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POLITICAL FUNDING REGIMES AND THE TRAJECTORY OF CHANGE

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ABSTRACT

There is widespread agreement in the literature that, despite the financing of politics having existed for decades, the topic remains a complex research subject. Scholarly attention has mainly focused on how political contestants are financed, and the field is relatively new. This paper looks at political funding regimes, which refers to funding types and the rules and procedures established for money flows into and out of a political system. It also deals with the transformation of political funding over time. It argues that the trajectory of change in political funding is not only the result of diminishing traditional sources of funding; it is also a consequence of the political interests of those who supply the funding and of political parties and candidates who are the target beneficiaries of the funding. In addition, two equally fundamental factors come into play. The first is declining public trust in political parties, which were previously considered the cornerstone of electoral democracy. The second is a combination of the sheer failure of the state to democratically perform (i.e. the recession of the legitimacy of the state) along with the erosion of freedoms, justice, constitutionalism, and rule of law (democratic recession).

Keywords: political finance, political funding, party funding, campaign finance, representative democracy

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INTRODUCTION

There is no gainsaying that political financing as a research area has largely gained traction in recent times, with the attention being on how political parties get funded, and on the impact of political finance on citizens' voices and choices. In the research milieu on political finance, one thing that stands out is the consensus that this is a complex subject, both in terms of the intricacies around financing regimes and the impact on democracy (Mendilow, 2018; Piccio & van Biezen, 2018; Helle, 2011; Casas-Zamora, 2005). Therefore, a discussion of political finance cannot avoid addressing its implications for democracy. Meaning that, in a sense, there is a relationship between political financing and its enabling or hindering of democracy. This underpins the high of the logic of most research inquiry into the subject.

The discourse on democracy has largely focused on the trappings of liberal democracy as envisioned in the West. This often poses challenges, especially for those seeking to understand democracy globally, and particularly in Africa. Hence, the ongoing debate among scholars and policymakers centres on the need to redefine democracy to ensure that it transcends liberalism and responds to unique sociocultural and politico-economic contexts (Matlosa, 2023). This debate notwithstanding, recent research findings on the global state of democracy reveal a worrying emergent trend of democratic regression.

For some, this recession manifests because the state has not fulfilled its responsibility to citizens. A proponent of this view is Salih (2023), who posits that people express their dissatisfaction with the state's performance; this is not necessarily a democratic recession but a recession of the legitimacy of the state. In other words, Salih identifies fault lines in the delivery deficiencies. On the one hand, the state quixotically makes promises it cannot keep and thence fails to deliver public goods. On the other hand, things boil down to elite insularity.

The consequence of the legitimacy deficit has been the non-fulfilment of the social contract. This problem manifests in tense state–society relations and citizens' withdrawal of their spontaneous consent to comply with the rules and dictates of the governments in many countries. In Africa, a combination of the failure of the state to democratically perform along with the erosion of freedoms, justice, constitutionalism and rule of law has triggered citizens' demands for greater accountability. Research attributes the emerging military coups and popular revolutions in the Sahel region, which seem to enjoy citizen support, to this phenomenon. As seen in this region, citizens who are disgruntled with the political elite are falling for the fetishisation of military rule.

Some democratically elected political leaders also seem to admire 'wanton' military rule. Recently, the newly elected president of Botswana, Duma Boko, publicly stated his admiration of Burkina Faso's military ruler Ibrahim Traore's governing style (Nkwatle, 2025). In his remarks, Boko lamented the delays in implementing government projects and suggested that Traore is not constrained by administrative and procurement procedures. Of course, we all know from the experience of military rule in Africa that the excitement will be short-lived, because, by their nature, military regimes are notoriously intolerant of dissent. The 2025 Afrobarometer report already indicates a trend of the suspension of opposition politics and the suppression of dissent after military takeovers in Burkina Faso, Mali, and Niger.

The reversal of democratic gains also manifests in the loss of centrality and capacities of democratic institutions and practices, against the backdrop of a rise in authoritarianism (Diamond, 2015; Levitsky & Way, 2015). Tracing the recession from 2006, one of the leading proponents of the democratic recession thesis, Larry Diamond (2015, p. 144–153), suggests that not only is there a rapid breakdown, but the quality and stability of democracy are also at risk. He adds that authoritarianism is entrenched in countries he considers strategic for democracy building, while established democracies are performing poorly.

The findings of the 2024 International IDEA Global State of Democracy (GSoD) report substantiate Diamond's views on democratic recession. The figures suggest that more countries are experiencing net declines in democratic performance than those making progress (Global State of Democracy Report, 2024). Ironically, the latest GSoD report (2025) shows that most of the established democracies to which Diamond entrusts the responsibility of promoting democracy globally, through pressure and solidarity – such as the United States – continue to put on a poor show in democracy. In less than six months, the United States' domestic political institutions considerably lost their reverence due to executive overreach. They instead have become an epitome of populist strongman leadership, giving little if any hope to pro-democracy advocates. True to the thrust of the democratic performance thesis, one observes both within the States and elsewhere that wherever this erosion manifests, it lays bare the state's incapacity to manage social cleavages and to ensure citizen participation and democratic resilience.

