



Political Party Financing in Uganda

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This paper should not be understood and reported as representing the views of the FES.

The views expressed in this working paper are those of the author, and do not necessarily represent those of the FES. This paper describes a research conducted by the author and has been prepared to is elicit comments and to further the debate on Political Party Financing in Uganda

Rationale, Scope and Essence and Methodology of the Research

In the recent past, the vibrant Ugandan press and media have been awash with reports about the diverse difficulties political parties, both the incumbent and the opposition, have been facing in respect of financing. Much as these reports cannot be taken as the spark that lit the public debate over political party financing, they have done much to fuel and catalyse the public discussion of this issue, and its central and strategic significance in the young and still fragile multi party dispensation, established just before the 2006 Presidential and Parliamentary elections. To facilitate a meaningful dialogue among the diverse stakeholders on this issue, would, at the very minimum require two things: one, a neutral forum with a less politically charged atmosphere, and two, a basic working document outlining the main issues that need to be discussed and resolved.

The original working paper was therefore not a very academic document in the conventional sense of methodological rigour and conceptual analysis. It was outside its scope to explore what political parties are, and whether they are essential and indispensable. Neither was it targeting a thorough review the history of political parties in Uganda. There was no implicit or explicit assumption that finances are the only, or, for that matter, the main problem, parties in Uganda are facing currently. Given the time and resource constraints, the coverage of the survey was initially limited to residents of Kampala city, whose views and opinions may not fully represent the entire public opinion of Ugandans on various matters.

Also, the paper was specifically focused on financing, as opposed to funding and support that are broader and may include non-monetary aspects. Rather, the modest goal of the paper was to flesh out the key issues, as well as the views of the various stakeholders on these issues. Also, there is no attempt in the paper to undertake a comparative with experiences of other countries, both in Africa and beyond. But in the light of the lively deliberations that took place, the realization that an effort needs to be made to address the above concerns has been acknowledged, and if and when resources permit, they will be addressed in due course. Other comments raised in the consultative workshop have been taken into account in this revised version, and more consultations and dialogue will be done, to expand on the scope of stakeholders that make an input into it.

Three methods were used to collect the information used in this report. A questionnaire was used to conduct a survey of public views from 200 randomly selected individuals in Kampala. From each of the five administrative Divisions of Kampala City Council, 40 respondents were selected to represent each of the socio-economic clusters, and the main political affiliations. Secondly, Key Informant Interviews were used to collect information from leaders and spokespersons of political parties. Thirdly, two Focus Group Discussions were conducted to get perceptions of various interest groups. These targeted the elite, and were held with students and lecturers in Makerere and Kyambogo Universities.

Introduction

The year 1990 marked the onset of the democratisation process in Africa, a shift from a political past of one-party systems and military regimes, and that promised to bring free and pluralistic elections in the continent. Whatever the flaws, the development of democracy that has taken place throughout has contributed significantly to the consolidation of civil and political liberties in Africa. As a result of this evolution, the role of political parties has gained critical relevance for the functioning of democracy. Within this context, consolidation of electoral contest has been recognised as one of the greatest challenges to the functioning and stability of democracy. Thus, the strengthening of political parties and the institutionalisation of party systems that adequately embody and represent the aspirations and interests of citizens has emerged as an unavoidable priority.

At the same time, the organisation and day to day functioning of a political party and its participation in elections have been recognised as activities that demand having sufficient financial resources, thereby creating an unavoidable link between money, political parties, and election campaigns. This relationship, in itself essential for the quality of democracy, has created concern over the past few years, as it became evident that money flows from private sources has often compromised the autonomy of political parties and authorities in the performance of their duties. Similarly, the issue of public funding has brought about a broad discussion as to its advantages and limitations.

The combination of these elements has encouraged various actors to devise and implement mechanisms intended to ensure greater equity and transparency in the funding of political parties and election campaigns. In this regard, and based on a shared premise that political funding is today a major challenge to the health and quality of democracy, Friedrich Ebert Stiftung, Uganda office considered it important to undertake a survey on the core issues surrounding this question. This discussion paper seeks to outline the key issues in political party financing in Uganda, giving both the public and corporate perspectives of those parties that participated in the 2006 elections on these issues.

Today, the funding of political process in Uganda is a burning issue both for the national Actors, and for their partners in the democratic development of the country, for the consolidation of democracy requires, as a precondition, the enhancement of the capacities of the political actors for action which can only be achieved by an equitable allocation of public resources among the actors. This is largely because the electoral playing field is more often than not, skewed in favour of the party in power due to the fact that it controls the human, material resources of the state, including the media and the press (which are so necessary during election time). Also the incumbent party in power may interfere with the private media which exists. As a consequence, the funding structure of parties is definitely biased in favour of the incumbent party, because of the absence of separation between the State and the party in power.

In such a context, it is very hard for the opposition to portray itself, and to function as, a countervailing power or a viable alternative to the incumbent power. As a consequence, an increase in the resources of opposition would help to create a balance of political forces likely to improve the structure of competition between political actors.

Presently, the change from the Movement system to multipartism still faces several challenges, which include: inability of new parties to survive over time; difficulty in establishing a network of durable structures across the national territory; lack of adequate resources; and incapacity to develop a comprehensive vision of the political situation.

It is therefore no surprise that, the issue of political funding has increasingly caught the attention of politicians, electoral authorities, scholars, and civil society representatives, under the premise that the conditions for the establishment, stability, and functioning of democracy depend, to a great extent, on a fair access to and allocation of resources for political parties, and on the transparency with which such funds are managed. The obligation to keep political parties permanently operating and dealing with expensive election campaigns created the need to raise large sums of money, thereby making the political system more vulnerable to practices such as illegal funding, influence-peddling, and in some cases penetration of money from illegal sources.

This makes it essential to have an effective legal framework for the funding of political parties and election campaigns. Below are five reasons why this is so:

First, an effective legal framework helps avoid abuse and influence peddling in political parties by interest groups or wealthy individuals, and thus contributes towards rebuilding public confidence in politics. It is not a coincidence that public demand for fair play in politics has motivated regulatory initiatives.

The second reason is to help create a leveled playing field for inter-party competition. Fair competition, it has been noted, is fundamental to multiparty democracy. Legislation on the funding of political parties and election campaigns may help bring balance to the conditions for competition, and make it easier for new parties to enter the political arena, while at the same time reducing the pressure exerted on existing parties by corporate or other wealthy groups active in the political sphere. Facilitating equal access to the media, particularly television, is another appropriate mechanism to promote equity.

Third reason for an effective legal framework is to empower voters, through rules on disclosure, providing them with the facts they need in order to make informed decisions on election day. By giving voters the possibility of effective sanctions, the system will promote good conduct on the part of political parties and candidates.

Fourth, political parties need to be strengthened and their development encouraged so that they can become responsible actors in supporting sustainable and effective democracy.

This places the regulation of political funding in the broader context of constitutional and statutory provisions concerning political parties, and certainly in the context of general thinking about the role of parties in democracy, including the relationship among party leaders, candidates, party members and citizens.

