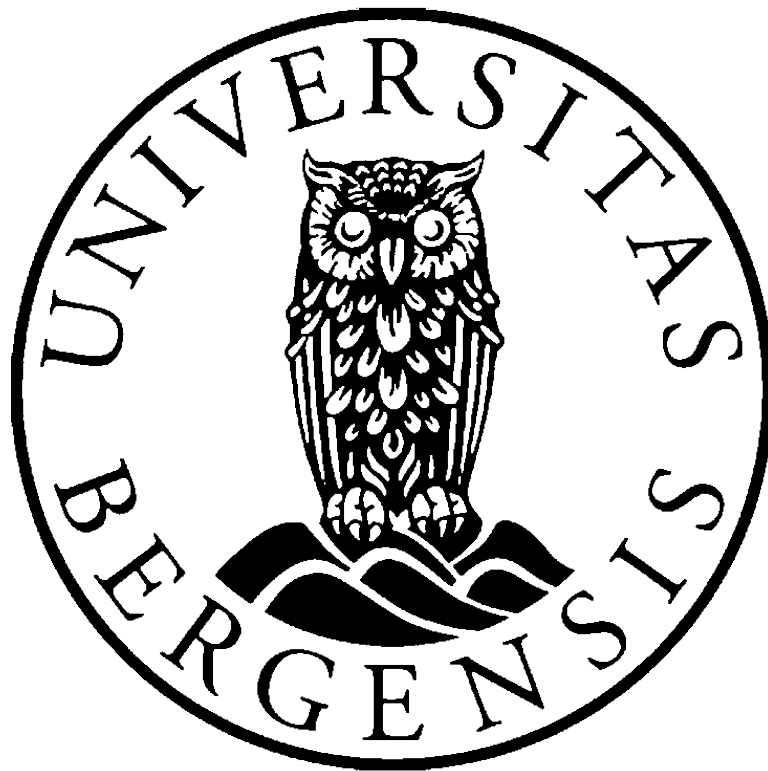


**Living in a material world:**  
Political funding in electoral authoritarian regimes in Sub-Saharan Africa

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## Abstract

This thesis investigates the role of political funding in two electoral authoritarian regimes in Sub-Saharan Africa. The issue of political funding has been investigated thoroughly in developed democracies in the West, but only relatively recently have scholars tried to investigate the importance of political funding in Sub-Saharan Africa and in non-democratic regimes who still hold elections. The aim of this thesis is thus to investigate what types of political funding exists in electoral authoritarian regimes in Sub-Saharan Africa, and what contextual factors that affects the availability of funding for different actors. An additional goal is to highlights some of the implications of political funding for the political regime.

The thesis uses three steps to approach this research question. First, it compares and contrasts existing theory on political funding with previous work on issues related to political funding, and builds a theoretical framework based on this. It then turns to case studies of Uganda and Angola using process tracing to conduct a thorough within-case analysis to map out both which funding types exist and the mechanisms and processes surrounding these funding types. Finally, the thesis compares the results of the two case studies in a cross-case comparison and draws tentative conclusions about funding in electoral authoritarian regimes in Sub-Saharan Africa based on this.

The main finding of this thesis is that political funding is an important tool in the authoritarian “toolbox” in electoral authoritarian regimes in Sub-Saharan Africa. The ruling parties in both Uganda and Angola have access to a lot more sources of funding than the opposition parties. Most of the sources that are available to the ruling party and not the opposition parties are linked to their continued electoral dominance and control over state institutions. In general, the findings of this thesis indicates that plutocratic funding and income from graft are the two categories of funding that are most important in the Sub-Saharan African context, and that, on average, the ruling party is able to attract more funding from these funding sources than the opposition. In addition, the thesis highlights that the ruling party in both Uganda and Angola uses its control over the state to deny the opposition possible fundraising sources that they cannot control, but that the approach to this varies between the two regimes. This implies that to fully understand the role of political funding in electoral authoritarian regimes in Sub-Saharan Africa, we need to focus more on the whole funding situation, and not just the way which the ruling parties enrich themselves.

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*“Two serious challenges will keep upsetting the African democratization process: political party financing and succession politics.”*

*Salih and Nordlund (2007: 128) concluding their analysis of the role of political parties in the challenges for sustained multiparty democracy in Africa*

## **Chapter 1 – Political funding as an issue in Sub-Saharan Africa: An introduction**

The introductory quote highlights two of the main challenges facing the democratization process in Sub-Saharan Africa: political finances and how to facilitate a peaceful succession. While the issue of succession politics is there for all to see, the role of political finance is perhaps a subtler and less well-known area of African politics. Political finance and political funding in particular is an undertheorized topic (Hopkin 2004), especially in Sub-Saharan Africa (Fisher and Eisenstadt 2004; Van Biezen and Kopecky 2007). Cross-case comparisons and even case studies are rare (Scarrow 2007; Butler 2010). The aim of this thesis is to investigate and build theory on the issue of political funding in electoral authoritarian regimes in Sub-Saharan Africa. This will be done through case studies of the funding situation in two electoral authoritarian regimes: Uganda and Angola, and by comparing the results of the case studies in a cross-case analysis. The primary objective of the thesis is to answer the following questions: *what types of political funding exists and what contextual factors shape political funding in these regimes?* However, since political funding is a variable with a “dual” nature in that it not only is affected by contextual factors but also affects them, it is natural and indeed necessary to touch upon and consider *the implications of political funding in electoral authoritarian regimes*. By providing tentative conclusions on this topic this thesis hopes to contribute to the literature on the “menu of manipulation” in these regimes as presented by Schedler (2002a). This question will be of secondary importance however, since any meaningful contribution to this literature is dependent on an accurate description of political funding as a phenomenon.

### *The methodological approach and findings of the thesis*

The thesis therefore combines what George and Bennett (2005:75-76) call “heuristic” and “building block” case studies. Heuristic case studies are primarily used to analyze and build typologies on the main research question. The theoretical point of departure of my thesis is western typologies of political funding. I then expose these typologies to the few works available on political funding in Sub-Saharan Africa, and based on this I modify and create a theoretical typology. I then investigate the empirical reality by conducting within-case

analysis using process tracing to investigate the issue of political funding in both Uganda and Angola. In this section I find that both the MPLA government in Angola and the NRM-party government in Uganda use state resources to beef up their party's presence in the political arena. Both the incumbent parties have significantly more funding at their disposal than the opposition, and part of this is linked to funding types which only the party in power can receive. However, when it comes to the opposition parties, the situation between the countries differs. Opposition parties in Uganda generally lack funding, and rely heavily on a few individuals within the opposition parties as well as the international community to provide them with resources. In Angola, the lack of funding is also a problem for opposition parties, but because of state subsidies the problem is not as direct because the MPLA regime allows some resources to trickle through official channels. This creates other problems however, because the parties thus become more dependent on the goodwill of the ruling party.

While it is not the main focus of this thesis, the case studies show the importance of addressing the role played by the incumbent regime in manipulating the funding situation. Therefore, a portion of my thesis will be devoted to the second issue of the implications of political funding in electoral authoritarian regimes. Here I employ the "building block" approach in that I only focus on a specific part of the problem related to the wider concept of electoral authoritarianism. My aim is not to prove that political funding is *the* mechanism that preserves electoral authoritarianism, but rather that it seems to play a role in the case of Uganda and Angola. I therefore investigate how the incumbent parties manipulate political funding, both by illustrating this within the cases and then by comparing between them. The analysis shows how the two incumbent parties have shaped the funding systems through their control of formal institutions, but at the same time how the contextual environment has led to diverging strategies in terms of how they have approached this. The result is the same however; an uneven playing field for the opposition to compete on.

### *The cases; the phenomenon; the setting*

Before I start the process described above, it is important to clarify some issues. First of all, it is important to have some contextual knowledge about the cases investigated in this thesis. I therefore present a small empirical section on both Uganda and Angola that highlight why political funding is important there. I then show what political funding is and why it is a topic worthy of scholarly attention. Finally, this chapter describes the nature of the setting that this thesis is dealing with: pragmatically oriented parties in electoral authoritarian regimes.



## 1.1 The cases: Uganda and Angola

The 2011 election in Uganda solidified President Yoweri K. Museveni and his *National Resistance Movement-party's* (NRM-p) hold on power in the country where multiparty politics was banned until 2005. This year, the NRM-p and Museveni celebrates 25 consecutive years in power of the African country which they originally came to power in through a civil war. In the election, the issue of the use of money and resources was of great importance, and most monitoring reports highlighted both the importance of resources in the campaigns and how the NRM-p and President Museveni used state resources throughout the election process (AUOM 2011; Commonwealth Secretariat 2011: 19-20; EUEOM 2011). Forty days before the election, the NRM-p-dominated Parliament passed a supplementary budget worth over US\$<sup>1</sup>250 million, US\$33.6 million of which went directly to State House and part of which were aimed at the “facilitation of jobless youth.” (Nanjobe 2011). A day after the passing of the budget, each NRM flagbearer was given over US\$8500 for the campaigns (Nalugo and Mugerwa 2011). The use of money to indirectly or directly buy votes has become an important part of the political process in Uganda (DEMGGroup 2011).

In another Sub-Saharan African country with a checkered past, Angola, the 2008 parliamentary election was the first since the 1992 election which saw MPLA<sup>2</sup> beat UNITA<sup>3</sup> and thus indirectly triggered the second phase of the civil war.<sup>4</sup> The 2008 election saw MPLA significantly increase their majority in power. This, followed by the recent constitutional change that creates a *de facto* parliamentary system where the leader of the largest party in power becomes president, entrenched Jose Eduardo dos Santos' hold of a Presidency which he has occupied since 1979, as well as MPLA's hold on power in a country they have ruled since independence. Just before the registration of political parties for the election, the government gave a flat sum to all registered political parties, a lot of which did not compete in the actual election,<sup>5</sup> while withholding the campaign funding for those parties who actually qualified until two weeks before Election Day. The European Union Election Monitoring

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<sup>1</sup> In my thesis I will use United States Dollars (\$US) for all monetary measures. In Uganda, most of my data was collected in Ugandan Shillings (UGX). I use a exchange rate of 1 US\$ = 2350 UGX, as this was the exchange rate close to the 2011 election on February 18th, and it is close to the average rate for the whole election period. In Angola, USD is an accepted currency that is used in local transactions, and most of the sums provided to me were given in USD, not in the local Angolan Kwanza.

<sup>2</sup> Abbreviation used for full name of party: “Movimento Popular de Libertação de Angola - Partido do Trabalho”. In english: People's Movement for the Liberation of Angola - Labour Party.

<sup>3</sup> Abbreviation used for full name of party: “União Nacional para a Independência Total de Angola”. In english: “National Union for the Total Independence of Angola”.

<sup>4</sup> Jonas Savimbi famously said that he would not accept the results of the election if UNITA did not win (Maier 1996: 72-73).

<sup>5</sup> Interview with Nelson Pestana, Political Scientist at CEIC-UCAN and member of the *BD*

team viewed the use of state resources by the MPLA as one of the major flaws of the election (EUEOM 2008: 7, 20-21).

The fact that Uganda and Angola have both recently arranged elections where the role of political funding has been highlighted is not their only common denominator. With a total of 57 years in power between them, the rulers of the two countries are placed 3rd and 6th on the list of the longest serving heads of state in Africa. The political parties surrounding the leaders share this power-legacy. Both came to power through winning a civil war, but allowed the opposition in the war to maintain its political branch and participate in elections. Both have accepted multiparty elections as the basis of their legitimacy, at least theoretically. Finally, neither Angola nor Uganda is considered to be democratic by most democratic indicators.<sup>6</sup> They therefore seem to match the description of what Schedler (2002a; 2006) calls *electoral authoritarian regimes*, which are regimes who organize elections to obtain some form of democratic legitimacy, but are not democratic. The ruling party does not resort to open repression, but rather maintains its hold on power by “placing those elections under tight authoritarian controls” (Schedler 2002a: 36-37).

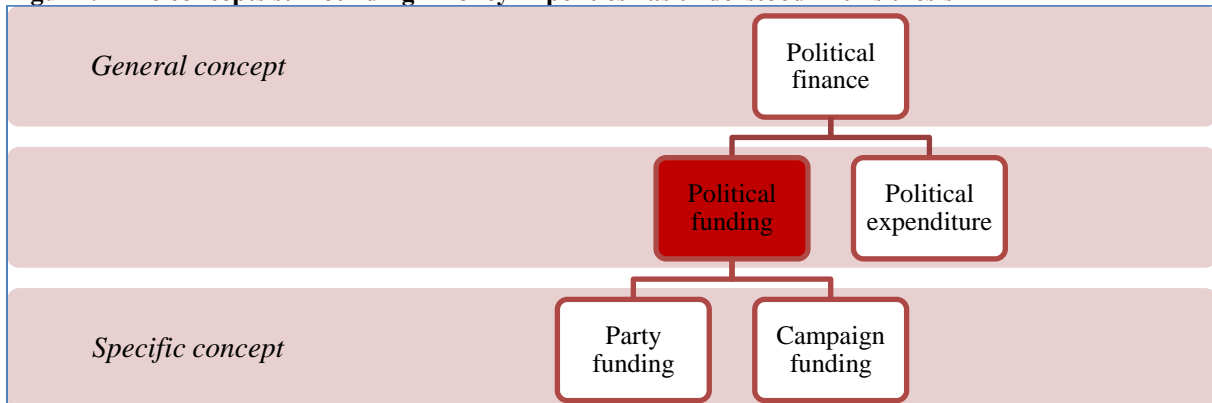
## **1.2 The phenomenon: Political funding**

The broad issue of political finance is an extremely complex political phenomenon to investigate and understand, especially comparatively (Nassmacher 2001: 9; Van Biezen and Kopecky 2001; 2007). Therefore, it is important to explain at an early stage what political funding is, what subtypes that exist and how it relates to the broader category of political finance. Figure 1.1 below illustrates how this fits together; the primary focus of this thesis is the concept of political funding highlighted in red and its subcategories. To start off with the broadest category in the figure: *political financing* deals with everything connected to the role of money in politics (Nassmacher 2001: 9-10). *Political funding*, which is the main phenomenon that I will focus on, deals with the income side of political finance. On the other side of the equation is *political expenditure*. This is not the direct focus of this thesis, but since expenditure is related to the issue of funding, some elements that fit into this category will necessarily be included in the analysis. Moving down the conceptual ladder, political funding includes both what the literature calls *party funding* and *campaign funding*.

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<sup>6</sup> Uganda’s Freedom House rating has been stable since at 5 on Political Rights and 4 on Civil Liberties since 2004. Angola’s rating has been stable at 6 on Political Rights and 5 on Civil Liberties since 2003. Polity IV has consistently classified them as “Closed Anocracies”, with a rating from -5 to 0. Neither would be called democratic by most indicators that focus on election outcomes (such as Przeworski, Alvarez, Cheibub and Limongi’s index or Vanhanen’s index), because of the large majorities they have won and the fact that there has been no turnover in either case.

**Figur 1.1** The concepts surrounding “money in politics” as understood in this thesis



Party funding is funding for a political organization both in and outside the campaign period, while campaign funding is funding specifically linked to fundraising activities for a candidate to compete in elections (Nassmacher 2001: 10). Since, for reasons alluded to below, this thesis uses the political party as its basic unit of analysis and analysis it over time, not just during campaigns, I will analyze both party funding and campaign funding as income for the party which the candidate belongs to.<sup>7</sup> This can be problematic in terms of conceptual stretching (Sartori 1970). But as argued by Nassmacher (2001: 11), the degree to which political funding focuses on candidates or campaigns is related to who runs the political campaigns, and if it is a candidate- or party-centric system. I therefore choose to look at this as a contextual difference rather than as a different concept, though I acknowledge and identify in the case studies which types of funding that are primarily for campaigns and which that are not. Political finance literature generally refers to monetary contributions, and disregards other forms of resource contributions (Mathisen and Svåsand (2002: 4). But I investigate political systems where money is a scarce commodity for many people. Other resources can therefore be very important and more readily accessible (Saffu 2003). Therefore, although money will be the primary issue, I will include other resources such as free time in the media and free election material in my conception of political funding.

Having defined the concept under investigation, it would be beneficial to the reader to know why it is important to study political funding. As pointed out by Mathisen and Svåsand (2002: 4) it is hard to specify the impact of funding on political outcomes. Nevertheless, they point out that the actors themselves generally consider it to be an important factor. US-based

<sup>7</sup> Note that both these categories are not the same as the subtypes of state subsidies presented in table figure 2.2. Figure 1.1 deals with all political finance

scholars have concluded that in the US-setting, while there might be a threshold over which the importance of fundraising diminishes, “incumbent politicians cannot even hope to get elected if they do not meet minimum fundraising requirements” (Fisher and Eisenstadt 2004: 619). Ever since James Kerr Pollocks’ study of party finance in Britain, Germany and France in 1932, scholars have periodically reviewed the impact of financial resources on the political game in the Western context. Three classical reasons for why this is an important topic are presented by Casas-Zamora (2005: 2). A lopsided financial situation between political actors can create a situation that hampers electoral equality and an even playing field; it also increases the political influence of a certain part of the electorate compared to other parts. Finally, fundraising processes can create conflicts of interest for elected representatives, or flat out rejection of the common good in exchange for the interests of a narrow financial spectrum. These are fundamental issues when deciding whether or not an election has been free and fair (Elklit and Svensson 1997: 38), and thus investigating the phenomenon of money in politics in different settings is very important (Nassmacher 2001:10). Comparative works about the topic are scarce.<sup>8</sup>

There is reason to believe that political funding is even more important in the Sub-Saharan African setting. Not only are resources scarce, but funding for example an election campaign is extremely expensive in a country with low levels of literacy and technology (Saffu 2003). Therefore, access to state resources gives the incumbent huge advantages in the political game (Randall and Svåsand, 2002; Rakner and van de Walle 2009). Salih and Nordlund (2007:51) argue that “dominant parties dominate the legislature and could monopolize the lawmaking process to promote the predominant party’s economic and social interests”. Considering this it is strange that Fisher and Eisenstadt’s (2004: 622) call for more research on the role of party funding in “impoverished countries” has not been heard. Even case studies of the funding of political entities in lesser-developed African countries are rare (Butler 2010). Reviewing comparative studies on political finance, Scarrow (2007: 196) only finds one which includes African countries.<sup>9</sup> Perhaps it is because of a lack of good data, something which seems even more acute in the Sub-Saharan African setting than in other settings (Saffu 2003). But I argue that this can be solved by in-depth analysis and triangulation of data sources.<sup>10</sup>

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<sup>8</sup> See Nassmacher (2001) for a good review of previous comparative work

<sup>9</sup> At least one more does exist and is utilized in this thesis: Bryan and Baer (2005)

<sup>10</sup> See section 3.3 on “Data” for a much richer analysis of the challenges connected to researching political funding

Finally it is also important to remember that political funding can both be an output of and have an impact on policy decisions (Nachmasser 2001: 10). This is imperative for the secondary issue of my research question: the implication of political funding for electoral authoritarian regimes. Much of the legal regulation of political funding is included in general legislation of political parties or political campaigns (Karvonen 2007). How policy on and regulation of political parties and campaigns are shaped is therefore of great interest when investigating the phenomenon of political funding. An important distinction between the development of parties in the Western world and parties in Africa is that while regulations concerning political organizations normally were created gradually in Western countries, they have been created and implemented at a faster pace in Africa. This creates room for the incumbent party, especially if in power during the transition from a limited-party system, to shape the political game to an extent not possible in the Western context (Mathisen and Svåsand 2002: 7; Mozaffar 2002; Salih and Nordlund 2007: 104-105). Treisman (1998: 12) illustrates this in the Russian context, where he finds that one of the most important mechanisms used by the ruling party to preserve power in post-communist Russia was to deny opponents possible funding sources. Both MPLA in Angola and the NRM-party in Uganda were in power during the transition to multiparty politics, and therefore in prime position to make sure the rules favored themselves. Political finances and political funding is one of the most regulated topics in terms of party regulation, though it is comparatively under-regulated in Africa (Saffu 2003; Salih and Nordlund 2007: 106). However, both Angola and Uganda have regulated it. Nonetheless, when evaluating these kinds of regulations it is just as important to notice what is *not* regulated. Salih and Nordlund argue that:

“For reasons of partisan or personal advantage, incumbents at the time of transition, during constitution-making and at the passing of legislation on political parties, elections and electoral commissions have preferred to address none or only some of the issues involved in political financing” (Salih and Nordlund 2007: 117).

### **1.3 The setting: pragmatically oriented parties in electoral authoritarian regimes**

In my thesis I have chosen political parties as my basic units of analysis. I do, however, recognize that a political party is not a homogenous unit and that there are actors with diverging motives within each party.<sup>11</sup> However, using the party as my basic units of analysis

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<sup>11</sup> This point is illustrated both through the introductory quote and through figure 1.1

does not prevent me from doing a within-unit analysis in each case as well. Thus I should be able to account for the “actor-factor”. Furthermore, analyzing at the party level has two major advantages. Almost fifty years ago LaPalombara et al. (1966) highlighted the potential importance of political parties in developing democracies, especially in establishing accountability between the government and the electorate. There are few functioning political systems that do not contain political parties. They can therefore be considered *imperative* to the political process. Second, while President Museveni in Uganda and President dos Santos in Angola are both strong Presidents, they both depend on party-support in the legislative arena. This is imperative for the secondary focus of my research question, because without this legislative support the incumbent party would not be able to create an uneven playing field in such a subtle way. This is a trademark of an electoral authoritarian regime: rulers need parties to control the electoral game (Schedler 2009: 389). The fact that Uganda and Angola both have incumbent parties that enjoy executive *and* legislative control in their respective countries make them interesting cases because it allows an investigation of both the effect of and the effect on policy on political funding as described in the previous section. This makes them ideal to investigate both parts of my research question.

According to a very extensive report on political parties in Africa, African parties are primarily “instruments developed by the elite for state capture” (Salih and Nordlund 2007: 129; also echoed by Gyimah-Boadi 2007:25). In other words: the primary objective of a political party is to capture and hold governmental power, something which is in line with a view that highlights the pragmatic nature of political parties:

"[A] political party is an autonomous group of citizens having the purpose of making nominations and contesting elections in hope of gaining control over governmental power through the capture of public offices and the organization of the government" (Huckshorn 1984: 10, emphasis added).

This highlights the office-seeking nature of political parties; the quest for power, rather than the quest for policy, has become the rationale for its existence (Strom 1990; Müller and Strom 1999). Mainwaring (2003) argue that even democratically oriented parties in authoritarian societies have to be vote- and office-seeking to some degree. In fact, he points out that in authoritarian regimes faced with elections and pressure to democratize the parties play a “dual game” – both in terms of electoral politics and the nature of the regime (Mainwaring and Scully 2003: 10-12). Controlling the opposition parties therefore becomes essential. Scholars

argue that, depending on factors ranging from the personal objectives of party leaders via the institutional checks and balances to the degree of party programmatic platforms, parties will seek to create a playing field that favors their party (LaPalombara and Anderson 1992; Carey and Reynolds 2007) and enables them to stay in power. Such a definition of a party leads us to expect that *an incumbent party will do what it can, depending on structural constraints, to stay in power*. In order to understand the intentions of the elite, one therefore has to focus on the instruments they use: political parties.

In electoral authoritarian regimes, the elections that these parties compete in are not “shams”; they are meaningful, competitive to a degree, and provide some sort of legitimacy for the winner. However, they violate one or some of the important constitutive norms that are the foundation for democracy (Schedler 2002a: 42-43). These regimes often follow the procedural definition of democracy, but are lacking in terms of free and fair competition between actors, or in terms of whether or not the electorate’s choice is the absolute authority within the regime (van de Walle 2002: 68-69). They are typically former “fully authoritarian” regimes that got “stuck in transition” (Carothers 2002), but can also be regimes that have experienced democratic regression (Morlino 2009).

Ever since Collier and Levitsky’s (1997) and Carother’s (2002) seminal articles, there has been a debate about how you classify regimes who are not democracies but conduct elections. While some claim that electoral authoritarian regimes are part of what is known as “hybrid regimes” (Diamond 2002; Rocha Menocal et al. 2008; Bogaards 2009), Morlino (2009: 279) interprets Schedler’s term as a new form of flat-out authoritarianism, and thus not a hybrid regime. Schedler (2006: 5) does indeed specify that electoral authoritarian regimes are in fact a form of authoritarianism, but so does Levitsky and Way (2002) in their analysis of competitive authoritarianism, and Morlino (2009: 280) does seem to think that this is a legitimate subtype of hybrid regimes. In fact, Schedler specifies that the new forms of authoritarianism are part of the puzzle surrounding hybrid regimes (Schedler 2002a: 36). I argue that Morlino’s critique fails to capture the range of regimes included under the label hybrid regimes. While these regimes are definitely authoritarian, they are nevertheless hybrid in the sense that they incorporate and accept the shell of democracy. This must be taken seriously, and an analysis must therefore take into account the dual nature of the regime. My approach is similar to that of Brownlee (2009), who treats electoral authoritarian regimes as a broad and important subtype of hybrid regimes, and based on Levitsky and Way (2002) and Diamond (2002) divide these into competitive authoritarianism and hegemonic authoritarianism. These are separated by the strength of the oppositional challenge in the

regime (Diamond 2002; Brownlee 2009: 518). As a consequence of this view, I also utilize literature on hybrid regimes to explain the context which I am investigating.

The incumbent party in electoral authoritarian regimes is a dominant party who preserves its power through elections. They all dominate both the presidency and the legislature to a degree that they can control the political game because they win control of both the executive and legislative institutions of government through these elections (Bogaards 2004; Salih and Nordlund 2007: 51; Schedler 2009: 389). You find dominant parties in both democratic and authoritarian systems; but these typically behave very differently (Bogaards 2008). This might seem like a mundane observation, but it is important in order to understand the importance of the dominance factor in the dual nature of political funding. In electoral authoritarian regimes, they are able to use their incumbency to an even larger degree; and especially so in countries where they have controlled the transition to electoral and multiparty politics. When you combine a dominant office-seeking political party in power with an electoral authoritarian regime, you get a situation where the incumbent party should, depending on certain contextual constraints, be able to create policies on important issues such as political funding that are favorable to them. Thus my thesis is based on the assumption that investigating political funding is not only important in itself, but the nature of political funding makes it an interesting object of study because of the implications it has for the wider political system as well, and especially so in electoral authoritarian regimes. This basic assumption is one of the core assumptions of this thesis.

#### **1.4 Structure of thesis**

With these fundamental concepts and the link between them in mind, it is necessary to take a closer look at the literature on political funding in electoral authoritarian regimes. Chapter 2 shows that there has been little theoretical literature on the topic; most of the literature on political funding is based on the reality in Western democracies. In order to bridge this theoretical gap, the chapter presents the different funding typologies that have been developed from the Western context. It then compares these typologies with the empirical reality shown in the few studies that focus on political funding in Sub-Saharan Africa, as well as other countries affected by the third wave of democratization. The final part of the theoretical chapter is dedicated to reviewing relevant literature in order to find out how the context of electoral authoritarianism as well as other contextual factors could possibly affect political funding, and what strategies of political funding that can be viable in such a context.



Chapter 3 presents the methodological framework of this thesis, and debates the choices made and challenges faced throughout the process of writing it. It starts off with a general discussion on choice of method, and shows that a combination of a within-case analysis using process tracing and a cross-case comparison between the cases are necessary in order to identify mechanisms and increase the potential for theory building. In the second part of the chapter, the focus is on defining what Uganda and Angola are cases of, and what the implications of this is for theory building. Finally the chapter looks at the data collection process and challenges related to collecting primary data on a sensitive issue.

Chapters 4 and 5 are within-case analyses of the situation of political funding in Uganda and Angola. By using both primary and secondary data to investigate the process and mechanisms at play, these chapters present case studies of the phenomenon of political funding in the two countries. The case studies show both what kind of political funding is available for the different political parties and what factors that seems to shape this availability. These chapters constitute the empirical section of my thesis, as well as the first and most fundamental step of analysis. They highlight what parts of the theoretical typology constructed in chapter 2 that are reflected in the respective cases. The case studies also introduce some new elements that the theory failed to highlight however, such as the importance of the temporal dimension in the introduction of state subsidies.

Finally, chapter 6 completes the analysis by comparing the two cases to each other. This also doubles up as the conclusion of my thesis. The comparison is done in order to find out if some of the traits shown in the previous case studies can be found across cases and thus increase the chance that these findings are generalizable to electoral authoritarian regimes in Sub-Saharan Africa in general. The cross-case comparison shows that while both regimes seem to manipulate political funding in order to skewer the playing field, their approaches vary somewhat. Some of this variation can be explained by contextual variables. What does seem to be the case however, is that both the Ugandan and Angolan regimes uses political funding both to create what Schedler (2002b) calls unfair competition and to manipulate the “actor space”. Based on this, tentative conclusions about the role of political funding in electoral authoritarian regimes in Sub-Saharan Africa are made. These tentative conclusions can be used as a point of departure for further research.

“When authoritarian incumbents go out to face the voting public and get its electoral seal of approval for their continuance in power, they often confront emerging opposition parties under conditions of radical unfairness. **In case after case, this unfairness has to do with money and the media.** Usually, electoral authoritarians enjoy ample access to public funds and favorable public exposure. The whole apparatus of the state – often including government-run media – is at their beck and call, and they often can harass or intimidate privately owned media organs into ignoring opposition candidates.”

