others (specify) -----

Q. 28 How often does your party staff undergo training?

- 01) Very often ( )
- 02) Fairly often ( )
- 03) Not often ( )
- 04) Not at all ( )

Q. 29 Are your staff well remunerated?

- 05) Yes ( )
- 06) No ( )

Q. 30 If "No" why do you think they are not well remunerated?

- 01) They are not well trained ( )
- 02) Party members volunteer to work free ( )
- 03) Short-changed by politicians ( )
- 04) No sufficient money to pay staff ( )
- 05) They don't have much work to do ( )
- 06) They are compensated with political appointments ( )

Q.31 Who is the accounting officer of your party?

- 01) Party Chairman ( )
- 02) Party secretary ( )
- 03) Treasurer ( )
- 04) Other (specify) .....

Q. 32 How effective is your party structure in enforcing discipline?

- 01) Very effective ( )
- 02) Effective ( )
- 03) Not effective ( )
- 04) Don't know ( )

**PARTY PRIMARIES**

Q33 In your estimation, how much does it cost a candidate running for party primaries to campaign in securing the party ticket?

	<b>From (₦)</b>	<b>To (₦)</b>
01) President		
02) Governorship		
03) Chairman		
04) Councilor		
05) State House of Assembly		
06) National Assembly		

Q. 34 Do you consider party primaries as true manifestation of internal democracy of political parties?

03) Yes ( )

04) No ( )

Q.35 How much do candidates for party primaries deposit in order to be eligible for the primaries?

	₦
01) Presidential primaries	
02) Governorship	
03) Senate	
04) House of Assembly	
05) Chairman of LG	
06) Councilor	

Q.36 How do candidates raise money for party primaries?

01) Personal fund ( )

02) Fundraising ( )

03) Corporate donations ( )

04) Donations from friends and families ( )

05) Support from the party ( )

06) Others (specify) -----

Q.37 Do you think money influences delegates at political party primaries?

01) Yes ( )

02) No ( )

### **ELECTIONEERING CAMPAIGNS**

Q.38 How do you finance your party campaign activities?

01) Membership dues ( )

02) Contribution from wealthy party members ( )

03) Government grant ( )

04) Donations from governments controlled by the party ( )

05) Donations from foreign sources ( )

Q.39 Does your party offer gifts and other incentives to voters?

01) Yes ( )

02) No ( )

Q. 40 Do you think the level of party funding affect your electoral Performance?

01) Yes ( )

02) No ( )

### **ACCOUNTABILITY**

Q. 41 Do you support government's control over sources of party finance?

01) Yes ( )

02) No ( )

Q. 42 Do you give regular financial reports to INEC?

- 01) Yes ( )
- 02) No ( )

Q.43 Do you agree that there is corruption in political party organization?

- 03) Yes ( )
- 04) No ( )

Q. 44 Give reasons for your answer

.....

.....

.....

Q. 45 Please rank the prevalence of the following practices in your party

Practices	Very High	High	Medium	Low	Very low
01) Kickbacks					
02) Extortion					
03)Unfair Business practices					
03)Member indiscipline & anti-party activity					
04)infighting/intra party feud					

Q.46 In your opinion what is the main cause of corruption in your party?

- 01) Lack of internal democracy ( )
- 02) Lack of party discipline ( )
- 03) Lack of effective regulation by government agencies ( )
- 04) Lack of funds ( )
- 05) “Get-rich-quick” syndrome by party bureaucrats ( )
- 06) Control of parties by chief executives of states/federation ( )
- 07) Don't know ( )

Q. 47 How are the resources of political parties utilized?

	Yes	No
1. Advertisement		
2. Office equipment		
3. Office accommodation		
4. Staff salaries/allowance		
5. Research		
6. Others (Please, specify).....		