The fifth reason an effective legal framework is essential is to ensure a ‘minimum of reasonability’ in the use of public resources for political finance purposes. This is particularly relevant in light of the severe fiscal crises affecting the Uganda.

There are three basic problems that regulation of political finance needs to address:

- the autonomy of political parties,
- transparency in the use of all of the parties’ financial resources,
- enforcement of the relevant regulations.

Several options are possible:

1. The Autonomy Option emphasizes the freedom and private nature of political parties and minimizes the need for regulation, relying largely on self-regulation and the self-correcting mechanisms of inter-party competition.

2. The Transparency Option stresses the importance of public access to information related to party finances, so that voters will embrace their responsibilities and their freedom, and make an informed choice on Election Day.

3. The Advocacy Option provides for a set of detailed regulations on party finances, and entrusts their verification and implementation to an independent state agency.

4. The Diversified Regulation Option, is an amalgam, and combines ‘benign neglect, precise regulation, public incentives, and occasional sanctions’

2. The concept of political finance

While funding of political parties is intrinsically understood to be crucial, it nevertheless is an ambiguous concept. With political funding we mean: the way that political parties and individual candidates running for political office raise funds for election campaigns *and*, in the case of political parties, for maintaining themselves as organisations.

Political finance is a complex political phenomenon to understand. The topic itself is not very transparent. Even in countries that in general have great openness with regard to information from official and private sources, information about political finance is incomplete, across parties and across time, and it is hard to specify the impact of finance on political outcomes, for instance for election results.

In spite of the problems in estimating the precise impact of political finance there is little doubt that the actors themselves, parties and candidates, believe it is important.

The very fact that such information is not easily available proves that it is considered important. Moreover, in most countries there is an acknowledged need to have some kind of regulation of political finance.

Total absence of regulation, it is feared, will lead parties and candidates to be controlled by important donors. We can distinguish between four sources of political finance that in general are considered legitimate, although all of these forms may not be permitted in all countries:

- a) resources mobilised by the political parties themselves, such as membership
- b) fees, taxes on representatives, income from property, publications and
- c) subsidiaries controlled by the party,
- d) contributions from individuals,
- e) contributions from collective actors; such as by unions and other
- f) organizations and corporations etc, and
- g) subsidies from the state or other tiers of government.

Political Barometer: Key Aspects that Affect Parties and resource mobilization

A mini survey was conducted to get an overview of those factors that may have a bearing on party membership and their capacity to mobilize resources.

Active Political Participation

Politics is still largely an elite activity, with less grassroots engagement. True, most of the people we met identified with some political party, but a far lower percentage of respondents (26 percent) than those that identified with political parties describe themselves as card-holding members of political parties. It also suggests that identification with a political party scarcely translates into actual membership of that party, suggesting a weaker degree of commitment to that party. This also confirms severe limitations on the ability of political parties in terms of collecting membership dues, which in turn increases reliance on alternative sources of funding.

The survey also found that apart from attending political rallies most Ugandans interact with political parties of their choice only minimally. For instance, only 16 percent of respondents reported ever attending party meetings apart from party rallies.

Knowledge and Relevance of Political Parties

It is postulated that there will be greater popular support for financing of political parties if citizens are knowledgeable about the role of political parties and their relevance to the democratic process. For this reason respondents were asked their opinions about the functions of political parties and their assessment of the overall performance of political parties. Survey respondents were asked what they thought was the most important function of political parties.

On an ascending ranking scale of 1 to 7, where 1 is the least important and 7 the most important, respondents were asked to rank seven core functions of political parties. Public education was ranked by 22 percent of respondents as the most important function of political parties. Mobilizing membership support followed this as the next most important function of political parties, ranked by 20 percent of respondents. It can reliably be concluded from the data that many Ugandans are not aware of the other actual core functions of political parties and the important role they play in the democratic process, which includes providing alternative government, providing leadership, providing policy alternatives, and participate in shaping the political will of the people. It seems that Ugandans believe that political parties do in principle play an important role in the country's democracy, but have a limited idea, or at least a different interpretation, of what that role might involve in practice.

Problems Facing Political Parties

Respondents were asked to rank six identified problems faced by political parties in Uganda from the most pressing to the least pressing problems. On a scale of 1 to 6, where 6 is the most pressing and 1 the least pressing, lack of adequate funding was rated as the most important problem by 51 percent of respondents. Corruption was ranked next on the scale by 47 percent of respondents, internal party conflict followed at 32 percent and lack of adequate personnel was selected by 28 percent.

Party Financing

The survey included an extended set of questions to gauge perceptions on the current system of funding political parties, and to monitor opinion on the issue of financial support from the state. Broadly, this revealed a small majority in favor of the principle of state financing of political parties. However, this support appears fragile upon further questioning: state financing is perceived neither as the best answer to parties' funding problems, nor as an adequate means of leveling the financial playing field for parties. There is significant opposition both to raising extra taxes to support such policy, and to diverting resources away from public services to meet this extra financial requirement.

While the principle of state financing of parties finds some support, this is far from unambiguous when it comes to the details of the proposal.

Are sources of funding for political parties adequate?

Once again, there is a widespread perception that financing difficulties represent a significant barrier to the effective operation of political parties in Uganda. Almost two-thirds of respondents (61 percent) either agree or agree strongly that political parties in Uganda are weak because they lack financial resources. An even higher proportion (70 percent) said that political parties would perform their roles more effectively if they had sufficient resources. There is a widespread feeling that political parties are suffering from a lack of financial resources which hampers their ability to perform their democratic role. However, almost half the survey respondents (46 percent) describe funding sources to political parties as "very adequate", "adequate" or "just adequate".

Over a third of respondents (35 percent) said existing funding arrangements were “not adequate”. This indicates that party financing difficulties may be attributable to bad financial management and/or the general economic hardships as well as to problems within the funding system itself.

What are the current sources of funding for political parties?

Questioning about sources of party funding revealed varying levels of knowledge. Interviewees were asked to rank 11 sources of party funding according to their perceived importance. Around a third of respondents claimed no knowledge of sources of party finance, suggesting a lack of transparency and accountability on the part of the parties and their executives. Among the rest, overwhelmingly, the most widely cited source of funding was from the “personal funds of party leaders”, which 49 percent listed among the three most important income streams. Political parties are still widely perceived, it seems, as extensions of their leaders’ own personalities, and responsibilities. In this light, it is unsurprising that the persistence of corrupt practices is blamed more on the pressure for political leaders to personally finance their parties than on problems in the broader political system (although this in itself denotes a problem in the political system).

Some 38 percent of respondents believed that “membership dues” were one of the three most important sources of party income, despite the earlier finding that party membership is proportionately low and that this income stream may prove unreliable and unsustainable in the long-term. The third most popular response, given by 26 percent, was income from “private individuals”: this provides important context to the later questions on the need to regulate the size of such private contributions.

Conversely, the survey showed that few respondents believe that political parties receive significant income from “anonymous donations” (listed among the bottom three categories by 31 percent of interviewees), showing what may be overconfidence in the transparency of party accounting. 26 percent listed “public funds” among the bottom three current sources of funding.

