



Article

The Challenges of Financing Political Parties in Nigeria: A Focus on The All Nigeria People's Party (ANPP)

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Abstract

A detailed analysis of party finance in Nigeria indicates that there is partial cartelization of party politics parties in Nigeria, as a result political parties heavily depend on the state or some individuals "who have access to state funds for their finances. Consequently, this has severely limited the capacity of the political parties in general and the ANPP as an opposition party in particular from either having access to finance or generate the necessary finance needed to carry out its functions before, during and after elections.

Keywords: Political Party, Opposition Party, Party Finance

Introduction

Strong opposition political parties are essential to open, competitive democratic politics, particularly in emerging democracies like Nigeria. Political parties in general and opposition parties in particular need funding in order to survive, compete, and perform their democratic functions, both during and between election campaigns. However, political finance and those who are responsible for generating finance must times constitute threats to democracy. In Nigeria, the electoral acts of 2002, 2006 and 2010 specify how political parties should generate and manage their finances, but the laws contain some grey areas upon which individual political have capitalized on to engage in non-transparent financial dealings at the expense of the parties. For democracy to flourish within existing scarce resources, an effective, equitable and sustainable party finance is regarded as a way forward (CDD, 2005). Indeed, a strong financial base for all political parties is a potential driver of political parties' vibrancy and competitiveness. Once an

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opposition party has failed to create a fertile environment for generating funds, it opens up rooms for 'money bag' to hijack the party and use it to actualize their own selfish interest.

Methodology

The article relied on face- to- face interview conducted with the major stakeholders of the ANPP between 1999 and 2009. The selected informants were selected base on their positions in the party at one or the other and the by virtue of the role they had played that had some impacts on the party's finance. In order to make the article theoretically informed, secondary data were used.

Conceptual considerations

Political Party:

Political parties have long been recognized as essential components of representative democracy. Indeed, it is difficult to imagine how the governance of modern democracy could be accomplished without meaningful political parties. By organizing voters, aggregating and articulating interests, crafting policy alternatives and providing the basis for coordinated electoral and legislative activity, well-functioning political parties are central not just to representative government but also to the process of democratic development in transitional democracies.

Political parties are among the most crucial institutions in democracies (Heywood, 2002). Parties embody both participation and institutions, and they are essential in to regulating a balance between them. Political parties do not only contest elections, but also mobilize and organize the social forces that energize democracy on a continuing basis. Political parties connect leaders to followers and simplify political choices, framing them in terms of citizens' own interest.

Parties perform a number of essential functions that make democracy in modern states possible. Ideally, they represent political constituencies and interests, recruit and socialize new candidates for office, set policy-making agendas, integrate disparate groups and individuals into the democratic process, and form the basis of stable political coalitions and hence governments. Collectively, this means that political parties are one of the primary channels for building accountable and responsive government.

Party finance

Money needed to finance political activities in elections and during non-election periods by political parties is regarded as Party finance. Party finance is both the object and the result of political progress. Ssenkumba (2005) defines political finance as the way political parties and individuals and candidates running for political office raise funds for election campaigns and other party activities. Similarly, Walecki (2004), political finance relates to the use of funds by political parties for elections. These definitions do not provide explanation on party finance beyond the use of finance for campaign and its related activities. Experience has shown that bulk of the resources needed by parties to facilitate their activities is required not during election campaign but long before elections, because parties need to properly organize themselves in term of structure and logistics. Essentially therefore, political finance describes spending money on two major political activities: in elections and during non-election periods (Austin and Tjernstrom, 2003).

Sources of Party Finance:

There are three sources of party finance according to Alexander (1989) namely: donation from (from either companies or individuals), membership fees and state subsidies or grants. Of these sources, state subsidies have become the most reliable source for financing political parties. There are reasons been advanced to justify that; which include supporting the parties towards building a strong democratic culture and also to prevent 'money bags' from hijacking the parties and their machineries. However, (Katz and Mair 2008) argue that the dominance of state's grant over other sources of party finance is a clear indication that cartel model of political party is prevalent across the world and that means that political parties are obviously more part of the state than part of civil society. The emergence of cartel party has two major consequences for Nigerian parties: Firstly, cartelization of parties prevents rival parties from having access to state resources; secondly, cartel within parties constitutes an oligarchic group and frustrates other rival groups' efforts at either raising funds for the party or having access to the party's funds.