(Schedler 2002a: 44, emphasis added)

## **Chapter 2 – Creating a foundation: Theory on political funding**

In a seminal article from 2002(a), Andreas Schedler goes through the “menu of manipulation” of electoral regimes, and argues that the difference between electoral democracy and electoral authoritarianism is that the latter do not comply with minimal democratic norms. Using the seven democratic criteria of Robert Dahl (1971), he formulates possible strategies for norm violation that a regime could use to manipulate the political and electoral process. If the regime does use one of these strategies and violates one of the democratic norms, they are to be considered an electoral authoritarian regime. On Dahl’s third criteria – *the formation of preferences* – Schedler specifies that this is fundamentally about the *freedom of demand*: That citizens are able to learn about the different alternatives in an equal manner. This, according to Schedler, depends on equal access to money and the media, as illustrated by the introductory quote above. The article also highlights the danger of clientelist networks based on power and money controlling the voting process (Schedler 2002a: 44). Many scholars have previously highlighted the perceived importance of such networks in the Sub-Saharan African setting (Kopecky and Mair 2003; Saffu 2003; Van de Walle 2003; Van Biezen and Kopecky 2007). It is therefore reasonable to assume that theoretically money can play a decisive role in electoral authoritarian regimes in Sub-Saharan Africa. But research on the role of political funding in Sub-Saharan African countries has been limited, especially so in these kind of regimes. The little that has been done has not focused on political funding *per se*, but rather on a wider or narrower set of issues such as discussions on political parties (Kopecky and Mair 2003; Salih and Nordlund 2007), specific subtypes of political funding (van de Walle 2003) or the general issue of money in politics (Bryan and Baer 2005).

Nevertheless, the purpose of this chapter is to create a theoretical overview of political funding in electoral authoritarian regimes in Sub-Saharan Africa that can be used as a basis for further theory building through the case studies of Uganda and Angola. The focus of this thesis is on generating *new* knowledge; to use new descriptive findings to highlight a phenomenon. But new descriptive findings are most valuable if they can utilize and contribute

to already existing information and when they can shed new light on previously generated theory, concepts and typologies (Mahoney 2003: 134).

It would therefore be a folly to ignore the previously published literature on political funding simply because most of it has been built on empirical observations of Western democracies. The point of departure of this chapter is therefore the general literature on political funding. I will start off with a description of basic fundraising strategies and typologies of these as presented in the literature, and discuss which of these are most useful for identifying funding patterns in another context (2.1). At the same time however, these typologies *are* ideal types based on the Western context. There is therefore every reason to believe that these typologies need to be modified in order to be useful in the empirical context discussed in this thesis. As an intermediate step before my case studies, I will therefore turn to previous empirical studies of political funding to identify how the strategies work in practice, and to what degree they are being employed by parties in Sub-Saharan Africa. While I use empirical literature from countries affected by the third wave of democratization globally, I am specifically interested in finding out what funding strategies seem theoretically viable in Sub-Saharan Africa (2.2). Finally, this chapter will look at how the electoral authoritarian context can affect and be affected by political funding, as well as how other contextual variables such as electoral systems affect it. Schedler's description of the role of political funding highlights its theoretical importance, but empirical studies of the mechanisms and processes identified by Schedler are rare. Nevertheless, the literature should be able to provide some useful pointers (2.3).

## **2.1 Fundraising strategies**

There are a vast number of ways for political parties and candidates to raise money for political activities. Salih and Nordlund (2007: 117) argue that some are more compatible with democratic ideals than others, but at the end of the day political parties have to manage with the kinds of funding that they are able to attract. Four major typologies have been developed to categorize political funding according to source. All four are based on studies of funding in developed democracies. Each one adds a dimension compared to the previous typologies. Table 2.1 below summarizes the similarities and differences between them.

Beyme (1985) was the first to propose a typology of political funding according to the sources of the funds. He used internal, external and state support as the basic containers for classifying funding, and this has become a popular mode after this. Beyme's typology is useful in that it is quite inclusive; however, since it is so obviously based on Western

European politics and disregards illegal sources of funding, it is not suited as a theoretical basis for analyzing electoral authoritarian regimes in Sub-Saharan Africa.

**Table 2.1 Differences between typologies of party funding based on Western democracies**

|   | <i>Beyme (1985)</i>        | <i>Nassmacher (2001)</i>              | <i>Hopkin (2004)</i>                                  | <i>Casas-Zamora (2005)</i>    |
|---|----------------------------|---------------------------------------|---|-------------------------------|
| Main categories of funding              | Internal, External, Public | Grassroot, Plutocratic, Public, Graft | Clientilistic, External Elite, Internal Elite, Cartel | Private, Public, Illegitimate |
| Separates on source of funding          | Yes                        | Yes                                   | Yes   | Yes                           |
| Separates on nature and size of funding | No                         | Yes                                   | Yes   | Nature only                   |
| Includes consequence of funding         | No                         | No                                    | Yes<br><i>(Organizational thickness)</i>              | No                            |
| Includes illegal source                 | No                         | Yes                                   | Yes   | Yes                           |
| Includes Mass party                     | Yes                        | Yes                                   | No  | Yes                           |

Sources: *Beyme (1985), Nassmacher (2001), Hopkin (2004), Casas-Zamora (2005)*

Nassmacher (2001) also focuses on the source of the funding, but approaches it slightly differently by focusing on the nature as well as the source of the funding. He separates between *grassroot funding*, which are small sums of money provided by the rank-and-file or associated organizations, *plutocratic funding*, which are larger contributions made by wealthy individuals, corporations or organizations as well as monetary contributions aimed to change policy, and *income from graft*, which are patronage and clientilistic practices that lead to the party directly or indirectly using state resources. Finally, he also includes *public subsidies* as a category. As both the plutocratic and graft categories highlight, Nassmacher's typology includes both illegitimate and illegal sources of income. While these types of funding are hard to investigate, it is important to include illegal or illegitimate funding sources due to their perceived importance. This has led to increased focus on these types of funding in the post-1990 literature (Scarow 2007) and in the Sub-Saharan African context (Van de Walle 2003). Table 2.2 below shows the different categories and what specific types of funding fit into each category in Nassmacher's typology. While some sources mentioned below by Casas-Zamora's typology are not included in Nassmacher's typology, these are quite easy to identify and add to one of the four categories. For example income from party businesses would be put under grassroot finance as long as they were a relatively modest sum of the party's total

income. This is the essence of Nassmacher’s typology; if parties are funded by a few, large sources, it cannot be considered grassroots funding.

**Table 2.2 Specific types of funding as specified by Nassmacher’s (2001) typology**

| <i>Grassroot finance</i>  | <i>Plutocratic finance</i>  | <i>Graft</i>  | <i>Public subsidies</i>  |
|---|---|---|--|
| <i>Small contributions from: membership dues, within-party donations, donations from supporters outside party</i> | <i>Larger contributions from: individual supporters, corporations, interest groups, institutions, “voluntary” donations to curry favor with party</i> | <i>Abuse of power for party profit, through: macing, party tax, toll-gating, kickbaks</i> | <i>Official state funding through: campaign support, party operational support, indirect support (i.e. tax breaks)</i> |

Source: Nassmacher (2001: 23-26)

Another theoretical typology of funding according to funding source is Hopkin’s (2004) typology of party financial strategies. This typology differs from the previous two on two important aspects. First of all, it builds on Nassmacher’s typology presented in table 2.2, but takes it a step further by not only focusing on the source and nature of the funding, but also on the kind of links it creates between the giver of the funds (donor) and the recipient of the funds (political party or candidate). It thus gives an indication of not only who funds the party, but also whether this creates an organizationally “thick” or “thin” party. Second, and most importantly, it introduces the aspect of party financing in a “free-riding society”. By utilizing theories from political economy and the rational choice paradigm, Hopkin shows how funding by the mass-party principle, as presented by Duverger (1954), is unsustainable because parties are collective goods which cannot be upheld by grassroots funding in the long run because of the problem of free-riding. Consequences of this include that parties become more office-seeking and that parties need a different funding strategy than simply relying on this strategy. Thus, according to Hopkin, while grassroots funding might be an ideal, it is not a reasonable assumption that it can be a primary source of income for political parties in a free-riding society.

Based on this, Hopkin presents four types of funding strategies and four types of parties to go with them: *the Clientelistic Mass Party (CMP)*, *the Externally Financed Elite Party (EFEP)*, *the Self-Financing Elite Party (SFEP)* and *the Cartel Party (CP)* (Hopkin 2004 : 631). The CMP is a party that exploits state resources to distribute selective incentives. Like the CMP, CPs also receive the largest share of their revenues through state funding, however for CPs based on regulated state funding, and thus the same as the public subsidies in Nassmacher’s typology. Hopkin (2004: 635) and Katz and Mair (1995) claim that this funding

is a form of collective action between the parties, so that each party agrees to maintain funding for the opposition when it is in power, in return for a promise of the support being maintained when the party loses power. This creates an organizational system where the parties become more autonomous from its rank-and-file members, and more dependent on the state (Katz and Mair 1995). The final two categories of Hopkin's typology are in a way subcategories of what Nassmacher calls plutocratic financing. They are separated by whether they court external or internal contributors. The EFEP gets funded by selling policy to external beneficiaries, whether individuals, business groups or interest organizations. EFEP parties are often top-heavy and rely on capital-intensive campaign techniques, something that they share with the SFEP. SFEP parties do not sell policy externally however. Instead they are normally funded by their own party elite who are also beneficiaries of the policies they propose (Hopkin 2004: 632-634).

Finally, Casas-Zamora (2005: 18) has created the most discriminating typology of funding sources. The typology has three broad categories: *private*-, *public*- and *illegitimate funding*. Within these categories there are numerous subtypes and it is therefore very useful in order to identify what types of sources are actually available and how they relate to each other. Furthermore, the typology is the first to include foreign contributions as a sub-category. The role of foreign funding of political parties in Sub-Saharan Africa has attracted significant scholarly interest in recent years<sup>12</sup>, and should therefore be taken seriously in this context. However, Casas-Zamora's typology does not separate on the size of the funding, and on whether or not donations are internal or external to the political party or political actor. As we shall see below this is imperative for the Sub-Saharan African setting and in electoral authoritarian regime. Therefore, I will use Nassmacher's typology as a basis for my empirical evaluation, and include his four broad categories grassroot funding, plutocratic funding, state subsidies<sup>13</sup> and graft as a basic information containers in my theoretical typology. These broad categories are importantly both universal and discriminating enough that they should be distinguishable also in the Sub-Saharan African context. I do however add a fifth category based on Casas-Zamora's typology; that of foreign funding. The reason for this is explained in depth below, but there is reason to believe that foreign funding plays a more important role in Sub-Saharan Africa than in other parts of the world (Bryan and Baer 2005). Figure 2.2 below presents my typology of political funding in Sub-Saharan Africa. The main categories are adapted from the previously described typologies. However, the sub-categories have to be

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<sup>12</sup> I.E. Burnell (2000), Mathisen and Svåsand (2002), Carothers (2006), Burnell and Gerrits (2010)

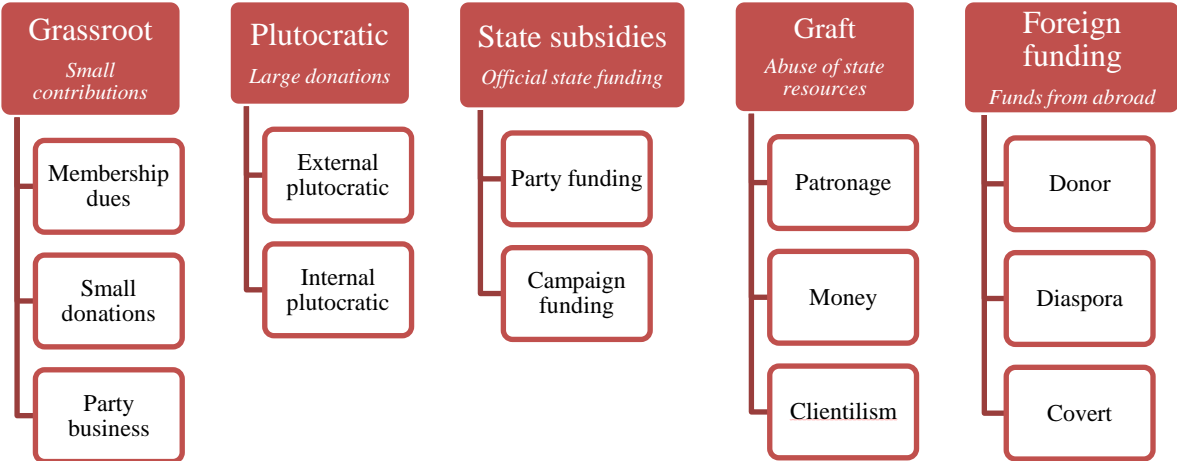
<sup>13</sup> Because of the importance of the state in Africa, I do not call it "public subsidies" but rather "state subsidies"

more discriminatory and adapted to the local setting than the ones described above. I therefore base the creation of my subcategories on section 2.2, where I discuss previous empirical research on the five broad categories of political funding.

**2.2 Empirical lessons – an evaluation of possible funding sources in Sub-Saharan Africa**

As stated in the beginning of the chapter, very little research has been done on political funding in Sub-Saharan Africa, especially comparatively and with the exception of South Africa<sup>14</sup>. Two notable exceptions are Yaw Saffu’s chapter on the funding of political parties and election campaigns in Sub-Saharan Africa from 2003 and Bryan and Baer’s study of money in politics from 2005. I therefore rely heavily on these throughout this part of this thesis. However, while covering many aspects, they are not substantive enough to cover all funding modes in all types of settings. Therefore, an evaluation of the five broad categories presented in figure 2.1 in terms of empirical relevance needs to use empirical evidence from a wide range of sources.

**Figure 2.1: A typology of political funding based on funding source in Sub-Saharan Africa**



Manning (2005) and Ishiyama and Quinn (2006) argues that, while the Eastern European countries and countries affect by what Huntington (1991) named the third wave of democratization in Europe and elsewhere certainly differs from Africa on many issues, the lessons learned from these cases could possibly be used as a reference point for Sub-Saharan African cases. Furthermore, and importantly for this thesis, political funding has been investigated more thoroughly in this setting. Findings and hypotheses from these countries can thus provide useful assumptions for research on this topic, and a useful contrast to the scarce literature on the topic in Sub-Saharan Africa. This section will therefore use relevant

<sup>14</sup> See for example Butler (2010)

literature from Sub-Saharan Africa that both directly and indirectly touches on political funding, as well as global literature that is deemed relevant to the topic. The goal is to discuss the general categories identified above and presented in figure 2.1, and identify the empirical subtypes of political funding that seem most relevant and adapted to the region. Furthermore, this section will present hypotheses about the conceived importance of each subtype and if the funding type seems to be important for the incumbent or the opposition. This is summarized in table 2.3 at the end of this section.

### *Grassroot funding*

I start with Hopkin's theoretical assumption about the non-saliency of the traditional mass party mode of funding as portrayed by Duverger (1954), which is very similar to what Nassmacher (2001) calls grassroot funding and Casas-Zamora (2005) calls party membership dues. Mass Parties were primarily funded by their members through membership dues and other sources within the social groups they were deemed to represent (Katz and Mair 1995: 6; Nassmacher 2001: 23). These Mass Parties typically arose through the struggle to gain a voice in, and win control over, state structures (Katz and Mair 1995: 10). Thus, they fundamentally came to play in countries where suffrage came gradually and reluctantly. This has not been the case in most countries in Sub-Saharan Africa, where universal suffrage most often came directly after independence.<sup>15</sup>

There are reasons that are even more basic than this for why grassroot funding cannot be the modal source of funding for most Sub-Saharan African parties. Organizing political activities across space and time in Sub-Saharan Africa is extremely expensive due to low literacy, low levels of income and little technological equipment among a predominantly spread-out, rural population. Running campaigns and recruiting members is extremely hard for any political actor and political party. For this reason, small contributions would have to come from a massive amount of people in order for this to have any impact on the financial situation of a party. Furthermore, the above-mentioned general poverty makes such contributions even less likely, as the average citizen simply does not have enough money to contribute directly with funds (Saffu 2003: 21-23). However, this does not exclude the possibility of African citizens contributing in kind with other forms of physical or material resources. Disregarding non-monetary contributions would therefore constitute a significant danger when investigating funding in the Sub-Saharan African context. In addition, there are

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<sup>15</sup> Notable exceptions are South Africa and Zimbabwe



some examples of small donors becoming significant factors in the political process, notably in Ghana and Zambia (Saffu 2003: 23). Bryan and Baer, who interviewed several hundred current and former politicians in Africa, found that 26% percent named funding raised by the party as the principal revenue source (Bryan and Baer 2005: 11). However, they do not specify if this was donations, membership dues or other forms of internal financing, something which is integral to my research. Finally, older parties in Africa, especially those with ties to regimes before 1990, are likely to have some business or property that can generate income. For newer parties however, this is unlikely due to the fact that in order to make initial investments, parties need initial capital; banks are mostly unwilling to lend to opposition parties who do not have significant initial capital (Saffu 2003: 26).

On average though, the structure and organization of political parties in Africa seem to indicate that they are not conducive to being run based on grassroots funding as their main source of income. Parties everywhere have experienced a general decline in membership in the last 40 years, but even when taking this into account, parties in Africa are generally speaking organizationally thin and have few links with civil society. The way and manor in which electoral politics was introduced in Africa helped create a system where parties have not developed mass-membership organizations (Salih and Nordlund 2007: 104). The relationship goes both ways, however. Manning (2005) highlights the importance of how electoral politics were “forced on” African countries and that pluralism in the classical sense does not seem like a valid option in Africa today. However, while her main argument concerns a lack of *bridging* social capital in the region, one of the important factors she highlights as a reason for this lack of pluralism is a general lack of alternative funding sources other than the state (Manning 2005: 716). And the state is often closely associated with the governing party (Manning 2005: 714). In this sense, the lack of pluralism and developed party organizations is actually hampered by a lack of alternative sources of funding, thus making mass-membership organizations less likely.

Thus, while grassroots contributions obviously play some role for political funding in Sub-Saharan Africa, previous research seems to indicate that this needs to be combined with other sources. Following this, it is possible to distinguish between several subtypes of grassroots funding, and create hypothesis on these. First of all, you have the traditional *membership dues* from paying members. These are *not considered to be important by the literature, due to the relatively few fee-paying members of the parties in Africa*. Perhaps importantly however, the literature seems to indicate that *incumbent parties are more likely to have a larger membership, because of their control of the state*. Second, you have *small*

*donations* by members and supporters. These *can be important, especially non-monetary contributions*. Finally, you have *party business* that *can generate a lot of income, but primary benefactors are incumbent parties or parties who have previously been in power*.

### *Plutocratic funding*

The other aspect of Nassmacher's non-state sources of funding is what is commonly known as substantial donations. According to Nassmacher (2001: 24), plutocratic funding is larger voluntary contributions made by individuals, businesses or other organizations. These donations are made either because the donor supports the party or candidate or because the donors want to gain access to politicians or contracts, or to affect policy. Hopkin (2004: 632) argues that despite technological change and subsequent capital-intensive campaign techniques, parties and other political actors today are faced with an increasingly expensive political game. And with the fall of revenues from grassroots funding, one of the possibilities is to sell policy or positions to beneficiaries in exchange for funding. These transactions are more or less legal and transparent, deepening on the regulation surrounding it (Hopkin 2004: 633). Nevertheless, this is definitely related to party rent-seeking and graft, and Van Biezen and Kopecky (2007: 240-241) call it straight-out corruption because it "involves the exchange of money for public decisions". However, because the *sources of the funds are outside the state*, I include it under plutocratic funding. Research from Brazil has shown that contributions from external businesses are both an important source of funding for political actors in the country, and that this funding has facilitated more pro-business policies (Samuels 2001; Claessens et al. 2008). Evidence from Russia seems to indicate that this is not necessarily the case however, as it is very hard to enforce contracts in poorly institutionalized political systems. This seems to make private contributions both less likely and less effective (Treisman 1998: 14).

A possible solution to this issue is that the donor can create his own party or "buy" an existing one. Nassmacher's typology puts internal donations as a part of grassroots funding, not plutocratic funding. Hopkin (2004: 634) however argues that plutocratic donations can be internalized to the extent that the donors become an official part of the party and even become politicians themselves. This is why he separates between external and internal elite funding, and names them both as donation-based practices. According to Hopkin, large donations do not belong under grassroots funding even though they are internal to the party, because the motivation behind the donation is to forward the narrow interest of the donor. It can thus be considered a form of political "entrepreneurship". Thus SFEP are clearly narrower parties

than parties based on grassroots funding. Hopkin names *Forza Italia* under Berlusconi as an example of this (Hopkin 2004: 635).

According to Saffu “donations are the modal source of political financing in Africa” (Saffu 2003: 22). While some of these might be small and altruistic contributions, the significant ones are typically made by rich businessmen who regard “politics as business ... and political parties as appropriate investments.” (Saffu 2003: 23). Furthermore, it seems like it is just as popular to engage in politics yourself as it is to support someone else’s party. There seems to be a general trend that politicians in Africa are also wealthy individuals, although opposition politicians typically struggle to attract *external* corporations or individual donors who would much rather donate money to the party in power (Saffu 2003: 23-24). Bryan and Baer (2005: 13) show the importance of having a personal fortune when you are contesting as a candidate in African elections; 52% name the candidate’s own funds as the principal revenue of their individual campaign. The importance of business contributions is significantly less than in other regions though (Bryan and Baer 2005: 11).

While donations therefore seem to be very important in the Sub-Saharan African context, the exact impact that they make seems contingent on both the form of and motivation behind the contribution, as well as the context in which it is made. It is thus possible to create two sub-categories of plutocratic funding in Sub-Saharan Africa based on whether or not the large donations are made internally or externally: *external plutocratic* and *internal plutocratic* funding. These types of funding should both be considered to be *very important in the Sub-Saharan African context*. They differ from each other in which parties they are important for however. Because of the lack of an independent business sector, *opposition parties should struggle to attract external plutocratic funding*. Since the discussion above shows that political entrepreneurship is important however, the theory seems to indicate that *internal plutocratic funding could benefit both the opposition and incumbent*.

### *State subsidies*

The general trend of declining income from internal party activities and the need this creates for alternative sources and the growing importance of relatively few donors as highlighted above are some of the reasons why most liberal democracies have chosen to implement state subsidies for political parties or public funding of campaigns (Nassmacher 2006: 448). Parties are seen as critical to the democratic process, and thus they should be maintained by the state. According to this line of reasoning, public funding guarantees that each vote counts equally by making sure no person, business or organization can buy influence through financial

contributions. In this way corruption should also become less of a problem. These reasons, combined with the rising costs of carrying out political activity in the modern world, have been the foundation of the establishment of public funding of political parties (Pierre et.al. 2000: 4). This trend has caught on in new or emerging democracies in Europe where public funding is even more important than in established democracies (Van Biezen 2004: 711).

There are several forms of state subsidies. As explained by Casas-Zamora (2005) the primary way in which they differ is whether the grants are direct or indirect, and whether they are permanent or campaign-oriented<sup>16</sup>. Indirect subsidies are tax-breaks for political parties, or similar arrangements, while direct subsidies involve money or other resources given by the state to the political parties or candidates. Permanent funding is funding given to political parties at regular intervals even between elections, while campaign-oriented funding is funding given to parties specifically to be used during elections. Furthermore, there are numerous other criteria that can vary as well, such as eligibility for the funding, what allocation rules should be used to calculate the amount for each actor, and whether or not the total allocation sum is constrained or not. State subsidies usually exist within a larger framework of party- or financing-regulations, and these are necessarily possible to manipulate by the politicians. Thus, while the goal of the introduction of such a framework might be to create a better and more transparent situation for the political actors, it can certainly be used for the opposite as well (Van Biezen and Kopecky 2001).

Partly because there are so many different possible subsidy arrangements, there seems to be a disagreement within the literature about the exact effect of state subsidies. The European literature has typically focused on whether public funding has led to either increased dependency on the state and therefore a professionalization of political parties, or to what degree state funding freezes the party system and prevents new political actors from entering the political scene (Katz and Mair 1995; Pierre et.al. 2000; Van Biezen 2000; Casas-Zamora 2005; Birnir 2010). While the literature seems to be inconclusive, the one thing that it highlights is the diverse consequences of state subsidies for political parties. A case in point is Mendilow's (1992) study of public party funding and party transformation in Israel. He finds that public funding has contributed to the creation of large, elitist catch-all parties, but at the same time that public funding fragmentalizes the party system. In fact, Mendilow argues that smaller parties are more dependent on public funding than larger parties. Birnir (2005), however, argues that while this may be the case in established democracies, in new or

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<sup>16</sup> Casas-Zamora (2005: 32) call these electoral, but I use campaign because they are campaign-oriented as defined in figure 1.1

emerging democracies the introduction or increase of state subsidies tends to freeze the party system. This shows both how public funding can be used in a diverse way to promote sectional interests, and how the context in which it is introduced affects the outcome. Roper (2002) finds the same in post-transition Romania in the 1990s; politicians altered state subsidies in such a way that it favored them because they controlled the political process at the time. Any analysis of state subsidies must therefore be both detailed and concerned with all aspects of the state subsidies, not just whether there is such an arrangement.

State subsidies of political parties is less common in Africa than in other parts of the world (Mathisen and Svåsand 2002), and in cases where they do exist they often do not involve sums significant enough to make an impact, or the implementation is woeful (Saffu 2003). So even though 20% of the politicians in Bryan and Baer's study name direct public funding as their parties most important source of income (Bryan and Baer 2005: 11), I would argue that this primarily seems to indicate that state subsidies matter in countries where the implementation of the subsidies is meaningful. It is easy to point to state subsidies simply because they exist and should contribute funds. Nevertheless, the lack of both regulation and implementation of state subsidies can be just as important to investigate. There is, according to Saffu, reason to believe that this is linked to the nature of many transitions in Africa:

“The relative absence of public funding provisions in the new constitutions and the laws that governed the recent transitions to multiparty democracy in Africa are testimony to the extent to which the transition programmes were directed and dominated by incumbent authoritarian rulers who did not lack political or financial resources” (Saffu 2003: 25).

This seems to indicate that investigating state subsidies in Sub-Saharan Africa is therefore just as much an investigation *of how state subsidies has or has not been implemented*.

Fundamentally, *the previous discussion seems to indicate that the implementation of state subsidies might have implications not only for what types of political funding exists, but also for the implications of political funding in electoral authoritarian regimes*. Furthermore, the previous discussion show that both that *state subsidies are likely small and selectively implemented in Sub-Saharan Africa* and furthermore that *where there are state subsidies, there is reason to believe that these will favor the incumbent party*. In my typology I primarily separate between *party funding* which target parties between campaigns, and *campaign funding* which is meant to help parties and candidates during the campaign.

### *Income from Graft*

In Casas-Zamora's (2005:18) typology, illegitimate income is funding from sources that are not legal. According to Nassmacher (2001: 24), graft deals primarily with the part of the illegal funding that comes from the use or abuse of state resources. As shown in table 2.2 above he separates between four types of graft. Two of these are linked to positions: *Macing* involves public servants being forced to contribute part of their salaries to the ruling party, while *assessments* are contributions made by individuals who are directly dependent on the party, such as politicians or publicly owned corporations. The other two are linked to public contracts and tenders. *Toll-gating* is similar to the concept of selling policy as mentioned above in that an external source supports the party in exchange for policy, but it is more direct in that they get public contracts directly in return. Finally *kickbacks* are instances where the ruling party gets a set percentage of the value of such contracts. All these instances are hard to identify, but can be very important both for the structure and composition of the patron-client relationship that tends to develop (Nassmacher 2001; Saffu 2003). While I acknowledge the use of these strategies, the important distinction for this thesis is whether they generate positions or policies that generate money for the parties, or if the incumbent party use state money directly. According to Van Biezen and Kopecky (2007: 240-241) you can divide different forms of graft by how they abuse state resources; they divide the concept into party patronage, clientilism and corruption. *Patronage* involves the distribution of public-sector jobs; distribution of public positions in return for votes and organizational support. *Party clientilism* is the distribution of favorable contracts, subsidies, pork-legislation - in other words policy - in return for votes and organizational support. Both of these rent-seeking strategies depend on the party having access to the state apparatus and coffers. Finally they also include what they call *corruption*, which is debated in the section on plutocratic funding above. The fundamental issue that holds parties and systems based on graft together is "the use of public resources in *particularistic* and *direct* exchanges between clients and party politicians or party functionaries" (Müller 2006: 189).

Hopkin's typology also deals with the more direct use of illegitimate state funds and resources for political purposes, and he adds a dimension by linking it with the structure and organization of political parties. According to Gunther and Diamond (2003) a clientilist party is organizationally thin. However, Hopkin (2004: 632) specifies that this strategy can only be maintained to the extent that the public coffers can support the network, meaning that the organizational thickness depends on the size of the public coffers. This seems to have been

the case in post-communist Russia, where the party in power was unable to exploit patronage networks simply because they did not have money to distribute (Treisman 1998: 9). Similarly, the turnover of power in Senegal in 2000 was connected to the incumbent not being able to maintain his broad clientelist network (Galvan 2001). There are both material and non-material sources of graft, patronage and clientilism (Müller 2006:189), and smaller tokens and gifts can be significant, especially in less developed countries (Hopkin 2006: 409).