What should the sources for funding of political parties be?

Opinion on where party funding should come from is equally revealing. Asked to select one option from the same list of 11 possible income sources, the most popular response (given by 21 percent of respondents) is that parties should draw finance from the personal funds of their leaders. Here again, parties are seen primarily as the instruments of their key figures. Whilst some focus group participants were of the opinion that funds should come from the leadership of the political parties, given that they stand to benefit or gain when the parties come to power, they also raised concerns that this could lead to corruption and that a few individuals could hijack the party.

The unsuitability of this source of funding was raised when the question was posed as to what happens to the party when such few individuals decide to leave the party or when their funding is not forthcoming?

“Membership dues” were the second most popular option for party funding, selected by 15 percent of respondents. Focus group participants also identified membership dues as another important source of funding for political parties. However they noted that it has been difficult utilising this source since most of the population identifying with political parties are not registered members, and do not pay membership dues.

It was agreed that there is a need for parties to conduct membership drives, and to encourage the general populace to belong to and contribute to the running of their parties. (It is also noted that parties need to structure their organization so that members at all levels can have a say and contribute). The example was mentioned of some countries where party youth go round throughout the year educating people on party beliefs and trying to convince people to join their party upon making a token payment.

Parties “own sources” (11 percent), “loans” (9 percent) and “foreign sources” (9 percent) were also rated as sources of funding.

In the same question, “public funds” was only the sixth most popular response, given by just 8 percent of respondents. This is despite the support found elsewhere in the survey for the principle of state financing of parties. While interviewees are prepared to voice support for state financing in principle, it is by no means seen as the best or only answer to party financing problems, and people do not support a reduction in spending on social sectors to support funding of political parties. Respondents seem more inclined to believe that parties themselves should address the lack of funds through personal intervention by leaders, or by more aggressive fundraising, before turning to public resources.

Another possible source of funding arising from the focus group discussions was that there should be a Political Party Development Trust Fund, for people and institutions to donate into. According to this view there is a lot of popular support by Ugandans for politics and political parties so people will voluntarily donate into it.

Some participants from the focus group discussions also agreed that the political parties could be encouraged to enter into income generating activities, for instance agricultural ventures. The state could provide logistical support for the political parties to undertake such fund raising activities. Others disagreed with this suggestion and noted that the priority should be for parties to be assisted to develop strong democratic structures.

Why Individuals Donate to Political Parties

When respondents were asked to mention three reasons from a list of 9 reasons provided in the questionnaire as to why people donate to political parties, personal favors came out as the highest rated reason (54 percent). The second most rated reason, to win government contracts, was mentioned by 31 percent of respondents. Political office (17 percent) came out as the third reason why people donate to political parties. This seems to suggest that there is a perception by the public that people give funds to political parties more generally for reasons of direct personal gain than of ideological conviction, which may have been reinforced by allegations of political corruption over the years.

Party Financing Legislation

The survey included a number of questions about existing party financing legislation. Respondents were asked whether the current law should be maintained so that ceiling is maintained on contributions, in cash or in kind, to the funds of a political party from outside Uganda. Just over half (56 percent) say that the law should be maintained as it is, but almost 40 percent disagree. This may confirm the knowledge that political parties in Uganda receive some support from foreign sources including Ugandans resident abroad despite the law.

This view corresponds to a number of earlier responses: for example, the finding that foreign sources are the fourth most commonly cited potential source of party income. A degree of conservatism may affect direct questions about whether the law should be altered. There seems, though, to be a general recognition that donations from overseas could provide a substantial and valuable contribution to party financing, despite the awareness that such sources bring additional problems. Focus group discussants also agreed that funding should be sought from external sources. They noted however that since the existing political parties' law puts a ceiling on direct foreign funding, any funds sought from foreign sources could be channeled to an independent body for distribution to all the political parties.

Some focus group participants were of the opinion that developed democracies are willing to provide funding to 'developing' democracies to help in the promotion of democratic processes, and that this is a possible source of funding. Funding of this type is aimed at democratic institutions, such as Parliament and political parties.

The response was clearer on the issue of a ceiling on individual contributions. Asked whether they agreed with the none existence of a ceiling as to how much citizens can contribute, a clear majority of 72 percent said they agreed with it, with only 20 percent expressing disagreement.

As suggested before, this needs to be seen in the context of the finding that private contributions are not seen as a particularly suitable source of party financing: only 5 percent of respondents said that private individuals should be a major source of funding, compared to the 21 percent who said that leaders' personal funds should be used. If respondents do not believe that private contributions should be a major factor in party financing, then they may not perceive any need for new legislation to regulate this income stream, and to set ceilings on donations.

Opinion on State Funding of Political Parties

There is a slight majority in favor of state funding for political parties, according to the survey. However, support is neither universal nor unconditional. Any such policy would be likely to face significant opposition from those who are unwilling to see existing public funds diverted to political parties, or tax levels raised; and from those who believe that state financing is not a solution to the under funding problems of parties nor to the corrupt practices which plague the system.

In response to a simple “yes/no” question about support for state funding of political parties, the sample divided into a 53 percent “yes” and a 43 percent “no” group. Respondents were asked to give reasons for their answer to this question.

Among those who said yes the following reasons were given: improve efficiency of political parties, 17 percent, and reduce party corruption, 9 percent.

Most of those who said no alluded to some of the following reasons: 21 percent that the national economy is not ready to support political parties, probably in the face of increasing demand for social services; 18 percent were of the opinion that it is only right that parties fund themselves; 9 percent responded that state funds be spent on more important issues.

3.8.1 What type of funding should be provided to political parties?

Further questions probed opinion about the details of any state financing policy. Cash-only support was endorsed by just 19 percent of respondents; over a third (34 percent) preferred support in kind, with a similar proportion (35 percent) endorsing both types of support provided in parallel. The focus group discussion was divided as to what to finance. Some favored financing the recurrent expenditure of the parties such as rent, utility bills, transport costs, salaries and training for party office staff, noting that all parties need support to conduct their activities throughout the course of the year in all parts of the country. Capacity building was cited as an important area that requires funding.

It was stated that parties must be helped by way of capacity building at their regional, constituency and even zonal level to enable them to harness human and other resources to develop the parties. Others favored funding only for public education, and for creating equal platforms and opportunities for the parties to get their message across to the electorate. Other focus group participants were of the view that political party funding must be looked at in the context of the existing political party law. The mandatory demands in the political parties laws must be supported with funds from the state, since it is the latter that makes the demands. To this end, support should be given for political parties to maintain offices in the constituencies for example.

Contrary to this some focus group participants felt that all political parties have certain responsibilities which should not be pushed on to the state, and the requirement to have party offices in over half of the country was one such case mentioned. It was then felt that once the parties had met their obligations then the State should assist with all that is left.

Adding to this, the focus group demanded greater accountability and transparency from political parties before any considerations on funding could be completed. It was suggested at the focus group discussion that an independent body should establish the areas of need of the political parties that require funding, to be done in conjunction with the political parties.

The issue of funding for party agents for elections was also raised at the focus group discussions. Asked whether the parties would trust their party agents to do their jobs properly if they are to be paid by the government, the response was yes. According to a participant, funding assistance should include training and per diem for the agents.