Q. 48 Party corruption has been on the increase since 1999?

- 01) Strongly Agree ( )
- 02) Agree ( )
- 03) Don't know ( )
- 04) Disagree ( )
- 05) Strongly disagree ( )

Q.49 Rate the level of party corruption in Nigeria today

- 01) Very High ( )
- 02) High ( )
- 03) Medium ( )
- 04) Low ( )
- 05) Very low ( )

Q. 50 Do you have internal accounting system and mechanism for managing party funds?

- 01) Yes ( )
- 02) No ( )

Q. 51 What recommendations would you make to improve party financing in Nigeria?

.....

.....

.....

.....

**Thank You.**

## **APPENDIX III**

### **INTERVIEW GUIDE FOR INEC OFFICIALS**

#### **GENERAL QUESTIONS**

- What is your assessment of the financial strength of political parties in Nigeria?
- What is the criteria used by INEC to disburse money to political parties?
- What is the level of government financial support to political parties?
- What are the challenges faced by INEC in releasing grant to political parties?
- Do political parties justify their expenditure on office administration?
- Are there other forms of support granted to political parties by INEC?
- How do you think political parties should be funded (through full government grant or public-private sources of funding)?
- What in your opinion is the future of political parties in Nigeria?

#### **BUREAUCRACY**

- Are staff of political parties competent?
- Do political parties have modern office facilities (i.e. ICT, Fax machines, etc)?
- What is your overall assessment of party bureaucracy?
- Are political party offices manned by competent personnel?
- Do political parties justify their expenditure on office administration?
- What is your overall assessment of party bureaucracy?

#### **PARTY PRIMARIES**

- What is your assessment of the conduct of party primaries in Nigeria since 1999?
- To what extent the use of money influences the outcome of political party primaries?
- What is the extent of political parties' compliance with INEC's regulations on excessive use of money in the conduct of party primaries?
- In your opinion, how does the phenomenon of 'Godfatherism' affect party primaries?
- Did INEC play any role in checking the influence of 'Godfatherism' in the conduct of political party primaries (1999, 2003 & 2007)?

#### **ELECTIONEERING CAMPAIGN**

- What is the estimated expenditure for political party campaigns?
- Do candidates aspiring for political offices adhere strictly to INEC's regulation on sourcing funds for political activities?
- Does INEC effectively regulate high spending by party candidates?
- Do political parties observe INEC's regulations on election expenditure for candidates?
- What is the influence of "money bags" in the political parties?
- What in your opinion should be the best practices of party electioneering campaign in Nigeria?

#### **ACCOUNTABILITY**

- Do parties submit their audited accounts to INEC regularly?
- Do you think the parties have good internal accountability mechanisms?
- In what ways does INEC enforce the Electoral Act on the limit of political party spending?

- What is your assessment of management of funds by political parties?
- Do you think regular financial reporting to INEC reduces corruption?
- What is your assessment of the performance of INEC in ensuring party accountability?
- How does INEC enhance a level-playing field, equity and fairness in financing political parties by members?
- In your opinion, what is INEC doing to effectively check the inflow of informal funds to political parties?
- Are there incidences of corruption in the parties and what measures have INEC taken on this?
- How can the accountability mechanisms of the parties be enhanced?
- Suggest other means of imposing financial accountability in the management of funds by political parties

## **APPENDIX IV INTERVIEW GUIDE FOR CSOs**

### **GENERAL QUESTIONS**

- What are the importance of funding to political parties
- Are you satisfied with the conduct of political parties on primaries and campaign expenditure?
- Is survival of democracy dependent on financially buoyant political parties?
- What are the sources of financing political parties?
- In addition to government's financial support to political parties what other sources of financing political parties do you think (taxes, levy etc)?
- Why do you think individual party members donate to their parties?
- Is foreign financial support to political parties desirable?
- What are the best practices that will check the inflow of informal sources of funds to political parties?
- Do you think NGOs can contribute to the financing of political parties?