Against this background, in this paper, I explore the equally important issue of political funding, noting that the notions of liberal democracy discussed above are acutely relevant in the literature on political funding. To avoid any doubt, I concede that political funding is indispensable in a democracy, despite the obvious challenges it will face. At the centre of political finance and political funding discourse are issues such as the role of money in politics, the role of the state in political funding, and the impact of these matters on political and party systems.

The article adds value to the discourse by focusing on political funding regimes, which, as I argue in the conceptualisation section, are often conflated with sources of funding. The article also dwells on the equally important subject of the regime's trajectory of change over time, what causes the change, and its impact on representative democracy. I attempt to achieve this by examining political theory in the first section, given its relevance to studies on elements of political institutions. I use this to show how it underpins political finance. The conceptual framework follows the theory section and describes the scope of my analysis of political funding for parties and candidates. The third section is devoted to political funding regimes; based on the literature, it evinces how each regime relates to some of the theoretical considerations raised in earlier sections. The fourth section tackles the trajectory of change in political funding regimes in terms of how and why it happens, its impact on the party system, and representative democracy. The final section provides concluding reflections.

THEORETICAL ENTRY POINTS

To understand the role of money in politics and the different political funding regimes, as well as to explore opportunities within each of those regimes, I briefly outline the theoretical contours through which the key argument of this article is established. In this regard, political theory, which is primarily concerned with political institutions, provides a solid basis for analysing political finance, the funding of political parties and candidates, and their relationship with representative democracy. I give particular attention to five distinct, yet complementary, modes of analysis, namely, the classical doctrines of the social contract, sources of legitimacy and authority, democratic theory, political ambition theory, and cartel party theory.

The earlier Western institutional theorists were preoccupied with establishing the proper exercise of governmental power, which they deemed fundamental to realising the values that their societies held dear. Seminal works by Thomas Hobbes, Jean-Jacques Rousseau, and John Locke on the social contract are of particular importance (Rosen & Wolff, 1999). Central to their social contract theory, developed in the 17th century, are people's deliberate efforts to form a central authority or government to cater to their needs and aspirations. Social contract theories are often used to explain the rationale of the state or central authority. Hobbes (see Rosen & Wolff, 1999, p. 56–58) propounded the notion of the state of nature, or natural state, in which he suggested there are no enforceable rules for social interactions. He noted that, naturally, man has innate fear and the desire for self-preservation. To realise his preservation within a state of nature, man must minimise the possibility of external dangers by collaborating with other people.

Hobbes's thesis is a countermeasure to Charles Darwin's theory of evolution, whose notion of the survival of the fittest through natural selection entails the elimination of weaker species by stronger ones. However, one of the weaknesses of Hobbes's notion of a contract between the ruler and the ruled is that it fails to address critical questions, such as how the ruled can ensure the rulers will fulfil their obligations. In other words, what tools exist for the ruled to safeguard their interests?

Another proponent of the social contract, Jean-Jacques Rousseau, believed that man is naturally good and, due to external evil forces, has been transformed. As a result, he must enter a pact (a general will) that would minimise harm to himself and others. In his 1762 influential work on natural freedom and the freedom of the citizen (see Rosen & Wolff, 1999, p. 62–63), Rousseau's concern was the basis of legitimate governments to establish criteria for judging the validity of any kind of political institution.

For Hobbes, and later Rousseau, the legitimacy of a political institution is not imposed but derives from national conventions. That is, the people remain the source of political power and its legitimate use. Related to this argument is Max Weber's framework of legitimate authority, in which he distinguished between three sources of authority: rational legal, traditional, and charismatic authority. For Weber (1968, p. 51–52), rational legal domination is based on the legality of the established rules and regulations, as well as the powers of those elected in implementing those rules. Traditional domination, on the other hand, depends on the validation of the immemorial traditions by the ruled and their submission to those who exercise authority over them. Charismatic domination differs in that it centres on the personality of the leader; it is based on devotion to the special attributes of an individual.

In sum, the social contract and legitimate authority theories are crucial for discussions about political funding. This is particularly true regarding the justification for requiring citizens – the ruled – to fund parties and candidates through their taxes.

Democratic theory is equally relevant to this article because it concerns political processes and the legitimacy of government. Also, central to democratic theory is the premium it places on citizen participation in elections, and the freedoms or guarantees of 'primary political rights'. Notwithstanding their varied constructions, most essays on democracy emphasise the axes of liberty/equality, commonality/pluralism, participation/representation, and common good/proceduralism (O'Donnell, 1999; Karppinen, 2013).

According to Hyland (1995), the theory has both quantitative and qualitative dimensions, involving a power structure that entails a level of binding decisions, if those subject to the decisions have equal effective rights in determining the decisions to which they are subject. One may add that the importance of democratic theory lies in its ability to explain the centrality of citizens in the legitimation of government. Most importantly, as I show in Section Five, the theory is also useful for locating citizens within the provenance of political funding regimes and the trajectory of change, from people-centred to state-centred regimes.

It is hard to discuss political funding without reference to the theory of ambition. This theory helps explain the rationale that undergirds political finance and the trajectory of change in political funding regimes. Drawing from the seminal work of Joseph Schlesinger (1966), titled *Ambition and Politics: Political Careers in the United States*, the thrust of ambition theory is the objectives of ambition, status, power, and wealth. The interplay between these variables and opportunity shapes politicians' behaviour (Nicholls, 1991; Herrick & Moore, 1993).

