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STRENGTHENING DEMOCRATIC GOVERNANCE THROUGH TRANSPARENT AND EQUITABLE POLITICAL FUNDING

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ABSTRACT

This article examines the nexus between democracy, elections, and political funding. A conceptual and normative analysis is conducted to explore these connections and their implications. The results of the analysis are integrated into a matrix, which depicts relationships among variables related to political systems, electoral systems, and types of political funding. A second layer is added to the matrix to include additional variables, such as political parties' ability to generate revenue, society's ability to fund political and electoral activity, the state's role in public funding, and the geographical distribution of voters. The discussion that follows the analysis illustrates how the matrix can be used in various contexts. It can assist in determining the nature of funding required for specific elections and what would be feasible and politically acceptable. The matrix focuses on predominantly conceptual and normative outcomes but offers opportunities for empirical testing through comparative studies or case studies.

Keywords: political funding, private party funding, public party funding, conceptual matrix

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INTRODUCTION

For many scholars, direct and positive correlations between democracy, elections, and party funding are axiomatic and not debated. The question in this paper is whether those assumptions are indeed true. A direct correlation between

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democracy and elections is regarded by many as self-evident, in that democracy is not possible without elections. However even the non-party, movement-based elections during the early Museveni years in Uganda were initially regarded as essentially democratic. The reverse scenario, namely multi-party elections without democracy, is also possible; this point is demonstrated by competitive autocracies and Fareed Zakaria's concept of illiberal democracies (Zakaria, 1997). It therefore appears axiomatic that democracy must include elections, yet democracy is not exclusively about elections.

The debates in the *Journal of Democracy* and several other publications in the 1990s about procedural and substantive democracy highlighted the varying definitions and public expectations of what democracy is, and what it can deliver. For example, elections are much more prominent in procedural democracy than in substantive democracy. Yet a striking feature of such discussions about electoral democracy is that scholars seldom incorporate the nature of party or candidate funding as a determinant of democracy. Generally, funding is included as a constitutive element in the concept of 'electoral integrity', not as a prerequisite for electoral democracy. The absence of political funding as a potentially important factor occurs in works as diverse as Bingham Powell (2000), McHenry (2000), the Global Strategy Democracy Initiative (2024), and Diamond and Morlino's (2005, p. x–xii) edited publication on the quality of democracy. Diamond and Morlino (2005) included 'alternative sources of information' as an indicator of democratic quality, but they said nothing about the sources of political funding.

It is therefore a research priority to determine how political funding relates to elections and democracy in general. Once the research focus rests specifically on party and candidate funding, it seems logical to propose a link between funding type and democracy type. Funding is normally associated with the values of transparency, accountability, ethical conduct, and a level playing field, especially during election campaigning. As an example of this association, Transparency International (2023) referred to the UN General Assembly's Special Session against Corruption in 2021, which focused on ensuring transparency in the funding of candidates, political parties, and campaigns. The session dealt with illicit funds in politics, digital reporting and disclosure systems, oversight and accountability for political funding regimes, civic engagement and public participation, and international cooperation.

My discussion does not concentrate on specific case studies of political funding. Hence, this article does not follow a descriptive empirical approach. My argument is more normative and conceptual in nature; I employ deductive logic instead of an inductive case-based method. The deductive approach does, admittedly, involve a degree of generalisation. By 'normative' is meant that the norms typical of a democratic dispensation – namely, practices and behaviour widely accepted as the best practice and as good – provide guiding principles for analysing the relationship between political financing and democracy/elections.

Political financing is not conceptualised here as an activity on its own in relation to parties, candidates, and reporting institutions. Instead, it is viewed as an enabler of political activities, which might or might not support democratic values. Accordingly, I propose that political funding stands in a relationship with the broader political processes and political culture. The paper explores that conceptual hypothesis, and the discussion thus does not follow a case-by-case or comparative basis but proceeds in a generalised, deductive manner.