Parties may add something to what the state gives but at least there must be some basic per diem for them. It was felt that this would go a long way to help avoid conflicts as has happened in some countries. The agents must be trained for instance by the EC so that there is uniformity.

Where could state funds be sourced from?

The generation of public funds to support political parties is a key issue. One option would be to raise extra funds through taxation. In total, 45 percent of respondents believed that this would be the best way to fund the policy, either through indirect taxes (23 percent), direct taxes (13 percent) or various special levies (9 percent). However, asked whether they would in practice be willing to pay extra taxes to finance political parties, 64 percent of the survey respondents said that they would find this unacceptable, compared to just 29 percent who would welcome the proposal.

Taxes were increasingly mentioned by focus group participants as the most dependable means of raising funds to support political parties. It was felt that state funding for political parties should be raised from taxes because the people would be the ultimate beneficiaries, and thus they should contribute. Some opposition to this proposal was raised and it was noted that Uganda is a country where only a few people pay tax i.e. those in the formal sector, and thus it was argued that increasing taxes would put an undue burden on tax payers. Some participants contended that Government should find a way of increasing indirect taxes, without necessarily making it known to the general public that it is meant to fund political parties. Members in the group expressed the view that a good public education campaign on the need for such taxes would increase public support.

Asked whether members of the focus group would be prepared to pay such taxes, the answer was “certainly”, which differs from the finding of the survey where the majority of respondents said they would not be prepared to pay extra taxes to fund political parties. An alternative option would be to redirect existing public resources into political party financing. 29 percent of interviewees endorsed this as the best means to fund political party activity in Uganda. However, this too proves a fragile body of support: given a list of potential public spending areas, political party financing is given priority by only 5 percent of the survey. Education (32 percent), health services (30 percent), agricultural subsidies (17 percent) and water supply (14 percent) are, perhaps predictably, given greater weight by respondents. Some focus group participants concluded that if the state were to fund political parties funding would come from the consolidated fund, leading to a reduction of funds for social sectors, e.g., education, health, etc. They felt that this was not appropriate, and would send the wrong message to the general populace. They did, however, support the provision of logistical support from the state, for instance free advertisement and airtime on state owned radio and television.

Other options for state funding attract even more limited support: just 5 percent would endorse further government borrowing to underpin the policy, for example. Notably, 19 percent of interviewees simply did not know where such funds could come from.

The financing problem would be a serious issue in any policy decision: it is far from clear where extra funds could be raised without incurring significant opposition. From the public's point of view, support in principle for state financing of political parties does not seem to include a willingness to prioritize such a policy above preferences either for lower taxation or for better-funded public services.

State Funds Disbursement Formulas

Questions followed about the disbursement of funds to parties. Several options were perceived as possible means to determine the level of state support for parties. Almost half of respondents (47 percent) said that the most appropriate factor should be the number of total votes won by each party in the last election. Other options for disbursement also found significant support, with little differentiation – the number of regional party offices (32 percent), the number of Parliamentary seats won (27 percent), and state matching of a percentage of the party's own contributions (27 percent).

Support for extending state support to independent candidates is limited at just 30 percent of respondents, compared to 59 percent who would oppose such a move. Respondents clearly believe that levels of state funding should be tied to the existing size and popularity of parties, whichever technique of measurement is used to decide this. This needs to be set against the oft-repeated argument that state financing would not be a tool for “leveling the playing field” for political parties in Uganda since larger parties could actually have their advantage reinforced by a financing system that operates in this way.

When the question, *How should the fund be distributed?*, was posed at the focus group discussions, participants agreed that a formula for disbursement should be put in place. It was agreed that there should also be clearly defined criteria applicable to all parties to determine which political parties qualify to have access to the fund.

Some factors that were suggested to be taken into consideration in developing the formula were: the number of seats a particular political party has in parliament, the total vote a party obtained in the last general election, the number of functioning regional party offices, and the number of years a particular political party has been in existence. As to who determines the formula it was generally agreed that whatever the formula it should be devised through parliamentary agreement and approval. However, some were of the opinion that the party with the majority in parliament could twist the development of the formula and weigh it to their favour. Others argued that since a majority in parliament is not a preserve of any one political party, it would not be much of a problem.

Should independent candidates receive funding?

Some focus group participants were of the view that independent parliamentary candidates should be funded, but not independent presidential candidates. Their reasons being that the independent presidential candidate does not have any party offices to maintain and should he win power he would have no parliamentarians to form his

cabinet, and would end up choosing his cabinet from the existing political parties. Also, if such candidates are allowed to access the fund, it could lead to a proliferation of independent candidates.

Other participants were of the view that independent presidential candidates should be allowed to access the fund since they would need to go around the country campaigning to sell their views. In addition, if an independent presidential candidate qualifies by the criteria set up for accessing the fund, then just like the independent parliamentary candidates, he or she must be allowed to access the fund.

When to Disburse State Funds?

The survey also addressed the issue of when to disburse funds to political parties. The responses indicate an emphasis on funding for election campaigning above the day-to-day logistics of party operations. Over half of all interviewees (51 percent) think that all funding should be provided in election years, with only a quarter (25 percent) opting for an annual disbursement, which could provide a smoother flow of funds for ongoing activities. A smaller percentage (19 percent) was however of the view that funds should be provided immediately after general elections, presumably so that funding can better reflect the results of the ballot.

At the focus group discussions, some argued that political parties are expected to perform throughout the year, and thus funding should be disbursed yearly. Others thought that political parties would be able to build their structures and develop properly if the funding was geared towards capacity building and released quarterly. Yet others thought that distributing the funds every two years would be sufficient.

Who should be in charge of the funds?

Should the state decide to finance political parties, the survey suggests that the Electoral Commission would be the favored body to oversee disbursement of the funds. 32 percent of respondents nominate the EC; this compares to 18 percent who would endorse oversight by Parliament.

The focus group forum generally agreed that the EC should be in charge of any funds for political parties. It was however noted that there is the need to find out whether the EC would be able to add this additional responsibility to its existing responsibilities. The forum concluded that the EC would have to be given the additional capacity to manage the funds if necessary.

Only a few members mentioned the setting up of an independent organization to manage funds for political parties. The advocates of such a new body elaborated on this preference, stating that legislation would establish this body and give it independence/neutrality. They argued that the EC is already burdened and care must be taken so that its credibility is not marred.

Concluding this section, there is a slight majority in favor of the principle of state financing of parties. However, this is only a narrow majority, and support is fragile. State financing is not broadly seen as the best remedy to the under funding of parties, nor unambiguously as a way to level the playing field. Support is qualified by reluctance to countenance increased taxation, or to divert funding away from public services.

3.12 Perception of Corruption in Political Parties

It is necessary, then, to turn to the argument that state financing of parties would be a valuable anticorruption instrument. In this context, the survey found a widespread belief that the provision of state funds to political parties would bring with it strict requirements for fiscal transparency. An overwhelming 87 percent of respondents agreed that there should be “regular and thorough auditing of parties” once they receive public funds, with only 8 percent maintaining that parties should be able to keep their accounts secret despite the injection of public money. Whether this requirement for transparency would add significantly to the fight against corruption, though, was less clear: this is examined in the following section of the survey.