Alejandro Poiré (2006) defines political finance as a set of transactions through which politicians fund the non-governmental activities necessary to satisfy their career ambitions. He offers an interesting explanation of the relevance of ambition theory to political financing. He notes that the market for political finance can exist without the participation of benefit-seeking donors, yet it cannot survive without donation-seeking politicians. Put otherwise, political finance exists for the politicians, without whose ambition and behaviour it becomes unlikely.

The cartel party theory is also pertinent to this article, particularly in relation to the trajectory of change in political funding regimes. The advocates of the cartel thesis, Karz and Mair (1995) argued that the traditional mass parties had declined in recent times and that electoral turnout was equally dwindling. Consequently, wary of the potentially devastating impact on their organisational being, political parties have resorted to crisis mitigation measures. This includes turning to the state for subsidies as a new form of collective action. The implication of this move is that parties may lose their connections with the societies they ought to represent (Katz & Mair, 1995, p. 20).

To sum up, this section has laid out a theoretical framework that is very useful for understanding political finance in both developed and developing democratic settings. The social contract theories apply to modern institutions of government. Notwithstanding their differences regarding the relations between political institutions, the theories converge on the source of authority and legitimacy. They recognise that the people are the source of political power, even though they differ on how such power should be exercised.

Democratic theory places obligations on both the authority and the subjects of that authority. The cartel party theory addresses the factors relevant to the evolution of political funding regimes and their implications for citizen participation and representative democracy. The theory of ambition explains the dynamics of the harmony, or lack thereof, between politicians' ambition, behaviour, and political funding. Overall, a combination of these theories and doctrines helps advance the key arguments of this article. In the next section, I address the conceptual framework regarding political finance and funding, campaign finance, and public versus private funding.

CONCEPTUALISATION

'Political finance' and 'political funding' are sometimes, perhaps too often, used interchangeably. Similarly, there is a tendency to blur the lines between party finance and campaign finance. Weissenbach and Korte (2010) describe the former as being prevalent in parliamentary systems, which makes it a party-centric form of finance. By contrast, campaign finance is associated with presidential systems, where the focus is on the presidential candidate.

The conflation of these concepts results from the fact that there is an element of exchange of money and/or services between the contributor and the receiver in each case. This is the reason some people use the terms loosely. There is little consideration in understanding the nature and form of the two concepts. To clearly demarcate the discussion that follows, I should clarify that this article is about political funding regimes, not political finance.

Having said that, and without contradiction, it is not possible to successfully make a case for political funding without dealing with political financing. Therefore, to navigate these muddy waters, I adopt a 'hierarchy of concepts' approach. I deal first with political finance, which is at the apex of that hierarchy. Political finance is an overarching concept and therefore should not detain us much here. According to International IDEA (2014, p. 2), political finance refers to all money, both legal and illegal, in the political process. It includes the financing of political party activities and electoral campaigns, particularly campaigns by candidates and political parties, but also by third parties.

Helle (2011) shares a similar definition, offering a further conceptual distinction between political finance and political funding. She explains that the latter term is a sub-concept of the former. Essentially, political funding is focused on the income side of political finance during and beyond the campaign period. Helle adds that public funding has its own subtypes, namely, campaign funding and party funding. In this scheme, campaign funding is dedicated mainly to financing a candidate's campaign for an election contest, whereas party funding caters to political organisations during and after the election campaign period. In addition, Helle (2011) notes that the political funding concept applies to both the party and the candidate. She explains that the issue is not a conceptual difference but about the *contextual* difference regarding who is running the campaign.

Indeed, context matters in the application of these concepts. In South Africa, for example, the legislative framework has evolved from a definition limited to political parties to one that is inclusive of independent candidates. In 1997, the *Represented Political Parties Act, 103 of 1997* stipulated access to funds, their distribution, use, and accountability mechanisms. The focus of this legislation was on funding political parties participating in the national and provincial parliament spheres. However, in 2018, legislative reform introduced independent representatives and independent candidates. Under the new law, the *Political Funding Act No. 6 of 2018*, the conception of political funding is both party-centric and candidate-centric.

My analysis is inspired by Helle's conception of, and differentiation between, political finance and political funding. Political finance is a broad, acontextual concept about money in politics. On the other hand, political funding, which is the focus of this article, is about the income and other support to parties and candidates during and beyond the campaign period. It is important to underscore that this conceptualisation recognises that political funding exists before and after the elections. In what follows, I make the point that the different political funding regimes determine the scope and required financial resources. I also deal with the conditions within which those resources are obtained, regulated, and accounted for.

POLITICAL FUNDING REGIMES

Political finance literature generally converges on the types of political funding regimes. In adopting a broad conceptualisation of political funding regimes, most literature includes grassroots funding, state funding, elite funding, foreign funding, and illegitimate funding (Weissenbach & Korte, 2010; Helle, 2011; Sarankinsly, 2025; Sibanda, 2016; Frimpong, 2019). I am not entirely convinced that illicit or illegitimate financing qualifies as a funding regime. Instead, according to the conceptualisation of political finance presented above, illicit or illegitimate financing is only one part of the sources of money in politics – a problematic one, for that matter. The contributions of members of political parties, businesses, civil society organisations, and trade unions, whether inside or outside a country, are additional sources of funding, not funding regimes.