### **PARTY PRIMARIES**

- What are the main problems facing Nigerian political parties since 1999?
- What is your view on INEC's effective regulation of political parties spending in 1999, 2003 and 2007 elections?
- What is your assessment of political party activities in the area of campaign and voter education?
- How influential are 'God-fathers' in the conduct of primaries in Nigeria between 1999 and 2007?
- What is the NGO's assessment of party primaries?
- What role can NGOs play in the influence the emergence of credible candidates?

### **ELECTIONEERING CAMPAIGN**

- How in your view can a level playing field be ensured in terms of financing political parties?
- To what extent is the use of money affects the electoral process?
- To what extent does the use of money manifest in political party campaigns?
- In your view how do political parties raise money?
- How do political parties raise funds for political campaign?
- What is the relationship between the business sector and the political class (what are the expected pay-offs)?
- What role does NGOs play in electioneering campaign?

## **ACCOUNTABILITY**

- What are the causes of corruption in political parties?
- What is the extent of corruption in political party bureaucracy?
- What is the role of NGOs in promoting political party accountability and internal democracy (seminars, workshops, interactive session, etc)?
- How does corruption manifest itself in political party activities?
- Are you satisfied with the role of INEC in checking corrupt practices in political parties?
- Are the existing laws on political party spending effective in checking corrupt practices?
- What are the ways to ensure an efficient and effective management of political party funds (The role of NGOs, the Government) etc?
- What is the best way to ensure accountability by candidates and political parties?

**APPENDIX V**  
**INTERVIEW GUIDE FOR POLITICAL PARTY OFFICERS**

**GENERAL QUESTIONS**

- How do political parties raise funds? ( past and present)
- Do political parties need to be financially strong to participate in the democratic process?
- Are the existing sources of funds adequate for political party activities?
- What are the possible ways of generating funds for political parties?
- Do political parties need government's financial support?
- Why do political party members donate to their party?
- At what time donations come to your political party?
- To what extent lack of adequate funds affect political parties in Nigeria?
- What are the best practices in party financing for Nigeria?

**BUREAUCRACY**

- Do you rent or own your party secretariat?
- Do you maintain staff as permanent or temporary employees of your political party?
- Do you have competent personnel?
- How good do you remunerate staff in the secretariat of your party?
- How readily available are funds for the running of your party secretariat?
- Do you have modern office facilities (i.e ICT, Fax and photocopy machines etc)?
- How democratic is the internal structure of your party?
- Suggest ways on how to improve political party financing in Nigeria

**PARTY PRIMARIES**

- How are party primaries conducted?
- What are the reasons for the increase in the cost of political party primaries?
- Do you support the law which prescribes ceiling on campaign spending by candidates?
- To what extent political parties comply with the existing laws on party primaries?
- Did your party use money to influence the voting behavior of electorate (1999-2007)?

**ELECTIONEERING CAMPAIGN**

- What is the estimated expenditure for party campaign activities?
- How does your political party raise funds for political campaign?

**ACCOUNTABILITY**

- Does corruption exist in political party organization (History and Trend)?
- What are the causes of corrupt practices in political parties (Is the phenomenon of corruption on the increase since 1992)?
- What are the factors that erode internal democracy within a political party?
- Are the political party accounts audited?
- How regular do you give financial report to INEC (quarterly, annually or twice a year)?
- How prudent do political parties manage their funds (effective or poor management)?