The study asked questions of respondents to determine perceptions of the level of corruption in politics, opinions about its relationship to the structures of party funding, and the extent to which state funding of parties could be seen as an instrument in addressing this problem. Broadly, it found that while corruption is indeed seen as a serious problem, its perceived causes are such that state financing of parties may not in fact be the most appropriate way to achieve its reduction. Consequently, the anticorruption argument is also unlikely to be a universally successful way to solicit support for the use of public money to finance political parties.

The survey found that a large majority of respondents believe corruption to be a problem within political parties. Asked a simple question about whether corruption exists in political party organization, 80 percent of respondents agree that it does, against only 9 percent who believe that it does not. We might expect that this would significantly affect feelings about politics in general; indeed, the survey finds that an even larger proportion, 85 percent of respondents, believe that citizens’ attitudes to politics are affected by the level of corruption within parties. It appears that even some respondents who do not see corruption as a problem in itself recognize the damaging effects that perceptions of corruption have had on the political process.

When respondents were asked to mention types of political corruption, unfair business (42 percent) and kickbacks (40 percent) were cited as the greatest manifestation of political corruption in the country. Political appointments and extortion followed next on the scale, mentioned by 39 percent and 27 percent of respondents respectively.

Respondents increasingly mentioned unscrupulous politicians, 42 percent of respondents said that they are the main cause of political corruption in Uganda. This actually raises a question as to the caliber of people who enter into active politics in Uganda and whether corruption is synonymous with the practice of politics in the country. It also suggests a public perception that corruption is more a product of individual misbehavior than of systemic problems: as later findings confirm, this suggests that changes to the funding

system would have a limited impact on levels of corruption. Non-transparency of political party finance activity was cited by 29 percent of respondents as the possible cause of political corruption in Uganda. Lack of effective censorship by the appropriate agencies was also mentioned by 27 percent of respondents and inadequate legal provisions by 10 percent of respondents.

Do donations influence political decisions?

A majority of respondents (68 percent) believe that donations by individuals to political parties have some effect or influence on political decisions and on public policy. This may appear unsurprising: it is not uncommon in a democracy (though it may not be particularly desirable) for major party benefactors to expect that their voices should be heard in party decision-making.

Of more interest may be the 27 percent who believe that individual donors have no impact upon party policy; as suggested above, this may be because they believe that donations are more often intended to bring personal favors and contracts than political voice, or that individual donations are simply not a significant source of party funding.

Experience of corruption in politics

Typically for a survey of this kind, far fewer respondents admitted to any direct experience of having encountered corruption in politics than professed an awareness of the existence of the problem. Just 9 percent said that they had been offered money, or anything in kind, to vote for a political party (just over 5 percent were unwilling to answer the question, while 84 percent denied having encountered such an offer). Again, the extent to which this low figure is attributable to a reluctance to admit personal involvement in any form of corruption must be left to judgment; however, the high proportion of respondents who lacked any informed opinion on the types of corruption prevalent in parties does support a view that the perception of corruption is based as much on hear-say and media reports as on personal experience.

Of those who did claim to having been offered money or other incentives to vote, a significant proportion (over a third of those who answered the question) admitted to letting the offer influence their behavior. A similar proportion, 31 percent of all respondents in the survey, said that they would take a hypothetical cash or kind offer to vote for a particular candidate or party. The fact that such a high proportion admit that their vote is open to material influence may seem surprising; it does suggest that the extent to which respondents minimize their own experience of corruption should not be exaggerated.

Party Funding and its Effects on Corruption

The survey sought to gauge opinion about the extent to which reforming party financing structures would have an effect on corruption in political parties. While there is strong support for increasing measures of transparency in principle, the view is widespread that corruption is so entrenched in politicians themselves that the problem will not be significantly affected by such reforms.

On issues of transparency in party finance, the survey finds a fairly consistent split between a majority of 80 percent who feel that fiscal transparency is an important obligation for political parties, and a minority of 20 percent who see it as a less necessary goal. 79 percent of respondents agree that it is important to know the major source of funding for political parties; 17 percent disagree. Similarly, 81 percent believe that political parties and politicians should fully disclose to the public sources of funding, compared to 17 percent who say such disclosure is unnecessary.

Demand for parties' financial transparency remains remarkably consistent whether it refers to income or expenditure. 78 percent agree that parties and politicians should fully disclose amounts of funds received, while 79 percent say that records of expenditure should be fully transparent. Responses here may, it seems, be based on general support for the principle of transparency in the public sphere, rather than on any differentiated opinion about the relative importance of accounting for income or expenditure.

Support for full fiscal disclosure falls slightly when respondents are asked about specific budgetary items. 74 percent agree that parties and politicians should fully disclose allowances to party officials, while 76 percent would support disclosure of campaign expenditure. Although support for accountability is strong, the principle of full transparency is evidently not universally accepted; this may be a reflection of a powerful culture of official opacity.

The survey therefore finds both a widespread perception that corruption is a real problem in politics, and generally strong support for the principle of accountability for political parties. As noted above, it also finds that 87 percent of respondents believe that parties would need to be regularly and thoroughly audited if they were to be granted public funds through any state financing program. It might therefore be expected that the survey would find a strong presumption that providing state financing, and thus increasing transparency, would be an important instrument in addressing the corruption problem. However, this is not fully borne out by further questioning.

When asked simply whether respondents think that state funding will reduce political corruption, 53 percent of interviewees believe that it will not help address the problem. 41 percent think that state funding is a useful anti-corruption tool, while 4 percent remain undecided. This at first glance seems counterintuitive, given earlier findings: however, further probing into respondents' opinions reveals that perceptions of corruption rest more on a lack of trust in individual politicians than in systemic weaknesses. Findings here correspond roughly to the earlier question on what accounts for corruption in politics; clearly, an individual's belief about what causes corruption is key to their proposed solution to the problem.

When asked to give a reason for their answer, 49 percent of survey respondents, (almost all those who see little anti-corruption benefit in state funding of parties), said the practices of corruption have simply become habitual among politicians. Altering the sources of income will do little to affect these patterns of behavior.

Those who believe that state funding will reduce corruption are divided between the opinion that shedding light on party accounts will itself reduce the opportunity for corruption (14 percent of the total sample), and those who think that the extra supply of funds will simply remove the motivation to increase income through dubious means (18 percent). It appears, then, that around half of all respondents do not believe that state financing of political parties will address the deep-seated problems of corruption, which they see as primarily attributable to personal habits and practices among the politicians who determine the course taken by their parties.

Given this finding, the anti-corruption argument is unlikely to be a particularly effective tool either in building support for a policy of using public funds for party funding, or for persuading those who would be unwilling to pay extra taxes or divert existing budgetary resources for this purpose.