The rest of the paper is structured as follows. The first part of the discussion focuses on the relationship between political parties and democracy. In brief, parties are key participants in elections, and elections are a crucial component of democracy. Different types of parties, the systems they constitute, and the electoral systems in which they participate are critical factors in this relationship. The second section takes this idea further and explores why political funding is so important for parties. For what purposes do they need the funding, and which of the party functions in particular are dependent on funding?

The functions of parties are linked to different types of funding, which is the focus of the third section. Private funding, public funding, and foreign funding are the main sources that parties can access. Parties differ on which types they prefer and which they can access most easily. Funding sources are normally thoroughly regulated, partly because of the impact they can have on the democratic quality of elections and other party activities. In the final part of the discussion ('Social Considerations of Political Funding'), I provide additional context regarding political funding. The section is informed by the focus articulated by the International Institute for Democracy and Electoral Assistance (IDEA) on 'money in politics' (International IDEA, n.d). This component is related to digitalisation, transparency and anti-corruption, diversity and inclusion, and corporate political responsibility.

DISCUSSION

The Analytical Proposition: Parties and Democracy

This section explores the relationship between political parties and democracy as well as the implications of funding. I propose that the nexus between political parties, party members, and democracy has direct implications for political funding. The correlations between these three elements are therefore conceptually explored and presented. This work provides the analytical propositions for the discussion that follows it, as well as other empirical studies (comparative or case studies) that might be conducted in the future.

In situations where classical direct democracy or John Dryzek's (2002) deliberative democracy is absent, representative or party-based democracy is the most prevalent democratic form. This type of democracy cannot function without funding for the people and events that serve as the public's intermediaries; the intermediaries encompass political parties, elected public representatives, and the elections. Anthony Butler (2010, p. 1) stated this idea explicitly: 'Money is essential to the operation of any democracy.'

Except as a legal entity, political parties cannot exist on their own. The core of a party comprises members of the public who support the party, representatives elected by the public, and employed party officials. Political parties are accountable not only to their members for their actions but also to the public in general, particularly supporters who are not members. Based on party membership statistics, it is evident that in some countries – including South Africa – by far the most votes received by parties in elections are cast by supporters who are not party members. Furthermore, although political parties are private legal entities, most of their activities are in the public domain. This means they are far more publicly accountable for their actions than are other private institutions.

Most democratic theories presume that parties' actions should be directly related to the public interest. The role that parties can play in social contract relationships are determined by at least three variables. The first is how the party system operates within the electoral system; the second is the different types of political parties; and the third is a party's ideology or position on the political spectrum. In each instance, the concomitant consideration could be worded as 'What are the financial imperatives?' The varying outcomes help to explain why, even among states that appear very similar, political funding imperatives are not always the same. For that reason, generalisations about political funding are often not well justified.

The above assumption can be dissected by looking at political characteristics that presumably have an influence on democracy, such as party systems, electoral systems, and types of parties. In categorising party systems, as Giovanni Sartori (1976) did, a distinction is evident between competitive and non-competitive systems – a notion that can also be linked to single-party, two-party, and multi-party systems. In the competitive category, Sartori included the following: a predominant party system, a two-party system, a moderate or limited pluralism system, polarised or extreme pluralism, and an atomised system. Sartori's categories engage with both democratic and undemocratic dispensations. However, he did not identify the implications of party funding for each type. A preliminary conceptual analysis of such implications is therefore provided here.

Non-democratic dispensations experience relatively few challenges related to political funding, as only one party is dominant and it has direct access to state resources. The opposition is starved of funds, as an integral characteristic of the autocratic project. The competitive category, by contrast, is the one with political funding implications. In a two-party system, for example, the scope of policy challenges related to party funding is less extensive than in a system of extreme pluralism. In the latter setting, multiple parties will expect a fair political funding dispensation.

Similarly, I suggest that different electoral systems also have political funding implications. Systems range from all the varieties of proportional representation to single- and multi-member constituencies. Proportional representation systems are premised on political parties being the main participants in elections, and parties determine their own lists of candidates. The focus is thus mainly on parties, which means the prominence of political funding is well defined.