The point is that there is a huge conceptual difference between funding regimes and sources of funding. Therefore, my claim is that even if it may be a lifeline for those involved, illicit financing in political funding is akin to corruption in supply chain management. The fact that corruption exists in supply chain management does not make it a type of a supply chain or an integral part of a supply chain. Indeed, it remains anathema to supply chain management.

Hence, I limit my focus to the conceptualisation of funding regimes as established normative and legal frameworks, within which those providing funding and the recipients transact. For this purpose, I align with the definition of political funding regimes as the rules and procedures established for money flows into and out of a political system (Weissenbach & Korte, 2010). Casas-Zamora (2005) captures this sentiment even more eloquently, stating that the concept of 'party funding regime' is born out of the theoretical concept of 'institutional regimes'. This concept, he opines, perceives such regimes as the legitimate sources of income for political parties, their legitimate areas of spending, and the extent to which they must publicly declare their income and expenditures.

Based on the foregoing conceptual entry point, the predominant political funding regimes are public funding, private funding, and mixed-type funding. Given the extensive work on this subject (Weissenbach & Korte, 2010; Orr, 2018; Peller, 2018), I do not intend to provide a detailed description of each. I briefly examine the rationale behind the regimes, their common features, and a criterion for their application.

Public Funding

The rationale for public funding is that, in a democratic dispensation, the state must finance political parties and candidates to enable them to perform their representative functions. The understanding is that there is a direct relationship between political parties and the public sphere. This rationale is informed by democratic theory, which views public funding as a mechanism that promotes an open and unencumbered competitive multiparty system, in which political parties are a key tenet of democracy.

Andrew Heywood's (2002) definition of political parties and the role they play provides an apt contextualisation of the democratic theory perspective and, in a way, justifies why they need funding. He regards them as the vital link between the state and civil society, and between government institutions and the various interests operating within that society. Most importantly, Heywood posits that political parties are crucial actors in aggregating and articulating interests, recruiting leaders, presenting election candidates, and developing competing policy proposals that provide voice and choice. Their performance impacts party systems and the strength and effectiveness of institutions such as Parliament.

In a study on state intervention in party politics in Europe, Van Biezen (2008) comments on the diminished 'libertarian paradigm', which argued that (a) parties are private entities serving organised interest groups, and whose aim is to represent their membership views; and (b) parties must have maximal rights of association, privacy, expression, and freedom from state intervention, including regulation. Van Biezen suggests that the competitive oligarchies' democratisation through franchising adult male citizens, and the restoration of democracy in the immediate post-war period, rendered parties essential. She argues that until that point,

> [parties] were not seen as necessary, let alone desirable, institutions for democracy. On the contrary, they were primarily perceived as a threat to the general interest or as overriding the interests of the individual. Indeed, their existence was fundamentally incompatible with both the liberal democratic tradition rooted in the political philosophy of Locke and the radical democratic tradition inspired by Rousseau. Both of these are difficult to marry with partisan institutions, which by their very nature transcend individual interests and contest the existence of a general will. (p. 349)

Van Biezen concludes that there was a gradual appreciation of parties as indispensable protagonists of representative democracy over the course of the 20th century. This shift has placed modern political parties among key democratic institutions. Hence, the state intervenes with funding to facilitate their continued existence, to foster a level playing field, and to eradicate particularistic forms of financing (p. 350).

Public funding can be provided on a proportional basis, an equitable basis, or both. For instance, in South Africa, public funding of parties is provided for in Section 236 of the Constitution. Pursuant to this provision, Section 3(a) and (b) of the *Political Funding Act No. 6 of 2018* states that the allocation of funds must be equitable and proportional. The equity is based on a weighted scale for the allocation to each represented political party, while proportionality is determined by the number of representatives of each party in the National Assembly and the provincial legislatures.

The regulations section of the Act provides for a one-third equitable and two-thirds proportional allocation formula. In the context of a dominant party system – which is characteristic of most African states, at least until recently – the proportional allocation of public funding was a bone of contention for the opposition ranks. They widely regarded it as favouring the party in power, which already enjoyed an incumbency advantage over smaller and less resourced opposition parties.

Public funding can be direct. In this case, political parties and candidates receive financial resources from the state, as in the South African example. Beyond financial contributions, other resources – such as free time in the media and free election material, free use of state facilities, state grants to political party foundations (mostly in European contexts), tax reliefs, credits and matching grants – constitute indirect political funding (IDEA, 2014; Fernando & van Biezen, 2017).

The extent to which direct and indirect funding apply depends not necessarily on when money is scarce, as Helle (2011) suggests. Instead, it depends on a public funding regime typology, such as party funding and campaign funding. Other relevant factors are the type of electoral systems and legal frameworks.

Several criteria determine who qualifies for public funding, especially direct funding. According to the Romanian Permanent Electoral Authority (2014), the first type sets no thresholds; usually, parties and candidates duly registered with the election authority automatically qualify for public funding in this case. The challenge with this eligibility standard is that it opens floodgates in the context of the proliferation of political parties. More so, the bar for registration is low because there is no statutory body responsible for registering political parties, overseeing their activities and accountability, or deregistering them.