The situation of the opposition parties in Nigeria in terms of having access to finance is not encouraging. Some parties were formed to only access grant from the government. Once such grant is collected by the parties, the officials share the money amongst them and disappear till the next fiscal year without making any effort to have membership list upon which they can generate resources. On the other hand even where the opposition party is relatively strong in terms of organization, it hardly attracts donations from business individuals (Arriola, 2008). This is because in Nigeria and indeed in most African countries, opposition parties struggle for consistent support from business elite who rather prefer to donate to the ruling parties, which can deliver prompt returns in the form of contracts than risk the vengeance of vindictive governments whose basic instincts are still authoritarian and whose deeds often suggest that they still believe the opposition has no place in politics. However, individuals who have decided to finance the political parties, they did that with the hope and intention that some day they would capture power and subsequently recover their expenses.

In Nigeria, there is an uneven terrain or situation in favour of the ruling parties when it comes to party finance. Therefore, the scope and rules on political finance and the procedures for implementation depend on the details of the regulation to be applied and the status of the party in question.

The Emergence of the All Nigeria Peoples Party (ANPP)

In 1998, when after a protracted military rule, the Nigerian political development took off once again, it was not quite certain that both the military and the political elite would have what it takes to sustain democratic rule, judging from the long military rule which largely was as a result of the inability of the politicians to play by the rules of the game and the military's inability to willingly relinquish power to a democratic government in the past.

General Abdulsalammi Abubakar did set the stage for Nigerians to once again practice democracy by giving the go ahead for political associations to be formed. Nigerians across the various spectrums and the like minds did come together to form political associations with the hope that provisional registration would be granted them after meeting the initial requirements set by the INEC. Eventually three political parties, namely. The All People's Party (APP), Alliance for Democracy (AD) and the People's Democracy Party (PDP) were given full recognitions and registrations to kick start the experiment towards the Fourth Republic.

In the 1999 States Houses of Assembly elections the APP won two hundred and three Assembly seats, spread across the country and at the gubernatorial elections the APP secured nine States namely; Sokoto, Kebbi, Zamfara, Jigawa, Yobe, Borno, Gombe, Kogi, and Kwara States. In the National Assembly elections the APP got twenty-seven Senators (27) and ninety-seven (97) House of Representative Members. Constituting about 24% and 27% of the total members of the National Assembly respectively. In the 1999 General elections the party came second at the polls and became the largest opposition party in the Nigeria's Fourth Republic. In 2002, following the amendment of the party constitution, it was transformed from All Nigeria Peoples Party (APP) to the All Nigeria Peoples Party (ANPP). From this promising beginning, the party ought not to have been financially struggling nor depend on the governors for survival.

The Challenges of Finance in the ANPP

All the methods of funding political parties practice elsewhere in the world are recognized by the ANPP as enshrined in its constitution. These include party membership dues, local fund raising by party activists, donations by party members and sympathizers. Others include levies on the salaries of categories of party members occupying offices of state, donations by internal groups etc.

Of the above, the most prominent in the ANPP, in terms of size and frequency are donations made by the state governors. These funds from the governors are most times erratic; depending on the disposition of the governors. The funding structure of parties in Nigeria is clearly biased in favour of the ruling parties because of the role of the state in regulating the economy and allocating resources and absence of separation between the state and the party in power. The ruling party controls many multi billion business organizations; contractors who depend on the state via the organizations to get contracts are reluctant to finance the opposition party, rather they prefer to donate to the ruling party, knowing fully well that, if they do donate to the opposition parties, their chances of bidding for contracts and be successful are slow because they will be tagged as the enemies of the ruling party and by extension the state.

The old assumption that money must be raised in order for political parties to perform their functions as organizations still applicable today for political parties both in mature and new democracies. The ANPP is not different, and like other political parties worldwide it needs money in order to perform its functions such as: to maintain itself as an organization, recruit personnel, win support, hold conventions, manage election campaigns, handle the media, establish political offices to canvass support and get its message through to the electorate across the length and breadth of the country.

The ANPP, like most political parties in Nigeria, lacks membership lists, let alone the expectation that membership fees would be regularly paid. The PDF depends on the National coffers, logistic and above all the advantage of incumbency to access resources in order to attain its political ambitions. In this circumstance, the ANPP at the National level suffers three major disadvantages: (a) scarcity of resources, (b) uneven access to resources (c) limited outreach and geographical coverage. These factors often tilt the balance of electoral results in favour of the PDP.

Because the ANPP has failed to harness the potentials of its mass grassroots follower ship, it could not generate sufficient resources through other legitimate means. It relies on the financial support from the governors who were often time erratic in their commitments For instance, while Ahmed Sani gave N4milhon as his campaign assistance, others did not give at all. The little resources at the disposal of the party are often times mismanaged by the leadership of the party (Interview with Buba Galadima, 2009).