In the case of constituency-based systems, the situation is more varied. Individual candidates are either nominated by their parties or can stand as independent candidates. For party-nominated candidates, their funding normally depends on the party's campaign strategy. Parties that pursue a national or centralised campaign usually focus on campaign financing from the centre. Those with localised campaigns, on the other hand, have to decentralise their funding. By contrast, independent candidates are responsible for their own political funding and normally depend largely on private donations made to them.

The third variable in determining the role of parties and funding is the type of party. Examples include mass parties, cadre or elite parties, catch-all parties, and cartel parties (Duverger, 1976; Katz & Mair, 1994; Krouwel, 2003). In this paper, I presume that the party type directly affects the party's budgets and expenditures. All party types are highly dependent on various forms of political funding, and cartel parties are explicitly dependent on public funding. Generally speaking, the degree of financial need of most party types is influenced by the electoral system and the nature of the party system in operation.

Democracy is the third element of the nexus presented in the introduction. How do the various dimensions of political parties and funding relate to democracy? To respond to that question, this paper suggests five relational aspects. The first is about how political parties enable implementation of the democratic principle of public representation. Because direct democracy is no longer practically possible, the election of public representatives is the only alternative for the foreseeable future. Parties and elected individual representatives are identified in elections to act as agents of the public in legislatures and executives. Responsibility for decision-making is therefore delegated by the public (voters) to them. This 'public contract' demands of the public representatives (and their parties) to be accountable to their public constituencies. Depending on the applicable electoral system, the focus for accountability is either on the representatives' political parties or directly on them.

The second relational aspect is the presence of a multiplicity of competitive choices. This aspect refers to the range of political choices made available to the public by the parties. The political economist Joseph Schumpeter (1950) used the analogy of democracy and elections as a 'market' with a wide range of 'products' on offer. The public are the consumers or clients, who must choose from among the available political products. From a political funding perspective, political parties must 'invest' in their products, namely their public representatives and policy preferences, and advertise their products to the electoral public. These party investments broaden the options of the electorate and improve the quality of contestation among electoral candidates. This conceptualisation was also embraced by the democratic theorist Robert Dahl (1971). For Dahl, the contestation between candidatures is one of the two key pillars of multiparty democracy (or 'polyarchy', as he called it).

The third relational aspect is that political parties use democratic means for regular renewal of their social contract agreements with the voting public. Elections are an opportunity for parties to compete for the status of becoming the majority party or government. In this context, elections amount to a public assessment of the successes and failures of the incumbent governing and opposition parties. For all these actors, the election is an opportunity to reformulate the public mandate granted to an incoming government. Elections are thus a periodical reprogramming of the relationship between public representatives (party members) and the public.

The fourth relational aspect deals with a specific component of the philosophical social contract. In a contemporary democratic context, the government of the day is a direct product of elections. The democratic view of the social contract includes an agreement between the state and citizens about how public authority should be organised regarding legislative, executive, and judicial powers. In some countries, all three levels are established through elections. In others, elections are mainly in the legislative sphere (i.e., parliamentary systems); in yet others, elections are held for both legislative and executive authorities (i.e., presidential systems).

A government in either of the latter two systems becomes, in practice, an agent of the state. It can exercise powers on behalf of the state, but with the proviso that it must publicly account to the citizens – who are not members of government – for its use of that authority. If the citizens in a democratic dispensation are dissatisfied with the representatives, they can replace them with another governing party(s) through an election. Elections are therefore a means of enforcing public accountability. Where a government's results are unacceptable to the public, an election provides an immediate remedy by establishing a new government.