The second eligibility measure is the number of legislative seats won. This approach is often criticised for favouring dominant parties. The third type is based on a post-election-based criterion that focuses on representation in parliament. The fourth is the number of candidates present at elections, or the number of nominated candidates for a particular election.

Private Funding

Outside of the realm of funding from the fiscus, private individuals, the business sector, and other entities provide funding to political parties and candidates. There are several sources of private funding, including the rank-and-file membership, small and large donors, party leadership, candidates and elected members, local and foreign business, foreign governments or their proxies, and, at the extreme pole, illicit networks (IDEA, 2014; Briscoe et al., 2014; Porat, 2021; Piccio, 2024).

Just like in the case of public funding, private funding can take the form of financial and in-kind contributions, even if the monetary value of in-kind contributions is declared by the recipient. A general practice is that the contributions are exempt from taxation for both the donor and the recipient. This becomes an incentive for potential donors to contribute generously.

There is no gainsaying that economic decline and the general decline of public trust in political parties, especially in the African context, render political funding a distant mirage (Hopkin, 2004; Matlosa, 2005; Adejumobi, 2007; Chege, 2007; Afrobarometer, 2008; Dolgikh, 2020). It is difficult to justify prioritising political funding in a context where there are competing national needs. Consequently, political parties in some contexts struggle to perform their function as envisioned by democratic theory. This limitation applies to political party candidates and independent candidates' campaign obligations. Hence, parties and candidates are turning to private funding and are increasingly using new media platforms to canvas their propaganda.

That said, most researchers who demur at the private funding of candidates and parties often make the mistake of treating it as an exclusive domain of big business or the wealthy. By doing so, they attempt to justify their commonly held view that private funding and democracy are strange bedfellows. Birch (2022) advances this sentiment forcefully through a two-pronged analysis of political equality and judgemental autonomy. According to her, private funding is at variance with democratic principles because it takes away an important value of democratic theory, which is equality. She argues that private funding places a higher premium on those with financial resources than on ordinary citizens.

In brief, Birch (2022) identifies seven avenues through which private funding impacts political equality. These are the party position effect, the political recruitment effect, the representative behaviour effect, the executive behaviour effect, the mobilisation effect, the conversion effect, and the legitimation effect. Birch also contends that private funding is inconsistent with democracy because it undermines the judgemental autonomy of the recipient political parties and candidates. The urge to secure funds for campaigns and sustainability becomes the focus, at the expense of objectivity.

However, Piccio (2024) disabuses us of the notion that private funding is entirely bad. She makes an important distinction regarding the dual nature of private funding, noting that there are small contributions (grassroots financing) versus large donations from the corporate world and interest groups. From Piccio's perspective, one could argue that contributions from members or supporters of parties and candidates do not necessarily affect political equality or objectivity. Neither do they have the corruptive effect so often associated with funding by the wealthy elite. They facilitate citizens' contributions of funding to parties and candidates' campaigns and sustain political parties between elections. I will revisit this point about citizens' financing in a later section, which discusses the trajectory of change.

Mixed Regimes

The mixed variation of the political funding regime is a blend of public and private funding systems. Its model variations include situations where parties receive funding from both state and private sources, with varying degrees of state and private contributions. A second model entails the state as the only provider of funding, and it can provide citizens with vouchers they can distribute to parties and candidates as they choose. A third model combines public and private financing principles, where business donates indirectly through the election management body (EMB; Bonotti & Nwokora, 2023).

A probable case for the mixed regime is that it sustains the positive elements of public funding, which basically puts the state at the centre of political funding. It also accommodates the notion of freedoms; for example, according to Birch (2022), the right to associate entails the right to donate to one's association. The mixed funding regime enables the expression of these freedoms through the financial and in-kind contributions made by private donors, commercial entities, and wealthy people to the campaign activities of parties and candidates.

In discussing the provenance of funding models in Europe, Dolgikh (2020) cites several distinctions between the mixed funding regime and the public and private systems already discussed. These differences include the ability to limit the maximum share of public funding in the revenue structure of political parties. Recipient parties may receive funding from the public purse that exceeds the revenues derived from membership dues, contributions from individuals, elected officials, and donations.

One would struggle to find the mixed funding regime in either form or content in the context of Africa. There are a few countries on the continent that maintain the funding regime types in their purest forms. Whether in European or other contexts, the mixed funding model has both positive and negative aspects of public and private funding. Just like in electoral system designs, mixed-member proportional representation carries both the strengths and flaws of first-past-the-post and proportional representation.

It is important to address the issue of regulation regarding bans, spending limits, requirements for financial reporting, and oversight of political finance. I have delayed in addressing this topic, not because it is less important, but because it is sufficiently explored in the literature. To borrow the words of Anthony Butler (2010), if money is essential, it is also dangerous. Therefore, whether it applies to developed or developing countries, the common motivation for regulating political funding is to prevent abuse and the buying of influence; it is also to enhance fair political competition, empower voters, and ensure transparency, accountability, and integrity (Fogg et al., 2003; De Sousa, 2005).