What do parties gain from participating in graft, patronage and clientilism? Most obviously they receive votes, but just as important they receive resources in return, such as labor and money and policy-making capacity (Müller 2006:191). The jobs, positions and contracts you get to distribute is especially important in state-dependent economies (Hopkin 2006; Müller 2006), and the salaries and policy making capacity helps build a party organization (Hopkin 2006: 410). However, there are even more substantial benefits, especially for the ruling parties in developing countries, and especially in Africa. According to Hopkin (2006) developing countries are generally more clientilist than the Western democracies, and shows that variables such as institutionalization of parties, social capital, and degree of bureaucratization have all been proposed as explanatory variables for this. In Africa, there seems to be an indication that the most common funding relationship between political parties and the state is that of patronage and clientilist practices (Kopecky and Mair 2003; van de Walle 2003). If this is the case then one would expect a difference between those who are in power and can access state resources, and those who are not in power (Van Biezen and Kopecky 2007: 246).

This highlights the perceived importance of access to and control over the state in the issue of funding in Africa: the winner of an election “wins twice”: both executive power and control of state resources. Saffu claims that African elections tend “to be contests between all opposition parties and candidates on the one hand, and the governing party’s candidates and the state on the other” (Saffu 2003: 27). Graft could thus be hypothesized to be *very important in the Sub-Saharan African context, but only for the incumbent party*. Furthermore, following Van Biezen and Kopecky (2007) *graft could involve exploiting patronage (positions), clientilism (policy) or direct use of state money and resources for the party*. Finally, it seems like the *possibilities and size of the graft network is dependent on the general access to resources of the government*.

### *Foreign funding*

The last twenty years has seen an increasing focus on the role of foreign democracy assistance (Burnell 2000), something which has also led to a small, but increasing literature focusing on the role of the international community in funding political parties and candidates (Burnell and Gerrits 2010). In 2006 the total amount of external party aid worldwide was considered to be around US\$200 million (Carothers 2006: 12), which, while being only a small amount of the total aid for developmental purposes, is still an amount that can make a significant difference for political parties worldwide. This has, however, also made it one of the most controversial forms of foreign aid, precisely because it interferes with the political sovereignty and the internal affairs of a country (Burnell and Gerrits 2010: 1069). Nevertheless, some still choose to engage political parties directly with funds. These approaches typically differ on two dimensions; if they are for specific parties or all parties and what type of activities that are eligible to funding. The first approach is the *sister-party* approach where organizations and institutions linked with political parties in the West provide organizational support and funding for sister parties in developing countries (Mair 2000; Weissenbach 2010), although the parties selected might be siblings only in name (Carothers 2006: chapter 5). This kind of support typically seeks to promote the values of the donor party, and they typically try to avoid supporting political party activities *per se*, but rather activities that reflect these values such as party education (Mair 2000: 134; Wild and Golooba-Mutebi 2010). German *Stiftungs* were heavily involved in these kinds of activities during the Cold War. While the interest in engaging political parties directly cooled post-1990, it has recently increased again (Mair 2000: 142-143; Weissenbach 2010). Donors are reluctant to support day-to-day or campaign-related activities though. In this sense it is similar to the *technical-assistance model*, which also focuses on the technical competence of parties and voter education, but is a cross-party initiative given to all parties equally (Wild and Golooba-Mutebi 2010: 10). The last type of approach is relatively new: the *basket fund* model focuses on grant-making facilities that political parties can apply for (Wild and Gooloba-Mutebi 2010: 11). This is a model that offers equal opportunity for all political parties to participate, but donors can contribute more direct funding to the activities of political parties through for example funding national party conventions or other forms of organization building (Rakner and Svåsand 2010: 1262; Wild and Gooloba-Mutebi 2010: 11).

While case studies of individual donor efforts aimed at improving democracy through assisting political parties in African countries have often found it difficult to prove any direct success (Bolleyer and Storm 2010; Rakner and Svåsand 2010; Wild and Golooba-Mutebi



2010), they can nevertheless have a real impact on the political process. Again, it is important to note that the political actors in the recipient countries seem to think that such initiatives are important (Rakner and Svåsand 2010). According to Bryan and Baer’s survey, 12% of African parties consider foreign contributions to be their principal source of revenue, compared to 7% for non-African countries (Bryan and Baer 2005: 11). However, it is important to realize that western influence generally does not seem to be enough to force any regime to democratize (Brown 2005), and especially not an electoral authoritarian regime (Levitsky and Way 2005). In fact, many foreign donor officials continually make excuses for why the countries keep underperforming (Brown 2011: 513).

Finally, there are two other sources of foreign funding that needs to be mentioned. A case study of Ghana has shown the importance of the diaspora in the political game there, and found that it became an important source of funding for the largest opposition party in the 1990s. There are often many disgruntled losers living in other countries who fund opposition parties in the country of their origin (Saffu 2003: 24). Furthermore, less transparent and more direct contributions from foreign governments or businesses have previously been shown to fund especially incumbent parties in countries such as Zimbabwe, Niger, Ghana, South Africa and Botswana (Saffu 2003: 24-25). This seems to indicate that *while foreign contributions are not the most important sources of funding in Sub-Saharan Africa*, there are three subtypes of foreign funding that at least make some impact in some countries. Two of these seem to favor the opposition and the final one seems to favor the incumbent. Contributions from *official donors* are often available for all parties, but they typically try to target weak parties and this seems to indicate that they are *more important for the opposition*. Donations from the *diaspora* typically are *given to the opposition*, while more *covert funding* from other foreign governments *tends to favor the incumbents*.

**Table 2.3: Sources of political funding sorted by degree of importance and which actors they are important for**

|                            |            | Perceived theoretical importance in Sub-Saharan Africa |                                  |   |
|----------------------------|------------|--|----------------------------------|---|
|                            |            | Low  | Medium                           | High  |
| Important for which actors | Incumbent  | Party funding, Campaign funding, Covert                | Party business                   | External plutocratic, Patronage, Clientilism, Money from graft, |
|                            | Opposition | Diaspora, Donor  |                                  |   |
|                            | Both       |  | Small donations, Membership dues | Internal plutocratic  |

Table 2.3 above summarizes section 2.2. In total I have identified 5 categories and 13 subtypes of political funding that one can expect to find in Sub-Saharan Africa, as presented in figure 2.2 at the beginning of this section. Table 2.3 below distinguishes between these subtypes based on two dimensions indicated in the previous discussion; the degree of perceived importance in Sub-Saharan Africa, and whether they seem to benefit the incumbent, opposition or both. This is the theoretical basis of my analyses of Uganda and Angola. I will look at to if and how table 2.3 actually reflects the reality in these countries. The table seems to indicate that incumbent parties in Sub-Saharan Africa have access to several sources of political funding that the opposition does not have. The reasons for and implications of this in electoral authoritarian regimes should be interesting to investigate. First however, some theoretical implications of contextual factors on political funding will be presented.

### **2.3 The setting: How strategic behaviour and contextual factors affect political funding**

As described in the introduction, political funding is a “dual” phenomenon in that it is both affected by and affects the context in which it exists. This section will try to clarify this relationship. While the main focus is on the effect of the context on political funding, part of the theory also indirectly addresses the implications of the funding for the context. Thus the theory serves a dual purpose in that it implies consequences both for the primary focus of this thesis: types of political funding, and for the secondary focus of the implications of the funding issue. It also shows how these two issues are interlinked.

#### *Electoral authoritarianism and strategies of manipulation*

As mentioned at the start of this chapter, Schedler claims that electoral authoritarian regimes have a “menu of manipulation” which the incumbents can use to manipulate the elections to their advantage. He primarily separates between *electoral fraud*, *political repression*, *manipulating the actor space*, *manipulating rules of representation*, *manipulating the issue space* and *unfair competition* (Schedler 2002b). Of these strategies, Schedler specifically mentions that the strategy of unfair competition involves the issue of political funding. Incumbent parties can manipulate competition by giving incumbent candidates access to state funding and resources, and favorable coverage and more time in the state media (Schedler 2002b: 108). This specifically entails political parties using their incumbency advantage to access resources, and thus you would expect incumbent parties in electoral authoritarian regimes to gain a significant part of their funds from different forms of graft. Gyimah-Boadi

(2007) shows how several electoral authoritarian regimes in Africa use state resources and either patronage- and clientelist-networks to win elections. However, he also highlights the potential dangers of using such an approach in these regimes: the costs might become too high for the economy to bear, creating other and more pressing political problems which create electoral discontent. Furthermore, Schedler's theory could also possibly point to the creation of rules governing state subsidies that favor the ruling party, since an electoral authoritarian party would be in a situation to do this through its dominancy, much as was done in Romania in the early 1990s (Roper 2002).

The fact that the incumbent party in electoral authoritarian regimes dominates both the legislature and the executive could possibly affect the legislative process in terms of regulation of funding. Sartori (2005) separates between two forms of dominant party systems: the predominant-party systems and the hegemonic party systems. While the first one is labeled as competitive, the latter one is not. Both conduct elections where the dominant party wins, but they differ in terms of the possibility for turnover (Sartori 2005: 205). In this sense the distinction is similar to the one presented in chapter 1 between competitive authoritarianism and hegemonic authoritarianism. What is important here though is that studies have shown that both predominant and hegemonic dominant parties manipulate rules concerning political funding in order to favor themselves. McElwain's (2008) study of the Liberal Democratic Party (LDP) in Japan throughout its dominant period following the World War II is a case in point for predominant systems. He shows that it manipulated funding regulations by allowing for more funding from the business community, something which the LDP knew would favor it because incumbents traditionally enjoy strong support in the business community (McElwain 2008: 37). However, the changes had to be made in a subtle way in order to prevent them from creating disunity within the party, and in order to prevent it from being challenged on a constitutional basis (McElwain 2008: 34-35). This can be compared to the electoral manipulation described by Albaugh (2011) in her study of Cameroon, which seems like a case of a hegemonic authoritarian electoral regime. Here President Biya and his Cameroon People's Democratic Movement (CPDM) agreed to waive the fees for people's registration cards in supportive regions, thus effectively using government resources to manipulate the registration of voters (Albaugh 2011: 399-402). This seems to indicate that the use of government resources and funding schemes tilted towards the incumbent can be less subtle the more hegemonic a regime becomes. According to Greene (2010) dominant authoritarian regimes can survive for long periods of time if they manage to politicize public resources:

“When political incumbents can access and use these public resources for partisan purposes, they can outspend competitors at every turn and make otherwise open competition so unfair that they virtually win elections before election day.” (Greene 2010: 808)

By doing this, they can avoid using overly repressive tactics and outcome-changing fraud. This makes the control of political funding a “subtle” authoritarian tool, and the way that electoral authoritarian regimes use it an intriguing topic of investigation.

#### *Other contextual factors*

Greene’s (2010) analysis is also important because it highlights the role of other contextual factors in shaping funding. Significantly, he finds that the structure of the economy is important because it shapes the degree to which the dominant party can politicize public resources. Greene finds that the size of the public sector affects the strength of electoral authoritarian regimes in a significant manner across cases. He concludes that dominant parties cannot preserve their power without access to some kind of resources to fuel clientelist networks (Greene 2010: 828). This is much the same argument as presented by Quinn (2002) who claims that the inward-oriented policies and majority state ownership has created a climate which is suitable for one-party dominance in Africa. *A theoretical implication of this would seem to be that the composition of the economy matters for the political funding options available for the incumbent party to manipulate, and thus for the composition of political funding in general.*

Another contextual factor which could affect the funding climate is that of the electoral system. Some electoral systems are party-centered, while others are more candidate-centred. Carey and Shugart (1995) have previously demonstrated that systems with little or no party control over who runs on party tickets and where votes are cast for individual candidates not on party lists tend to produce candidate-centered political systems. Plurality formulas are more likely to produce these kinds of systems than proportional formulas. Samuels (1999) has previously shown that systems where candidates are able to raise money on a personal rather than party level are much more likely to lessen the role of parties even more. *An important consequence of this is that you would expect more candidate-centered political funding in regimes with plurality election systems, and thus increase the importance of the individual candidate’s ability to raise funds.*

Different Electoral Management Bodies (EMBs) might also have an effect as well, since they are the institutions who most often are responsible for implementing the regulation on political finance and funding, and EMBs can therefore be influenced by ruling elites to produce the desired outcomes (Salih and Nordlund 2007: 113). Mozaffar (2002) separates between three types of EMBs depending on whether or not they are placed within government bureaucracy; the *non-autonomous*, *semi-autonomous* and *autonomous*. *A non-autonomous electoral commission should thus in theory make it easier for the incumbents to shape political funding in a preferable way for themselves.*

Finally, there is an issue not specific to all electoral authoritarian regimes but to Angola and Uganda and some other countries that could potentially affect the funding situation. As stated in the introduction, both Angola and Uganda are run by parties that initially came to power through armed struggle. Rakner and Rønning (2010) split these types of parties into two, based on whether they originated in fighting for independence or against a colonial regime or came to power fighting an internal war against an authoritarian regime. The NRM-party in Uganda is clearly the case of the latter, while the MPLA in Angola originated in the fight against a colonial regime. Carey and Reynolds (2007) argue that where African parties emerge from have a significant impact on their later performance, especially related to accountability and relationship with the state. They classify parties according to historical legacy and the two classifications relevant here – *corporate military* and *liberation movement* – are both characterized by high levels of internal loyalty and discipline (Carey and Reynolds 2007). *Thus the parties emerging from these settings should be unitary and better able to implement the will of the party in the legislature, making legitimate but highly pro-incumbent state subsidies more likely.* Regimes that emerged militarily victorious from the civil war and actually defeated their opponents in the battlefield are more likely to be able to implement favorable policies to themselves than in countries where the war ended in a pact or peace agreement (Joshi 2010). In general though, political finance in post-conflict societies is not transparent and well-regulated. Second, grassroots funding is likely not a good option both due to the poverty level as well as the low trust in political organizations and institutions. Finally, both foreign funding and illegal sources of funding are more important than in other countries due to the relative lack of both legal public and private funding sources (Fischer et.al. 2006). *This seems to roughly correspond with the general nature of electoral authoritarian regimes in Africa described above, and the post-conflict nature of the regimes should therefore serve to strengthen this.*

*“There is an unfortunate tendency in comparative politics to choose a particular way of doing research because it seems the One Best Way to do research”*

*Tarrow (2010: 252)*

### **Chapter 3 – Processes, mechanisms and more: Choosing the methodological tools**

The introductory quote from Tarrow highlights what I have been trying to avoid methodologically while working on my thesis. I have therefore tried to heed the advice of Charles Ragin and Theda Skocpol; one should always choose the method best suited to answer your research question (Ragin 2004) and there is no way of answering a question that is inherently better than another (Skocpol 2003). This is an essentially pluralistic methodological viewpoint, and one that demands a rigorous debate about methodological choices made throughout the research process.

#### *Point of departure: methodological implications of the research question*

As pointed out in chapter 1, the objective of this thesis is twofold. The primary objective is to investigate *what types of political funding exist and the factors that shape them in two electoral authoritarian regimes in Sub-Saharan Africa*. Here the dependent variable is clearly political funding and the context or scope condition is electoral authoritarian regimes in Sub-Saharan Africa. At the same time, the secondary objective of the thesis is to give some indication of *the implications of political funding in Sub-Saharan African electoral authoritarian regimes*. This treats political funding as an independent variable that affects the context. The duality of the nature of political funding described in chapter 1 is thus reflected in my research question, and will therefore also be reflected in my research design and methodological choices.

The goal of this thesis is to make a contribution to the literature on political funding by investigating it in a particular setting. Chapter 2 has highlighted the lack of literature on political funding in Sub-Saharan Africa, and especially in electoral authoritarian regimes. New research and especially cross-case comparisons that can contribute to theory-building in this setting is therefore necessary. Fundamentally, this has to start with a descriptive approach; without correct empirical information on types of political funding in my two cases, it is impossible to address the bigger issues of what factors affect political funding, and the secondary issue of the implications of the phenomenon. Since my empirical findings from Uganda and Angola are meant to build on an existing literature as presented in chapter 2, this is an important contribution in itself. George and Bennett argue convincingly about the

importance of theory and typology building by investigating a particular subtype of a phenomenon or by investigating the scope conditions of an established theory or typology (George and Bennett 2005: 75-76). This thesis does both and thus contributes to an existing scholarly literature, something which is very important in itself (Mahoney 2003: 134). My research design therefore has to incorporate *the need for accurate and theory-driven detailed empirical observations of and data on the dependent variable*.

At the same time, both the question of what factors that shape political funding and the implications of this refer to a causal process and a causal mechanism. These type of accounts stand out because they “explain salient features of episodes, or significant differences among them, by identifying within those episodes robust mechanisms of relatively general scope.” (Tilly 2001: 24). The focus is on the process surrounding the variables as much as the variables themselves. This is a good way of looking at the research question because *analyzing the process should identify both the variables affecting political funding, and at the same time provide tentative conclusions about the implications of political funding*.

With this dual purpose in mind, this chapter will identify the research design best suited to such a task. The first element that needs to be identified is the type of research design the thesis will employ. By examining and discussing literature on descriptive analysis as well as causal mechanisms and causal processes, a case study approach using a combination of within-case process tracing and cross-case comparison is identified as the best research design (3.1). Furthermore, it is important to establish what studying political funding in Uganda and Angola can contribute to. Therefore a discussion of case selection and spatial scope conditions is necessary (3.2). Finally, this chapter looks at the issue of data (3.3). Data on political finance in general and especially political funding is notoriously scarce, especially in Sub-Saharan Africa, and I therefore argue that data triangulation is of the essence when investigating the different cases. Since the thesis aims to describe a process based on accurate and detailed empirical observations, I argue that it is necessary to collect primary data through fieldwork, and the chapter thus discusses the methodological challenges and implications of this.

### **3.1 Choosing a method: case studies, empirical validity and causal mechanisms**

The discussion above highlighted two elements that should guide the methodological choices made: the need for both detailed descriptive analysis and an analysis of causal mechanisms and the processes surrounding them. While descriptive analysis is rather straight forward and a small but important part of any analysis, causal mechanisms and causal processes are

complex and less transparent types of phenomena. The methodological discussion therefore has to start by clarifying what is meant by causal mechanisms and causal processes.

#### *Causal mechanisms and the process surrounding them*

Falletti and Lynch (2009: 1143) define causal mechanisms as “portable concepts that explain how and why a hypothesized cause, in a given context, contributes to a particular outcome.” This echoes Elster’s (1998:45) previous definition of mechanisms as “frequently occurring and easily recognizable patterns that are triggered under generally unknown conditions or with indeterminate consequences.” While the definitions disagree on the determinacy of the outcome, both definitions highlight the fact that causal mechanisms are affected by unknown contextual conditions. This fits well with my thesis, where I wish to study a phenomenon (political funding) and how the contextual conditions affect and in return are affected by it. Defining the scope is very important when dealing with mechanisms (Falletti and Lynch 2009; Tarrow 2010). Contextual elements will vary from case to case, but it is important to find relatively similar types of cases contextually as political funding is a phenomenon that is very context-dependent (Butler 2010). Comparing a liberal democracy such as Norway with Uganda and Angola would thus be of little use because the contextual variables would differ too much. Therefore, defining both the temporal and spatial scope of both the study and its findings will be one of the essential elements of this chapter.

A final note needs to be made on the causal nature of this analysis. While the primary research question on the source of political funding in electoral authoritarian regimes in Sub-Saharan Africa is causal in the sense that it will look at several potential causes for the types of political funding, the secondary question about the implication of this is not a causal study. Rather, it provides tentative conclusions on the implication of the mechanism of political funding in the types of regimes in questions. Neither part of the research question aims to *measure the causal effects*, but rather to identify *causal mechanisms*. I am not measuring the degree to which the state’s presence in the economy affects political funding. Instead I try to map out *if* and *how* these two variables are linked and interact with other variables, and the consequence of this. These are two very different tasks, but both are equally important in order to establish causal arguments (Gerring 2007: 44). The tentative conclusions provided in this thesis should not be seen as complete answers, but rather as a “building block” (George and Bennett 2005: 76) in the literature on political funding in electoral authoritarian regimes. After all, research does not look for the *complete* answer, rather the answer to the research question at hand (McKeown 2004: 156). Even though mechanisms have been called “bits of



sometimes true theory” (Coleman 1964: 516-519; Stenchcombe 1998: 267), they are nevertheless a real advance in knowledge because they provide us with an important part of the causal process (Rueschemeyer 2003: 329).

### *How to achieve precise description of causal mechanisms*

What method is best for solving this “dual” question? When researching something as “numerical” as political funding and the consequences of political funding, one would perhaps expect a quantitative approach. However, a consequence of the highly secretive nature of political funding is that there are few budgets and audited accounts available for the public or even researchers. This lack of data makes quantitative analysis hard both because of scarcity and possible reliability issues. In situations where you do not have sufficient data that are reliable without triangulation, even fundamentally quantitatively-oriented researchers argue that qualitative studies of a few cases are better (Lijphart 1971; King et al. 1994).

Furthermore, many scholars argue that qualitative analysis of a few cases<sup>17</sup> is especially suited to both identify descriptive patterns and analyze mechanisms even when you have the data available for quantitative analysis (Munck 2004: 112; George and Bennett 2005: 220; Lieberman 2005: 444; Gerring 2007: 5; Falletti and Lynch 2009: 1161; Tarrow 2010: 239). As pointed out above, both identifying mechanisms and investigating how they work is a complex undertaking involving multiple contextual elements. In a way, mechanisms contain “finer grain” than variables. Therefore, when searching for mechanisms you are looking for details of a causal story (Elster 1998: 49). In terms of the phenomenon I am investigating, this means that I have to investigate political funding in a broad sense without losing the detailed knowledge necessary. In Angola for example, a failed coup in 1977 seems to be just as important for the elitist nature of the MPLA as more recent events. A good way of finding these details is to use *process tracing*. Process tracing is a way to analyze a changing process within a case (Tarrow 2004: 174); it seeks to identify the causal chain and causal mechanism between the independent and dependent variable (George and Bennett 2005: 206). It is often used to both build and test theories, depending on the available research on the topic (George and Bennett 2005: 209; Rueschemeyer 2003: 318). In this sense, it is an ideal method for this thesis precisely because it allows you to generate more theory on the basis of a few cases. It is furthermore a good tool for investigating situations where you suspect reciprocal causation (Munck 2004: 108), which makes it ideal to investigate my “dual”

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<sup>17</sup> Often called “small-n qualitative analysis”.

research question. Finally, process tracing helps improve internal validity by going through the within-case process in a rigorous way using multiple data sources (Gerring 2007: 173). Thus it is a well-suited method for investigating each individual case through intensive study. This is important for me because I am investigating the phenomenon in a setting where there has been little previous research, and process tracing can help identify the detailed empirical description that is necessary to identify both variables and mechanisms.

Process tracing can also help highlight and establish the temporal dimension and scope condition of my research question. As highlighted in chapter 2, incumbent parties in electoral authoritarian regimes have often been in power for a significant period of time. Furthermore, because of the difference between funding patterns during campaigns and outside campaigns, any analysis of political funding should include an entire election cycle when doing within-case analysis (Nassmacher 2001: 22). Thus, any mechanisms of control will most likely have a temporal dimension. Pierson (2003) argues convincingly about the effect of slow-moving macro-processes, and shows why qualitative studies using one or two cases are a useful tool for identifying these effects. Specifying the temporal scope of investigation is therefore essential when dealing with mechanisms (Falleti and Lynch 2009: 1153). Domination is a phenomenon that often is linked to historical variables (Rueschemeyer 2003: 311). In Uganda for example, President Museveni uses the spectre of Amin as a threat in order to preserve his domination (Helle et al. 2011). I therefore investigate relevant phenomena and independent variables that go back to the ascendance to power of the incumbent party in each case-study. However, while the causes might go back in time, this thesis limits the temporal scope of the dependent variable political funding to the current electoral cycle of each case, simply because this is the time period which it is possible to produce most reliable data on.

Thus, within-case studies using process tracing on the cases of Uganda and Angola should be able to provide both the necessary empirical richness and a description of the causal process and mechanisms surrounding the phenomenon of political funding. This should also help identify the spatial dimension of the phenomenon. However, in order to better understand temporal variation within the universe of electoral authoritarian regimes, comparing across cases might increase the validity of both the answers to both the primary and especially the secondary element of the research question.

### *Comparing across contexts*

Process tracing also works well as a part of a larger research design and is often used as a tool by methodological pluralists in connection with other research methods ( Mahoney 2003:

364-365; George and Bennett 2005: 208; Tarrow 2010: 253), and this is something which I plan to take advantage of. Mahoney and Rueschemeyer (2003) emphasize that comparing with a small number of similar and relevant cases can contribute greatly to the value of any causal analysis because it increases the dialogue between theory and empirical reality in a unique way, creating what Locke and Thelen (1995) call “contextualized comparisons”. Gerring (2007: 12) argues that case studies and cross-case comparison works well in one research design because they complement each other.

While I plan to use process tracing to analyze the interplay between variables, mechanisms and context within each case, there are reasons for looking for variance across cases as well. First and foremost, the findings of the individual case studies will be tested when compared across cases (George and Bennett 2005: 220). The similarities and differences between political funding in Uganda and Angola can be analyzed, and this strengthens the validity of the final conclusions, and can be used to create typologies of political funding based on the similarities or even differences between the cases (George and Bennett 2005: 215). While the individual case studies ensure internal validity and causal homogeneity within each study, this does not hold across cases. An example from this thesis serves to illustrate this: the electoral system in Uganda and Angola are different and seem to have diverging effects on political funding. Since my goal is theory building on political funding in electoral authoritarian regimes in Sub-Saharan Africa, it is necessary to take into account possible causal heterogeneity in the mechanisms as well, and this is best investigated by using a cross-case analysis (Gerring 2007: 20). Munck (2004: 111) says that “an alternative approach to assessing causal homogeneity is to identify multiple domains, within each of which the analyst finds causal homogeneity and between which there is causal heterogeneity.” He goes on to say that these differences can be used for typologies. Furthermore, only by going beyond a single-case study can you investigate factors that are held constant within that case (Rueschemeyer 2003: 320). Thus, the spatial scope condition of my research question calls for cross-case comparison.

It is important to remember that there is a fine line between multiple case studies and a study that is cross-case. In fact, George and Bennett (2005) argue that there is little difference between the two as long as the number of cases is relatively small. Nevertheless it is normal to say that a study turns into a cross-case study when the focus of the study shifts from the individual case to a sample of cases (Gerring 2007: 20). In this thesis, the focus is mainly on the case studies; the cross-case comparison is used to compare the findings of the within-case analyses. The advantages of cross-case comparisons are highlighted by Tarrow (2010: 243-

44); he argues that analysing two cases allows the researcher to maintain the advantages of case studies described above, and at the same time permit “dual-process tracing”, which reduces the possibility of wrongful generalizations. My research question calls for cross-case comparison because of the importance of the context when researching mechanisms (Falletti and Lynch 2009: 1147). Previous studies of mechanisms have combined within-case analysis and cross-case comparisons with success.<sup>18</sup>

So what is the output of this thesis going to be? The long answer has been provided above. The short answer is a tentative theoretical typology based on the case studies and their empirical description of political funding and the causal description of the processes and mechanisms linked with this phenomenon. Through both within-case and cross-case analysis, this will be used to modify the typology presented in chapter 2, so that it can provide tentative conclusions about the types and causes of political funding in electoral authoritarian regimes in Sub-Saharan Africa, as well as who they seem to benefit and the implications of this.

The methods that seem to suit my research question best is to use a within-case analysis of different cases using process tracing in order to identify the empirical reality as well as the processes and mechanisms at play. This is combined with a cross-case comparison of two cases in order to test the findings of the case studies and investigate how different contexts affect the mechanisms. However, it is important to point out there are also possible pitfalls connected to using cross-case comparison on a few cases. Most of these are tied to case selection and insufficient degrees of freedom (Rueschemeyer 2003: 323; Tarrow 2010: 246-48), and can be solved by having sensible scope conditions and the related issue of thoroughly debating your choice of cases. The temporal and variable-oriented scope conditions have already been established. I will now turn to the issue of choosing the cases of study to establish the spatial scope conditions of this thesis.

### **3.2 Case choice: External validity, spatial scope conditions and other considerations**

How many and what type of cases does one need? A goal for research should be to maximize the number of observations you make that are relevant for your research question (King et al. 1994: 213). But it is important to emphasize that maximizing observations does not necessarily mean increasing the number of cases. A case-study or other research designs with few qualitative cases can work just as well as a study of a large number of cases (King et al. 2004: 191). When selecting cases, you need to take into account both the research question,

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<sup>18</sup> See for example Gibson (2005)

the theoretical background and previous research to identify both the spatial scope conditions of the thesis, and to decide how many and which cases that are fruitful to study (Mahoney 2003: 136; Rueschemeyer 2003: 323; George and Bennett 2005: 20; Tarrow 2010: 251-52). The section below will try to highlight these considerations.