**APPENDIX VI:  
FREQUENCIES AND FREQUENCY TABLES**

**Table 1: Demographic Characteristic of the Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
18-30	32	28.3
31-40	45	39.8
41-50	23	20.4
51-60	9	8.0
Over 61	2	1.8
No Response	2	1.8
<b>Total</b>	<b>113</b>	<b>100</b>
<b>Respondents Sex</b>		
<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Male	88	77.9
Female	19	16.8
No Response	6	5.3
<b>Total</b>	<b>113</b>	<b>100</b>
<b>Level of Education</b>		
<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>
None	78	69.0
Primary	2	1.8
Secondary	6	5.3
Post Secondary	25	22.1
Others	1	0.9
No Response	1	0.9
<b>Total</b>	<b>113</b>	<b>100</b>
<b>Occupation</b>		
<b>Occupation</b>	<b>Frequency</b>	<b>Percentage</b>
Politician	10	8.8
Civil Servant	47	41.6
Farmer	3	2.7
Trader	6	5.3
Artisan	2	1.8
Student	10	8.8
Retiree	2	1.8
Housewife	1	0.9
Others	24	21.2
Unemployed	6	5.3
No Response	2	1.8
<b>Total</b>	<b>113</b>	<b>100</b>

**Table 2 Respondents Party Affiliation**

<b>Belonging to Political Party</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	38	33.6
No	73	64.6
No Response	23	20.4
<b>Total</b>	<b>11</b>	<b>100</b>
<b>Possession of Membership Card</b>		
<b>Membership</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	29	76.3
No	9	23.7
No Response	0	0.0
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Payment of Party Dues</b>		
<b>Payment of Dues</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	20	52.6
No	17	44.7
No Response	1	2.6
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Participation in Meetings</b>		
<b>Participation</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	31	81.6
No	6	15.8
No Response	1	2.6
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Election of Leaders</b>		
<b>Election of Leaders</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	18	47.4
No	4	10.5
No Response	16	42.1
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Discussing Party Programme</b>		
<b>Discussing Party Programme</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	19	50.0
No	6	15.8
No Response	13	34.2
<b>Total</b>	<b>38</b>	<b>100</b>

**Table 3: Respondents Participating in Party Congresses**

<b>Annual Meeting</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	15	39.5
No	6	15.8
No Response	17	44.7
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Participation in Constituency Meeting</b>		
<b>Constituency Meeting</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	17	44.7
No	6	15.8
No Response	15	39.5
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Participation in State Congress</b>		
<b>State Congress</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	11	28.9
No	9	23.7
No Response	18	47.4
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Participation in Zonal Congresses</b>		
<b>Zonal Congress</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	10	26.3
No	7	18.4
No Response	21	55.3
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Participation in National Congresses</b>		
<b>National Congress</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	11	28.9
No	9	23.7
No Response	18	47.4
<b>Total</b>	<b>38</b>	<b>100</b>
<b>Participation in Fund Raising Dinner</b>		
<b>Fund Raising Dinner</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	17	44.7
No	8	21.1
No Response	13	34.2
<b>Total</b>	<b>38</b>	<b>100</b>

**Table 4 Age of Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
18-30 yrs	8	11.4
31-40 yrs	26	37.1
41-50 yrs	24	34.3
51-60 yrs	7	10.0
61 & above	5	7.1
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 5: Sex of Respondents**

<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Male	55	78.6
Female	15	21.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 6 Income of Respondents Per Annum**

<b>Income</b>	<b>Frequency</b>	<b>Percentage</b>
Below N100,000	23	32.9
N101,000 - N200,000	8	11.4
N201,000 - N300,000	18	25.7
N301,000 -- N400,000	9	12.9
N401 - N500,000	2	2.9
Over N501,000	10	14.3
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 7 Occupation of Respondents**

<b>Occupation</b>	<b>Frequency</b>	<b>Percentage</b>
Politician	44	62.9
Student	3	4.3
Trader/Businessman/Woman	22	31.4
Artisan/Technician	1	1.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 8 Problems Facing Political Parties in Nigeria**

<b>Problems</b>	<b>Frequency</b>	<b>Percentage</b>
Lack of Adequate Funds	26	23.0
Inadequate Personnel	23	20.4
Internal Party Conflicts	24	21.2
Lack of Internal Democracy	12	10.6
Lack of Definite Ideology	17	15.0
God-fatherism	8	7.1
No Response	3	2.7
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 9 Problems Facing Political Parties in Nigeria**