The fifth relational aspect deals with political parties' internal democracy. Internal democracy in parties, according to De Vos (2015, p.30), is about democratic participation by members in party activities. This includes formulating party policies, participating in the nomination of party candidates for public elections, and electing the party leadership. De Vos (2015, p.33) stated that strong participation in internal party activities improves the general quality of democracy in a state. The logic of internal democracy is that political parties are not free-for-all organisations but are, instead, similar to other private civil-society organisations. They are governed by internal policies and procedures regarding membership, participation, decision-making, accountability of party leaders, and internal discipline. Party members who are elected as public representatives are subjected to more internal regulations than ordinary members with regard to their public pronouncements, use of social media, ethical conduct, and other public actions. Political parties' constitutions determine how leaders are elected and party policies are formulated.

Internal democracy refers to the fact that the general principles of democracy should be imbedded in party constitutions. The logic is that a party with undemocratic internal practices cannot be trusted by the electorate to abide by, and apply, democratic norms in public. For party members to promote democracy in the public space, the party itself must internally apply the same democratic principles.

A general conclusion of this section is that political funding cannot be approached in a generic sense. Three main variables must be considered in determining why political funding is so important for parties and candidates and what type of funding is prevalent in a specific case. The first variable is the party system that exists in a political environment; this component includes how the party system operates within the state's electoral system. The second variable is the type of political party, and the third is the party's ideology. Continuing with this line of thought, the next section addresses why political funding is so important for political parties and candidates.

Why Funding is Critical for Parties and Candidates

Societal organisations share certain features and characteristics. These include the human resources doing the organisation's work; administrative staff; infrastructural resources, such as offices, information and communications technology, and transport; and financial resources. Financial resources are needed to pay for the operational costs, maintenance, and development of all other resources.

Political parties are societal organisations, yet a unique feature is their participation in elections and campaigning for them. Campaigning is a form of public marketing of the party and its candidates. The 'products' the party sells do not generate direct revenue but are rather a cost for the party, although they may generate short-term revenue through donations. The main benefit of an increase in voter support for a party is a less tangible increase, in terms of building the party's public reputation.

Once a party is in government, the advantages and rewards will increase, because the party can implement its own policies as public policies that are applicable to the whole country. In the position of government, it can also reduce its human resources and marketing expenditures, because many of its members and officials will be remunerated as government members and officials. Its policies are implemented as government policies and 'advertised' as part of government's implementation of them.

Individual and independent candidates who stand in elections experience a more complicated situation. Their public visibility occurs mainly around the time of elections. The resources available for their political activities are even less than those of political parties. On the other hand, their organisational or infrastructural expenses are also less than those of parties.

The conventional revenue sources of political parties include membership fees; external private donations by individual supporters, members, and corporate sponsors; the return in interest on the party's corporate investments; and donations in kind. The latter may include donated office facilities, means of transport, volunteer assistance, assistance for big events, food, sponsored T-shirts, and much more. In addition, public funding from state resources has become increasingly important as a component of political funding. It is an important mechanism to overcome the uncertainty and fluctuations of private-generated revenue.

Parties normally experience an increase in private-source revenue at the time of elections. In periods between elections, which usually last four to five years, their revenues decline even though their organisational liabilities remain unchanged. Partly for this reason, in many countries the period between major elections has been shortened by mid-term elections (in the USA) or by separating national and local elections and holding them in different years (in South Africa). Another approach is the use of a presidential term of office that is longer than the parliamentary term (such as the previous seven-year term in France). Holding more elections can solicit more income or donations. However, party expenditures increase with each additional election. Hence, a balance is required from parties regarding more elections versus more revenue and expenditure.

A party's financial resources are an important determinant of how the party conducts its election campaign and competes against other parties. The implications are as follows. First, financial resources have a major influence on the party's *communication strategy*, particularly regarding high-cost options such as big rallies in stadiums, television advertisements, advertisements on billboards, or the printing of thousands of party posters. Less costly options are social media, access to conventional media, distribution of campaign pamphlets, and party T-shirts. The communication strategy is also determined by the target audience the party has identified or regards as its main support base. A high-cost communication strategy is normally required for urban environments, where communication is mainly digital or electronic and is designed for concentrated audiences. Less costly communication strategies depend mainly on party volunteers and face-to-face communications in less densely populated areas, such as rural areas, where big rallies and billboards would not be cost-effective and digital connectivity is often unreliable or absent. Overall, budgets and access to readily available financial resources are serious considerations in deciding on a party's communication strategy.