First it is important to discuss some methodological issues related to case selection when studying only a few cases. How you identify and choose your cases has an important bearing on the results of your research. More specifically it has a large impact on the external validity of your findings. External validity refers to the representativeness between the sample of cases you study and the population of cases that you wish to generalize to (Collier and Mahoney 1996; Gerring 2007: 43). King, Keohane and Verba (1994) name lack of external validity because of selection bias as one of the major problems of qualitative research involving few cases. How can you ensure external validity and avoid selection bias? First of all, the danger of selection bias decreases the smaller the universe of cases which you are trying to generalize to (Gerring 2007: 49). This is linked to the issue of scope conditions. The fact that my research question severely limits the scope of my investigation by specifying that it is only looking at political funding in electoral authoritarian regimes in Sub-Saharan Africa thus increases the likelihood of my findings being externally valid. Investigating two cases instead of one also increases external validity (Tarrow 2010). The spatial scope conditions will be discussed further in the following paragraphs. Even before considering this though, it is necessary to be aware of another challenge when selecting cases: that of focusing on extreme cases of the dependent variable (Collier and Mahoney 1996). This might be a problem, since part of the objective of this thesis is to identify the composition of the dependent variable. Since I select the cases before I study them, it is therefore difficult to know if they are indeed extreme cases. This is however, a problem that all exploratory studies encounter. Furthermore, while this is an exploratory thesis it builds on previous literature and this makes it possible to say something about the extremeness of the cases in relation to the larger context (Collier and Mahoney 1996), which could be considered a finding in itself.

As stated above, my research question defines the most important spatial scope conditions: this thesis will investigate political funding in electoral authoritarian regimes in Sub-Saharan Africa. Because the primary research question identifies political funding as the dependent variable, this part of the question avoids a common critique of qualitative studies of a few cases: selection on the dependent variable. According to this critique when you study countries with the same value on the dependent variable, you are only studying what your chosen cases have in common (Geddes 1990). Therefore, you should select a negative case

where the phenomenon you want to investigate could have happened, but it did not (Mahoney and Goertz 2004). All countries have some form of political funding, and there is every reason to believe that there will be variation between countries. In addition this is a strictly theory and model building analysis of political funding, for which Lieberman (2005: 447) argues that unit selection on the dependent variable is actually necessary.

While both Uganda and Angola certainly are Sub-Saharan African countries, defining them as electoral authoritarian regimes deserves more attention. Therefore, the first question I need to answer is if Uganda and Angola are electoral authoritarian regimes. As stated in chapter 1, I view electoral authoritarianism as a type of hybrid regime. Both Uganda and Angola have typically not been identified as hybrid regimes in cross-case comparisons or large-n analysis due to the relatively few multiparty elections they have held for the past 20 years.<sup>19</sup> Many works have been written that discuss how to identify both hybrid and electoral authoritarian regimes. The straight-forward method is to use either the Freedom House or Polity IV ratings, and identify the “middle-tier” as hybrid regimes, such as done by Diamond (2002) and Morlino (2009). This works as a way of separating democracies from the rest. But where do you cross the line between electoral authoritarianism and flat-out authoritarianism? Using Freedom House and Polity IV to identify this line has been criticized, because the measures are too rigid and do not capture the complexity, range and variation of these regimes (Wigell 2008; Ekman 2009; Brownlee 2009).

Brownlee (2009) proposes a different approach, where he uses the World Bank’s Database of Political Institutions (DPI) to construct dummy variables for the presence of limited multiparty elections and the competitiveness of these elections. These data measure legislative and electoral competitiveness, something which is the central focus of Schedler’s (2002a; b) definition of electoral authoritarianism compared to flat-out authoritarianism. The DPI scores range from 1= no legislature to 7= largest party got less than 75% of the vote. Brownlee (2009) defines countries that are scored 1-4 the year after their last election as full-fledged authoritarian regimes, while countries scored 5-7 are defined as electoral authoritarian regimes. The threshold is based on the fact that if countries hold multiparty elections they are scored 5 or above. Furthermore, Brownlee says that only countries that scored a 7 (largest party got under 75% of the votes) can be considered as competitive authoritarian, while countries scored 5-6 (multiparty competition but largest party won more than 75% of the vote) are hegemonic authoritarian, thus reflecting the distinction made by both Sartori (2005),

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<sup>19</sup> An exception is Morlino (2009), who identifies Uganda as a hybrid regime

Diamond (2002) and Levitsky and Way (2002). The countries are scored both for legislative and executive elections, and according to Brownlee (2009), it is enough that one of the scores reflect competitiveness for them to be considered electoral authoritarian. The year following the last election, Uganda (2007)<sup>20</sup> was scored 6 for legislative elections and 7 for the executive elections and Angola (2009) 6 for legislative and 2 for the executive elections.<sup>21</sup> Neither country was considered to be democratic that year by either Freedom House or Polity IV. Thus both countries can be labeled electoral authoritarian regimes, but while Uganda can be considered a competitive authoritarian regime, Angola is more at home in the hegemonic authoritarian category. This seems to reflect the conclusions of recent case studies of both Angola (Orre 2010a; Schubert 2010) and Uganda (Makara 2010) carried out after the last elections which all focus on the importance of elections but at the same time how the incumbents manipulate the electoral playing field. While the criteria identified here would also apply to several other Sub-Saharan countries,<sup>22</sup> investigating only two cases is necessary in order to preserve the empirical richness that is needed (Tarrow 2010). This also allows me to include both a hegemonic and a competitive electoral authoritarian case.

There are additional reasons for choosing Uganda and Angola. As pointed out above, case selection should be theory driven. Chapter 2 identified some variables that could have an effect on political funding. For example, the dual nature of political funding makes countries where the incumbent has controlled the transition to multiparty politics especially interesting. This has been the case in both Uganda and Angola. At the same time, the time dimension is different between the cases. Uganda's civil war ended in 1986, while the Angolan civil war ended in 2002. Therefore, the effects of the civil war and the post-conflict aspect of politics should be much more visible in Angola. There are other differences as well. The economy of Angola is primarily driven by oil-revenues (Hodges 2004; 2007), while Uganda's economy is much more dependent on agriculture.<sup>23</sup> The state is thus considered to be much more important in the Angolan economy than in Uganda.<sup>24</sup> The amount of Official Development Aid as percentage of Gross National Income has averaged at 0.5% in Angola over the last four

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<sup>20</sup> The DPI only runs until 2010. If one applied the criteria to include the 2011 election however, Uganda would be scored 7 and 7 on both elections, as the NRM won 71% of the legislative seats and President Museveni won 68% of the votes in the executive election

<sup>21</sup> Executive elections in Angola have not been held since 1992, but with the recent switch to a parliamentary system the executive score should reflect that of the legislative, as it does in other parliamentary systems

<sup>22</sup> Angola, Burundi, Burkina Faso, Cameroon, Congo-Brazzaville, Equatorial Guinea, Ethiopia, Gabon, the Gambia, Lesotho, Mali, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Sudan, Tanzania, Togo, Uganda all fit this definition of electoral authoritarian regimes.

<sup>23</sup> Data from World Bank Development Indicators, 2006-2010. Agriculture, value added (% of GDP)

<sup>24</sup> Data from UNCTAD Handbook of Statistics, section 8.3.1 on nominal gross domestic product by type of expenditure by kind of economic activity of countries and geographical groupings.

years, while through the same period it has averaged at 13,5% in Uganda.<sup>25</sup> This indicates that the economies of the two cases are different, and this indicates variation within the range of electoral authoritarian regimes in Sub-Saharan Africa. As pointed out in chapter 2, the two countries have different electoral systems, another variable that could have an effect on political funding. This is a good mix of similarities and differences between the two cases.

Practical reasons have also had some impact on my choice of cases. As identified in the introduction, these countries have quite recently held elections where political funding has played a big role. At the same time they have previously not been seen as electoral authoritarian regimes because of their relatively recent transitions to multiparty politics. Therefore, I specifically want to target these cases in order to generate new knowledge. Finally, because researching cases where there is little scholarly literature is very demanding, I wanted to make sure I chose cases where I could receive help and advice from experts at my associated institutions.<sup>26</sup> Both Angola and Uganda have been widely studied by researchers at these institutions, something which made it practically possible for me to collect data through fieldwork. I now turn to this process and highlight some of the challenges encountered there.

### **3.3 Data: Challenges related to triangulation and fieldwork**

As highlighted in chapter 1, there is not much data available on the issue of political funding, especially in Sub-Saharan Africa. Van Biezen and Kopecky (2001: 416; 2007) argue that finding numbers and other data on sources that have incentives to hide the truth is a very challenging task. Following this, finding data on any form of illegal funding is very difficult, especially in a comparative setting (Hopkin 2004: 628; Van Biezen and Kopecky 2007: 240; 247). Any situation that deals with actors and mechanisms such as power are very difficult to identify using only a single data source (Gerring 2007: 173; Falletti and Lynch 2009). It is therefore difficult to answer my research question based on purely secondary sources. Following this, I argue that traveling to the countries and conducting fieldwork there was essential for answering my research question. However, I start off the debate on the data by highlighting two methodological concerns that have guided my data collection.

#### *Two methodological concerns about data: measurement validity and reliability*

The issue of measurement validity and the reliability of the data are extremely important when discussing data quality. If the quality of the data suffers on either of the two dimensions,

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<sup>25</sup> Data from World Bank Development Indicators, 2006-2010.

<sup>26</sup> Institute of Comparative Politics at the University of Bergen, and Christian Michelsen Institute in Bergen



the results you obtain from analyzing them will be questionable at best. Measurement validity is the extent to which a researcher manages to operationalize and score his observations in a way that reflects the concept that the researcher wants to measure (Adcock and Collier 2001: 529). If your measurements are not accurate, you risk measuring something completely different from what you want to. Reliability on the other hand, refers to the degree of consistency between the coding of units into the same categories executed by different scientists or by the same scientist at different times (Hammersley 1992: 67). In other words; if you replicate the research and get the same results, your data are reliable.

I argue that my research design is ideally suited to handle both of these important issues, even when considering the above-mentioned data situation. Measurement validity can be secured through my choice of methods. Using case studies as the basis for my analysis minimizes the risk for measurement error, because it can assess variables on many dimensions (George and Bennett 2005: 220), as well as making concept misformation less likely because it starts at a lower level of abstraction (Sartori 1970). Collier (1998:3-4) argues that using cross-case “contextualized comparisons”, also help prevent concept misformation and conceptual stretching by exposing the data to “rigorous” comparison.

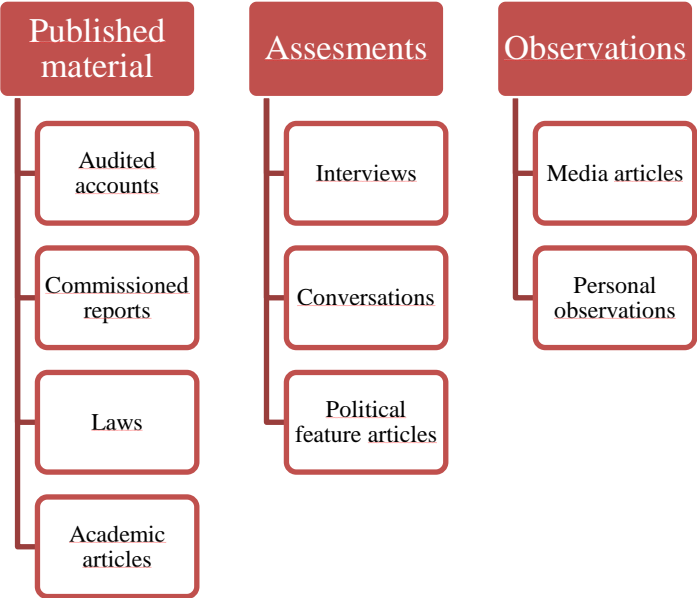
The methods I use also ensure that I can improve validity and reliability by using data triangulation, which means using multiple sources of information to investigate a phenomenon within a case. Gerring says that “the hallmark of process tracing, in my view, is that multiple types of evidence are employed for the verification of a single inference – bits and pieces of evidence that embody different units of analysis” (Gerring 2007: 173). By doing this, you also ensure that you try to generate as large a number of observations within each case as possible (King, Keohane and Verba 2004: 191). Triangulation also allows you to contrast and compare the answers you get from some sources of data with other sources, thus creating a chance to control the reliability of the data. This is especially important when you are dealing with data from semi- or unstructured interviews (Aberbach and Rockman 2002) and participant observation (Glaser 1996).

#### *Finding and triangulating data on political funding in Uganda and Angola*

With the previous methodological concerns in mind, I now turn to what data I will use in my thesis. As stated above, collecting data on sensitive issues such as funding of political organizations and individuals is difficult. It is especially hard in political systems where you either have (1) no public system of controlling the financing of political parties, (2) the control is internal to the system and not publicized, or (3) low or selective enforcement of the

control regime. Without such control regimes it is hard to obtain items such as the audited accounts and budgets of political parties. Angola and Uganda both have controls and reporting mechanisms when it comes to political financing, but the political system in Angola does not publicize the findings of its control-mechanism, and implementation is very selective.<sup>27</sup> The problem of selective implementation is also present in the control system in Uganda.<sup>28</sup> Therefore, while it is possible to find official data on the funding of political parties in both cases, the reliability is likely to be low. This thesis also investigates how the context is affecting political funding. Thus, I need data that can highlight a broad range of contextual factors; triangulation is not just necessary for methodological reasons, but also for empirical ones.

**Figure 3.1: Data categories by mode and source of collection.**



What types of data sources can I triangulate in order to increase validity, reliability and the number of observations? There are several possible sources, both in terms of primary and secondary data. Figure 3.1 above shows the different types of sources used in my thesis. Instead of the normal separation between primary and secondary data, I have divided them into three categories based on the *mode and source of collection*. In my thesis, I use data from all of these categories. In terms of the first data category, “published material”, the available data varied significantly from case to case. Since, as debated above, the amount of audited accounts and commissioned reports on the topic are both low in number and often unreliable,

<sup>27</sup> Interview with Nelson Pestana, Political Scientist at the CEIC. Bergen 25<sup>th</sup> February 2010

<sup>28</sup> Interview with Frederick Gooloba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.

collecting data from other sources is imperative. I have, however, managed to collect audited accounts and commissioned reports on the funding of political parties from Uganda.<sup>29</sup> In Angola this was not possible due to their non-publication rule when it came to the audited accounts of the political parties. However, relevant laws and regulations were available in all cases.<sup>30</sup> In terms of previously published academic articles on the topic, there are also relatively few available. Political funding in Uganda has not attracted as much research, primarily because parties were not allowed between 1986 and 2005. However, recently there has been an increased focus on the importance of money and resources in Ugandan politics, and following this also an increase in scholarly literature. Finally, research on Angolan politics has for a long time been linked to the legacy of the civil war. The Portuguese language also seems to be a deterring factor for many researchers (Orre 2010: 84).

Therefore one has to turn to the second and third category of data presented in figure 3.2; “assessments” and “observations”, to find data on political funding in Uganda and Angola. Most of the data types in these categories are data that have to be acquired through fieldwork. I have therefore conducted fieldwork in both Angola and Uganda.<sup>31</sup> This has enabled me to collect both more secondary sources in the “published material category”, and primary data in terms of observations and assessments. In terms of observations, this is beneficial because it allows you to study *behavior*, something that is very useful when studying processes and mechanisms (Glaser 1996: 533). An example of this is that during my time in Luanda, Angola, I was able to observe the strict hierarchy of the liberation parties, and the effect this had on transparency and flow of information. The fieldwork also enabled me to collect more newspaper- and feature articles about relevant political events. Furthermore, it enabled data collection from multiple sources with sometimes conflicting perspectives which is an important component of triangulation (Goldstein 2002: 669). Most importantly for me is that it enabled me to do interviews with actors in the process or observers with special knowledge: the often named *experts*. These expert interviews are my main source of primary data, and the process surrounding their collection therefore has to be described thoroughly.

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<sup>29</sup> The reliability of the audited accounts of the political parties in Uganda is low, as parties have admitted to purposefully not reporting all information in their accounts. Furthermore, accounts from all parties have not been submitted. The ruling NRM-party is among the parties who have not submitted their accounts for auditing.

<sup>30</sup> The relevant law governing party finance in Angola was of course in Portuguese, but I managed to acquire an English version.

<sup>31</sup> The fieldwork in Uganda was carried out in between the 6<sup>th</sup> and 21<sup>st</sup> of December 2010. The fieldwork in Angola was carried out between the 13<sup>th</sup> of January and the 1<sup>st</sup> of February 2011

### *Collecting data through expert interviews*

When you collect data through expert interviews there are numerous steps that you go have to go through, and expert interviews have to be tailored to serve the purpose of the study (Peabody et.al. 1990; Aberbach and Rockman 2002; Goldstein 2002). First you have to decide who the experts are in your case. Experts are people who possess especially relevant knowledge for the research question, and often the fact that they have this knowledge has practical consequences for the empirical reality connected to the question (Bogner and Mentz 2009: 50; Meuser and Nagel 2009: 21). In my case experts are people who have knowledge about the funding of political parties and political candidates and the process surrounding this phenomenon. Therefore, I wanted to interview representatives of political parties in Uganda and Angola. More specifically I wanted to interview the General Secretaries and Party Treasurers of the biggest parties in both Angola and Uganda. Because of the need for contextual knowledge, I also wanted to interview local experts with knowledge about the political game and political funding, such as academics and people in the media. Experts can provide you with three types of knowledge; technical-, process- and interpretative knowledge (Meuser and Nagel 2009: 53). I have collected all types; technical knowledge to provide data on funding, and process- and interpretative knowledge in order to better understand the processes and mechanisms surrounding political funding in each individual case.

Another choice you make is how structured your interviews should be; unstructured, semi-structured or structured. These have different advantages. Unstructured interviews leave more room for flexibility when conducting the interviews, whilst the structured interviews create data that are easier to compare across cases (Peabody et.al. 1990: 452). Since I needed to obtain data that are at least possible to compare across interviews and also across cases, I needed some form of structure. However, flexibility was also important to me. First of all, the interviews I conducted were often ad-hoc, and I therefore had to adapt the questions to the setting. When doing expert interviews you need to be able to adjust the interview to the time and situation at hand (Glaser 1996: 534). Less structured interviews also allows you to ask more open-ended questions, something which is preferable when interviewing experts; they tend to give away more information when they simply talk (Aberbach and Rockman 2002: 674; Meuser and Nagel 2009: 31). The interviews I conducted which generated the most information were the ones in which the interview object simply talked and I “guided” him using probes and small questions. Most importantly for my research though, semi-structured interviews allows you to “get beneath the surfaces of a response to the reasoning and premises that underlie it” (Aberbach and Rockman 2002: 674). So even though this makes coding and

comparing more difficult because standardizing the data becomes difficult (Aberbach and Rockman 2002), it is necessary when dealing with mechanisms.

A semi-structured interview is conducted using an interview guide where the researcher creates topical groupings of questions which he would like to ask the interview object (Peabody et.al 1993: 452). I created four interview guides for my fieldwork, because I wanted to tailor each interview guide to each type of interview object. These were politicians, organizational representatives of political parties, academics and media.<sup>32</sup> All of the interview guides contained elements of the three types of interviews presented by Bogner and Mentz (2009: 46-48); but while the politicians and representatives of political parties were asked explorative questions, the other groups were mainly asked systematizing and theory-generating questions. I first created three main topics that I was interested in: general questions on the situation of political parties, specific questions on the finances of political parties, and more general questions on how political funding is perceived. Under each topic I had five to ten different questions, which I used as a guide when conducting the interviews. The questions were selectively used, but all topics were touched upon in each interview. This is the basis for comparability between interviews (Meuser and Nagel 2009: 35). When creating an interview guide, it is important to get feedback on it from other scholars with experience from the field, as well as running pilot interviews (Peabody et al. 1990: 452). After both presenting my interview guides to scholars with extensive knowledge from fieldwork in Uganda and Angola and conducting pilot interviews with my fellow master-students, I revised my interview guide multiple times.<sup>33</sup> I did add questions while in the field, however, especially as I chose not to ask only neutral questions, as advised by Peabody et al. (1990). I found information that I felt was important to confront the other interview objects with in order to get several different viewpoints, and because I tried to make the interview as natural as possible.

When in the field, the first challenge you face is getting access to the interview objects that you want. This is important not just because of data generation, but also sampling and comparability (Goldstein 2002: 669). You face multiple obstacles on the way; the first one being finding out who occupies the positions you are interested in (Goldstein 2002: 670). I found this quite easy, as most of the relevant information was either given to me on the web pages of the relevant parties, or through other key informants. Accessing them was more

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<sup>32</sup> I realized early in the fieldwork that the organizational representatives of the political parties in Angola and Uganda were almost always also politicians, so once in the field I merged the two interview guides.

<sup>33</sup> The final interview guides used can be seen in appendix 1

difficult. In Uganda I got telephone numbers from key individuals, and called them and set up appointments myself. All representatives of the opposition parties welcomed me; in the ruling NRM-party they did not answer me however. I was still able to access other high-ranking officials in the ruling party however, making the loss of data and comparability minimal.<sup>34</sup> In Angola, I faced the general problem of language. I do not speak Portuguese, and only about half of my interview objects spoke English. Language difficulty is a big problem when doing semi-structured interviews (Barriball and While 1994: 330). I therefore had to use an interpreter, which can create problems in terms of validity and reliability (Bujra 2006). I was lucky enough to enlist an interpreter who had conducted similar interviews before, and he immediately understood the objective of my study. He only asked questions from the interview guide, or selected prods agreed upon in advance if this was appropriate. As an added advantage, he had many contacts in the political parties which he could contact to arrange interviews. I was therefore able to interview high-level officials in all of the targeted parties in Angola but one.<sup>35</sup> Although I did not manage to talk to the General Secretaries or Treasurers of most of the parties, the people I did reach were sufficiently involved in the financial side of the party to have expert knowledge about it. In terms of academics and people in the media, I targeted a few key interview objects when I came to Angola and Uganda, and after these I “snowballed” further interview objects. This worked very well; academics and people in the media are generally friendlier as they use interviews themselves in their work. After receiving access, I gave them a letter of introduction that introduces me and my project. This was very important for my access in Angola, while it was not as important in Uganda. The fact that the letters of introduction highlighted my interest in political funding could have led to the interview objects overstating the importance of political funding. However, this is a general problem when conducting interviews, and a normal practice within the field (Peabody et al. 1990).

In terms of the actual execution of the interviews, it is important to be aware of the importance of the interviewer (Peabody et al. 1990; Aberbach and Rockman 2002; Meuser and Nagel 2009). I tried to be an enlightened conversation partner, and used techniques from all four ideal interviewer types presented by Bogner and Menz (2009: 58-68), but I primarily tried to be friendly and not to be seen as a threat. My status as a master student and assistant researcher helped me in this; I generally believe that my access to the field and to the data was

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<sup>34</sup> For a full list of interview objects see appendix 2

<sup>35</sup> The party *Nuevo Democracia* only has one representative in the Angolan Parliament and is considered to be a party that is very close to the ruling MPLA.

improved by my “innocent” and non-threatening posture. I chose to tape the interviews when conducting them, in order to improve the flow of the conversation and also improve the reliability of the data.<sup>36</sup> While some argue that this could lead to interview objects becoming more guarded and that it thus can prevent you from obtaining the necessary data (Peabody et.al 1990: 454; Orre 2010: 85), I did not perceive this as a problem. I informed each interview object that they could choose if they wanted the interview taped or not, and all interviewees were happy being taped. The recorder only interfered when other people or occurrences interrupted the interview process; I chose to stop the recording when such interferences happened, out of privacy concerns.

After collecting the data, I transcribed the interviews and coded them using the qualitative coding software nVIVO. I coded the data by first using the topics and questions from the interview guide. I also coded them using the different coding items presented by Aberbach and Rockman (2002: 675), which categorizes data by how directly they are relevant to each question or topic. *Manifest coding items* address questions and topics directly, *latent coding items* are more indirect answers to questions that did not necessarily ask for that information directly, while *global coding items* are more general traits or perceptions of the interview.<sup>37</sup> After this, I used the coded data to compare across interviews and across cases.

Some final remarks need to be made about some interaction effects encountered collecting the primary data. These are general problems which are not problematic in terms of the quality of the data if you are aware of them while collecting and coding (Abels and Behrens 2009: 144). I notably encountered the problem of the “catharsis effect” (Abels and Behrens 2009: 146); sometimes it was unclear whether the interview object voiced his personal opinion or that of his parent party, organization or institution. It is very important this is clear so that you do not take a personal opinion for something other than that (Meuser and Nagel 2002: 34). When you are aware of such interaction effects, you can reduce or eliminate them both during the interview by using prods or during the coding process by using the coding categories above; personal opinions will more often be coded as latent or global rather than manifest. This highlights the importance of triangulating interview data (Abels and Behrens: 151). Therefore, the multiple data sources presented in figure 6.2 above are, though differing in size, equally important when I now turn to a rigorous empirical analysis of political funding in Uganda and Angola.

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<sup>36</sup> Both copies of the audio files and transcription of the recordings can be obtained by contacting the author.

<sup>37</sup> More detailed coding guides can be obtained from author on request.

*“Funds and fear.”*

*Wafula Oguttu, Chief Spokesperson of the FDC, stating the main challenges for political parties in the 2011 election in Uganda.*<sup>38</sup>

#### **Chapter 4 – Political funding in Uganda**

In February 2011 President Yoweri K. Museveni of the ruling National Resistance Movement (NRM) party<sup>39</sup> won a landslide in the second consecutive multiparty presidential election in Uganda.<sup>40</sup> Museveni, labeled “the favorite autocrat of the aid-community” by a Norwegian newspaper (Sætre 2011), can therefore celebrate his twenty-fifth year in power later this year. The ruling NRM party also increased the number of representatives in the parliament, to some extent due to defeating the opposition in some constituencies, but primarily because of an increase in the number of constituencies and victories in these. Thus the elections consolidated the NRM-party’s position as a dominant party in an electoral authoritarian regime. The opposition has labeled the election as “full of flaws” and “fraudulent”, and the leaders of the three largest opposition parties have all rejected the election results (Besigye et al. 2011).

Monitoring reports after the elections have named the uneven playing field among political parties and candidates in terms of finances and resources as one of the most important flaws of the election (Commonwealth Secretariat 2011: 19; EUEOM 2011: 24-25). This corresponds well with the image given by of the General Secretaries and Party Treasurers of the three main opposition parties. When asked “What are the main challenges for political parties in Uganda?” five out of six of them mentioned the issue of resources and funding specifically, and in addition the Party Treasurer of the Uganda Peoples Congress (UPC), though not questioned directly on this, expressed grave concerns about the finances of his party.<sup>41</sup> The issue of resources was what most Ugandans seemed to think was most uneven and unfair in the campaigns, as a poll conducted by Afrobarometer in January 2011 showed (Afrobarometer 2011: 18). Rakner and van de Walle (2009: 216) name access to state resources as a huge incumbency advantage. In this chapter, I argue that the NRM-party and

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<sup>38</sup> Interview, Kampala, 14<sup>th</sup> of December 2010.

<sup>39</sup> In this paper I refer to the National Resistance Movement political party as “the NRM-party”. In previous literature this has previously been named the NRM Organisation (NRM-O), while the previous system of governance has been called the National Resistance Movement (NRM). I simply refer to the previous system as the “Movement-system”.

<sup>40</sup> See Helle et al. (2011) for full election results

<sup>41</sup> Interviews with Jack Sabiiti (PT of FDC), Alice Alaso (GS of FDC), Wafula Oguttu (PS of FDC), Issa Kikungwe (PT of DP), Mathias Nsubuga (GS of DP) and John Bossa (GS of UPC). Party Treasurer of UPC Peter Walubiri was not asked the question directly because of time shortage. All interviews carried out in Kampala between 10<sup>th</sup> and 21<sup>st</sup> of December 2010.



President Museveni has created a system that is ideally suited to the type of fundraising that the NRM-party is specialized for; ad-hoc, person focused fundraising linked to access to the state. Furthermore, I argue that because of this, funding has become one of the crucial factors for understanding the continued dominance of the NRM-party in the Ugandan political system. Finally, the system has created several obstacles in terms of fundraising for the opposition, notably restrictions on foreign funding and a private sector that is scared of donating to the opposition parties because of a fear of government retributions.

Following this, this chapter will map out the situation in terms of funding for the four largest and most significant parties in Uganda (6.1). The chapter then goes through historical factors that seem to have affected the issue of political funding for political parties in Uganda (6.2), before it turns to the structural factors that affect funding, with a particular focus on formal laws and institutions as well as the economy (6.3). Finally, a summary looking at how the system that has been created is favorable to the type of fundraising that the NRM is best suited for is presented, before the chapter briefly looks at the implications of this for the political regime in Uganda (6.4)

#### **4.1 The current funding situation for the four largest political parties in Uganda**

As shown in chapter 2, funding is an extremely important part of Sub-Saharan African politics, mainly because of the importance of clientelist networks and the simple fact that running a political party and carrying out an election campaign in developing countries is very expensive. In Uganda, vote buying is expected and does occur with alarming frequency, and money has become an essential part of election campaigns (Afrobarometer 2011; DEMGROUP 2011). Opposition parties struggle with this, because they do not have the same possibilities to supply material and monetary hand-outs as the NRM-party.<sup>42</sup> One would therefore also think that raising money is of the utmost importance for political parties. In this section I will therefore briefly go through the financial state of the four largest parties in Uganda; the NRM-party, FDC, DP and UPC.