Corporate Perspectives of parties

To complement the above broad public overview of issues surrounding financing of political party activities, an attempt was made to secure the perspectives of the main political parties, particularly those that participated in the 2006 presidential and parliamentary elections. No attempt is made here to claim that there is an agreed position within each political party on each of these issues. Rather, key political party leaders authorised to represent the views and positions of these parties were contacted, and their opinions can serve as a sound basis for debate of the key issues amongst the main stakeholders in the political process. For Uganda Peoples Congress (UPC), the Assistant Secretary General, Mr. Chris Opoka-Okumu was interviewed. Mr. Wafula Oguttu, the Spokesperson of Forum for Democratic Change (FDC) was interviewed, while for the Democratic Party (DP), the Secretary General, Dr. Mike Lulume Bayigga was interviewed. The ruling National Resistance Movement Organisation (NRMO), declined to participate as its key officials were occupied with national duties at the time the interviews were being done.

The issues addressed in this section included the following:

- The legal framework and how it impacts on the resource mobilisation strategies of each party
- Strategic plans, budgeting, and accountability
- Existing sources and modalities of financing parties in Uganda
- Alternative strategies and proposals for resource mobilisation

The legal framework and how it affects financing of political parties in Uganda

As of today, Uganda has 33 registered political parties. The registration of parties was just transferred from the Registrar General to the Uganda Electoral commission barely a year ago. Article 71 of the 1995 Constitution specifies the principles to guide and qualify political Parties in Uganda.

The Political Parties and Organisations Bill also regulates the functions of political parties. There is no specific control of how much parties can spend.

It only requires parties to submit assets, liabilities and audited accounts annually, and declare sources of income.

According to the Electoral Commission, Less than a half of the 33 parties have met their statutory requirement to submit audited accounts. This would call for penalizing these parties, but this has not happened as yet. This has been partly because, a distinction needs to be made between what is legal and what is just in the way parties are handled.

By their very nature, parties are public entities, and it is in the interest of the public for parties to be transparent and accountable. This can help in attracting support. It makes their supervision easy, and stakeholders can monitor all developments in the parties.

Some enabling laws for parties are yet to be put in place, such as a Code of Conduct, and the law on the Inter-Party Forum.

In the assessment of the Electoral Commission, compliance with the Political Parties and Organisations Act is still low. Constantly chasing parties to comply is difficult, and some parties melt away and disappear when one tries to trace them.

For this study, all the three parties emphatically asserted that the legal regime, specifically the Political Parties Act, constrains and limits the opportunities open to parties in terms of mobilising resources. UPC pointed out that the Act restricts the amount of foreign funding that a party can get. It also mentioned that there are restrictions on individuals since there is a requirement that a declaration of who has given must be made. Also, the currency points mentioned in the Act are not clear. However, they were quick to observe that as yet, the provisions of this Act have not been enforced on any party so far. Even then, the restrictions linger in the minds of the party leaders and act as a restraining factor.

UPC however agreed with the restrictions on the amount of money a party can get from outside sources. To them, this is a universal principle meant to protect countries from the pervasive influence peddling from big financiers who would be able to wield a lot of power over parties, and the national destinies of entire countries. But they qualified this restriction further, specifying that it should only apply to a single source, and not all sources.

DP also stated that the Act constrains them. Foremost, they decried the mandatory disclosure of the sources of funding. This is prohibitive in the sense that some funders may prefer not to be named for fear of being witch-hunted by the incumbent regime. DP implied that there could be a sound rationale for restricting the amount of funding a party gets from outside, but this would be in the future and not at the moment.

FDC also pointed out that the disclosure requirement violated the anonymity that businessmen, soldiers and other big funders would need to be safe when they give funds.

Similarly, they stated that the ceiling of one hundred million shillings on funds from outside the country was not realistic given the needs that parties have. For instance, this amount is what can meet only the recurrent expenditures of FDC for one year at the headquarters only. Interestingly FDC supported the restriction on the amount of funding coming to a political party from outside the country. But they emphasized that this must be agreed mutually by all parties and not be set arbitrarily by the state. One criterion that could be used to set this would be as a percentage of the overall budget of each party annually, and gave an example of 50%. And added that after all the donors finance more than 50 % of the entire national budget!

Resource requirements for the effective operation of political parties in Uganda

Each of the four parties has a party headquarters. And they specified that they need rent for the premises occupied by the headquarters, they need full-time paid staff to run their offices. They also need to pay for utilities of telephones, water and electricity. They also need stationery, transport, and all ordinary office requirements. A similar infrastructure is needed at the districts at a lesser level, and also at the sub county.

Other expenses parties have to incur include transport to constituencies, sensitisation of the people in the district, youth mobilisation seminars, and facilitating party members who travel from districts to come to the party headquarters with transport, food and accommodation.

One party reported legal fees in courts of law as a very significant expense they have had to incur. Public announcements of meetings and various party events were also mentioned as a major expenditure category.

In respect of staff, UPC has 15 people, DP has 10 staff while FDC has 5 staff. But these were variously described as volunteers or would-be-employees.

Strategic Plans, Budgeting and Accountability

Strategic plans, budgeting and accountability are considered the main pillars of both mobilisation and proper utilisation of resources for party activity, and this is the reason they were given consideration in this study. Each of the parties reported having a strategic plan. That of UPC was made in June 2006, while that of FDC was made in August 2006. Each of the parties also reportedly made annual budgets. The process followed varied slightly. UPC reported that the Treasurer and Secretary General are the ones who prepare the budget. Their process involves asking each department to submit their requirements. It is these that are synthesised into a budget. DP reported that their annual budget is derived from the strategic plan. The party leaders are jointly involved in making this budget, but after it is prepared, a stakeholder's workshop is convened to discuss and agree on its contents. For FDC it is the Treasurer and his deputy who prepare these annual budgets, and they also ask all secretaries on the executive committee to submit their annual department needs for the year. Fortunately for this party, the two key officials who spearhead the budget process are trained accountants. FDC specified that its annual budget for the headquarters currently stands at ten million Uganda shillings.

In terms of trends, each of the three parties reported deficits for the last two years. DP attributed these deficits to three main factors. First are the weak or no financial structures to mobilise resources. Secondly, the incomes of members of the party have reduced so much that they can no longer continue to pay subscription fees. Thirdly, there has also been some absconding from the responsibility to pay by other party members. FDC reported that the deficits in their budgets arise from the fact that the expected incomes most times are not realised.

Concerning accountability, FDC was unequivocal that financial records of political parties should be open to the public, and government should have access to these financial records. This is the only way that transparency can be invoked across the board. It must also be noted that only FDC of all parties, reported to have submitted financial reports to the electoral commission in the last two years.

DP, while in favour of transparency in the utilisation of party resources, did not subscribe to the view that financial records of parties should be open to the public. Their apprehension was that if this were to happen, the public may become more focused on the expenditure figures, disregarding the political outcomes directly associated with those figures. And this may derail the political process. As to the opening up of financial records of parties to government, DP tagged this to that part of funding that a state has advanced to parties for the running of their secretariats, and not to all other finances a party may have used.