Section 78(2) of 2002 Electoral Acts authorizes INEC to examine the account and financial records of all the parties and make such reports public for scrutiny. This is more mandatory as the state gives financial subvention to political parties based on certain criteria and expects to be able to monitor how these funds are spent.

In a report released in June 2005, INEC indicted all the political parties for financial recklessness by not keeping proper records. The ANPP was specifically indicted for having "no proper accounting records despite of the huge inflow of resources to the party." (Anonymous INEC staff)

The 1999 constitution of the Federal of the Federal Republic of Nigeria basically reproduced the 1979 constitution with the Independent National Election Commission (INEC) having constitutional responsibility to monitor the finances of political parties, conduct an annual examination and audit of the funds of political parties and publish a report for public information. Section 228 (c) of the 1999 constitution gives power to the National Assembly to provide for an annual grant to the INEC for disbursement to political parties on a fair and equitable basis to assist them with their functions. Accordingly, the National Assembly approved a N600 million budget for the 30 registered parties in 2003 general election. INEC shared 180 million to all political parties at N6 million each in accordance with section 80(2)(a) of the 2002 Electoral Act: "30% of the grant shall be shared among the political parties in respect of a general elections for the grant has been made," in accordance with section 80(2) (b) of the 2002 Electoral Act, N420 million was shared by INEC to seven political parties namely: the Alliance for Democracy (AD), All Nigerian Peoples Party (ANPP), People's Democratic Party (PDP), All Progressive Grand Alliance, (APGA), National Democratic Party (NDP), People's Redemption Party (PRP) and United Nigeria People's party (UNPP). Out of this, ANPP got N60 million.

Section 84(3) of the 2002 Electoral Act states: Election expenses of political parties shall be submitted to the commission in a separate audited return within three months after polling day and such shall be signed by the party's auditors and countersigned by the chairman of the party as the case may be and shall be supported by a sworn affidavit by the signatories as to the correctness of its contents.

In the case of the 2003 election the due date for submission of the audited report of political parties was 3rd August after the final polling day of 3 May 2003. "The ANPP and most other political parties violated the deadline." (Anonymous INEC staff). In the case of the ANPP, there were no available records on the exact amount of money spent by both the presidential campaign organization and the party. This reveals that there are indications of heavy reliance on private funding in all three elections in Nigeria since 1999; more so that the ANPP virtually lacks organizational capacity to generate its own income through legitimate means such as; membership fees etc. The ANPP as the largest opposition party does not have mechanism to enroll members, as such; it cannot appeal to its supporters and members to pay their dues. Funds from the Governors only go to the party only when elections are approaching. The periods in between elections the ANPP is usually broke with no resources to organize seminars, conferences in arrears outside its stronghold. This would have created the much needed awareness and possibly the conviction among the electorate that the ANPP might provide a credible alternative to the ruling PDP.

The 2007 general elections were conducted with 2006 Electoral Act, a hallmark of the electoral reform process led by Obasanjo's Administration. Section 90 of the 2006 Electoral Act states: that the National Assembly may approve a grant for disbursement to political parties to assist them in their operations.

These funds, according to section 91(2) (a and b) are to be shared on a ratio (10:90) in favour of political parties that have representation in the National Assembly. However, Citizen Popular Party (CPP) and about 18 other opposition political parties filed a case against INEC on the sharing formula. An Abuja Federal High Court that presided over the case ruled that the money should be shared equally. In response to this ruling, INEC decided to share the funds equally among the parties. This development did not change the financial strength of the ANPP as it still relied mainly on donations from governors. Prior to the 2007 general elections, there were confusions and controversies on which groups within the ANPP was in the better position to collect donations to prosecute the presidential campaign. While the, Buhari admirers, supporters donated to Buhari's Campaign Organisation to be able to prosecute his electioneering campaign, the leadership of the party wanted the money giving to the party (interview with Buba & Sule Hamma, 2009).

The above scenario made it more difficult and cumbersome for the ANPP to have its finances monitored or regulated. What brought about this disparity? According to General Buhari, "we were very careful not to collect any money from people of questionable character" (Interview with Gen.Buhari, 2009), who are these politicians of questionable character? Perhaps these are the money bags, who have stolen money from the national treasury at one point or the other and who were and still been pursued by EFCC. The Buhari campaign team had its own separate fund raising strategies, different from that of the main ANPP. Each state had its own chapter of the Buhari Campaign Team; they were mandated by the T.B.O to raise funds for the organization but with strict conditions, which said interested donors should send his or her money to some designated bank account numbers, without making it public.