The second implication is a party's *style of campaigning*. Again, the use of social media, big rallies at stadiums, and advertisements on billboards or in the media are campaign styles that are impersonal and focused on where audiences concentrate. Some methods are predominantly digital. A campaigning option is door-to-door and face-to-face party communication, combined with the use of pamphlets, party posters, conventional and social media, and smaller public meetings (The Electoral Commission, UK, n.d.; Parker, n.d.; Anything Political, 2024). The first campaign style depends on a large campaign budget, while the second requires less money and more volunteer support.

The cost implications can be influential in determining the communication strategies and campaign styles of parties and candidates. A large budget enables a centralised approach consisting of big events, costly public and media advertisements, and extensive use of social media. This approach requires large donations by corporate sponsors. It is the typical approach followed by political action committees (PACs) and super-PACs in the United States, who serve as fundraisers in support of individual candidates, although they are not officially part of the candidate's campaign (GovFacts, 2025). Such an approach has not been widely used in African states so far. A more conservative campaign budget would probably result in a less centralised and more face-to-face communication and campaigning approach. These types of campaign typically depend on party volunteers and focus on local party constituencies; they often rely on smaller donations from more donors.

The significance of the above points is that they not only depend on, but also influence, the main constituencies or focus areas of political parties. It is logical that all parties want to maximise their public support but often cannot afford campaigns that will focus on everyone. A party needs to know who its constituency is and where potential for new support growth is located. Prominent in the United States for many years already, and gradually spreading to other parts of the world – including African countries and specifically South Africa – is the role of campaign consultants. They assist parties in generating empirical evidence to guide the party in taking on the matters mentioned above. They come at a high price for parties or individual candidates.

Bill Clinton as a presidential candidate, for example, relied strongly on focus-group results to direct his campaign decisions. The American consultants Stanley Greenberg and Frank Greer assisted the African National Congress in South Africa in 1994 in the same way (Brownstein & National Journal, 2013; *The Roanoke Times* 1994). South African market research corporates also conduct private opinion polls for parties to enable them to take evidence-based decisions. Examples include Ipsos Markinor (Thorne, 2024) and research non-government organisations such as the Social Research Foundation (Hogg, 2025). These services are very costly and only the biggest parties can afford them.

Reliable evidence is crucial for parties to understand where their most likely support bases are located and whom to target. If a party's target constituency is the youth, then social media and other digital means would probably be the preferred campaign instruments. If the target constituency is mainly urban, a centralised campaign strategy would be cost-effective. A rural constituency would be best served by a door-to-door approach, combined with the use of conventional media. A party constituency that can be defined by social status or income groups presents a specific set of financial demands for parties and how they should design their campaigns.

Up to this point, my discussion has focused on the interaction between political parties and financial resources. The next step is to consider how access to these resources can affect democratic outcomes for both the parties and the public. It is only possible to generalise here about the interaction between parties' resources and their influence on the democratic environment. It should be immediately clear that specific cases may differ from these general observations or may include unique qualifications of the general principle.

Parties with sufficient funding and resources are in a good position to implement internal democratic practices, such as elective and policy-making conferences that include a wide spectrum of members. More communication will be possible to keep the membership informed; more meetings will be possible, and more members can participate in them, because expenses like transport and accommodation can be afforded. Greater campaigning in elections will be possible, and relatively expensive forms of campaigning can be used to reach new voters and potential supporters. However, abundant funding can indicate that many donors – and probably large ones – support the party. This situation has the potential for donors to develop undue influence within the party, which can be to the detriment of the party's members. It can also negatively affect the party's internal democracy. Beyond that, should the party become part of government, there could be wider effects. This point demonstrates the importance of including political funding accountability in regulations about national elections. Such laws should be combined with maximum thresholds for what private donors can contribute to parties.