For UPC, financial records of a political party should be open to the public in two ways. First of all to all the members of that particular party, and secondly to public institutions. For example it is right to file some records with the Electoral Commission. But opening financial records to everyone indiscriminately was deemed counter-productive, and unnecessary. Government access to the financial records of parties was also seen as inevitable if they are to enforce the restrictions on foreign funding to parties. But this also was proposed to be through the electoral commission.

Existing sources of financing political parties in Uganda.

Here, an attempt was made to first get an estimate of the numerical strength of each party as a pointer to its basic resource, the membership. Definitive answers were not given. The reason was that this strength would be imputed from party membership cards bought and possessed by them. Because the time parties have been allowed freedom to operate openly, parties have not yet finalised arrangements to have detailed and up-to-date databases of the membership of these parties. Another reason was that whereas parties have been allowed to operate openly, the atmosphere of no-party still pervades. People fear to openly declare their party affiliation for fear of victimisation and persecution, both subtle and covert.

DP reported to have sold 500,000 party cards. FDC estimated its party strength at between four to five million people. UPC said its supporters were so cowed that they have not yet come out openly to show their affiliation.

For each of these three parties, they ruled out any support for the idea that party members who contribute more to the party should by virtue of this exercise more control in the party. UPC said: “the party will then be owned by the rich!” DP stated that: “rights under the constitution should be the same for all members”. FDC simply said: “No!”

The next resource category considered was assets. DP stated their assets as largely office equipment. FDC mentioned a car and office furniture, but added that they were in the process of completing the payment for the premises that house the party headquarters. UPC did not specify the party assets, but mentioned Milton Obote Foundation, which owns several assets including Uganda House, a thirteen floor estate property in the city centre.

All parties stated that their members are their main source of resources to keep the parties running. Not only do they contribute in kind, but they also give generously of their time and effort. For UPC the 3 main sources of resources included a contribution of the members of parliament that belong to UPC. Each contributes 200,000 shillings from what they earn in parliament each month. The Milton Obote Foundation funds particular events organised by UPC. Thirdly, supporters and sympathisers in the Diaspora also mobilise resources and contribute to the party’s cause. DP mentioned project funds from foreign friends, sporadic fundraising events, and contributions from party leaders and members of parliament.

It was also of interest to look at whether the party’s ideology and philosophy can stop a party from accepting resources from particular sources. DP specified that as a centre-right party, the resources they get from social democrats cause a lot of unease in their centre-right friends. FDC cited specific sources that they cannot accept resources from. Al Qaeda, racist institutions, anti-feminist foundations and anti-human rights agencies were among these. But all those sources whose ownership is against core party principles are not admissible. UPC took a pragmatic position, and did not specify that money from specific sources was not welcome.

Alternative strategies for Resource Mobilisation

Before exploring other alternatives, it was critical to learn if it is possible for parties to be entirely financed by the members from their subscriptions. DP reported that this is possible, but difficult, judging from what the experience of fifty five years had taught this party. FDC took a similar view, saying it is possible but difficult. UPC considered it impossible for a party to sustain itself only from the contributions of its members.

The first option that was exclusively discussed was that of the state financing political party activities. UPC was of the view that it is right for the state to fund political parties. But this should not be done equally. Their reason was that equal funding would increase inequality among the parties, largely because some of the existing 34 political parties that are registered are pseudo-parties, created by the ruling NRM. They proposed that it is important to agree on a definite criterion, such as the number of members of parliament that a party has.

FDC agreed to the government funding of political parties. First of all, they pointed out that the ruling party has unlimited access to government funding outside the law. They proposed that this funding should be proportional to the numerical strength of a party. They also pointed to a need to apply strictly the qualifications of an organisation to qualify as a political party, as a way of excluding pseudo-parties created by the ruling party.

DP considered state funding of political parties as the right thing, which to them was long overdue. Their proposal was that such funding should be limited to the operational costs of each party, and that the amount should be fixed for all parties on a clear standard such as the presence of representation in parliament.

The second option considered was that of parties engaging in business to get profits to finance their activities. UPC was of the view that it is wrong for parties to engage in business, because this would detract from their original mission that is primarily political, rather than economic. Instead they proposed that what a party can do is to invest in stocks and shares of companies. Another option was for parties to have an endowment fund which would free parties to concentrate on their political mandate. At worst, parties may create subsidiaries that are charged with their business interests, so that they are left free to discharge their political mission. They observed that their fundamental objection to parties engaging in business was mainly because if they were to do so, the temptation of a party in government to divert state resources to invest in their businesses would be high.

DP was of the opinion that income-generating activities would cause disharmony in parties, and would divert leaders from their political goals to making money. Most importantly, if a ruling party engaged in business, there would be ample opportunity for it to evade taxes with impunity. The example cited was the company called DANZE which conducted business on behalf of NRM and was discovered not to have been paying taxes for a long time.

FDC saw nothing wrong with parties engaging in business, other than the worry that government would frustrate the profitability of such businesses. Areas good for parties to invest in were mentioned as import and export trade, dairy farming and printing and publishing which would enhance the parties in disseminating their messages.

Thirdly, deduction of money from members of parliament as a source of party financing was discussed, because all the parties reported that they were benefiting from this source. UPC pointed out that this must remain restricted to political offices, and must steer clear of civil servants who are supposed to be apolitical.

DP looked at this matter as one specific to the policies of each party, and not as an enforceable universal standard. FDC also supported such deductions as a legitimate source of funding.

In the light of the common challenges faced by parties, it was important to ascertain whether they were aware of what other parties were doing to mobilise resources, and whether they meet and share experiences and information on this matter.

FDC said there were no such interactions, ever since the loose grouping known as the G6 tried in vain to pressurise government to enact a law to assist national parties on this account. UPC stated that they were aware that other parties outside government were facing similar difficulties in resource mobilisation, and were also relying on charity and donations. Their ideal situation was the Canadian experience where the tax-payer foots the bill of political parties. DP pointed out that they were aware that the ruling party, NRMO, is exclusively funded by the state, in contrast to other parties that are funded by the contributions of their members.

In the circumstances, it was of interest to also make a glimpse at what parties had in plan with respect to diversifying their sources of financing in the future. DP mentioned five strategies: sale of party cards, fundraising drives, sale of party merchandise like magazines, T-shirts and emblems, contributions from elected leaders, and, pressing for government funding. For better financing of political parties, DP made four suggestions: civic education should be a function discharged by the parties, and state funding for this be channelled through political parties that are national in character, and are represented in parliament. Secondly, there should be a waiver of taxes on materials and merchandise destined for party activities. Thirdly, DP called for freeing the media, so that parties do not need to spend a lot on publicity and buying out of reporters. Finally, they called upon government not to interfere and frustrate parties once they are involved in business.

FDC had in plan the raising of money from cards of different grades, mobilising contributions from the Diaspora, and was also targeting corporate funding from within the country from business concerns. They strongly suggested that there must be established a clear separation between the party and the state in the case of a ruling party, as a way of checking the unrestricted access of a ruling party to state resources, particularly though combining state and party functions.