This very condition given by the T.B.O did not enjoy the support of the movers and shakers of the ANPP, particularly the governors. According to Alhaji Kabir Aruwa:

Nigerian politicians love to be shown publicly donating money to parties at any public gatherings, through that they believe they can acquire more popularity and support." When T. B. O said people should send more to a specific account, we know they were doomed financially. (Interview with Alh.Kabir Aruwa, 2009).

While some people disagreed with the method adopted by the T.B.O to raise funds for the party, others believe otherwise: blaming the governors and the party leadership for the ANPP poor financial standing.

When the governors began the move to completely takeover the control of the party from its funding fathers, they starved the party of funds; because the founding members are not too rich to dish out money, the fellowship tends to follow the governors who often give them money and other rewards. Also, the governors who control the National Assembly members from their respective states instructed the Senators and House of Rep. members to follow suit. (Interview with Sen.Dansadau, 2009).

The above observation is quite apt, because gradually and shortly after the 1999 general elections, the governors became the leaders of the party in their states and were dictating to the National Assembly members from their states simply because they sponsored their campaigns and imposed them on the people through stage managed primaries and eventually rigged the elections. In another related development, during the 2003 general election when Bafarawa was in charge of the party's campaign fund raising committee, he was accused of deliberately starving the party organs particularly in the South of funds. "He kept on promising the zones of funds and never gave them anything to prosecute electoral

campaign" (Interview with Saidu Dansadau, 2009). This partly explained the poor showing of the party in the zones because the leaders of the party in the zones became so exasperated and disappointed thereby staying at home which allowed the PDF to carry the day. (Interview with Sen. Dansadau, 2009)

In 2007, general elections the situation did not change for better.

During the campaign for 2007 elections all the ANPP governors gave us N14 millions; Modu Sherrif; (N9m), Yerima (4 m), Abba (1 million), Shekarau did not give us one kobo. One of them invited me to his state, 48 hours to the election, he kept me in one hotel for 24 hours, only for him to send his aide to me with a brief-case containing N10 and N20 notes, when we counted the notes, and we got 1 million. The same governor had donated N300 million to PDF campaign. You can imagine what we would have done with N300 million if we were given. (Interview with Buba, Galadima, 2009).

The reasons for the governor's behavior might not be far fetched. First, he might not be comfortable with the position of the T.B.O on issues concerning donation mentioned earlier and secondly, he wanted to solidify his position as a state Governor by donating that huge amount of money to the PDF knowingly well that level of support to the ruling party, he will be regarded as a friend of the Aso Rock.

Leadership crisis which the ANPP had over the years been grappling with is largely responsible for the financial status of the ANPP. "Because no body respects the leadership of the party neither do they accept the authority of the leadership, people are reluctant to generously donating" (Interview with Sule Hamma, 2009).

Similarly, investigations by INEC have revealed that, "the past leaders of the party have not been able to properly account for the funds the party had generated in the past 10 years" (Anonymous INEC staff). Confirming this allegation, Hon Faruk Aliyu said: The party is broke, because the little the party has generated, the leadership cannot account for it. For instance I paid N3 million as a gubernatorial candidate, so many other candidates paid several fees; nobody knows how the party spent it. When on several occasion, Ume-Ezeoke approached me for financial assistance to the party, I did not respond. Moreover, he should ask his son, who is a special adviser to the president to donate to the party. (Interview with Hon Farouk Aliyu, 2009).

When one puts into perspective all these forces that have accounted for the poor financial status of the party, only little can be achieved by the party, particularly as an opposition party. Alhaji Tofa Bashir Summarized the effect of lack of finance on the ANPP. He said:

Finance is very important, in terms of organization, no matter how well structured the party is, if there is no money, we wont be able to maintain those structures. That is why the activities of the party are less effective particularly in states where the ANPP is in opposition. Even at the National level, the situation is the same. (Interview with BashirTofa, 2009)

The inability of the ANPP to access funds independent of the governors has placed a lot of limitations on the party's performance, achievements and had negatively influenced the level the party could go in convincing the general public on the capability of the ANPP to provide a credible alternative. Also, the ANPP is way behind the ruling party in terms of its ability to generate funds. Private individuals and

organizations who could have lifted the party financially are scared of incurring the wrath of the ruling PDF and by extension the state and at the skeptical of the financial honesty of the party leadership.

Conclusion

Political parties and their competition for political power are essential for sustainable democracy and good governance. Viable party competition requires well-entrenched political parties, they need to be encouraged to develop, strengthen and consolidate. Competing parties need adequate resources for activities. However, the reliance on individual politicians and governors to finance the ANPP is unwise. Democracy in Nigeria involves pluralism in its entirety, including finance, therefore, the ANPP in particular and Nigerian political parties in general should encourage the sourcing for funds from both private and public sectors.

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