In the case of parties with fewer financial resources, the following implications are the norm. There is greater dependence on unpaid volunteers and internal resources than on external service providers, consultants, and paid staff members. More direct forms of campaigning, such as face-to-face and door-to-door, are generally used instead of large-scale, virtual, or centralised campaigning. Large rallies and expensive advertisements tend to be challenging. These parties often depend on supporter donations and selling of party merchandise as sources of income. However, the quality of leadership and managerial skills in a party can compensate for a lack of financial resources.

It is not possible in this discussion to conclude that there are direct positive correlations between the financial resources of parties, their internal democracy, and the quality of democracy in general. Any such correlations would be influenced by intermediary factors, such as the party system in a country, the electoral systems, and the types of political parties at play. Nonetheless, what is critically important from a democracy perspective is that significant discrepancy in the resources of the parties that participate in an election would pose a serious threat to the democratic landscape. A regulatory framework to counter such discrepancies is therefore non-negotiable, as a relatively level playing field is an integral part of democracy. However, such levelling will benefit the parties only with regard to achieving equal opportunities in the elections; the election outcome will depend largely on how the opportunities were utilised.

Now that the reasons for the importance of political funding have been considered, the different types of political funding can be explored. I also examine whether funding types correlate in any manner with different forms of democracy. For this purpose, the following discussion concentrates on private donor funding, public state funding, and foreign funding.

Types of Funding: Private, Public, and Foreign

The system and nature of political funding differs among states, and no specific formats are globally dominant. Most states allow for a combination of private and public political funding, but the relative weights they carry differ (Janus, 2024). In 127 states, which is the majority globally, foreign political funding is prohibited; it is allowed in only about 70 states (Rogan, 2024).

It is a general phenomenon that the annual budgets of most prominent parties in their countries have become very large. Because of the impact of funding on the activities of parties, specifically in democracies, it is crucial that party funding should not result in an uneven political playing field and that funding regulations are not used to suppress some parties or political ideas. In most democratic states, the use of public political funding as the only source of party funding is practically impossible. The large financial requirements of parties simply cannot be reconciled with the fiscal discipline that most states have to practise at the moment.

If the opposite option is chosen, namely only private political funding, the party will depend on voluntary private donations, returns on its investments, and similar sources. Private foreign funding is always an undercover and mostly illegal option. The problem of large party budgets in the case of public funding also applies to private funding, although the funding sources are potentially infinite and not limited by parliamentary decisions. On top of that are possible conflicts of interest, ethical complications, compliance in terms of public declarations and accountability, thresholds for the amounts of donations, and the uneven spread of private donations to diverse parties.

A middle position is possible, one that balances private and public funding. This takes the form of private donations to public funds, which are then distributed to political parties as part of the public funding formula. South Africa recently implemented this option in the form of the Multi-Party Democracy Fund, which is funded by private donations. The South African experience so far is that this option is not very popular among private donors, who still prefer to donate directly to the party of their choice (Independent Electoral Commission [IEC], n.d.).

The question arises whether a state's level of development, or its party system, can influence the form of political funding that is chosen. For example, in most states with high gross-domestic-product levels of economic development and strong democratic traditions, the private sector is prominent and has an interest in the government's fiscal and trade policies, labour market regulations, and investment policies. Its engagement with the political environment is rather predictable, including donations for elections and other political activities. By contrast, in other highly developed states, such as China and Singapore, the private sector has to be loyal to the governing party (Baharudin, 2025). Its involvement in the political domain is very different and might include donations to the sole governing party; the intention here is not to promote multi-partyism.

In less affluent states, the private sector is relatively small and has fewer resources available for private political funding. It is almost axiomatic that public funding will be more prominent than private donations in such settings. However, the national budget is not sufficiently resourced to fund political parties at a level that would satisfy their needs; hence, even public funding is limited. High-middle income states such as South Africa, Brazil, Mexico, and Türkiye generally opt for a hybrid funding system of private and public funding. For lower-income states, this choice is less feasible. This point might explain why so many states in the latter category find it difficult to establish an electoral democracy. Indeed, unequal access to funding, which is in any case manipulated by the ruling party, is typical of most autocratic dispensations.