For UPC, their future strategy was establishing a micro-finance outlet, investing in stocks, and investing in publishing and printing. They proposed that government funds those parties with a representation in parliament, modification of the restrictions to foreign funding so that it applies to a ceiling from a single source, and the buying of shares and stocks in companies like banks

Logically, it becomes inevitable to consider the broad context within which political parties operate in Uganda. The social, political and economic conditions need to be examined. Besides the challenges of resource mobilisation, parties pointed out other limiting factors to their full and free operation. FDC stated that the biggest obstacle is the government viewing other political parties as enemies of the state, and therefore not listening to their ideas and taking them into account in policy formulation and implementation. The other big challenge is the state bribing members of the parties outside the ruling party, intimidating them, and imprisoning them on trumped-up charges.

DP pointed out four challenges. Repressive orders by the incumbent government, the despondency of an intimidated population, a non-independent lop-sided media and partisan press, and internal factionalism and parallel centres of power within parties, partly fuelled by external sources of financing.

UPC pointed to the challenges of restrictions on parties to access the population and explain and clarify their point of view. This belied their second challenge of the disinformation and misconception that has arisen out of two decades of concerted NRM propaganda against UPC, as the root cause of the national crises facing Uganda.

IMPLICATIONS AND WAY FORWARD

Conclusions

A number of conclusions can be drawn from the research, some of which raise serious concern about the sustainability of multiparty democracy in Uganda. The following concerns are particularly noted.

1. There are currently a number of misconceptions amongst the public about the role and functions of political parties, and how parties should operate and survive financially. There needs to be intensive public education about the roles and functions of political parties, including the need for competitive and viable political parties to ensure a democratic political system, and that political parties are expected to play an important role in the democratic and good governance process. Parties must be regarded like other democratic institutions that are funded by the state.
2. Although there is high recognition that parties would perform more effectively if they were well resourced, and that lack of funding is a primary problem facing parties, state financing of parties is not widely supported by the public. In the study the public cites personal funding by party leaderships as their preferred source of funding the parties. This expectation is disturbing because it encourages political corruption and control of parties by the rich.
3. There are significantly high perceptions of corruption in politics, and lack of transparency and accountability among political parties. Also, the findings establish that the main reason for donating to parties is for individuals to gain personal favors, kickbacks, win government contracts, and gain political appointment. Vote buying was also demonstrated, and almost one-third of respondents agreed that they would take cash or goods offered to influence their vote. Public confidence for funding needs to be built, and the perception that politics is a moneymaking exercise needs to be eroded. Political parties need to adhere to codes of conduct, and ensure financial transparency and accountability.

4. There is consensus that the PPOA needs to be amended. The Act needs to focus more on the external conduct of parties, and leave the internal conduct to the party frameworks themselves. Auditing and transparency are important and essential, but we need to guard against them degenerating into empty rituals.
5. The two main funding needs of political parties are the recurrent expenditures at national and district level, as well as civic and voter education.
6. The state should fund parties. But this should not be taken to mean that it should fund them wholly, and without a clearly streamlined procedure. There are unmistakable advantages as well as limitations involved in state funding.
7. Other funding options need to be explored by political parties. Creative approaches to galvanising local resources through all legal means need more consideration.
8. Ensuring accountability and transparency is not easy to guarantee by legal restrictions and requirements alone, however many and elaborate. Civic education to party members to demand accountability of their leaders is a possible point of pressure.
9. Political party financing may not be the biggest, or the only challenge parties are facing. But, without resolving it, the sustainability of multiparty democracy in Uganda hangs in delicate and fragile balance.
10. The primary role of financing parties must lie squarely on each party's membership and leadership. Other sources can only come in as complementary to fill identified gaps.
11. Internally, each party needs to institutionalize a code of conduct to set and enforce value standards. Restrictions on external financing and conduct of parties is also very necessary. But it requires to be agreed through consensus by all the parties, rather than being imposed on them from without.

These areas of concern need to be seriously considered. A number of recommendations have been made in the following section, seeking to address some of these issues.

Recommendations for Parties and other Stakeholders

Ugandan political parties enjoy a reasonable amount of popular goodwill and support amongst the public. However, it appears that the public goodwill and support does not run very deep. This has obvious implications for tax-payer funding for political parties. Presumably, greater popular support and confidence would increase the willingness of the public to support state funding of political parties.

The prevailing situation of high levels of popular party identification, but low card-holding membership of parties suggests weak actual commitment of Ugandans political parties. The lack of such commitment may partially explain the weak popular support for state funding. Parties must therefore work hard to translate the vast latent support into actual and active support. Since the public also holds poor perceptions about the parties' organization and conduct, internal party reforms may be one method to increase support for parties.

In order to create the necessary environment for public support and confidence for state funding it is recommended that the political parties team up with appropriate public and civic bodies to educate the public on the actual functions and roles of political parties (as opposed to the currently perceived functions). It is important that the public recognize that competitive and viable political parties are key players in the democratic governance of the country, and that politics should not be seen as a moneymaking exercise. Parties must also demonstrate high levels of transparency and accountability, and anti-corruption measures, to enhance public confidence. There needs to be a positive shift in behaviour and attitudes, amongst both the public and political parties.

Taking the weak public enthusiasm for direct state funding, together with the expectation that party leaders should take responsibility for funding their respective parties, parties must do a lot more to correct any erroneous impression that they want to get cheap and easy money from public coffers. Parties must also endeavour, through their actions and public education, to convince the public about efforts they are making to be self-supporting through legitimate fund-raising. This also suggests the need for pro-active efforts at widening their membership base.

Given the reluctance of the public to endorse the redistribution of funds from social services towards party financing, it is also unlikely that the public would favour state funding of parties where it entails direct trade-offs. Elites' suggestions for raising revenue to fund parties through additional taxation might meet significant resistance. Other legitimate means for sourcing state financing should be explored, for example, a controlled fund for parties that is generated through donations and contributions by the private sector, organizations and individuals.

Since the public is sympathetic to the idea of foreign funding, it may be self-defeating to insist on the retention of the limit of five thousand currency points in the. Modalities on enforcing the conditions of full disclosure of source and amount, and the possible institution of ceilings and other conditions need to be arrived at by all the parties, and not unilaterally by the state as is the situation now. This can also clear the way for international donors (private and multi-lateral) to contribute funds into a multi-donor basket to support parties.

Stakeholders of Uganda's democracy can reduce the funding handicap of opposition parties by working actively with public and non-public anti-corruption institutions currently monitoring and checking over-exploitation of incumbency (abuse of state resources) and the abuse of resources in general by political parties and their officials.

If successful, such efforts will help to equalise opportunity and access to resources vis-à-vis the ruling party.

Rightly or wrongly, the public holds strong perceptions of high levels of corruption, and low levels of transparency and accountability amongst political parties. The parties must recognize these perceptions and take steps to correct them through reforming their structures. Parties should adhere to codes of conduct and ethics, particularly during election campaigns, and they should be held accountable for any breaches of conduct. Parties must increase transparency in their financial affairs, and cooperate with the Electoral Commission to enable it to undertake its audit duties. Monitoring of the parties by the EC and civil society should be strengthened to ensure compliance with existing laws. Strengthening financial regulations, and particularly the implementation and enforcement of the regulations is essential.