##### *The NRM-party*

While the NRM-party is “financially sound”, according to Chief Spokesperson Ofwono Opondo,<sup>43</sup> the party has no budget and a very weak financial structure (Mufumba 2010). The NRM-party does not collect membership dues or sell party cards – they hand them out for

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<sup>42</sup> Interview with John Bossa, General Secretary of UPC, Kampala 14<sup>th</sup> of December 2010

<sup>43</sup> Interview in Kampala, 17<sup>th</sup> of December 2010.

free.<sup>44</sup> This way the party has no stable way of securing funding from members on a regular basis. However, while the party has previously had problems paying salaries and rent when the party is not in campaign mode<sup>45</sup>, they are very good at “ad hoc” fundraising in front of election campaigns.<sup>46</sup> When the party needs money it is able to call upon a large number of private individuals and businesses, both within and outside the party, to contribute to the party. All NRM-party officials with public positions are expected to contribute with a percentage of their salary to the party. Uganda had the third largest cabinet in the world after Kenya and North Korea in 2010 at a total of 71 members and an expansion was proclaimed after the 2011 election (Mwenda 2011; Njoroge 2011b). This, combined with the very large NRM-party dominated local government network described later in this chapter, means that the NRM-party is able to call upon a large number of well-doers who are salaried by the government within the party.<sup>47</sup> This means that a large part of the NRM-party is funded indirectly through employing people in the public sector, who in turn contribute with small and large donations to the party, depending on their position in the government. Kiiza (2008: 235) found that much of the foreign aid that flows into Uganda was used to fuel patronage networks and expand government. As stated in the introduction to this chapter, all the opposition parties and Ugandan experts claim that the NRM-party is using state resources in the campaigns. While the NRM-party does not admit using actual money from the government coffers, they admit that they do use state resources during the campaign period. However, they claim that this is just a natural incumbency advantage as seen in most countries.<sup>48</sup> The validity of this claim has been severely questioned, particularly since the NRM-party by Christmas 2010 had failed to get their audited accounts approved by the Electoral Commission, and by the passing of a very large supplementary budget in January 2011. This use of state resources and whether or not it is a natural incumbency advantage is an important part of the discussion of whether or not political funding is a tool utilized by the NRM to maintain its electoral dominance.

Both supporters outside the party and the business community are also expected to contribute during the campaigns. The NRM-party receives large contributions from the business community and it is the only party who get these contributions openly. While the

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<sup>44</sup> Interview with Ofwono Opondo, Chief Spokesperson of NRM-party, Kampala 17<sup>th</sup> of December 2010

<sup>45</sup> I.e Lukoma (2010)

<sup>46</sup> Interview with Frederick Golooba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.

<sup>47</sup> Considering that a MP makes about 14,5 million UGX a month (DEMgroup 2011: 12), a very high salary for Ugandan standards, this is a big potential source of income.

<sup>48</sup> Interview with Ofwono Opondo, Chief Spokesperson of NRM-party, and Hippo Twebaze, assistant to the GS of NRM-party, Kampala 16<sup>th</sup> and 17<sup>th</sup> of December 2010

NRM-party claims that this is mainly because of “business-friendly” policies throughout twenty-five years of NRM-rule, they do not rule out that some businessmen might give them money in order to be favored by government,<sup>49</sup> as claimed by the opposition. What seems certain is that there is a general skepticism or fear among the business community to contribute to other parties than the NRM.<sup>50</sup>

The NRM-party also receives some money from abroad, however, they do not participate in Western party support as the opposition parties do. Instead, they receive money from “fellow liberation movements around Africa”<sup>51</sup> or wealthy Arab leaders who are former friends and associates of Museveni’s.<sup>52</sup> In addition, there are claims that the NRM-party receives money from the foreign business community.<sup>53</sup>

#### *Forum for Democratic Change (FDC)*

FDC as a party grew out of the NRM during the “Movement-system”, and has after the reintroduction of multiparty politics in Uganda established itself as the largest opposition party. Party Treasurer of FDC Jack Sabiiti names the sale of party cards from members as an important source of revenue.<sup>54</sup> These cards cost 1000 UGX to purchase, which is approximately 40 US cents. However, there have been confirmed reports of people receiving cards for free as well (Wild and Golooba-Mutebi 2010: 5), and this coupled with the low price makes it unlikely that it is a source that the party can build its fundraising on. In addition, Sabiiti names contributions from officials elected in the FDC party tickets as an important source of income. These contribute amounts from US\$106 a month for Members of Parliament (MPs) and scale down to US\$13 a month from a local councilor. Clandestine donations from party sympathizers in the business community also happen, though the FDC claim that there is a general harassment of FDC-sympathizers in the business community.<sup>55</sup> They also sell party merchandise, and have acquired some property through loans.<sup>56</sup>

Foreign contributions are a major source of income for the FDC, and they are able to attract funding through the “sister-party support” and “basket-fund model” described in

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<sup>49</sup> Interview with Ofwono Opondo, Chief Spokesperson of NRM-party, Kampala 17<sup>th</sup> of December 2010

<sup>50</sup> Interview with Julius Kiiza, Political Scientist at Makerere University. Kampala 10<sup>th</sup> of December 2010

<sup>51</sup> Interview with Ofwono Opondo, Chief Spokesperson of NRM-party, Kampala 17<sup>th</sup> of December 2010

<sup>52</sup> Interview with Frederick Golooba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.

<sup>53</sup> Interview with Mwambutsya Ndebesa, Professor in History at Makerere University, Uganda. Kampala, 10<sup>th</sup> of December 2010.

<sup>54</sup> Interview in Kampala 12<sup>th</sup> of December 2010

<sup>55</sup> Interview with Alice Alaso, General Secretary of FDC, Kampala 13<sup>th</sup> of December 2010

<sup>56</sup> Interview with Jack Sabiiti, Party Treasurer of FDC, Kampala 12<sup>th</sup> of December 2010.

chapter 2. They have consistently been able to qualify for full funding from the Deepening Democracy Program. In 2010 they received the maximum legal amount of 400 million Ugandan shillings, which amounts to approximately US\$170.000, from the donor's political party component.<sup>57</sup> The IPC-coalition where the FDC is a major player also received support from the Swedish Christian Democrats and the British Conservative Party (Wild and Golooba-Mutebi 2010: 9), though there has apparently been some problems with the latter recently.<sup>58</sup> They also receive support from other partners abroad, but this is mostly technical support and capacity building activities, and as pointed out in chapter 2 this is generally given to all parties. Donors confirm that the most important reason why FDC qualify for and receive more support than other parties is their superior financial organization and among these the fact that they have their accounts in order.<sup>59</sup>

### *Uganda Peoples Congress (UPC)*

The only other political party besides the NRM-party that has ruled Uganda after independence is the UPC. This legacy also affects their current financial position. Compared to the other opposition parties, their advantage is that they have some property left from their period in power, notably their headquarters in Uganda House, as well as the Milton Obote Foundation; a party foundation with large property and business interests. The support from the Foundation, however, seems to dry up between elections.<sup>60</sup> While there have been problems with these sources in the past due to disagreements within the party, they are now contributing towards the party and the party campaigns.<sup>61</sup> However, their most consistent and important source of income is that of its MPs who give 20% of their salaries to the party, making UPC extremely reliant on maintaining their regional stronghold in the north.

UPC gets small contributions from rank-and-file members, but more often than not this is in kind and material support rather than monetary support.<sup>62</sup> The party has struggled with internal factionalism and poor organization for a few years, but seems to be able to better work as a wholesome party after the election of Dr. Olara Otunnu as party leader. This has been reflected in their ability to attract foreign funding; in 2010 they were given US\$67000 by

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<sup>57</sup> Source: copy of disbursements made by the DDP to political parties, 30<sup>th</sup> of November 2010.

<sup>58</sup> According to the newspaper Red Pepper (2010), the party had problems with its international donors, primarily because of a suspicion that the funds received from the international community was not being spent on what it was supposed to be used for. According to the newspaper, this led to the donors suspending support for the campaigns. This was denied by the party.

<sup>59</sup> Interview with Simon Osborn, responsible for political parties at DDP. Kampala, 20<sup>th</sup> of December 2010

<sup>60</sup> Audited accounts of UPC, 2007 and 2008.

<sup>61</sup> Interview with John Bossa, General Secretary of UPC, Kampala 14<sup>th</sup> of December 2010.

<sup>62</sup> Interview with Peter Walubiri, Party Treasurer of UPC, Kampala 15<sup>th</sup> of December 2010.

the DDP party program.<sup>63</sup> In addition, they receive money from party members in the Diaspora.<sup>64</sup> However, the UPC is still struggling as a national party in Uganda, and although they financially might be healthier than other opposition parties in Uganda (Njoroge and Katureebe 2009), they do not have the organization to put up candidates in all parliamentary constituencies, and the General Secretary claims that this is due to a lack of resources.<sup>65</sup>

### *Democratic Party (DP)*

The other traditional party in Uganda has endured a torrid few years since the last election, primarily because of internal squabbles and defections (Wild and Golooba-Mutebi 2010: 6). Following this, DP's economic situation has been deteriorating (Njoroge and Katureebe 2009; Asimwe 2010). Recently, the "young" fraction of the party achieved an important victory when Norbert Mao was elected as party leader at the first party conference held in several years. This conference was mainly funded by the US\$83000 they received from the DDP,<sup>66</sup> and the party has traditionally received significant amounts from donors and the diaspora (Ayers 2006: 327; Kiiza 2008: 251), but Party Treasurer Issa Kikungwe says that the party wants to depend on other sources because of all the conditions that are attached to donor money.<sup>67</sup> The new party leadership has started the work of building a financial footing for the party. Among the things they are working on are sale of party membership cards which they sell for life, and not on a year by year basis. DP has three different categories of cards, based on how much the member wants to contribute. The amount varies from US\$22 for a bronze member to \$US425 for a gold member. The party does receive support from their MPs on par with the other opposition parties, though both of these sources of income have been affected by the internal squabbles in the party. DP is currently working on business schemes and sale of advertisement in the party newspaper, and they also have a larger presence online than both the NRM-party and the FDC-party.<sup>68</sup> However, many of these measures are yet to produce tangible results, and DP has struggled for funds during the campaign (Asimwe 2010).

### *Describing the funding gap between the NRM-party and the opposition*

The discussion above indicates that there is a clear funding gap between the NRM-party and the opposition. While the size of the NRM's coffers might vary throughout an election cycle,

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<sup>63</sup> Source: Copy of payments made by the DDP during 2010.

<sup>64</sup> Interview with Peter Walubiri, Party Treasurer of UPC, Kampala 15<sup>th</sup> of December 2010.

<sup>65</sup> Interview with John Bossa, General Secretary of UPC, Kampala 14<sup>th</sup> of December 2010.

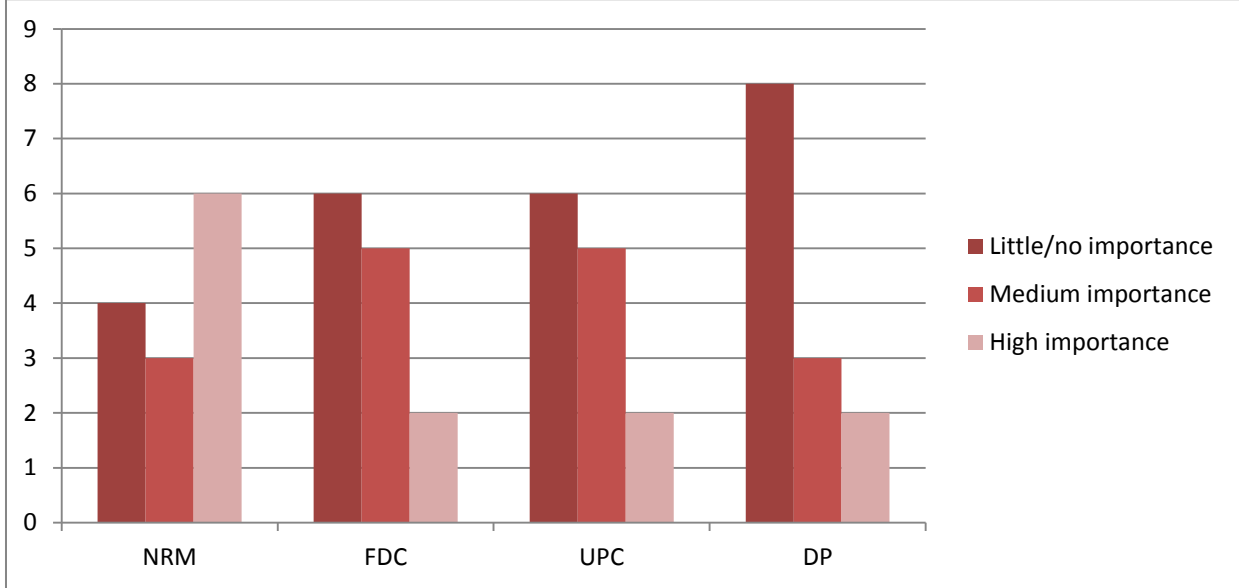
<sup>66</sup> Interview with Simon Osborn, responsible for political parties at DDP. Kampala, 20<sup>th</sup> of December 2010

<sup>67</sup> Interview Kampala, 13<sup>th</sup> of December 2010

<sup>68</sup> Interview with Issa Kikungwe, Party Treasurer of DP, Kampala 13<sup>th</sup> of December

they have numerous sources that they can fundraise from when elections approach and they start their machinery. Figure 4.1 below illustrates this: NRM-party has a lot more sources that are perceived to be of high importance to fundraise from. The sources that are available to the ruling party but not to the opposition are first and foremost linked to them controlling the state and since official state subsidies have yet been put into practice in Uganda, most of these advantages are related to the graft category presented in chapter 2. Both patronage, money from graft and clientelist tactics are potentially important sources of funding for the NRM-party.<sup>69</sup> Partly because of this, the party also benefits from external plutocratic funding. I will return to this more thoroughly in section 4.4 below. The opposition parties on the other hand mostly rely on internal contributions, both of a grassroots and plutocratic nature, as well as foreign funding. This seems to be broadly consistent with the theoretical model presented in table 2.3 in chapter 2. The rest of this chapter will look at the other aspects of the research question: the factors that have helped shape this funding situation and the implications of this for the type of regime that is currently in power in Uganda.

**Figure 4.1: Number of funding sources sorted after degree of importance for different political parties in Uganda**



Source: See appendix 3

**4.2 Political parties and funding in Uganda – a brief historical overview**

The history of political parties in Uganda is intrinsically linked to the general history of the country. Parties were for a long time at the forefront of political conflict, but after the rise to power of President Museveni and the “Movement-system” in 1986 they were banned until

<sup>69</sup> For a full classification of all 13 subtypes of funding sources for all the parties see appendix 3

2005. Nevertheless, even during this period there were partisan interests that shaped the political process in Uganda (Kasfir 1998; Carbone 2003). According to Professor in History at Makerere University in Kampala, Mwambutsya Ndebesa, political parties have a sixty year old history in Uganda. But “these political parties are sixty years young, not old. They have never grown.” He furthermore goes on to say that there has never been and still is not an ideologically-based party system in Uganda.<sup>70</sup> Other experts agree that there have never been institutionalized parties or an institutionalized party system in Uganda.<sup>71</sup>

### *The party system up until 1986*

Broadly speaking, Uganda from the first election in 1961 and subsequent independence in 1962 and until 1986 was a two-party system with the Democratic Party (DP) and the Ugandan Peoples Congress (UPC) who split along religious and ethnic lines, interrupted first by a brief one-party rule under Milton Obote from 1968<sup>72</sup> and then by the long no-party military dictatorship of Idi Amin from 1971 until 1979. After Amin a brief and violent election period led to the return of Obote and UPC to power after what many termed as flawed elections in 1980. These elections were basically a struggle between ethnic and religious groups represented through DP and UPC, and a pro- or anti-Obote election (Mutibwa 1992: 138-145). After the elections, the UPC set up a military-backed one-party regime, marginalizing the opposition (Mutibwa 1992). This serves to illustrate that the general lack of links between civil society and the political parties have historical roots. This delinking of political parties and society has had important implications for political parties in Uganda and the lack of a social base has created a need for other funding sources.<sup>73</sup> The lack of “bridges” between citizens and the state is a big problem in Uganda today, and one problem that political parties are unable to fill at this moment in time (Wild and Harris 2011).

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<sup>70</sup> Interview with Mwambutsya Ndebesa, Professor in History at Makerere University, Uganda. Kampala, 10<sup>th</sup> of December 2010.

<sup>71</sup> Interview with Frederick Golooba-Mutebi, Political Scientist and Senior Reserach Fellow at the Makerere Institute of Social Research in Uganda. Kampala, 9<sup>th</sup> of December 2010.

<sup>72</sup> While the formal implementation of one-party system rule through the banning of all opposition parties did not happen until the 22nd of December 1969, Mutibwa (1992: 56) argues that it was a *de facto* one-party system already in mid-1968.

<sup>73</sup> Interview with Mwambutsya Ndebesa, Professor in History at Makerere University, Uganda. Kampala, 10<sup>th</sup> of December 2010 and Interview with Frederick Golooba-Mutebi, Political Scientist and Senior Research Fellow at the Makerere Institute of Social Research in Uganda. Kampala, 9<sup>th</sup> of December 2010.

*Parties and party politics under the “Movement-system”*

The 1980 election also saw the entrance of a new actor at the political stage in Uganda: Yoweri Museveni participated in the election under the banner of the Uganda Patriotic Movement Party, and when the party was marginalized during the election, Museveni rejected the results and “went to the bush”. After several years of struggle, Museveni’s National Resistance Army (NRA) won the war in 1986 and transferred itself into the National Resistance Movement (NRM). The system that the new rulers implemented was the so-called “Movement-system” where parties were banned and all elections were held based on individual merit rather than party affiliation. It has therefore often been called a “no-party system”. However, scholars have called it both a full-fledged “one-party state” (Olaka-Onyango 2000: 55) and a limited multiparty system (Kasfir 1998: 55). Carbone (2003: 487) argues that this is not correct, and that the almost twenty years with “Movement-system” was in fact a hegemonic party system, where, although opposition parties were allowed to exist, they were marginalized and existed as “licensed parties”. In this period, the NRM was able to shape the playing field and to a large extent marginalize the traditional parties (Kasfir 1998; Carbone 2003). This legacy has had a massive effect. Jack Sabiiti, Party Treasurer of the FDC, said in an interview that the NRM-party in a way has had a twenty-five year head start on all the other parties, something the other parties are struggling to catch up with.<sup>74</sup> This was echoed by the other opposition parties and politicians as well.<sup>75</sup>

Two institutional elements from the Movement-system are still in place and extremely important today. The first is that they established participatory democracy through local and regional councils; first called the “Resistance Councils” (RCs) and later renamed “Local Councils”. These structures, which run from the village all through the district level, are named LC1 to LC5 and are still in place today. During the “Movement-system” these candidates were elected on individual merit, rather than a party ticket and this has left a clear legacy on the local government system (Makara, Rakner and Svåsand 2008: 279). According to Gloppen et al. (2006: 23-24) the NRM-party took advantage of this during the first multiparty elections in 2006 to improve their access to resources. These partisan local governance structures are of significant help for the NRM-party and a big source of frustration for the opposition parties, who struggle to create a grassroot-organization even today. The overwhelming majority of the NRM-party officials in local positions also give the party more people with official positions who receive public salaries. In 2006, NRM or non-

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<sup>74</sup> Kampala, 12<sup>th</sup> of December 2010.

<sup>75</sup> Interview with party representatives of UPC and DP, Kampala, December 2010.



partisan NRM-leaning candidates won most of the seats in the regional elections. This also seemed to be the case in 2011 when elections for LC1 and LC2 positions were in fact canceled due to a lack of funding. The last election for these levels of government was held in 2002, and that was on a non-partisan basis (Semakula 2011). This means that most of these structures are still effectively based on the “Movement-system”, which has been shown to benefit the NRM-party in the past. It has broadened their clientelist network and also increased the revenue for the party. They also benefit from a broader organizational base, and having more volunteers as a part of this legacy of being in power.<sup>76</sup>

Another institutional legacy of the “Movement system” that has continued to yield benefits for the NRM-party after the implementation of multiparty politics is the system of Resident District Commissioners (RDCs) who are appointed by the President. Each District has its own Commissioner who is paid by the state, and the RDCs are first and foremost loyal to the president himself (Kasfir 2000: 75). Thus, President Museveni has a whole host of state employees who owe their allegiance primarily to him. This is a massive resource advantage, and RDCs across Uganda have yet to switch allegiance from the party to the state which is actually employing them.<sup>77</sup> This leads them to harass opposition politicians, as well as openly campaigning for the NRM-party and President Museveni (Commonwealth Secretariat 2011: 15). The issue of RDCs is thus a part of the issue of the separation between the state and the NRM-party, and the clientelist ties of the ruling party. This institutional arrangement is very negative for the opposition, who commented negatively on this issue during interviews done in Kampala in December 2010.

#### *Previous elections in Uganda under Museveni*

The first presidential election under the “Movement-system” was held in 1996. President Museveni won a very comfortable victory with 74% of the votes. Even though it was held under the “Movement-system” there was still some form of opposition, and the role of money in the election reflected this. According to William (1997) Museveni misused his incumbency advantages, and, by increasing the costs of participating in the election, almost made it into a “one-man show”. It was very difficult to separate the policies and programs of the state from that of Museveni, especially as many projects were introduced and inaugurated just before the election (William 1997: 173). This was a big funding advantage for the incumbent, and shows

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<sup>76</sup> Interview with Ofwono Opondo, Chief Spokesperson of the NRM-party, Kampala, 17<sup>th</sup> of December 2010.

<sup>77</sup> Interview with Frederick Golooba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.

how money was a favored tool for the NRM-party and Museveni even before the reintroduction of multiparty politics.

In 2001, President Museveni was challenged by Kizza Besigye for the first time, and the contest was closer than the one in 1996: Museveni's vote share dropped to 69% of the votes. The election was the first time that the "Movement-system" was really challenged by people who were disaffected with it, and the results reflected this (Rubongoya 2007: 146). According to Rubongoya "the use of state resources and patronage seems to have become more pronounced and prominent in the run up to the 2001 election" (Rubongoya 2007: 152). This seems to reflect the fact that the larger the challenge faced by the ruling party in Uganda, the larger the use of graft-tactics seems to be. The challenge posed by Besigye in the 2001 election, coupled with increasing donor-pressure to re-introduce multiparty politics in the country, contributed to a slow, controlled process of opening up for party politics led by the NRM-party (Carbone 2003: 498; Atoo et.al 2008: 32-33; Keating 2011; 428-429).

The 2006 elections were the first multiparty elections to be held in Uganda since 1980. Party-backed candidates competed both for the presidential post and for parliamentary seats. The issue of political funding became even more important in this election as the stakes and political competition increased further. President Museveni won, but only with 59% of the vote, and while the NRM-party candidates won a clear majority of seats in parliament, there was still fierce competition. In his study of party financing in the election, Kiiza finds that "the NRM obtained substantial resource advantages long before the 2006 elections were flagged off" (Kiiza 2008: 232). This corresponds well with Rubongoya (2007: 163-175) who finds that from 2001 the NRM-party expanded its clientelist- and patronage network in order to prepare for the forthcoming multiparty election. This was put to effective use: modest calculations say that the NRM-party used at least 10 times as much money as FDC in the 2006 election (Kiiza 2008: 245).

This section has shown that political parties in Uganda have a troubled history, and that they historically are struggling to link citizens to the government in a way that is expected of them. The legacy of no-party politics under the Movement-system has given the NRM-party and President Museveni a head-start in terms of both shaping the playing field and access to resources, as the party has been able to shape the state institutions for the past 25 years. The NRM-party admits that it benefits from some of these legacies from the Movement-system, but says it will get better as multiparty politics settle and separates more

clearly from the Movement-system.<sup>78</sup> History seems to disagree however. This section has shown that increasing political competition has led to an increase in the use of state resources in NRM-campaigns. Therefore, it seems to indicate that graft-tactics have developed over time in Uganda, and that the NRM-party has been able to shape the playing due to their historical control over state institutions. This chapter now takes a look at some of these institutions and other structural conditions affecting political funding in Uganda.

### **4.3 Structural factors affecting political funding in Uganda**

The section above has highlighted the control the NRM has enjoyed in Uganda for the last 25 years. Two of the areas that have been affected to by this control are political institutions and the economic climate. These factors in turn affect the issue of political funding.

#### *The Ugandan economy and the impact on political funding*

As pointed out by General Secretary Alice Alaso of the FDC “electoral financing must be seen as a process, not an event” (quoted in Kiiza 2008: 233). There are several issues connected to the Ugandan economy that shape the sources of political funding that are available to fundraise from. First of all, Uganda cannot be considered to be a wealthy country. In 2010, the IMF calculated the GDP per capita (PPP) at \$1245, which puts it in the bottom half of countries in Sub-Saharan Africa. Poverty levels and inequality remain high, especially in the rural area, and there are large geographical differences. According to Kiiza (2008: 233), the party that benefits from this is the NRM-party because they have their largest followings in the wealthier parts of Uganda. In general though, the poverty makes it hard for all parties to rely on grassroot funding in Uganda.<sup>79</sup>

Another aspect of the economy that influences political funding is the aid dependency of Uganda. As pointed out in chapter 3, Uganda has a very donor-dependent economy and according to Ayers (2006) this also has implications for the political scene. She claims that the neoliberal agenda of western donors has played into the hands of many African leaders, because it primarily focuses on strengthening the executive institution and liberalizing the economy. Keating (2011) partly agrees with this, but modifies it when highlighting that Museveni has mostly cooperated with the donors when their interests have run parallel, notably to strengthen the executive, decentralize the country and introduce neo-liberal

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<sup>78</sup> Interview with Hippo Twebaze of the NRM-party, Kampala 16<sup>th</sup> of December 2010.

<sup>79</sup> Interview with Frederick Golooba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.

privatization (Keating 2011: 430). Donor support is increasingly given as budget support and this seems to increase possibilities of corruption and graft (Kiiza 2008: 235). In terms of strengthening the democratic process, the NRM does not seem to be welcoming international assistance, as highlighted below in the section on the legal and institutional framework. The donor community does focus a small portion of its support on promoting democracy, and this does seem to have a positive impact both in terms of funding options for the opposition and in terms of transparency. Thus the dependency on donor money does seem to open up for a revenue source that is illegal in many other African countries. Most of my interview objects in the opposition parties mentioned the positive effect on transparency and funding.<sup>80</sup>

The final aspect of the economic situation in Uganda that seems to have an effect on political funding is the role of the state in the economy. As highlighted above, the opposition parties are struggling to attract funds from the business community and from wealthy individuals living in Uganda. While this is partly due to the poorly developed organizations of these parties and the few linkages between them and society, it is also partly due to the fact that there are rumors that the government and state apparatus will target those businesses and cancel their contracts if they are associated with the opposition.<sup>81</sup> While these reports are often unconfirmed, the fact that there are rumors that are not being dismissed has an effect in itself: it creates a fear for associating with the opposition. Finally, the privatization process that started after Museveni came to power and gathered pace in the early 1990's was favorable to the NRM-party because it allowed the party elite to amass large personal wealth. In turn, they contribute large sums of money back to the party through plutocratic donations (Rubongoya 2007: 163-165). This indicates that the NRM-party's control over the state has not only given rise to graft-practices, but also contributed to a class of wealthy Ugandans who have benefited from NRM-party's control of the state.

### *The presidential system*

Uganda is a presidential system with a strong presidency (Booth and Golooba-Mutebi 2009). The president is elected for five years, and there are no term limits after its removal in 2005, so President Museveni can seek reelection as many times as he would like. Ugandan scholars seem to agree that the personal effect of President Museveni is an important part of the explanation of the NRM-party's appeal to the public, both when it comes to voting and

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<sup>80</sup> Interview with Jack Sabiiti, Party Treasurer of FDC, Issa Kikungwe, Party Treasurer of DP, and John Bossa, General Secretary of UPC. Kampala, December 2010.

<sup>81</sup> Interview with Frederick Golooba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.

funding.<sup>82</sup> Presidential campaigns are financed heavily through the parties and party budgets, often because they have to arrange the rallies and activities of their presidential candidates throughout the three-month campaign. Keeping presidential candidates in the field is one of the major tasks of a party in Uganda during elections, and the presidential system does seem to be a factor in the expenditure of political parties in the region since they focus so much of their resources on their presidential candidate, instead of other parts of their organization. In fact, both the DP and the UPC named keeping their presidential candidate in the field their *sole* financial priority during the recently concluded campaign.<sup>83</sup>

### *The electoral system and the race of parliament*

The electoral system for parliamentary elections in Uganda is single-member plurality system, and parliamentary candidates from most parties and especially opposition parties raise most of their campaign money themselves. The current political system in Uganda is definitely candidate- rather than party-centered (Helle et.al. 2011), as illustrated by the recent Afrobarometer (2011) survey where the candidates party was deemed to be of minor importance for the voter when deciding who to vote on. Candidates from the largest opposition party, FDC, gain some financial help with for example the printing of posters from the party but candidates are mainly funding their own campaigns.<sup>84</sup> Candidates from UPC also receive a little help from the party,<sup>85</sup> while candidates from the DP have to provide 100% of their own campaign funds.<sup>86</sup> The NRM-party on the other hand does contribute more direct money to the candidate, and pays for the nomination fees and salaries for campaign agents, but also in the ruling MP flagbearers of the NRM are expected to fund some of their own campaign,<sup>87</sup> though other sources within the party confirmed that funding campaigns for the party flagbearers is one of the major expenditures of the party.<sup>88</sup> This means that the NRM-party should be able to attract both better candidates and have a larger chance of winning seats in this type of electoral system.

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<sup>82</sup> Interviews with Monica Chibita, Fredrik-Golooba-Mutebi, Julius Kiiza and Mwambutsya Ndebesa, academics at Makerere University, Kampala, 8<sup>th</sup> – 10<sup>th</sup> of December 2010.