In what follows, I rely heavily on the International IDEA Political Finance Design Tool (2025). The reason is that the IDEA instrument is arguably the most authoritative, comprehensive, and user-friendly resource on this subject.

The challenge for regulation in any political funding regime is determining how much regulation is necessary and the modalities for enforcing it. In addition, it is important to determine whether statutory entities, such as the Registrar of Political Parties in most African countries where political funding exists, or EMBs, should oversee the administration of political funding.

The questions become even more complex in the current era of digital technology, where there is a significant shift from traditional to online-based campaigning and funding. According to the IDEA Political Finance Design Tool (2025), about 67% of countries globally ban foreign donations to political parties and 55.9% ban them to candidates. There are also bans against donations from anonymous entities to political parties in 56.1% of countries, and to candidates in 43.5% of countries.

On the other hand, about 70% of countries allow corporate donations as well as donations from trade unions. However, about 51.7% of countries, predominantly in Africa, place a limit on how much a donor can give. Most countries also impose bans against donations from semi-public and companies holding government contracts. About 32% of countries that permit private funding by corporates place caps on political parties' spending, whereas 46% do the same regarding candidates. The rationale for these measures is levelling the playing field so that parties and candidates endowed with financial resources do not trample on the interests of those without.

For the rest of the permissible political funding activities, across all three regimes discussed above, the regulation requirements are that recipients must disclose details about the 'who', 'what', and 'how much' regarding the funding or donations. In some cases, such as in South Africa, the discourse only applies for funding above R100,000.00 (roughly $6100.00), whether in cash or in kind. The law imposes a similar threshold declaration obligation for independent candidates and donors within three months of receiving the donation. In the case of donors, the law stipulates a 30-day period within which they must declare the donation. The IDEA data shows that 76.7% of countries globally have requirements for this kind of reporting. Out of these, 59% specifically demand reporting on campaign finances, while 66.3% of countries also require candidates to report on their campaign finances. Lastly, 60.1% of countries require that the reports be public.

To conclude this section on regulation, it is important to acknowledge that some experts are not too optimistic about regulation, especially disclosures and spending limits. One such voice is that of Alejandro Poiré (2006), who argues that the disclosure requirements do not necessarily stop corruption. Instead, they only partially weaken it, as politicians and donors will simply find other ways to pursue the fulfilment of their political ambitions. That would means that political funding, whether public, private, or mixed-regime, has positive and negative implications for party systems.

The implications pertain to both regulated and unregulated interactions within a political system, in terms of the number of political parties, their interactions among themselves and with society, ideological differences, and the stability of the balance of power in all spheres of competition. This includes the electoral, parliamentary, and governmental arenas (Bértoa & Enyedi, 2021). For example, in Southern Africa, one of the positive implications of political funding is that it has enhanced a multiparty system. Emerging from liberation politics, the region has been predominantly run on a dominant party system, with some countries even having had a *de facto* one-party rule. Most political parties which led at independence went on to govern for over 20 years.

The Botswana Democratic Party is one such example, having been in power the longest, from 1965 to 2024. There has been significant multiparty activity since the introduction of political funding in Angola, the Democratic Republic of Congo, Lesotho, Mozambique, Madagascar, Malawi, Namibia, Seychelles, South Africa, Tanzania, and Zimbabwe. Among these countries, Angola, Lesotho, and Mozambique are unique, because they also provide campaign funding to political parties.

A multiparty system is not without challenges. One issue is the proliferation of political parties and a surge in the number of independent candidates contesting elections. This is a negative implication of public funding for a party system. For instance, in South Africa, the 2023 electoral reform saw an unprecedented 79 political parties taking part in the 2024 elections. Out of these, 52 parties and 11 independent candidates contested at the national level. Overall, 14,903 candidates competed for 887 available national and provincial seats (IEC, 2025).

There is always a surge in the number of parties and candidates in countries that have political funding, ahead of elections. However, these numbers tend to decrease after the elections. The reason is that some people register political parties as an avenue to access political funding, especially where campaign funding exists. By way of illustration, the cases of Mozambique and Lesotho's political funding regimes are instructive here. Both countries operate mixed public and private funding. However, along with Angola, these countries are unique, as they are the only countries in Southern Africa which provide campaign funding (Shale, 2018). I reflect only on this subset of public funding given the word limitations in this paper.

During the October 2024 elections in Mozambique, the National Election Commission (CNE) facilitated campaign funding for more than 70 political parties. Out of these, only four – the Frelimo Party, the Optimist Party for the Development of Mozambique (PODEMOS), the Mozambican National Resistance (Renamo Party), and the Democratic Movement of Mozambique (MDM) – won seats in parliament. In other words, more than 36 political parties which received campaign funding from CNE lost in the elections. They are now bracing for the next elections, in 2029. Provided they have satisfactorily reported on 2024 election funding, they will again be eligible for campaign funds.

The above scenario contrasts with Lesotho, which, in addition to campaign funding, pays allowances for the party and candidate polling agents on polling day. During the October 2022 general elections, 52 political parties took part, with only 18 making it to parliament. In 2021, the Independent Electoral Commission in Lesotho (IEC), which is responsible for political funding, began enforcing the law on political funding accountability. Most parties could not account for the funds they received, particularly agents' allowances. It became apparent that the leaders of some parties used the funds as a patronage tool and did not transmit the money to all their agents but pocketed some for themselves. Since those elections, the IEC has commenced deregistration of political parties which fail to satisfactorily account for the funds in terms of the law, the *National Assembly Electoral Act of 2011*.