The competitive nature of a party system has direct implications for political funding. Sartori's categories of competitive systems are generally associated with relatively high levels of political funding. Less competitive systems have less evenly spread patterns of funding, which tend to favour the incumbent governing party. In most instances, the main opposition in a non-competitive system does not have easy access to public funding, and its private funding sources are curtailed. Such private funding is often negatively labelled as 'foreign funding' that is intended to support regime change. Opposition parties and presidential candidates in Russia (Kesarev, 2022), Venezuela, and several African countries – including Zimbabwe, Rwanda, and Cameroon – have suffered this fate.

It is therefore important to study the relationship between the type of party funding and the competitive nature of the party system, as well as the presence of a democratic or autocratic electoral dispensation. Again, these relationships are not presented here as absolute correlations. Exceptions exist, and others may appear in the future, but the trends generally provide some evidence in support of the logic presented here.

Another aspect about public funding that deserves attention is the criteria used to determine the financial allocations to each party. In South Africa, the criteria are proportionality and equity. In addition, funding is given only for national and provincial elections, not for local elections. Funding also applies only to parties that already have a presence in the national and provincial legislatures before the election and are therefore not new. This implies a number of biased elements encapsulated in the funding system, namely, such funding rewards parties' performances in the previous election but ignores political developments since then, including recent political trends – which may be evident in by-elections, opinion polls, splits in parties, and so on. Equity is applied as a principle, ostensibly to compensate for the bias that favours the bigger parties in terms of the proportionality criterion. But the weight of equity is so low – in South Africa, it accounts for 10% of the total – that the equity compensation is almost negligible. A fair set of criteria for public funding is therefore very important.

Foreign funding is, as I have indicated, controversial. According to the International Foundation for Electoral System (IFES), 53 states allowed foreign funding for their political parties, whereas 127 did not (Rogan, 2024). The source of foreign funding is often related to parties' international networks or alliances.

Many parties are linked to like-minded international collectives, such as the Socialist International, Liberal International, International Democratic Union, the Christian Democratic International, and the Former Liberation Movements of Southern Africa. Party blocs exist in the European Parliament on a similar basis, such as the Christian Democrats group, the Left group, the Review Europe group, and the Patriots of Europe. Some parties are also associated with international foundations or non-government organisations that have similar ideologies in other countries, such as the German and American foundations. Because of their similarities, funding is often a possibility.

Foreign funding is regularly seen as a potential security threat, especially regarding major powers that want to influence the outcome of an election in another country in their favour. In other instances, foreign funding is given to opposition parties or candidates in autocratic conditions, where those parties cannot function without external support. Foreign funding is then treated by the incumbent government as an attempt to support 'regime change'. According to IFES (Rogan, 2024), even in well-established democracies, the potential for external interference is so high that they do not allow it.

In conclusion, the formulae for political funding differ significantly among states, and no global consensus on this matter is on the horizon. The relationship or association between funding and democracy is also not a direct or linear one. Local conditions and considerations appear to dictate a state's approach to political funding. As mentioned at the start of this paper, it is noteworthy that literature on the quality of democracy does not seem to include political funding as a potentially important variable.

Social Considerations of Political Funding

The International IDEA is an intergovernmental organisation that was established in 1995 by 14 founding states, including South Africa. One of its focus areas is 'money in politics'. Although the financial relevance and implications for politics are impossible to capture conclusively, International IDEA (n.d.) concentrates on four relevant social considerations, in the context of elections in particular.