<b>Problems</b>	<b>Frequency</b>	<b>Percentage</b>
Lack of Adequate Funds	21	30.0
Lack of Competent Personnel	10	14.3
Internal Party Conflict	19	27.1
Lack of Internal Party Demo.	3	4.3
Lack of Definite Ideology	16	22.9
Others	1	1.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 10 Importance of Financial Strength of Political Parties**

	<b>Frequency</b>	<b>Percentage</b>
Yes	84	74.3
No	24	21.2
No Response	5	4.4
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 11 Financial Position of Political Parties and their Participation in Nigeria's Democratic Process**

	<b>Frequency</b>	<b>Percentage</b>
Yes	64	91.4
No	6	8.6
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 12 Other Better Sources of Finance Recommended to Parties**

<b>Other Sources of Funding</b>	<b>Frequency</b>	<b>Percentage</b>
More Funds From Govt.	19	27.1
Higher Dues from Party Members	29	41.4
Political Leaders Personal Funds	12	17.1
Sales of Party Banners, Logo, Badges etc	6	8.6
Support from Corporate Bodies	3	4.3
Others	1	1.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 13 Contribution of Fixed Percentage of Salary to Party Funds by Elected Members**

	<b>Frequency</b>	<b>Percentage</b>
Yes	58	82.9
No	12	17.1
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 14 Institutions to Support the Financing of Political Parties**

<b>Institution</b>	<b>Frequency</b>	<b>Percentage</b>
Min. of Finance, Budget & Econ. Planning	12	10.6
Revenue. Mobilization, Allocation. & Fiscal Commission	17	15.0
Independent Body	26	23.0
National Assembly	6	5.3
Others	2	1.8
No Response	50	44.2
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 15 Criteria for Government Support to Political Parties**

<b>Criteria</b>	<b>Frequency</b>	<b>Percentage</b>
Equality of Political Parties	37	52.9
No. of Offices Across the Country	12	17.1
On Request for Specific Demands	4	5.7
No. of Seats in NASS in Last Election	2	2.9
A percentage of Party's Own Contribution	11	15.7
Others	4	5.7
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 16 Adequacy of Level and Formula of Government Funding of Political Parties**

<b>Adequacy of Formula</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	31	44.3
No	39	55.7
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 17 INEC Supervision of Political Parties**

	<b>Frequency</b>	<b>Percentage</b>
Appropriate	58	51.3
Inappropriate	47	41.6
No Response	8	7.1
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 18 Political parties and Regular Financial Reports to INEC**

<b>Regular Financial Report to INEC</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	42	60.0
No	28	40.0
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 19 Appropriateness of INEC's Regulation of Party Financing**

<b>INEC Regulations</b>		<b>Frequency</b>	<b>Percentage</b>
Valid	Appropriate	23	32.9
	Inappropriate	47	67.1
<b>Total</b>		<b>70</b>	<b>100.0</b>

**Table 20 Publication of Audited Account of Political Parties**

	Frequency	Percent
Agree Strongly	80	70.8
Agree	19	16.8
Disagree	5	4.4
Disagree Strongly	1	.9
No Response	7	6.2
<b>213.00</b>	1	.9
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 21 Party Primaries as Manifestation of Internal Democracy**

	Frequency	Percentage
Yes	61	54.0
No	46	40.7
No Response	6	5.3
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 22 Money influencing Party Primaries**

	Frequency	Percentage
Yes	102	90.3
No	5	4.4
No Response	6	5.3
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 23 The Influence of Money on Delegates at Political Party Primaries**

Influence of Money	Frequency	Percentage
Yes	62	88.6
No	8	11.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 24 Influence of Money Bags/Godfathers on Result of Party Primaries**

	<b>Frequency</b>	<b>Percentage</b>
Significant Influence	89	78.8
Moderate Influence	6	5.3
Little Influence	1	.9
No Influence	3	2.7
Don't Know	4	3.5
No Response	10	8.8
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 25 Party Members and Donation to their Political Parties**