<sup>83</sup> Interview with Issa Kikungwe, Party Treasurer of DP, Kampala 13<sup>th</sup> of December 2010 and interview with Peter Walubiri, Party Treasurer of UPC, Kampala 15<sup>th</sup> of December 2010

<sup>84</sup> Interview with Jack Sabiiti, Party Treasurer of FDC, Kampala 12<sup>th</sup> of December 2010

<sup>85</sup> Interview with Peter Walubiri, Party Treasurer of UPC, Kampala 15<sup>th</sup> of December 2010

<sup>86</sup> Interview with Issa Kikungwe, Party Treasurer of DP, Kampala 13<sup>th</sup> of December 2010

<sup>87</sup> Interview with Ofwone Opondo, Party Spokesperson of NRM-party, Kampala

<sup>88</sup> Interview with Hippo Twebaze, NRM-party, Kampala 16<sup>th</sup> of December 2010

### *The legal and institutional framework of party funding*

The law governing most aspects relating to political parties in Uganda is the *Political Parties and Organisations Act of 2005*. This law provides most of the laws governing the finances of political parties. First of all, the law states that all political parties should disclose their sources of income and hand in their audited accounts each year to the Electoral Commission (EC). Compliance has been low across the board, and none of the parties have handed in their sources of income. The opposition claims that if they disclose their source of income, these sources will be harassed by the NRM-party and the state (Kyalimpa 2009). Most of the opposition parties have handed in their audited accounts consistently over the last few years. The NRM-party has not. While they were working on it in December 2010, the EC had not approved them.<sup>89</sup>

On foreign funding, the Law states that political parties are not allowed to receive more than 400 million Ugandan Shillings (UGX) (approximately US\$170 000) each financial year from a single donor, and the total amount of donations from foreign individuals, states or organizations cannot exceed 4 billion UGX each financial year. This has led to controversies, as there have been rumors that the government has pressured foreign donors to join in larger consortiums so as to limit their influence.<sup>90</sup> The Deepening Democracy program is an example of this; it pools the UK, Swedish, Danish, Dutch and Irish aid for political parties together, making it one donor according to the law.<sup>91</sup>

Other than this the 2005 act puts no limitation on fundraising; parties and candidates are free to fundraise as much as they want from Ugandan citizens residing in Uganda and from Ugandan businesses and organizations. However, after the implementation of the law a debate started on public financing of political parties, and an amendment bill was passed in 2008. The Bill was passed in a record short five minute session.<sup>92</sup> While the idea of public funding is supported by the opposition, the actual Bill is opposed by many<sup>93</sup>, and was mostly a NRM-party initiative. When reading the reasoning behind the *Political Parties and Organisations (Amendment) Bill, 2008* it becomes clear that it was partly passed to lessen donor influence on political parties. Among the reasons for the law were:

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<sup>89</sup> Conversation with Patrick Byakagaba, contact person for political parties at the Electoral Commission. Telephone, 17<sup>th</sup> of December 2010.

<sup>90</sup> Interview with Jack Sabiiti, Party Treasurer of FDC, Kampala 12<sup>th</sup> of December 2010.

<sup>91</sup> Norway also participates in the DDP, but has opted not to participate in the direct support of political parties.

<sup>92</sup> Interview with Simon Osborn, responsible for political parties at DDP. Kampala, 20<sup>th</sup> of December 2010

<sup>93</sup> Interviews with PT's and GS' of FDC, UPC and DP, Kampala 12<sup>th</sup> – 20<sup>th</sup> of December 2010.

*“Provisions of State funding to political parties or organizations gives them the opportunity and ability to maintain national interest and integrity. Non-provision of State funding exposes political parties or organizations to solicit and depend on donor aid which may compromise their national interests, integrity and independence”*  
(Section 4.3 in Committee on Legal and Parliamentary Affairs 2008).

The law provides for public funding for political parties both for elections and day to day activities. For elections, all parties are supposed to be funded equally. For the 2010 elections each presidential candidate was given US\$ 8500 in addition to two vehicles and security guards. The support arrived late however (Maseruka and Bekunda 2010), something which primarily benefited the NRM-party candidate as President Museveni has more fundraising possibilities than the other candidates. Nevertheless, most political candidates labeled the support to small to matter (Habati 2011). Parties have received no support for parliamentary elections, and the support for day to day activities, supposed to be based on representation in parliament, has not been forthcoming.<sup>94</sup> This seems to indicate that implementation of this law will happen when the government deems it favorable, and it excludes another source of income for political parties.

As pointed out above, the EC is the institution that is responsible for the implementation of these laws and regulations. The current EC is unpopular with the opposition parties, and General Secretary John Bossa claim that it is “an arm of the NRM... this Electoral Commission is not independent”.<sup>95</sup> UPC has even collected signatures during the 2011 campaign to cancel the mandate of the Commission. In an evaluation of the role and performance of the EC in the 2006 election Makara, Rakner and Rwengabo (2008) found that the current EC faces two problems: one of capacity and one of legitimacy. The first is related to both a lack of funding and lack of human resources, while the second is linked to its lack of independence and the nature of its mandate. The current EC was appointed by President Museveni in 2002 under the “Movement-system”, and its mandate has been renewed both for the 2006 and 2011 election with minimal changes in terms of personnel. It is formally non-partisan, but the fact that it is appointed by the President and approved by the NRM-dominated parliament puts its neutrality into question. In terms of its effect on political funding, it is the organization regulating and enforcing the disclosure of audited accounts and sources of income (Makara, Rakner and Rwengabo 2008: 107). Parties who do not comply

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<sup>94</sup> Interviews with PT's of FDC, UPC and DP, Kampala, December 2010.

<sup>95</sup> Interview, Kampala, 14<sup>th</sup> of December 2010.

with these rules are supposed to be deregistered, but the Commission has so far never applied this rule, preferring to use “dialogue and persuasion” (Kiiza 2008: 243). As mentioned above, the NRM-party had by December 2010 failed to get their accounts approved. Both the opposition and Ugandan academics claims that this is due to the NRM-party not being interested in transparency.<sup>96</sup> This is a clear example of how the rules governing political funding in Uganda are selectively implemented, and that the EC is not strong or independent enough to effectively carry out its mandate. The European Union Election Observation Mission (2011:44) noted that the Electoral Commission failed to fully enforce the financing regulations in the 2011 elections.

*Summary: The contextual environment*

The two sections above have highlighted several links in the political funding process in Uganda. First of all, grassroots funding is limited not just because of the generally poor population in Uganda, but also because of the historically weak linkages between the parties that are organizationally weak and society. Furthermore, the institutional system with a strong presidency and an electoral system that is candidate- rather than party-centered creates high costs to parties that are deemed as of little importance, which makes it difficult to fundraise. Many parties therefore have to rely on internal plutocratic funding. The major difference between the ruling party and the opposition party though is that it has access to state resources, something which both gives them a direct funding advantage because of the role of the state in the Ugandan economy, and an indirect advantage through business opportunities for the party elite which in turn funds the party during campaigns. The importance of aid for the Ugandan economy seems to create funding opportunities for the opposition, but at the same time it has historically created possibilities for the NRM-party to expand its clientelist base because of access to budget support. Finally, the funding advantage enjoyed by the NRM is compounded by the general monetization of politics in Uganda. This creates a very uneven playing field which seems to preserve the status quo, and the status quo is favorable to President Museveni and the NRM-party, as illustrated by the gains made by the party and the President in the recently concluded 2011 elections. This thesis will now try to map out the current political playing field in Uganda.

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<sup>96</sup> Interview with Jack Sabiiti, Party Treasurer of FDC, Kampala 12<sup>th</sup> of December 2010, and Interview with Frederick Golooba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.



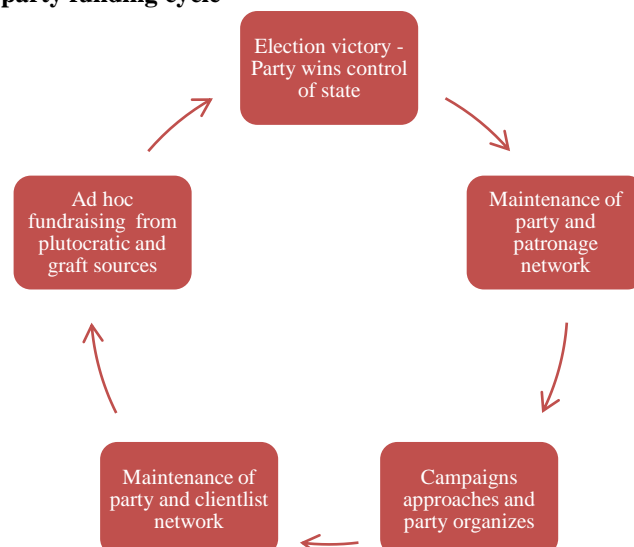
#### 4.4 Playing uphill on a slippery slope: the uneven funding field in Uganda

Reviewing the previous sections, it is possible to draw out several implications for the political playing field in Uganda. First of all, the NRM enjoys a general funding advantage because it can fundraise from more sources primarily because it controls the state apparatus. Second, the NRM-party is trying to maximize its financial power throughout the electoral period, and it also seems to be trying to limit ways that the opposition can find funding. Finally, because of these facts the NRM-party and President Museveni does not try to reduce the importance of money in politics. This section will illustrate this.

##### *Maximizing the revenue – why NRM-party has a “head-start” in the funding game*

As showed in chapter 2, the enormous incumbency advantages of the ruling parties is a general challenge for the opposition in African politics, especially in countries with a strong president (Rakner and van de Walle 2009), which President Museveni must be considered to be (Booth and Golooba-Mutebi 2009). Access to state resources is an incumbency advantage, and the NRM-party has utilized this advantage to its maximum. As stated above, the NRM-party is very good at ad hoc fundraising. This is to a large extent linked to the fact that they are the party in power, and that they have access to the state. The party has little need to maintain a well-funded party machinery when not in campaign mode; because it knows that it can rely on its clientelist and patronage networks and state money during the campaigns. And as long as the party stays in power, they are able to maintain these income sources, barring any major change in the economy. This creates a “funding cycle” that depends on one internal event; that the party wins elections and stays in power. Figure 6.2 below illustrates this.

**Figure 4.2: The NRM-party funding cycle**



The two parts of the funding cycle that are of greatest interest for the purpose of this thesis is the “Ad hoc fundraising from plutocratic and graft sources” and the “Maintenance of party and patronage/clientelist networks”. While most experts, journalists and members of the opposition seem to agree that the NRM-party and their candidates are using state resources in the campaign,<sup>97</sup> proving this is harder.

Some empirical events nevertheless show that there is reason to believe that this is the case. First of all, there is the history of use of state resources as indicated in section 6.2 above. In the 2006 election, the NRM-party had unhindered access to government funds and spent significantly more money than the opposition parties both in the presidential and parliamentary races (Kiiza 2008: 244-245). Second of all, there is a gap between what the NRM-party spent and what they say their income is. The amount they spent on the National Delegates Conference far exceeds what they receive annually from their MPs and elected representatives (Mufumba 2010). Third, there are issues in the just concluded campaign that point in this direction. As stated in the introduction, the passing of a supplementary budget in January 2011 led to large scale suspicion and outcry among opposition politicians. The supplementary budget with a size of US\$257 million, approved by parliament on January the 4th, came barely six months after the original budget was posted and only two months after it was approved (Mwenda and Sserunjogi 2010; Nanjobe 2011). Among the expenditure in the budget was a US\$33.6 million allocation to State House, which the opposition claimed was going to be used for the campaigns (Karugaba and Bekunda 2011). While these allegations were rejected by the NRM-party, some of the posts seem very ad hoc, such as the request for US\$4.2 million to facilitate jobless youth (Nanjobe 2011). A day after the passing of the supplementary budget, it emerged that each of the NRM flagbearers were given US\$8500 each by the party, allegedly for their campaigns. The party denied any links between the supplementary budget and the allocation, however (Njoroge 2011a). In addition, all MPs in parliament were in January 2011 given US\$ 8500, allegedly for monitoring of government programs. However, some opposition politicians “cried foul” and said this was campaign money to secure the status quo, the NRM-party candidates receiving five times as much of the money as they had five times as many representatives in the 8<sup>th</sup> parliament (Mugerwa and Nalugo 2011).

Even while the direct use of state money for campaigns is difficult to prove, the NRM-party does admit that it benefits from using state resources and running from position during

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<sup>97</sup> Interviews Kampala December 2010.

elections. Among the benefits they mention is using state transportation, as well as hosting meetings using state facilitation.<sup>98</sup> While the party claims that these are natural incumbency advantages present in all political systems, they seem to be very prominent in Uganda (DEMGGroup 2011: 4). Government facilities ordinarily enjoyed by the holder of an office are exempted from the general rule of non-use of state resources in the campaigns under Ugandan law (DEMGGroup 2011: 8). This is a severe problem, because it legalizes the use of state resources and thus helps create an uneven playing field. The NRM-party also has a funding advantage in that they receive more coverage in the public media than the opposition parties (HRNJ-UGANDA 2010), and they also receive free or severely discounted airtime by private media owned by party supporters.<sup>99</sup>

The other side of the equation is the “Maintenance of party and clientelist/patronage network”. This happens in two phases. The first happens when the election is won and *positions* are handed out, using what chapter 2 identifies as patronage tactics. As stated above, the NRM-party government is one of the largest in the world. In 2011, the government was expected to be at least 78 ministers strong, adding at least six new ministries taking the tally of full ministries from 22 to 28, with additional sub-ministries also created (Njoroge 2011b). This means that the size of government has returned to the size of the national reconciliation government that was implemented after Museveni came to power (Kjaer 2004: 397). In addition, there is the large network of representative institutions at multiple levels of government. In the 2011 elections there were 18,629 posts which you had to pay a nomination to contest for, and this is only down to the LC3 level (DEMGGroup 2011: 17). Below this level there are even more positions. This means that there are a lot of elected positions, which generally carry a good salary in Uganda (DEMGGroup 2011). Even local positions are now paid some honorarium (Makara 2010: 87). There has been a significant expansion of both regional districts and government positions in the last ten years. Figure 6.3 below illustrates this. The increase in districts has several implications. First of all, it increases the patronage network of the ruling party by increasing the number of elected and unelected positions. These positions are frequently promised as reward for supporting the NRM-party (DEMGGroup 2011: 20). Furthermore, it increases the financial costs of all competing parties, something which favors the candidates of the best-financed party – the NRM-party. Finally, previous research has shown that residents in the newly created districts vote for Museveni and NRM-candidates to a significantly higher degree than residents in older districts

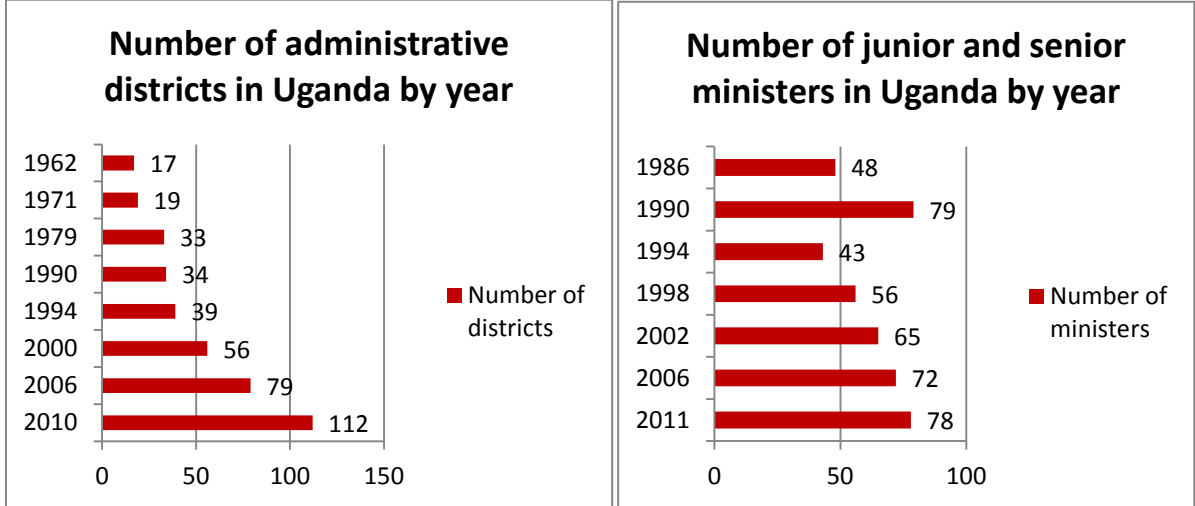
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<sup>98</sup> Interview with Ofwono Opondo, Chief Spokesperson of NRM-party, Kampala 17<sup>th</sup> of December 2010

<sup>99</sup> Interview with Ofwono Opondo, Chief Spokesperson of NRM-party, Kampala 17<sup>th</sup> of December 2010

(Tumushabe 2009: 41). While decentralization has long been a policy of the current government (Kjaer 2004: 398-399), it has increased dramatically since the start of this millennium, and especially after multiparty politics was reintroduced. Notably, this use of the patronage network seems to have expanded more as electoral competition has increased.

**Figure 4.3: The increase in districts and ministerial positions in Uganda**



Source: Tumushabe (2009), updated with current numbers from the Ugandan Electoral Commission

The other way of the NRM-party uses graft tactics is through *policy and spending*, using what I in chapter 2 identify as clientelist tactics. This typically happens before elections. Between July and October 2010 president Museveni handed out over US\$2.1 million through cash and pledges. This was part of the total of US\$10.2 million that State House and President has budgeted for presidential donations (Njoroge 2011a). This is part of a consistent picture that the government increases spending before the election, in order to give hand-outs to people in order for them to support the party.<sup>100</sup> Kjaer and Therkildsen (2011) highlight in a forthcoming policy brief how President Museveni has taken control over the agricultural extension service program (NAADS), and used it as a tool to dispense patronage to local elites who can mobilize voters for the NRM-party and the President. All this shows that the NRM-party machinery is built for ad-hoc fundraising in front of elections, while maintaining the clientelist network needed to fundraise before and after the campaign period.

*Minimizing the revenue – weak opposition parties and a dependent private sector*

While the NRM-party’s ability to perform well in ad-hoc fundraising is one part of the political funding equation, the other part is the opposition parties’ inability to do so. There are

<sup>100</sup> Interview with Frederick Golooba-Mutebi, Senior Research Fellow at the Makerere Institute of Social Research, Kampala 9<sup>th</sup> of December 2010.

several reasons for this. One is the state of the private sector, which for a large part is highly dependent on government contracts, and the small part that is not, is marginalized politically. The private sector fear government intimidation, and therefore does not contribute to the opposition. Secondly, the laws and regulations in place are used to both limit the possibility for opposition parties to solicit for funds from abroad, which is a big potential source of funding for the opposition. Thirdly however, the inability of the opposition to attract funds can not only be laid at the feet of the NRM-party. It is also because the opposition is poorly organized and to a large extent unable to pose a credible alternative to the NRM-party.

All opposition parties say that their efforts to fundraise from the private sector are made difficult because the business community and wealthy individuals “fear” the government and ruling party. According to the opposition, they fear losing government contracts, being harassed by tax auditors, as well as more physical retaliation from the state apparatus.<sup>101</sup> General Secretary of FDC Alice Alaso gave an example of a prominent and wealthy party member who was denied building an airstrip in western Uganda because of his association with the FDC.<sup>102</sup> The NRM-party refutes these claims, saying that the opposition does not receive support from the business-community because “they have labeled all successful business people as corrupt and benefiting from government.”<sup>103</sup> Nevertheless, as highlighted above the fact that this fear of government retaliation is real and exists in Uganda, creates difficulties for the fundraising efforts of the opposition.

A possible new source of funding has been opened to the opposition parties through the emergence of donors that are willing to fund party and organization building, not just host external trainings and capacity building (Wild and Golooba-Mutebi 2010). This “basket-fund” solution advocated by the DDP has received support since the turn of the millennium, and gives parties more control over what they can spend the money received from donors on, though it still has a lot of restrictions and obligations attached to it.<sup>104</sup> This has given parties such as the FDC a new, public and legitimate source of funding that they can use for building an organization. However, direct party support has been clamped down on, and several donors have been pressured into pooling their resources together or withdrawing their support

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<sup>101</sup> Interviews with Party Treasurers and General Secretaries of FDC, DP, and UPC

<sup>102</sup> Interview, Kampala 13th of December 2010.

<sup>103</sup> Interview with Ofwono Opondo, Party Spokesperson of NRM-party, Kampala 17<sup>th</sup> of December 2010

<sup>104</sup> The funding can for example not be used for campaign purposes, and parties who want to qualify need to hand in their audited accounts. Interview with Simon Osborn, responsible for political parties at DDP. Kampala, 20<sup>th</sup> of December 2010

altogether.<sup>105</sup> As stated above, the introduction of the state subsidies to political parties can be seen as a direct consequence of the emergence of donors willing to support political parties. It will be interesting to see the future of the “basket-fund” solution, with rumors of a possible crack-down on the DDP-program emerging.<sup>106</sup>

As stated above, the poor organization of the opposition parties has historical roots, and can be linked both to pre-“Movement-system” and “Movement-system” mechanisms. The Ugandan opposition has traditionally had a weak resource base (Ssenkumba 1998: 178), and their experience with multiparty politics is very low, leading to poor organizational capabilities. Ssenkumba’s (1998: 190) analysis of the opposition during the “Movement-system” could also describe the situation for most of the opposition parties today: a lack of funds, internal fragmentation and little connection with the grassroots. The parties have also failed to rally around a single candidate even though the election system would make this logical, and this has led to a splitting of the vote and made the opposition seem a less viable alternative (Makara 2010: 89-90). According to the Afrobarometer polls conducted in January 2011, only 41% of the people asked believe that the opposition has created a viable alternative. Opposition party officials admit these weaknesses, but blame them largely on the hostile climate facing them and lack of resources.<sup>107</sup> So the opposition is facing a vicious circle; they are not able to attract funds because they are not organized enough, and because they have no funds they are not able to improve their organization. The only two parties who seem to be consistently dedicating some of their resources to building an organization spanning the whole of Uganda are the FDC and the smaller People’s Progressive Party (PPP). Therefore, it will be interesting to follow these parties in the future and see if they reap benefits from it.

### *The importance of money in Ugandan politics*

With the opposition facing this funding shortage and the NRM-party able to call upon state resources and patronage and clientelist networks, the playing field is tilted towards the ruling party. And this tilt is made larger by the sheer importance of money in the political game in Uganda. The NRM-party seems quite happy to let this be a part of the game. They have been named top vote-buyers both in surveys and focus groups, and there are numerous examples of NRM-agents being caught in the act of vote-buying (Afrobarometer 2011; DEMGroup 2011).

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<sup>105</sup> Interview with Simon Osborn, responsible for political parties at DDP. Kampala, 20<sup>th</sup> of December 2010 and Jack Sabiiti, Party Treasurer of the FDC, Kampala 12<sup>th</sup> of December 2010.

<sup>106</sup> Interview with Margaret Vuchiri, Editor at the Daily Monitor Newspaper, Kampala 15<sup>th</sup> of December 2010

<sup>107</sup> Interviews with Party Treasurers and General Secretaries of FDC, DP, and UPC

While the opposition parties are also participating in this practice, they do not have the resources to compete with the NRM-party, so we will not know if they have endorsed the practice at the same scale. There seems to be a consensus that, while sources differ on the actual numbers, the NRM has between eight and ten times as much money to spend in the campaigns as the opposition parties (Habati 2011). The above-mentioned increase in districts also increases the importance of money, as more districts mean more candidates and more nomination fees and campaign expenditures for all parties involved. With the resources of the opposition parties already stretched, and with fewer alternative sources of funding than the NRM-party, this makes it increasingly difficult for the opposition to compete financially with the ruling party.

#### **4.5 Conclusion**

Funding can therefore be considered to play an important part in the creation of an uneven playing field in Uganda. The NRM-party has maintained its dominant position in Uganda partly by controlling the current funding situation in the country, with the ruling party monopolizing access to state resources and using this to fuel their clientelist and patronage network. This works well with the party's ad-hoc fundraising profile. The opposition faces a very challenging funding environment, and the opposition parties are not helped by their poor internal organizations. Therefore, they are not able to compete with the NRM-party in a game where money and resources have become part of the essence. All in all, this chapter has highlighted how the ruling party tilts the playing field in Uganda by using political funding as a tactical tool both to strengthen itself and weaken the opposition. The chapter has shown that the playing field is so uneven, and the NRM-party so much in control, that they through their electoral authoritarian dominance can shape the playing field to suit their style of fundraising: ad-hoc through plutocratic and graft sources.

*”Before the elections, fifty parties appeared and were funded to campaign. This money was not spent in the campaign because most of these parties did not campaign.”*

*Adalberto da Costa Junior, Secretary of Assets in UNITA - on the distribution of state subsidies in the 2008 election in Angola.<sup>108</sup>*

## **Chapter 5 – Political funding in Angola: The story of an elite-driven party**

Visiting the party offices and headquarters of political parties in Angola can tell you a lot about the present power balance in the country as well as the nature of the parties. When doing fieldwork, I visited the offices of most political parties of note in present day Angolan politics. *Bloco Democrático* (BD), an opposition party with no representation in Parliament, have turned a garage just outside the city centre into a party office, which also combined as a place to print and store material for the party. The Secretary General met me by himself, and perhaps that was a good thing as there was not a lot of room for other people in the garage. The smallest of the three former liberation movements, *Frente Nacional de Libertação de Angola* (FNLA), which almost matched the military might of MPLA when Angola gained independence in 1975, today have three seats in the legislature. I talked to the Head of their Parliamentary Group in a run-down two-story office in downtown Luanda. The entrance was controlled by a group of old men sitting on chairs on the pavement outside the office, and me and my interpreter had to go through several clerks to reach our interview object. The *Partido de Renovação Social* (PRS), a party who primarily got their eight seats in Parliament through votes in the internal regions of Lunda Sul and Lunda Norte, has their office in a small but relatively nice house in the embassy area in central Luanda. Their office was quiet, organised and welcoming. UNITA, the largest opposition former civil war rival of the MPLA, owns and rents several offices in Luanda, but still does not feel completely welcome; they still have unanswered claims on several large buildings in the city which were taken over by the MPLA during the Civil War.<sup>109</sup> Illustratively, the Secretary of Assets in the party chose to meet me in one of the many large hotels in Luanda.

The MPLA headquarters in Luanda occupies several blocks in the centre of Luanda. The next-door neighbour is the state-owned television channel. The whole compound is walled, and you have to pass a gatehouse and leave your ID to enter.<sup>110</sup> Inside, there are newly paved two-lane roads linking at least five eight-story buildings housing the “high and mighty”

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<sup>108</sup> Interview, Luanda, 27<sup>th</sup> of January 2011.

<sup>109</sup> Interview Adalberto da Costa Junior, Secretary of Assets in UNITA, Luanda, 27<sup>th</sup> of January 2011.

<sup>110</sup> Interestingly, the only other place I went in Luanda that commanded the same security procedures was the US Embassy.



within the party, as well as other parts of the party organization. After passing through the gatehouse, we still had to navigate another security checkpoint and two secretaries in order to reach the Secretary of Information of the Politburo of the MPLA for the appointed interview. The above tells you two things about the current state of political parties in Angola. First of all, many of the parties are still affected by their organization during the civil war, and especially the parties that sprung out of the liberation movements are organised in a strict hierarchical way. Secondly, and most importantly, the state of their party offices reflects the current general financial state of the political parties; no-one can compete with the economic and organizational muscle of the MPLA. This financial muscle was put to effective use in the 2008 parliamentary election, when the European Union Election Observation Mission found that “the playing field for political contestants was unbalanced by the MPLA’s use of state resources during its campaign” (EUEOM 2008: 20). This seems to indicate that MPLA’s financial advantage is connected to their control of the state apparatus. After the election, UNITA lodged a complaint to the National Election Commission<sup>111</sup> in Angola (CNE) regarding what they perceived to be illegal funding by commercial bank BDE of the MPLA’s campaign. The CNE promised to investigate the complaint, but two years later UNITA had yet to receive a response. All this illustrates the complexity of the funding issue in Angola, and the difficulty in gathering data on it. This chapter will show that in order to understand the financial side of the political playing field in Angola, one has to take into account factors such as the economy, history and political organization of the country. In order to highlight this though, the thesis will first look at what types of political funding that are important for the political parties in Angola. In section 5.1 it will therefore clarify the situation of the dependent variable in Angola. After this the chapter turns to the independent variables and try to map the causal mechanisms surrounding political funding. The focus will be on historical elements (5.2), and also structural elements such as the economy and political institutions (5.3), and identify reasons for why the funding situation is as it is. Finally, this chapter will map out the political funding system in Angola and the implications of it (5.4).

### **5.1 The financial situation of political parties in Angola in 2011**

Political funding is not considered to be the biggest challenge of political parties in Angola. Most of the opposition parties complain about more directly oppressive methods used by MPLA, while the ruling MPLA has ample access to funding. Nevertheless, when probed there

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<sup>111</sup> Comissão Nacional Eleitoral de Angola

does seem to be important issues in Angolan politics that are connected with the issue of funding, and most parties have clear opinions on what these issues are.<sup>112</sup> The following section will present the funding situation of the largest parties represented in the Angolan Parliament, as well as two parties that currently have no MPs. Finding data on the financial situation of political parties in Angola is hard. Article 96 of the Angolan Electoral Law<sup>113</sup> specifies that all parties competing in elections must hand in their audited accounts to the Tribunal das Contas<sup>114</sup> (TdC) and CNE no later than sixty days after the announcement of the election results. Parties who qualify for state subsidies must hand in their accounts annually. Yet these accounts are not made public. While in Luanda repeated attempts at contacting the TdC in order to try to both interview them and to gain access to the accounts were unsuccessful. Therefore, I have to rely on the information given by the political parties as well as previously published reports.