Both Lesotho and Mozambique are examples of countries that are amenable to democratic theory persuasions for a pluralism of voices and choices and a level playing field. However, both countries show that there is more work required to deter corruption and frivolity in the party system. Currently, the investment in political funding is not commensurate with the return in terms of the number of political parties obtaining seats in the legislature. In other words, political funding today enables the proliferation of political parties, most of which are not worth the public investment in them.

Veen (2007, p. 12–13) rightly notes that weaker parties lead to a weaker party system. Countries need high-quality, stable, and high-performing political parties to ensure a strong party system. Therefore, continued investment in political parties must be accompanied by full accountability requirements.

In my view, this must include accounting for the party's electoral performance. That is, under a public funding regime, there must be consequences for poor performance, just as there would be in private funding. There is always going to be a line never to cross if a party or candidate is to continue receiving private funding from an investor. Otherwise, political funding – especially the public funding part of it – would continuously breed more 'briefcase' parties. Furthermore, it would create the impression that people's views and choices expressed via the ballot do not matter, because the people or parties they reject in an election would continue to receive funding from the state. As Bértoa et al. (2023) aptly comment, proliferation diminishes the longevity of parties. It is counterproductive to durable politics and accountability, because citizens become unable to exercise their right to reward or punish.

In the next section, I turn to the transition in political funding, which shows how an evolutionary process has occurred from prior people-centred politics to today's more party-centred politics. (The latter phrase could also read 'elite-centred'.) In this new setup, citizens hardly have the room to participate and hold political parties accountable.

THE TRAJECTORY OF CHANGE IN POLITICAL FUNDING

To appreciate the trajectory of change in political funding, it is helpful to begin with its provenance. According to van Biezen (2008), political funding as we know it today is a relatively recent phenomenon, which gained importance in the period after World War II. She states that historically, political parties in the liberal democracies of Western Europe primarily depended on private contributions to finance their activities.

There is consensus in the literature that in early Europe, there existed a tripolar typology of political parties, based on sources of funding – namely mass parties, cadre parties, and catch-all parties (Hopkin, 2002; van Biezen, 2008; Mendilow, 2018). The income for cadre parties came from the wealthy elite and business. Mass parties depended on grassroots dues and union donations. The catch-all parties derived their support from an array of interest groups.

Simply put, the trajectory of change has been an evolution from a private funding regime, which was mass-membership-based, to a public (state-driven) funding regime. Mendilow (2018) offers a two-phase analysis to track this trajectory of change in political funding. He states that in the first phase, political parties were widely regarded as voluntary entities, supported by private sponsorship from party membership, trade unions, and other interest groups. The political transitions of the 1960s and 1970s were catalytic for the trajectory of change in political funding regimes. The introduction of welfare policies and the blurring of traditional, religious, and social cleavages meant there was no longer a premium placed on ideology as a rallying point.

In addition, political competition became stronger, with traditional sources of funding support dwindling, especially for underperforming parties. Voters' reduced commitments added to the already dire budget constraints. Consequently, political parties had to forage beyond the traditional sources of funding.

These circumstances led to a transformation of the party resourcing approaches, thereby ushering in the catch-all type of parties. A paradigm shift occurred from the consideration of political parties as private entities to being public utilities. In this change, which Mendilow considers the second phase of the trajectory of evolution, a link was established between political parties and the state. This nexus is one where parties perform a public function, and the state provides the means (public funding) to guarantee that function. Political parties no longer recruit to enlarge their membership funding base and facilitate citizens' access and participation – which Hopkin (2004) considers the closest to the 'democratic' ideal. Instead, parties primarily recruit to galvanise electoral support, driven by what Hobbes, in the 'state of nature' thesis, called the desire for self-preservation. Hence, the threat is the potential loss of power, not funding gaps. The state is now almost the primary provider of public funding.

The new paradigm, which began treating political parties as agents of public interest, has effectively led to the emergence of a fourth typology of political parties, the cartel party. According to Katz and Mair (1995), who developed the cartel party theory and coined the term, the change from mass party to cartel party is a manifestation of political parties entrenching themselves in power using the fiscus. In doing so, these parties have become more distant from their electorates.

In addition, cartel party theory suggests that the state not only becomes an institutional structure of support but also effectively keeps outsiders, or new entrants, out of the party system. The parties themselves become part and parcel of the state. They are no longer the go-between between citizens and the state.

In other words, political parties' ability to collude to secure the support of the state machinery makes them the sole beneficiaries of the dominant-party system. This is a zero-sum game. The party system also serves, in the bigger scheme of things, as a structural incentive for two important objectives. The first is the ability to block access for new parties, as the theory suggests. This deficient aspect of the party system deprives citizens of the opportunity to benefit from the ideas of any parties that the system shuns. Second, the party system not only shields dominant parties from the electoral consequences of their aloofness and detachment from society (Shale, 2018); as often occurs in African countries, it also leads to the manipulation of the electoral system and the broader electoral process to perpetuate dominance.