<b>Source of Donation</b>	<b>Frequency</b>	<b>Percentage</b>
Philanthropy	7	10.0
Promote Democracy	29	41.4
Control the Political Party	16	22.9
Influence Political Party Decisions	17	24.3
Others	1	1.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 26 Availability of Funds to Political Parties and their Electoral Performance**

	<b>Frequency</b>	<b>Percentage</b>
Yes	79	69.9
No	23	20.4
No Response	11	9.7
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 27 Party Victory Based on Money Politics and Performance in Government**

	<b>Frequency</b>	<b>Percentage</b>
Yes	24	21.2
No	80	70.8
No Response	9	8.0
<b>Total</b>	<b>113</b>	<b>100.0</b>

**Table 28 Offering of Gifts and Other Incentives to Voters by Political Parties**

<b>Giving Incentives to Voters</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	37	52.9
No	33	47.1
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 29 Internal Accounting for Managing Party Funds**

<b>Internal Accounting</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	46	65.7
No	24	34.3
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 30 Location of Offices in States and Local Governments**

<b>Location of Offices</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	57	81.4
No	13	18.6
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 31 Sizes of Political Party Offices at the State Level**

<b>Size of Party Offices</b>	<b>Frequency</b>	<b>Percentage</b>
Big	33	47.1
Small	4	5.7
Medium	33	47.1
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 32 Equipment of Political Party Offices**

<b>Equipment</b>	<b>Frequency</b>	<b>Percentage</b>
Adequately Equipped	12	17.1
Averagely Equipped	28	40.0
Fairly Equipped	25	35.7
Poorly Equipped	5	7.1
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 33 Influence of Chief Executives (State Governors and President) on Political Party Structure**

<b>Chief Executive</b>	<b>Frequency</b>	<b>Percentage</b>
Very Influential	25	35.7
Influential	26	37.1
Not Influential	12	17.1
Don't Know	7	10.0
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 34 Support of Party Offices from the Government Controlled by Political Party**

<b>Govt. Support</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	62	88.6
No	8	11.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 35 Caliber of Staff in Party Offices**

<b>Caliber of Staff</b>	<b>Frequency</b>	<b>Percentage</b>
Professionals e.g. Graduates	25	35.7
School Certificate Holders	20	28.6
Ad-hoc Staff	18	25.7
Others	7	10.0
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 36 Party Staff Training**

<b>Training</b>	<b>Frequency</b>	<b>Percentage</b>
Very Often	5	7.1
Fairly Often	36	51.4
Not Often	14	20.0
Not at All	15	21.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 37 Party Staff and Good Remuneration**

<b>Good Remuneration</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	23	32.9
No	47	67.1
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 38 Reason for Poor Remuneration**

<b>Reasons</b>	<b>Frequency</b>	<b>Percentage</b>
They are Not Well Trained	5	7.1
Party Members Volunteer to Work Free	7	10.0
Short-change by Politicians	21	30.0
No Sufficient Money to Pay Staff	24	34.3
They Don't have Much Work to Do	5	7.1
They're Compensated with Political Appointments	8	11.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 39 Accounting Officer of Political Party**

<b>Accounting Officers</b>	<b>Frequency</b>	<b>Percentage</b>
Party Chairman	29	41.4
Party Secretary	10	14.3
Treasurer	26	37.1
Other	5	7.1
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 40 Effective Party Structure and Enforcement of Party Discipline**

<b>Effectiveness</b>	<b>Frequency</b>	<b>Percentage</b>
Very Effective	14	20.0
Effective	41	58.6
Not Effective	14	20.0
Don't Know	1	1.4
<b>Total</b>	<b>70</b>	<b>100.0</b>

**Table 41 Party Primaries as Manifestation of Internal Democracy of Political Parties**

<b>Internal Democracy</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	41	58.6
No	29	41.4
<b>Total</b>	<b>70</b>	<b>100.0</b>