The first point is how digitalisation has transformed political campaigning. Online campaigning enables political parties to reach more potential voters than is possible with direct or general media campaigning. International IDEA identifies challenges associated with digitalisation, such as the source and destination of online expenditures and the lack of oversight bodies' capacity to enforce public accountability. Furthermore, International IDEA addresses the implied costs of digitalisation, the access of eligible voters to social media, foreign interference through social media, and the indirect funding of parties and candidates by providing digitalised platforms for their campaigns. Because of cost implications, communities in low-income countries have relatively limited access to online campaigning. Parties that focus on these communities as potential supporters are less competitive than parties or candidates whose supporters are more digitalised. Direct political funding cannot ameliorate this shortcoming, which is essentially a socio-economic issue.

The second of International IDEA's focus areas is transparency and anti-corruption. Its point is that it is difficult for voters to make informed decisions when they do not have information available about the funding of elections, including the sources of that funding. Lack of transparency also increases the potential for corruption and erodes public trust in electoral institutions. International IDEA stated that this point relates to the UN's Convention against Corruption and to Sustainable Development Goal 16.5 ('Substantially reduce corruption and bribery').

As already discussed, transparency in political funding is one of the most serious challenges for oversight bodies and those managing funding, such as the IEC in South Africa. Under-reporting appears to be the norm. Alternative means of funding, such as fronting or funding in kind, are very difficult to monitor. Furthermore, the minimum thresholds for reported donations may be set too high. These issues all provide opportunities for corruption or unethical political conduct. Campaigning in the form of soliciting small donations from party supporters and members appear to be unattractive for most parties. Overall, the lack of transparency – or its manipulation – is arguably the most complex element of managing political funding.

Social diversity and inclusivity in political participation is International IDEA's third focus area. The organisation identified gender identities, indigenous people, and people with disabilities as social categories for which the opportunities for political participation are negatively affected by financial barriers. Social prejudices often determine who is financially supported and who is not. Campaigns that require parties to provide special materials or equipment for people who are blind, deaf or have other disabilities are often neglected because of the additional costs. The nature of the electoral system can play a role in inclusivity. For example, proportional representation systems may provide a relatively high level of inclusivity regarding diversity on the party lists. By contrast, constituency-based elections are much more focused on the individual person, which makes inclusivity more difficult and financial discrimination against specific categories of persons more likely.

The fourth focus area is corporate political responsibility, taking a cue from the notion of corporate social responsibility. For International IDEA (n.d.), the term refers to corporate political activities such as campaign donations and lobbying.

These activities provide an opportunity for the private sector and interest groups to participate in politics as part of civil society, thereby extending the participatory nature of democracy. The use of corporate lobbying depends strongly on the national political culture. For example, in the United States, lobbying is an integral part of political activities, whereas in South Africa it is far less formalised and happens mainly at the individual level. Overall, International IDEA's notion of corporate political responsibility provides a conceptual opportunity to develop a precise framework regarding the expectations for roles that the private sector can play in political democracy.

CONCLUSION

The discussion in this paper confirms the notion that a democracy cannot exist without elections, and this relationship has implications for political funding. It is an uncontested fact that elections involve campaigning and therefore require financing, which, logically, renders financing a hard requirement of representative democracy. This situation creates a democracy–elections–funding nexus.

The discussion furthermore led to the conclusion that, on its own, this nexus is insufficient to determine the role of political funding; other variables are also relevant for workable analytical propositions. Such variables include political party systems, electoral systems, and the different types of political funding. In my conceptual analysis, factors that emerged as relevant were parties' ability to generate revenue, society's ability to fund political activities, and the role of the state in such funding. The demographic nature of a society in terms of where the electorate are concentrated geographically also matters. The paper examined how these variables, among other possible ones, partly determine the nature of the funding required for elections as well as what is feasible and/or politically acceptable.

Based on this discussion, a combination of all the analytical propositions makes it possible to establish a matrix consisting of the relevant variables. The matrix has wide potential for application and helps focus research attention to anticipate the political financing demands and implications that are present in different parts of the world. Nonetheless, it is not necessarily universally applicable, as variations are always possible. Furthermore, this paper does not present empirical case studies or comparative studies; it is conceptual and normative in its approach. The conclusions offered should therefore be further evaluated through empirical, comparative, or case studies.

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