The theory of political ambition challenges the cartel theory's reliance on the excuse that the trajectory of change occurred because political parties were shattered by socio-political dynamics and the waning of donations from private funders. Ambition theory suggests that, instead, change occurred due to the ambitions of politicians on the one hand and the interests of donors on the other. Protagonists of this theory, such as Poiré (2006), suggest that politicians and the money they need to run for election are the key drivers of a market for political finance. He regards the cartel theory's dwindling private funding sources justification as tangential. For him, political finance is 'the problem of financing the career ambitions of professional politicians, something that is fundamentally, although not exclusively, done through political parties'.

Poiré (2006) further perceives political finance as being less about parties as organisations or bureaucracies and more about the collective endeavours of rational office-seekers. Buttressing his view, he posits that certain configurations of the market for political finance

> allow for normatively worrisome outcomes on different dimensions. This is especially clear once we realize that the market for political finance is dependent, as every other market, both on factors exogenous to itself (such as wealth inequality, the structure of media ownership,

> the level of literacy – and thus the effectiveness of alternative campaign strategies, the strength of law enforcement institutions, etc.) and on elements more proximate to it (such as the specific regulation dealing with the financing of politics, plus the constitutional framework of the party system). (p. 7)

Ambition theory acknowledges the equally important interests of donors in the market for political finance. The interest of donors, especially big businesses, has long been at the core of concerns about the malign influence of money in politics. In a study on party financing practices in 22 countries, Bryan and Baer (2005) found that many people attributed various types of corruption to the involvement of businesses in electoral and party politics.

Whether one considers the cartel party or ambition theories, the reality is that once the trajectory of change in political funding occurred in Europe, its consequences undoubtedly had ripple effects elsewhere to varying degrees. Whereas several developments attest to the ambition theory in African politics, one could argue that the cartel theory has not yet manifested within Africa as clearly as in Europe. However, some elements of cartel theory may be emerging in certain countries more than others. For instance, the theory is relevant for assessing the coping strategies that political parties in Africa adopt under conditions of diminishing funding resources. Nonetheless, this occurs within a context in which citizens are withdrawing their consent and general will, as envisaged in the Lockean, Hobbesian, and Rousseauian social contract theories.

It is common in Africa to see political parties entering post-election coalitions, which often serve as a way to save face and meet the requisite threshold for remaining in or gaining power. These coalitions are not necessarily based on ideology, nor guided by citizens' choices. It has been argued elsewhere (Kapa & Shale, 2014) that a plausible explanation for the formation of political alliances and coalitions is the office-seeking motives of political elites. The governing party and opposition elites have similar motivations and desires for access to state power – and by extension the benefits that go with public office. It is not hard to fathom why such coalitions tend to be fragile and marred by intraparty and interparty rumblings, leading to overall party system instability. As Hopkin (2004) correctly observes, a failure of parties to perform their characteristic functions is a trait associated with the emergence of the cartel party.

CONCLUSION

A couple of points are worth making in conclusion. Firstly, the notion that political funding is an essential cog for advancing democracy cannot be overstated. An environment in which public, private, and mixed funding regimes exist is an ideal worth pursuing. This is especially true given the post-COVID-19 context and an increasingly competitive political environment, aggravated by the use of digital and social media in elections.

However, as intimated in the introduction, there is declining trust in political parties as the cornerstone of representative democracy, along with failure by the state to perform democratically, which amounts to a recession of the legitimacy of the state. There is also the erosion of freedoms, justice, constitutionalism, and the rule of law. These factors combined make the introduction and management of political funding hard to achieve.

The second point is that the devil is in the details regarding political funding, in terms of operationalising the different regimes. I have attempted to show that political funding and the funding regimes have evolved from Western contexts. Hence, this paper has largely relied on Western scholarship to address the phenomenon of the trajectory of change in funding regimes. In the context of Africa, where there are unresolved historical, economic, and socio-political factors, funding regimes that seek to regulate political funding will take longer to work.

The questions around the adequacy of regulation itself, the intransigence of the dominant parties or coalition of parties to open the party system and give access to the independents and parties, and the determination of the funding and spending caps are some of the challenges that loom large. Therefore, regulating political funding involves walking a tightrope. One must consider the pressure points for those who want to capture power and those who want to retain it.

Thirdly, it is evident that the trajectory of change from mass party to cartel party political funding is not fully matured in the Global South as it is in the Global North. This evolutionary path not only affects party-political organisational change but also alters the party system. The article has highlighted that this change has resulted in the blurring of the separation between the political parties and the state apparatus, leading to a weak party system.

The fourth point is that conceptualising the trajectory of change in political funding as a product of a pragmatic reaction during a convulsive political transition, or thinking that political parties had no option but to adapt to the state's intervention, does not give a full picture. A complete picture must include the rent-seeking tendencies of the political elite. They actively participated in the shift, realising the prospect of a stable income flow through the treasury.

This brings me to the fifth and final point. It is no exaggeration to say that political funding has, by and large, affected the centrality of political parties and candidates as agents of a social contract and as vanguards of voluntary political consent. A combination of all these points has the net effect of militating against the institutionalisation of political funding, especially in the Global South.

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