### *MPLA*

The MPLA is without a doubt the richest and most well-off party in Angola. After the 2008 legislative election, MPLA hold 86% of the seats in the Angolan Parliament. This means that they receive the lion's share of the official state subsidies, which is distributed based on the parties' representation in Parliament.<sup>115</sup> According to Santana (2006: 45) state subsidies is the main source of income for parties that qualify for it, and thus a substantial portion of MPLA's income should be expected to come from this source. This was confirmed by Secretary of Information Rui Falcao, who claims that it is the "main source of income for this party".<sup>116</sup> Nevertheless, the enormous financial muscle that the MPLA displayed before the 2008 parliamentary election cannot just come from state subsidies. The ruling party initiated their campaign five months before the campaign period started, and six months before the actual election (Campos 2008: 9). The state subsidies were given based on the 1992 election results at this time and in that election MPLA only won a slight majority and should thus only have a slight funding advantage: before the 2008 election MPLA received US\$ 19 million in state subsidies, only US\$ 7 million more than UNITA (Human Rights Watch 2009: 20). This is a lot less than even modest estimates of what the MPLA spent in the 2008 campaigns (Roque 2009: 142). It therefore seems like a reasonable assumption that the MPLA can rely on income from other types of fundraising as well, especially during elections. There is a

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<sup>112</sup> Interview with party representatives of the major Angolan political parties, Luanda, January 2011

<sup>113</sup> Law 7/2004

<sup>114</sup> Office of the Auditor General

<sup>115</sup> Law revising the Law on Financing of Political Parties (Law 7/2002)

<sup>116</sup> Interview Luanda, 26<sup>th</sup> of January 2011

tradition and expectation within the party that members in public positions and especially members in elected position should contribute both a percentage of their salary to the party, as well as regular larger donations whenever the party requires it. Some of the members within the MPLA are among the richest persons in Angola, in fact, in 2003, the seven richest men in Angola were all part of the top tier of the MPLA (McMillan 2005: 156). The MPLA is the only party that has a meaningful organization across the country, both in towns and rural areas. At the same time, membership dues from regular members were not considered an important source of income for the party.<sup>117</sup> Finally, the ruling party has established a large network of party businesses, especially related to their PR-department, which generates income for the party.<sup>118</sup> According to Marques (2010) the party businesses are gathered within the business conglomerate Sociedade de Gestão e Participações Financeiras (GEFI).<sup>119</sup> Its current business portfolio includes 64 companies in sectors such as hotels, industry, banking, fisheries, media, construction and real estate. These businesses are among the most important in the Angolan economy.

As mentioned before, the use of public resources during the 2008 campaigns was widespread, and it was hard to separate the state from the party (Campos 2008; Human Rights Watch 2009). The government inaugurated a significantly higher number of government projects in the period leading up to the election than they have in previous years, and this was done in such a way that these projects appeared as part of the MPLA-campaign (Chabal 2007: 148; Campos 2008: 9; EUEOM 2008: 21). While this is not direct use of state resources, it creates the impression that the party and the state are similar, and thus that the projects are funded as much by MPLA as it is by the Angolan state. State officials were also reported to be threatened into supporting the MPLA (EUEOM 2008: 21). Both of these issues must be considered a funding advantage. The lack of separation between the state and the party in Angola is there for all to see,<sup>120</sup> and this became very apparent for a lot of Angolans in 2008 when “all over Angola, a significant number of civil servants did nothing in august 2008 except work for the MPLA’s campaign” (Pacheco 2009: 133). The cooptation of traditional authorities and “Soba’s” have further strengthened the patronage-network as a source of funding for the party (Roque 2009; Orre 2010a; Schubert 2010: 666). At MPLA rallies in the

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<sup>117</sup> Interview with Rui Falcao, Secretary of Information in the Politburo of MPLA, Kampala, 26<sup>th</sup> of January 2011

<sup>118</sup> Interview with Rui Falcao, Secretary of Information in the Politburo of MPLA, Kampala, 26<sup>th</sup> of January 2011, see also Orre (2010)

<sup>119</sup> “Business Management and Participation Company”

<sup>120</sup> Even Secretary of Information of the Politburo of MPLA Rui Falcao agreed that they had “some issues” with this.

2008 election campaign, gifts such as motorbikes and televisions were regularly given to the local population (Human Rights Watch 2009: 22).

Other forms of graft have been more direct. The above-mentioned GEFI has in the past benefited from “murky transfers of state assets” (Marques 2010) which has strengthened the clientelist networks of the MPLA. According to Tony Hodges, there is every reason to believe that “oil-financed patronage has been a fundamental part of the strategy pursued by the President for the conservation of political power” (Hodges 2007: 186). The oil sector creates direct income for the Angolan state and thus indirectly the ruling party. It also creates a “rentier class” of Angolan citizens that depend on the state in order to prosper economically, and thus support the MPLA with both votes and material and non-material resources. This “rentier class” can be considered to be part of the Angolan elite, but it is not necessarily part of the party-elite; those who occupy the top tier of the party and are members of the politburo (Messiant 2001; 2007). They are all party supporters though, and depend on the party for financial benefits. Finally, the income from oil-related business has also created a very wealthy “internal” party elite that benefits from favourable access to government contracts and tenders (Hodges 2007). These internal elites are expected to contribute to the party, as described above. This is a clear combination of graft and plutocratic funding. The general lack of transparency in Angola makes such transactions easy to conduct and hard to track (McMillan 2005; Hodges 2007; Kolstad and Wiig 2008; Human Rights Watch 2010).

It is increasingly hard to separate between the government and many of the larger Angolan enterprises (Vines et.al 2005). This is an effect of what Schubert (2010: 666) calls the *partidarização* of the Angolan economy: the post-war economic boom has been led by party elites and relatives of the President. Sonangol is a case in point, where most of the senior executives and directors are members of the MPLA.<sup>121</sup> Parts of signature bonuses from oil contracts have previously shown up in accounts related to important figures within the MPLA (McMillan 2005: 159-160). The party also enjoys unequalled access to the Angolan media, especially the state-owned newspapers that have a monopoly outside Luanda (Campos 2008: 10). The representatives of the party also control large parts of the independent media; a company closely linked with President dos Santos recently bought a large share of several of the independent newspapers in Luanda (Human Rights Watch 2011). This control over the most important enterprises in the Angolan economy and society creates opportunities for “graft-generated” plutocratic funding. According to Roque “it is estimated that the MPLA’s

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<sup>121</sup> Interview with leader of OSISA-Angola, Luanda 24<sup>th</sup> of February 2011; see also de Oliveira (2007).

2008 campaign cost \$300 million, likely funded by donations from Sonangol and Endiama as well as from private companies and investors” (Roque 2009: 142). US\$ 30 million was donated for the 2008 campaign of MPLA by seventy wealthy businessmen after the third National Congress of the MPLA in 2008 (Human Rights Watch 2009: 21). This is problematic, given that official contributions from state owned enterprises and foreign entities are not allowed by the Angolan Law on Political Parties and the Electoral Law.<sup>122</sup>

The above seems to indicate that the MPLA gets the “best of both worlds” in terms of funding: it both gets the lion’s share of the official subsidies, and in addition to this has a large patronage- and clientelist network that both generate direct income from state sources to the party, as well as generate income for internal and external elites that contribute with large donations to the party when needed. In addition to this, the MPLA has the best and largest organisation, which makes them better able to fundraise from sources based on smaller internal donations and party business.

### *UNITA*

After finally coming out of the bush in 2002, UNITA claims to have established itself as the only other party in Angola besides the MPLA that truly has a national presence,<sup>123</sup> although this presence in the countryside has waned considerable following the end of the civil war.<sup>124</sup> According to Secretary of Assets in UNITA, Adalberto da Costa Junior, the main source of income for UNITA at present is still the state subsidies, although these decreased immensely after the 2008 election.<sup>125</sup> Using the amount they got before the 2008 election as an indicator, their current representation would give them around US\$ 2.5-3.5 million in state subsidies a year, a staggering fall from the US\$ 12-15 million<sup>126</sup> they received before the election. The fact that UNITA has large-scale social obligations as well increases the importance of this. The party is responsible for the well-being of former UNITA-soldiers who fought during the civil war, as well as wives or orphans who lost their family fighting for UNITA. In addition, they have to pay scholarships for students associated with UNITA to receive an education abroad.<sup>127</sup> All in all, Adalberto da Costa Junior thinks that the party would need “three times

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<sup>122</sup> Law 7/2004 and 2/2005

<sup>123</sup> Interview with Secretary of Assets of UNITA Adalberto da Costa Junior, Luanda 27<sup>th</sup> of January 2011

<sup>124</sup> Interview with leader of OSISA-Angola, Luanda 24<sup>th</sup> of February 2011, see also Orrre (2010: 115-116)

<sup>125</sup> Interview, Luanda 27<sup>th</sup> of January 2011

<sup>126</sup> Depending on whether you believe the numbers of Human Rights Watch (2009) or Amundsen and Weimer (2008) on the previous size of the state subsidies.

<sup>127</sup> Interview with Secretary of Assets of UNITA Adalberto da Costa Junior, Luanda 27<sup>th</sup> of January 2011, see also Amundsen and Weimer (2008: 30)

their current level of income to cover running expenses, even outside campaigns”.<sup>128</sup> In the 2008 election, the party complained about the lateness of the campaign funding that were supposed to be given to all political parties by the state on an equitable basis. The money, which totalled at US\$ 1.2 million for each party, was not given to the parties until three weeks before the election (Human Rights Watch 2009: 21). From 2002 some elements from UNITA took part in the Governo de Unidade Nacional (GURN) government that was established in the 1994 Lusaka Agreement, and this provided some access to state institutions, which could have helped their financial position (Amundsen and Weimer 2008: 30). This was curtailed along with any other such privilege after the 2008 election and the abolishment of GURN.

Nevertheless, while UNITA certainly have burdens from its legacy as the civil war rival of MPLA, it also enjoys some benefits. First and foremost, it owns more businesses and property than any of the other opposition parties, and it has previously been linked with interests in the diamond industry in Eastern Angola (Amundsen and Weimer 2008: 30). The latter has been denied by UNITA, and they have continuously complained about their properties not being returned to them as agreed upon in the peace accords.<sup>129</sup> Radio station Rádio Despertar is affiliated with the party,<sup>130</sup> but it only broadcasts in Luanda and has regularly been closed down by the government. Furthermore, UNITA is also closely associated with PR- and communication company Socitel, which generates some income for the party (Amundsen and Weimer 2008: 31). Finally, the party enjoys some support from UNITA supporters living abroad.

The party does receive contributions from its members (Amundsen and Weimer 2008:30), but it faces problems with this type of grassroots fundraising because such a large part of the economy is controlled by the MPLA. This makes it difficult for them to attract funds, because most of the business community supports the MPLA. This leaves UNITA with the possibility of fundraising from the internal elite of the party. Like the MPLA, UNITA has a strong culture of contributing to the party coffers when needed.<sup>131</sup> This, together with public subsidies and party-associated business, produces the bulk of the funding for UNITA.

### *PRS*

The third-biggest party in the Angolan Parliament is also the oldest of the non-liberation movement parties. It was established in 1990, and enjoys strong support in both Lunda Sul

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<sup>128</sup> Interview Luanda, 27<sup>th</sup> of January 2011

<sup>129</sup> Interview with Secretary of Assets of UNITA Adalberto da Costa Junior, Luanda 27<sup>th</sup> of January 2011, see also Amundsen and Weimer (2008: 30)

<sup>130</sup> Though it now officially has the status of an independent radio station (Roque 2009: 141)

<sup>131</sup> Interview with Secretary of Assets of UNITA Adalberto da Costa Junior, Luanda 27<sup>th</sup> of January 2011

and Lunda Norte as well as (to a lesser extent) Moxico, which are the easternmost provinces of Angola.<sup>132</sup> The party is considered to be well-organized and well-funded (Roque 2009: 145). The PRS actually gained two additional seats in the 2008 election, taking their total up to eight seats, half of that of the biggest opposition party UNITA. Subsequently this also increased their share of the state subsidies, which the party names as its most important source of income in addition to contributions from its members. Finally, the party's elected officials also contribute 10% - 15% of their salary to the party.<sup>133</sup>

The party enjoys strong support in the diamond-rich areas of the country, and Amundsen and Weimer (2008: 18) found that this regional support does not only translate into political support but also financial support. The members contribute both materially and through volunteering. They own some infrastructure and property, but they claim that their effort to expand this part of the party business has been hampered by the MPLA government.<sup>134</sup> Before the 2008 election, the PRS, who is considered to be a moderate opposition party who at least in the past has cooperated closely with MPLA (Amundsen and Weimer 2008: 17), had two government portfolios in the GURN government, and these portfolios also created income for the party. The loss of this has been compensated by the increase in state subsidies, which must now be considered to be the most important source together with membership-dues and internal and external plutocratic funding.

### *FNLA*

After the opening up of multiparty-politics in Angola at the beginning of the 1990s FNLA returned from its exile in Zaire to participate as a political party. After the death of founder Holden Roberto the party has suffered numerous party splits which have threatened to unravel the whole party organization of the former liberation movement (Amundsen and Weimer 2008: 19-20). FNLA has its strongest following in the north; particularly Zaire and Uige are provinces where they have a strong following, and it was primarily here that they garnered the votes that gave them 3 MPs in the 2008 legislative election. The party thus qualifies for state subsidies, but has not seen any party funding for a number of years. While the FNLA claim that this is because the FNLA have been too critical of the MPLA and that the government

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<sup>132</sup> In fact, due to the large support enjoyed by the PRS Lunda Sul was the only province where MPLA came close to receiving less than 50% of the vote in the 2008 election.

<sup>133</sup> Interview with Sapalo Antonio, Head of the Parliamentary Group of PRS, Luanda 18<sup>th</sup> of January 2011, see also Amundsen and Weimer (2008: 18)

<sup>134</sup> Interview with Sapalo Antonio, Head of the Parliamentary Group of PRS, Luanda 18<sup>th</sup> of January 2011

therefore is punishing them,<sup>135</sup> the official reason is that the party splits have made it difficult for the government to identify the legitimate arm of the party (Amundsen and Weimer 2008: 20). This seems legitimate, but it should nevertheless have ended when the Election Commission approved one of the factions for the 2008 election. Even after the election, the party claims that the subsidies have not been forthcoming.<sup>136</sup>

Therefore, the main source of income for the party is membership contributions. Members of the party are required to pay a fee of US\$ 1 each month, but how many who actually do this is a contested issue.<sup>137</sup> The party has a strong culture for contributing, and the MPs and elected officials contribute a portion of their salary to the party. In addition, Leader of the Parliamentary Group N'Gola Kabangu claims that the party would have been able to raise significant money from supporters abroad, but that this is denied to them by law. He thus sums up the financial situation of the FNLA like this:

”Inside Angola we do not get enough money, and we are forbidden by law from getting money from outside. This was a big source for us. So because of that we are facing big problems. We are fighting very hard because we cannot practice politics without money.”<sup>138</sup>

#### *Political parties outside parliament – BD and PDP-ANA*

Due to the perceived importance of the state subsidies in Angola, I felt it was necessary to include some of the political parties who do not have representation in parliament in order to illustrate what the reality is like for parties that do not enjoy the benefit of state subsidies. *Bloco Democrático* (BD) is the new party born out of the *Frente para a Democracia* party that disbanded itself after the 2008 elections. It did this in order to avoid being forcefully disbanded for not reaching the threshold of 0.5% of the votes in a legislative election that parties are required to reach in order to continue to be registered. The party has its membership base in the intellectual circles of the major cities (Amundsen and Weimer 2008: 14). After the election BD was the first opposition party to re-register, and the party is struggling with the financial weight of this challenge. Re-registering the party is very expensive; the Law on Political Parties demands that you need to collect 7500 signatures of

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<sup>135</sup> Interview with N'Gola Kabangu, Head of Parliamentary Group of FNLA, Luanda, 21<sup>st</sup> of January 2011

<sup>136</sup> Interview with N'Gola Kabangu, Head of Parliamentary Group of FNLA, Luanda, 21<sup>st</sup> of January 2011

<sup>137</sup> Interview with N'Gola Kabangu, Head of Parliamentary Group of FNLA, Luanda, 21<sup>st</sup> of January 2011, see also Amundsen and Weimer (2008: 20)

<sup>138</sup> <sup>138</sup> Interview with N'Gola Kabangu, Head of Parliamentary Group of FNLA, Luanda, 21<sup>st</sup> of January 2011



which there has to be no less than 150 signatures from each Province in Angola. Furthermore, you need a photocopy of an identity document of each of the subscribers. BD has struggled to cope with these expenditures, but claim to have done so primarily through the contributions of its members and donations from friends outside the party.<sup>139</sup> The party has faced problems in acquiring property, but was finally due to inaugurate its new office in Viana outside Luanda later in 2011. This lease is sponsored by a prominent member within the party. The goal is for membership dues to cover running expenses and other sources of income used for expanded their resource base.<sup>140</sup> The lack of public funding limits the activities of the party, and they are struggling. Nevertheless, they used some of the money given to the FpD in the 2008 election to acquire equipment such as cars, computers and printers, and this is something the party benefits from today. Because they dissolved themselves before the courts did, they were allowed to keep most of these goods.<sup>141</sup> Thus the party has made the most of the one-time support for parties with no parliamentary seats.

*PDP-ANA*<sup>142</sup> was the only party that reached the 0.5 threshold required to survive the election but did not get any representation in parliament, something which the party is very dissatisfied with. They claim that the amount of votes they garnered should mathematically be enough for them to receive a seat in parliament, and that the electoral system is favourable to the bigger parties and the MPLA. The lack of representation in parliament has hit them hard financially, as they no longer qualify for state subsidies.<sup>143</sup> The party gets by based on membership contributions, but these are barely enough to suffice and President of the party Sindiangami Mbinde confirms that they struggle to fundraise from the private sector.<sup>144</sup> *PDP-ANA* has previously been considered a moderate and MPLA-close opposition party, and as part of the GURN government they had some access to government resources (Amundsen and Weimer 2008: 25). But recently things have changed; *PDP-ANA* was the only registered political party that initially endorsed the protests called against MPLA and President dos Santos in March 2011 (Human Rights Watch 2011) The party has previously been supported in the poor areas of Luanda such as Palanca, but was unable to compete with the MPLA's financial muscle in the 2008 election.<sup>145</sup> The party's financial position is precarious due to its

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<sup>139</sup> Interview with Filomeno Viera Lopes, Secretary General of BD, Luanda 23<sup>rd</sup> of January 2011

<sup>140</sup> Interview with Filomeno Viera Lopes, Secretary General of BD, Luanda 23<sup>rd</sup> of January 2011

<sup>141</sup> Interview with Nelson Pestana, Member of BD and Political Scientist, Bergen 25<sup>th</sup> of February 2011

<sup>142</sup> *Partido Democrático para o Progresso – Aliança Nacional Angolano*

<sup>143</sup> Interview with Sindiangami Mbinde, President of *PDP-ANA*, Luanda 24<sup>th</sup> of January 2011.

<sup>144</sup> Interview Luanda, 24<sup>th</sup> of January 2011

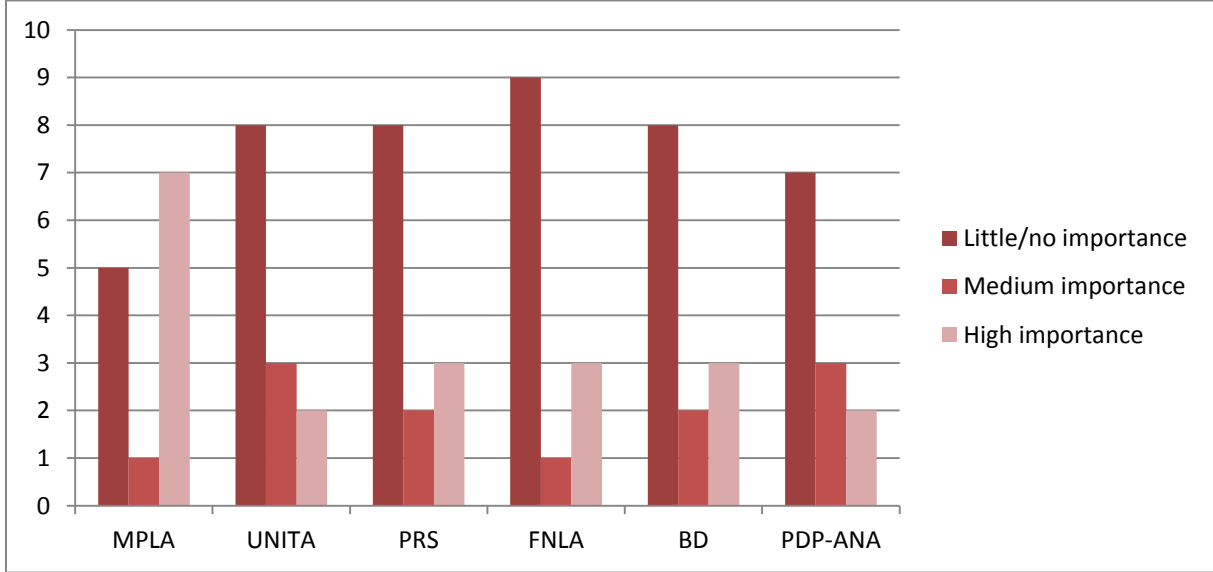
<sup>145</sup> Interview with Sindiangami Mbinde, President of *PDP-ANA*, Luanda 24<sup>th</sup> of January 2011.

lack of state subsidies, but they have managed to preserve a small organization based on voluntary work and contributions from wealthy members within the party.

*The financial strength and diversity of the MPLA and the financial weakness of the opposition*

All in all, section 5.1 seems to indicate that while most political parties do not seem to think that political funding is the most essential issue in Angolan politics at present, there is nevertheless a very uneven playing field both in terms of financial strength and access to possible revenue sources. First of all, there can be little doubt that MPLA has a lot more money than the opposition parties. Perhaps surprisingly though, it not just the size that varies, but also the number of possible revenue sources: the ruling party has more possible revenue sources that can be considered as important or very important in their fundraising efforts. Figure 5.1 illustrates this by using the 13 subtypes of funding sources identified in figure 2.2 in chapter 2 and classifying the parties according to how important they are for each of the parties in Angola based on the findings above.<sup>146</sup> It shows that while the ruling MPLA have multiple revenue sources that they can call upon, the other parties are left with few.

**Figure 5.1: Number of funding sources sorted after degree of importance for different political parties in Angola**



Source: See appendix 3

Most of the sources that are important to the opposition are based on grassroots or internal plutocratic funding. It is nevertheless important to remember that the categorization is based on relative importance. Even though membership dues are considered to be of high importance for BD and only of medium importance for UNITA and MPLA, the two larger

<sup>146</sup> See appendix 3 for full classification of all subtypes for all parties

parties are nevertheless likely to generate much more revenue in actual numbers. An important consequence of this is that the few sources the small parties have will naturally be considered to be important no matter how small they are. Nevertheless, figure 5.1 seems to confirm most of the elements in terms of number of sources presented in table 2.3 in chapter 2: the incumbent party enjoys access to more sources of revenue than the opposition parties do. Sources linked to the state are especially important for the party in power, and both state subsidies and income from graft is very important for MPLA. Nevertheless, formal state subsidies are also very important for the opposition parties that qualify for them, something which the theory seemed to indicate that it would not be. This is linked to the general importance of the state in the Angolan economy, and will be discussed more thoroughly in the following sections of this chapter.

The three subcategories of foreign funding are deemed to have little or no importance. This is because it is illegal for political parties to receive funding from foreign entities in Angola.<sup>147</sup> Therefore, the opposition has been cut off from the only funding source that theoretically should favour them more than the incumbent party. International agencies were active in providing technical support and voter education before the 2008 election, but this rapidly changed after the 2008 election. USAID considers it “not strategic” to work with political parties after the election, as the opposition has little power to affect the outcome anyway.<sup>148</sup> Plutocratic funding is important, and internal plutocratic funding is the only factor that is considered to be of high importance for both the opposition and the incumbent party, as indicated by the theory. Nevertheless, the size of the plutocratic funding is much higher for the incumbent party, and there seems to be a link between the graft category and that of plutocratic funding, as indicated in the theory chapter. Finally, grassroots funding is of some importance for all the political parties, but it is relatively more important for the small parties who do not qualify for party funding between elections. In general, these findings seem to correspond well with the little previous work that has been done on party funding in Angola (Santana 2006: 48-49; Amundsen and Weimer 2008: 9). Taking these observations and findings into account, the rest of this chapter will look at reasons for why the funding situation in Angola is as described above, and what the consequences of this are.

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<sup>147</sup> Law 7/2004 Electoral Law of Angola, Article 94

<sup>148</sup> Interview with Ranca Tuba, Leader of Democracy Promotion for USAID in Angola, Luanda 21<sup>st</sup> of January 2011

## 5.2 Political parties in Angola: A brief historic outlook

As stated in chapter 2 and 3, there is every reason to believe that a phenomenon such as political funding has been affected by historical factors, both of contextual- and non-contextual origin. This means that in order to investigate the mechanisms surrounding political funding in Angola, one has to review elements of Angolan history that are relevant for the issue of political funding. Representatives of all political parties point to specific elements of the history of Angola as major explanatory factors for why the political situation and the funding situation are as they are today.<sup>149</sup> Therefore I will present a brief history of the political parties in Angola, and highlight the elements that seem to have affected the current funding situation.

### *The first political parties – the three liberation movements*

The first political parties that emerged in Angola were the FNLA, MPLA and UNITA. These were first generation liberation movements that fought against the Portuguese colonial regime in the 1960s and 70s. After the Portuguese gave up their colonial empire in 1975, the liberation movements turned on each other and thus started a civil war that would rip Angola apart for the best part of the next 27 years. The three parties had different international supporters, and the first part of the conflict was heavily tainted by Cold War-allegiances. MPLA was supported by the Soviet Union and Cuba; UNITA was supported by the United States and South Africa<sup>150</sup> and FNLA by Mobutu's Zaire and to some extent the United States (Birmingham 2002: 147). The military legacy and international support was created a lasting impact on the nature of the political parties that received this support. All three organizations are hierarchical; this especially holds for the MPLA. When in Angola, I observed a very strong internal unity within the parties, and it was difficult to speak to lower-level officials because they would constantly worry about whether their superiors would approve of what they were saying. This hierarchical legacy has created a system with little transparency, which can also be seen in the area of political funding. The non-liberation movement parties in Angola all express the importance of this legacy on the party system in Angola.<sup>151</sup>

The FNLA was quickly defeated by the MPLA and withdrew to Zaire, but UNITA established supremacy in the South-Eastern part of the country and especially in rural areas.

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<sup>149</sup> Interviews with representatives of MPLA, UNITA, PRS, FNLA, BD and PDP-ANA, January 2011

<sup>150</sup> UNITA also received support in from China in the 1960s and 70s. Savimbi received most of his military training there, for example. This is part of the explanation for why the Chinese presence in Angola did not “take off” until the end of the Civil War. It can also partly explain the hierarchical organization of UNITA, as Savimbi was inspired by the Chinese Communist Party.

<sup>151</sup> Interviews with representatives of PRS, BD and PDP-ANA, Luanda, January 2011

MPLA received most of their support from the urban population, as well as Angolans from mixed decent and from the *Mbundu* ethnic group. After a coup attempt made by disenfranchised poor from Luanda and led by Commander Nito Alves killed several of the top leadership of MPLA in 1977, the party became more paranoid and worried about other factions within the party, and even more elitist than it was previously. After this, the party-elite focused even more on protecting their own interests (Birmingham 2002: 153; Messiant 2007: 96). At the beginning of the 1980's the party became increasingly elitist and linked to the person of President dos Santos (Vidal 2007: 129). Thus the fear of facing an internal revolt can be seen as one of the driving factors behind the importance of plutocratic funding in Angola.

While MPLA controlled the cities and the northern regions, the *Ovimbundu* people in the central highlands was considered the ethnic backbone of UNITA. Throughout the civil war MPLA kept control of the coast and thus also the oil industry, while UNITA for long periods dominated the diamond areas of north-eastern Angola (Hodges 2007). While the importance of oil and diamonds in Angola is debated further in section 5.3 below, it is important to notice that this legacy still seems to have an effect on the type of business the different parties are linked to. MPLA still controls the oil economy, while UNITA and to some extent the PRS have connections within the diamond industry. This can be seen as a legacy of the geographical zones they controlled during the civil war. Though MPLA controlled much of the country for most of the 70s and 80s, there was to some extent always fighting, and after Reagan came to power in the US and combined with increased support from South Africa UNITA battled hard in the South. The civil war became even less civil (Birmingham 2002: 154-55). The end of the Cold War had to come before the first attempt to peacefully solve the dispute succeeded.

#### *The first peace and the 1992 election*

With the end of the Cold War the parties returned to the negotiating table, and a peace accord was finally reached in Bicesse, Portugal in 1991 and elections were scheduled for 1992. The process was controlled by the United Nations, and the world was watching. A flurry of new parties were established, and the process leading up to the September 1992 elections were considered to be very encouraging, with a relatively free and fair campaign (Maier 1996; Birmingham 2002). The MPLA, who controlled the Angolan government and oil industry, campaigned on economic policies. Starting in the late 80s and intensifying in the lead-up to the election dos Santos and the MPLA toned down the communist rhetoric and ideology, especially in relation to the economy. Now the focus was much more on privatization and

socialist democracy (Birmingham 2002; Lodge et.al 2002; Messiant 2007). In general, afro-communist parties were not as ideologically strong as communist regimes elsewhere. They had a more pragmatic approach to communism (Lewis 2006: 477). This had important consequences for the development of Angolan economy and the type of patronage network the MPLA was able to implement. Privatization created new opportunities, as discussed more thoroughly in the following sections. Savimbi and UNITA on the other hand ran a much more lively and populist campaign (Maier 1996).

The election was generally considered to be free and fair by international observers (Lodge et.al. 2002: 20). The MPLA won the legislative election with 54% of the votes, but the presidential election was a more even contest. While President dos Santos won with 49,6% of the votes compared to Savimbi's 40%, he failed to garner the 50% required, and the presidential contest went to a second round because none of the candidates got the required 50%. According to Birmingham "the countryside voted for the opposition, for Savimbi and for change, while the towns voted for the government, for preferential economic treatment and for armed protection from the hungry raiders out in the rural areas" (Birmingham 2002: 172). This indicates that even in the 1992 election, MPLA benefited from controlling the economic resources of the state. UNITA and Savimbi decided to not accept the results however, and the second round of the presidential election was never held and war resumed.

The post-1992 civil war was in many ways different from the first round of the civil war. First of all, it was not primarily funded from abroad anymore. While the MPLA government in Luanda relied on oil income, UNITA controlled much of the diamond trade, and there were plenty of foreign buyers for both (Birmingham 2002: 174-175). Oil generated more income than the diamonds though, and the parties came to a peace agreement in Lusaka in 1994. In this agreement the parties agreed to create a common government (the previously mentioned GURN), but it took a few years for it to take effect. MPLA and dos Santos was nevertheless able to use this to attract elements of the opposition to the capital and co-opt them into the government and their constantly expanding patronage-network, who at this time was benefiting from the extensive privatization process (Birmingham 2002; Hodges 2007), as well as the "colonization" of civil society in the capital (Messiant 2001). The peace agreement did not last long, and the fighting kept on with varying intervals until the Angolan army killed Savimbi in 2002.

*The new peace and the controlled approach to the 2008 election*

Militarily defeated, UNITA finally handed in their guns in 2002 after agreeing to the so-called Luena-accords that among other things included an amnesty for war crimes committed during the conflict. This “second peace” was very different from the first, and MPLA was very much in control of the situation. The leader of OSISA-Angola described the process following the Luena-accord as: “the accommodation of the one who lost. And when you lose you shut up; then you have to obey the rules of the winner”.<sup>152</sup> Roque echoes this and points out that the nature of the peace gave the MPLA the power to shape the political process as they wanted: “In short, the victorious MPLA had license to shape the post-war political configuration to suit its interests” (Roque 2009: 139). This seems to indicate that the political process after the war has pretty much been dominated by the MPLA. According to Vidal (2007: 144) the MPLA has been preparing for elections ever since its party congress in 2003. Since the theory presented in chapter 2 indicated that such control should lead to a favourable climate for the incumbent party, this seems to be consistent with the theory. Part 5.4 below will look closer at how this control has been manifested in terms of political funding.

Once UNITA left the countryside, MPLA moved in and established itself as a major societal force in many of the former strongholds of the opposition-movement. UNITA was mainly limited to Luanda and the other major cities (Roque 2009: 140).<sup>153</sup> This meant that UNITA lost its membership base and the MPLA expanded theirs; by 2008 MPLA had 2.8 million people on its membership rolls out of a population of approximately 16 million (Roque 2009: 140), and most of the increase in membership after the end of the civil war has come from previous UNITA strongholds in the central highlands (Vidal 2007: 145). In some areas of Angola it is more normal and important to have a voter and party card than it is to have an identity card.<sup>154</sup> This indicates the importance of the system surrounding the ruling party in post-civil war Angola.

The 2008 elections provided the result that everyone observing the build-up expected: MPLA won a landslide and has used its overwhelming majority in the parliament to change the constitution. While the new constitution is generally in line with democratic constitutions in terms of its focus on human rights and equality, it does concentrate even more power in the hands of a president that is not even directly elected anymore. According to Orre the

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<sup>152</sup> Interview, Luanda, 24<sup>th</sup> of January 2011, also echoed by Chabal (2007: 7, 14)

<sup>153</sup> Also mentioned in interview with leader of OSISA-Angola, Luanda 24<sup>th</sup> of January 2001

<sup>154</sup> Interview with leader of OSISA-Angola, Luanda 24<sup>th</sup> of January. He based his comments on research (unpublished) done in a municipality outside Lubango where they found that the citizens are more likely to have party and voter cards than other ID-cards.

constitution brought very little new to the table, and rather seems to “cement the status quo in Angola: the party-state remains entrenched under the supreme leadership in the person of Preident dos Santos” (Orre 2010b: 13). In terms of political funding, history seems to indicate that the status quo is quite favourable for MPLA, and especially the upper tier of the party; the so-called party elite. This historical account has shown how the MPLA have gained and maintained control over Angolan society, and how some of these historical elements still have an effect on political funding. Two of the aspects of Angolan society which MPLA has gradually taken control over is the economy and the legal and institutional framework. I will now turn to these structural factors.

### **5.3 Structural factors affecting political funding in Angola**

Besides historical factors there are structural factors that are just as important when trying to explain the causes of the political funding situation described in part 5.1 above. I focus primarily on economic factors and the legal and institutional framework.

#### *Economic factors – It’s the oil, stupid!*

Two factors already mentioned in section 5.2 deserve more attention; the importance of oil and natural resources for the Angolan economy, and the importance of the state and the patronage network in the distribution of resources. As mentioned above, by the late 80’s MPLA took up a more capitalist rhetoric and started to privatize the economy. This brought new possibilities to expand their patronage and clientelist networks. Even NGO’s were included and used as a tool in this process. Messiant (2001) shows how the establishment of the Eduardo dos Santos Foundation (FESA) was used as a tool to extend patronage and clientelist networks as a result of funding by the ruling elite within the MPLA through privatization and the oil economy. By the late 1990’s there was almost a personality cult surrounding president dos Santos, and you had to be a member of some kind of state-sponsored civil-society organization often linked financially to the MPLA elite to take part in this network (Messiant 2001; Birmingham 2002; Hodges 2007). By the early part of this millennium MPLA had established a system “of clientilism in which members of the nomenklatura were able to make considerable financial profits from the privileged legal position by intervention in the informal (and illegal) economy” (Messiant 2001: 288). Messiant called this clientilist and patronage economy “the government’s most basic strategy” (Messiant 2001: 294). The importance of the President and what Messiant calls the



nomenklatura<sup>155</sup> in this system cannot be understated. This nomenklatura is then linked closely to the party, for which it provides both income and social support (Marques 2011). It also limits the fundraising possibilities of the opposition, because if you are contributing to the opposition you are most likely not within the patronage- or clientelist-network.

As explained in chapter 2, the size of such a network based on graft depends on the income of the government. In Angola, the state has a fool-proof source of income: oil. And it has lots of it. According to IMF the country had a GDP per capita (PPP) of \$5632 in 2010, something which is far above the average of Sub-Saharan African economies. Most of this income is from the oil industry; Angola is the second-biggest producer of oil in Africa. The oil sector in Angola is not transparent. In 2001, British Petroleum (BP) announced that it would publish its payments to governments worldwide. Soon after, Sonangol's President Manuel Vicente sent a letter where he threatened BP with contract termination if the company published these numbers from Angola (McMillan 2005: 163). While there has been increasing transparency since 2004 (Hodgens 2007), a recently published report revealed that there is a massive difference in figures both in terms of oil production and dividends paid to the Angolan government when you compare the numbers of Sonangol and the Finance Ministry (Global Witness 2011). A lot of money is unaccounted for in the Angolan economy. Examples of oil-money turning up in foreign accounts in Switzerland or other tax havens linked to President dos Santos himself, his family or other members of the MPLA-elite are numerous (McMillan 2005; Roque 2009). Some of this benefits the party. In addition, the oil economy generates other needs which the party businesses can benefit from (Marques 2011). These businesses are often given monopolies in their area, which makes them even more lucrative.<sup>156</sup> Finally, there is the issue of the Chinese presence in Angola. Some of the opposition parties stated that they believed China's economic activities in Angola support the incumbent regime.<sup>157</sup> While the Chinese do not seem to support MPLA directly, their activities allow the government to keep many of their deals secret and thus decrease transparency (Roque 2009: 148; Schubert 2010: 658). To say that the Chinese infrastructure program in Angola has done the government "no harm" would be an understatement, and there seems to be a clear indication that infrastructure programs initiated with Chinese assistance multiplied before the 2008 election, and that this increased the popularity of the

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<sup>155</sup> I do not use the term nomenklatura, but rather talk about the elite, which is a wider concept than the previously introduced "party elite". The elite also includes the economic dependent upper echelons of Angolan society who are closely tied to, but necessarily members of, MPLA.

<sup>156</sup> Interview with Nelson Pestana, Political Scientist at CEIC and Member of BD, Bergen, 25<sup>th</sup> of February 2011. See also Roque (2009) and de Morais (2011)

<sup>157</sup> Interviews with opposition politicians of UNITA and FNLA, Luanda, January 2011.

MPLA (Chabal 2007: 146). To say that the Chinese back MPLA with funds directly and that their presence must be considered a major funding advantage would be equally erroneous though.

All this seems to indicate that the structure of the Angolan economy creates an ideal situation for the MPLA to maintain control over political funding. First of all, the size of its graft-funded network is large enough to both create a large, dependent elite that supports the party, and at the same time limits the fundraising possibilities of the opposition. This in turn is fuelled by an oil economy which both creates a state-centred and prosperous economy which increases the state coffers, and decreases the general transparency which makes it easier for the party to spread its graft-network. And as long as the oil-money flows into the state coffers and MPLA controls the state, this network can expand.<sup>158</sup>

### *The legal and institutional framework*

The electoral system in Angola is proportional and party-centred. The parliament has 223 seats, 130 of which are divided by the national vote of a party and 3 of which are decided by the votes of expatriates. The other 90 seats are divided based on the votes within the 18 regions of Angola. This introduces a slight federal touch to the electoral system and creates slightly disproportionate relationship between votes and seats. This is quite normal in systems based on proportional representation. It nevertheless favours parties with strong regional support, such as PRS. However, the fact that most of the seats are divided by national votes makes it imperative for the parties to compete on a national basis in order to challenge for power, and this stretches their resources. Angola is a very expensive country to campaign in, with poor infrastructure and communication facilities. In addition, the fact that the state media is the only media that broadcasts and publishes outside Luanda and that this media is heavily biased towards the ruling party (EUEOM 2008: 26; Roque 2009: 141-42), makes it even more difficult for most political parties to reach all areas of the country. The government control of the media was lamented by all the opposition parties interviewed.<sup>159</sup> Thus the national constituency favours parties with a large and well-funded organization. The primary effect of the electoral system therefore seems to be that it increases the importance of the party.

Following the Bicesse accords in 2002, MPLA started preparing for elections and pushing legislation through parliament (Vidal 2007: 144). Two of the laws that were passed touched directly on the issue of political funding. The *Electoral Law* (Law 7/04) regulates

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<sup>158</sup> A sharp drop in oil prices would be a significant challenge to the MPLA though.

<sup>159</sup> Interviews with representatives of UNITA, PRS, FNLA, BD and PDP-ANA, Luanda January 2011

electoral campaign finance. It specifies which sources that can contribute financially to the campaign of political parties, and which sources that are not allowed. Most interestingly, the law specifically states that the parties cannot receive financial contributions from foreign entities or state-owned institutions and companies. It also specifies that all parties shall be given state financing no later than ninety days prior to Election Day, and that this support shall be given to all competing parties based on the principle of equality. Finally, the law specifies the above-mentioned requirements in terms of reporting. In fact, the law specifies that the accounts must be published in a daily newspaper as well. The *Law on Political Parties* (Law 2/05) also regulates political funding, both directly and indirectly. Article 7 specifies that all parties have equal rights in terms of access to public installations and state finance. Finally, this law also specifies that “affiliation in a political party does not confer any rights of a patrimonial nature”.<sup>160</sup> This means that the being a member of a party gives you no additional rights over other citizens. It is not surprising that the laws affect the types of political funding; indeed they are meant to affect it. But what is interesting is what types of funding are allowed for, and what parts of the law that are implemented in practice. First of all, as pointed out in part 5.1, foreign funding is not allowed, and this is interesting given that this is one of the few sources that theoretically should contribute funding opportunities for the opposition. FNLA was very critical towards this part of the law.<sup>161</sup> Like all the other elements of the laws though, it is selectively implemented, as illustrated by the fact that USAID and the German Friedrich Ebert Stiftung were allowed to carry out some capacity building with the political parties before the 2008 election.<sup>162</sup> It is especially important that the laws on transparency and on state subsidies seem to be selectively implemented.

The institutions that are meant to enforce these laws are the CNE that is charged with ensuring that the elections are free and fair, *Comissão Interministerial para o Processo Eleitoral* (CIPE) that is inter-ministerial body responsible for the practicalities of the process, and the previously mentioned *Tribunal das Contas* who is charged with controlling the accounts of the parties in cooperation with CNE (Amundsen and Weimer 2008: 6-7). The CNE is a formally independent body, but it is overwhelmingly dominated by the members of the MPLA (Schubert 2010: 660-61). According to Adalberto da Costa Junior, the opposition members of the CNE had little or no saying in the planning of the election, and the Commission was frequently dictated by other supporters of MPLA who were formally not

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<sup>160</sup> Law 2/05, Article 23.1

<sup>161</sup> Interview with N’Gola Kabangu, Head of the Parliamentary Group of FNLA, Luanda, 21<sup>st</sup> of January 2011

<sup>162</sup> Interview with Ranca Tuba, Leader of Democracy Promotion USAID in Angola Luanda 21<sup>st</sup> of January 2011

part of the Commission. As an example he claimed that the company responsible for the distribution of voting material on Election Day was handpicked by the director of the National Reconstruction Office General Kopelipa, who is considered to be the second most powerful man in Angola and close with the President.<sup>163</sup> CIPE is also controlled by the government and the ruling party (Amundsen and Weimer 2008: 7). Finally, while TdC is formally independent, President dos Santos has recently stated that the MPLA “had not been fulfilling its watchdog role through the tribunal de contas” (quoted in Marques 2011). As stated by Angolan political scientist Nelson Pestana: “*Tribunal das Contas* is the right institution, it just practices its mandate wrong”.<sup>164</sup>

All this seems to indicate that while the legal framework seems to affect political funding directly through the laws that govern the political game, one must investigate the implementation of the legal and electoral framework to fully understand the effects of this on political funding. This will be done in the next section, which seeks to show how the issue of political funding is linked to the issue of the electoral authoritarian nature of the MPLA regime. The party seems quite happy to preserve the privileges of the party elite, which is dependent on the party just as much as the party is dependent on it. This seems to go back all the way to the start of the MPLA-era. And the intelligent and subtle switch from communist ideology to practical capitalism and privatization which has happened simultaneously with increasing oil-revenues has allowed the party to build its patronage- and clientelist network gradually, especially after the military defeat of UNITA in 2002.

#### **5.4 Controlling the state and controlling the opposition: Political funding in Angola**

As pointed out in the chapter 2, the ruling party in political in electoral authoritarian regimes typically use their control of state institutions to manipulate the regulation of political funding rules to favour themselves. The sections above have illustrated the massive funding gap between the MPLA and the opposition parties in Angola, as well as historical and structural reasons for this. It has highlighted that the MPLA does not only control formal state institutions, but even most of the Angolan economy is firmly under the control of cadres within the MPLA. This highlight that the ruling party has indeed managed to “politicize” public resources; which according to Greene (2010) is one of the primary reasons for why dominant parties in such systems continue to win elections. This section will illustrate how MPLA uses its control of the state and the economy to control and create an unlevel playing

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<sup>163</sup> Interview with Secretary of Assets of UNITA Adalberto da Costa Junior, Luanda 27<sup>th</sup> of January 2011

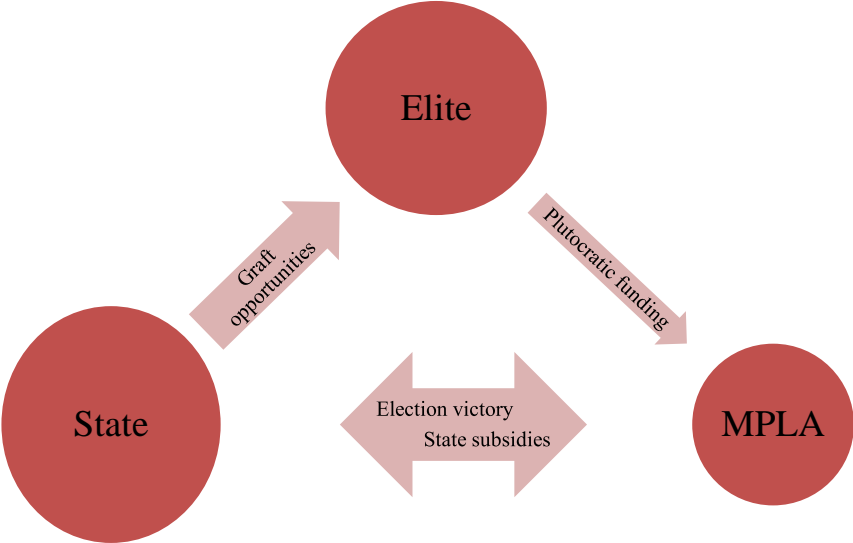
<sup>164</sup> Interview Bergen, 25<sup>th</sup> of January 2011

field in Angola. This has resulted in what I perceive to be extreme incumbency advantages that are linked to the electoral authoritarian nature of the regime. These extreme advantages are reflected both on the number and size of funding sources for the MPLA, and the lack of funding sources for the opposition.

*Funding MPLA-style - Mixing graft and plutocratic funding through control of the state*

Section and figure 5.1 highlighted the multitude of sources available for the MPLA to raise funds from. The party has a bigger membership base than the other parties combined. More importantly in a financial sense however, is that the party enjoy the lion’s share of both formal state subsidies and illegal state funding acquired through graft. Their party businesses enjoy important privileges given by the government and thus are income-generating machines. In addition, controlling the state and the economy has created an additional layer of elite Angolans who owe much of their wealth to the party and the party elite. How is this linked?

**Figure 5.2: The economic relationship between the elite, the state and the MPLA in Angola**



Section 5.2 shows how the MPLA have maintained control of the state in Angola since independence. The importance of the state in the Angolan economy has already been demonstrated and transparency is low. This means that the MPLA is able to control most of the funding options simply by controlling the state. In a country where this is the case, being in power is everything. Vidal (2007: 146) points out that there is “no clear distinction between the public and the private” in Angola, and that this is a major advantage of the MPLA. While Vidal (2007) and Messiant (2007) point out that it is not as much the party in power as it is the people in power, this is irrelevant here because the party is the network that binds them

together. While the party might not get as much direct income from graft as they would in countries where partisan interests came above the interests of individuals, in Angola you have a system that combines graft with plutocratic funding. Figure 5.2 above illustrates this.

The figure shows that the largest player in Angola is the elite that include both the party elite and a dependent group of people outside the party. These groups of people supply the party with plutocratic funding. As figure 5.2 shows, what they get in return is control of the state through an election victory. This provides them with graft opportunities. In this sense, while the elite might be the most important player, the current electoral authoritarian system in Angola depends on MPLA because it is the vehicle used by the elite to mobilize voters and win elections. And the party wins elections by using its major funding advantage and control over the state apparatus to selectively distribute resources through patronage and clientelist networks. In addition, the party has a clear role in mobilizing the newly incorporated rural parts of the population in the MPLA-network (Orre 2010a: 94). Thus while the most important factor in the system might be the elite surrounding President dos Santos, it could not function without the help of the party. In fact, one might argue like Orre (2010a) that there is a fusion between the state and the ruling party in Angola. While Angola has no state-party and is a multiparty system, MPLA can be considered to be a part of the party-state because it is an organization built up around controlling the state and dispersing the financial benefits from this control. Chabal (2007: 12) points out that the current regime in Angola derives its power from two sources. One is the military, which is a “silent threat” that can be used as a “hard power” when needed. The other is the party, which is the subtle and more elegant vessel which the elite exercise its control over Angola:

“It [MPLA] has become a formidable political instrument. It is true that the presidential system as it was consolidated by dos Santos after Neto’s death does not depend on the party since it is in the hand of a single man. All the same, the party is organised and disciplined enough to be used as an effective tool when called upon to do so. Since there is no meaningful distinction between party and state, the MPLA can never be short of resources to mount whatever campaign (electoral or otherwise) required by the leader” (Chabal 2007: 12, emphasis added).

The recent constitutional change has highlighted the party as the preferred vessel of the regime to control power because it establishes party-based parliamentary elections as the legitimate way of gaining power. And as long as the party elite controls the oil-rich public and

private sector in Angola and can distribute graft-related material benefits and Chinese-backed infrastructure programs, it is hard to see how the MPLA could lose such elections, except perhaps through a steep drop in oil prices which would limit the graft-related income of the elite and thus the financial clout of the ruling party. As it stands, the party has a stranglehold on the political situation in Angola through its control of the state coffers.

*The issue of state subsidies and the problem of the opposition*

It seems like a paradox that even though the MPLA received the lion's share of the formal state subsidies in Angola, it is perhaps less dependent on it than the opposition parties who in actual numbers receive far less. Nevertheless, because they have fewer alternative funding sources as described in figure 5.1, they simply do not have any other choice but to rely on state subsidies. There are few other realistic sources of funding. The above mentioned control of both the public and private economy by the MPLA makes it impossible for even private businesses to contribute with any money to the opposition parties. In the words of Vidal "it was simply not possible for a medium or large business to operate without political consent from the top" by the mid-1990s (Vidal 2007: 149). It seems equally improbable that the opposition can raise significant amounts of funds from private individuals. There are indeed many rich individuals who could contribute to political parties in Angola. If you are employed in the public sector or in the oil sector, salaries in Angola are high enough that a party could fundraise from the so-called middle class (Vidal 2007). The problem is that these are the same individuals who are part of the dependent elite and thus dependent on the state and thus indirectly on the MPLA for their income. This leaves them with smaller internal donations and membership fees from dedicated followers, and most of their organizations are not developed enough to fundraise from these sources even if the members had resources to contribute. Thus the parties are left with the state subsidies.

This dependency on state subsidies can be exploited by the ruling party. The above-mentioned case with the FNLA losing their state subsidies serves as an example of how the government *can* use the threat of withholding state subsidies as a tool to keep the opposition parties checked. Even after the 2008 election, FNLA has yet to receive their state subsidies. According to Vidal (2007: 151) the support for all political parties was withdrawn during the constitutional deadlock of 2005. This creates a situation where opposition parties seem to be "financial hostages" of the government. As pointed out by a leader in OSISA-Angola: "as long as parties all over Africa will depend on public funding, they will continue to be hostages of the ruling party .... When you speak strongly against the government, we say that "the tap

stops running”.<sup>165</sup> While his conclusions about Africa in general might be a bit stretched, there seems to be an indication that he might be right in the Angolan context.

Another way which state subsidies can be used by the incumbent party to control or disadvantage the opposition is through the timing of when it is released and to who it is given. While section 5.3 shows that the law actually regulates this, it is nevertheless selectively implemented. This is especially true with the campaign funding. Two instances from the 2008 election highlight this. The Angolan government set aside US\$17 million for campaign financing which was supposed to be divided equally between all competing parties and coalitions (Roque 2009: 142).<sup>166</sup> Even before this though, all the 135 officially registered political parties had received a one-time payment of US\$120 000 (EISA 2010). Only 50 parties (24 parties running alone and 10 party-coalitions) actually applied to be approved for the election though, and out of these only 10 parties and 4 coalitions were allowed to run. The others failed to meet the standards. This means that over US\$10 million was spent on parties that did not even run in the election. While the motivation behind this move is unclear, it is possible to see it as a move to split the opposition or at the least an abuse of state resources.<sup>167</sup> The US\$ 17 million which were allocated for the campaign though, was not given to the parties until one to two weeks before the election, a straight forward violation of the Electoral Law (EUEOM 2008; Human Rights Watch 2009; Roque 2009). All the representatives of the opposition parties said that this greatly affected their ability to campaign in the 2011 election.<sup>168</sup> At the same time, it did not affect the MPLA as much because they had other sources of income, as illustrated by the fact that it had already campaigned for five months before this point. Thus the financial situation for the opposition parties in Angola is hard, especially if you consider their ability to fundraise in order to effectively participate in elections rather than just survive as a party. As long as they pose no significant risks to the government, the parties can survive on the state subsidies.

## 5.5 Conclusion

The goal of this chapter was to map out the funding situation for political parties in Angola, and the implication of this. The chapter has shown that there is a big funding gap between the MPLA and the opposition parties in Angola. This gap is not just in size, it is also there in

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<sup>165</sup> Interview, Luanda, 24th of January 2011

<sup>166</sup> Weimer and Amundsen (2008) puts this at US\$ 170 million, but this must surely be a typo in their source as the confirmed amount per party is US\$1.2 million (Human Rights Watch 2009: 21)

<sup>167</sup> Interview with Nelson Pestana, Political Scientist and member of BD. Bergen, 25<sup>th</sup> of February 2011

<sup>168</sup> Interviews with high ranking officials of UNITA, PRS, FNLA, BD, PDP-ANA, Luanda, January 2011



terms of the diversity of sources that the parties can fundraise from. MPLA benefits from access to all of the theoretical funding sources that were identified to be favourable to the incumbent in chapter 2 because of the control of the state apparatus and the government. At the same time, there seems to be a symbiosis between the state, the party and the elite in Angola, in which the elite depends on the party to control the political game, and in turn uses the power from this control to distribute selective benefits to themselves. Thus there is a peculiar combination of graft-related income and plutocratic funding that seems to benefit both the elite and the party machinery of the MPLA. There are both historical and economic reasons for this. First of all, the elitist nature of the ruling party goes back to the emergence of the MPLA in power and its different fractions at the time. By being funded by the party elite and “non-political” economic elite the party does not depend as much on its rank-and-file members for its financial security, and thus it is easier to control them. The importance of the state and oil in the economy creates an economic environment that seems to foster a culture of non-transparency and possibilities for graft. All together, this indicates the importance of the level of financial control that the MPLA currently enjoys in Angola.

On the other hand the opposition parties struggle with their dependency on the formal state subsidies. Because of this dependency the defeat in the 2008 legislative election did not only have political but also economical consequences for the parties: especially UNITA lost most of its income. There are few other sources of income for the smaller opposition parties, and their organizations are often not developed enough to expand them so that grassroots funding can become a meaningful source of contributions. All in all, this shows the level of control that the MPLA has over the financial aspects of Angolan politics. While the 2008 election was positive in the sense that it was peaceful and the first meaningful exercise of electoral accountability since the 1992 election, it also served to consolidate both the political and financial power of the MPLA and its ruling elite. The question now is how it uses its power. Will it continue to use its control and consolidate as an electoral authoritarian regime that relies on the “soft power” of controlled elections? Will it allow further democratization in future elections and create an opportunity for the other parties to compete on a financially equal basis? Or will it use its newly verified control to clamp down on the opposition and civil society in Angola? The events in the years leading up to the next legislative election will give a firm indication of this.

*“There are two things that are important in politics. The first is money – and I can’t remember what the second one is”*

*- Republican party boss Mark Hanna, explaining how politics works<sup>169</sup>*

## **Chapter 6 – Uganda and Angola compared: Tentative conclusions on political funding in electoral authoritarian regimes in Sub-Saharan Africa**

What can the combined case studies of Uganda and Angola teach us about the issue of political funding in electoral authoritarian regimes in Sub-Saharan Africa? This chapter will try to summarize the findings of the thesis by comparing the conclusions of the two case studies against each other, and by highlighting the similarities and differences between the cases it will modify and build on the theory presented in chapter 2, and thus provide tentative conclusions to the question above. The chapter will thus serve as both a cross-case comparison and as a conclusion of this thesis.

### **6.1 Aligning theory with empirical evidence - sources of political funding revisited**

The first step in the process is to evaluate the first part of the research question: what types of political funding are available in electoral authoritarian regimes in Sub-Saharan Africa and what contextual factors shape the funding? In chapter 2 I identified a theoretical model for political funding sources in Sub-Saharan Africa, and through my two case studies I have tried to identify the importance of these sources for the different parties in Uganda and Angola, as well as contextual factors affecting them. By comparing the results of the case studies with each other and the theoretical model it is possible to draw some tentative conclusions about the importance of the different types of political funding sources and subcategories identified in figure 2.2 and table 2.3.

#### *Grassroot funding*

All three subtypes of grassroot funding were identified as being of medium importance in the theoretical discussion of importance in Sub-Saharan Africa. While membership dues and small donations were hypothesized to be important for both the incumbent and opposition, party business was thought to primarily benefit the incumbent party. *By and large, the two case studies seem to verify this*, but with some minor differences. First of all, while *membership dues* cannot be seen as the most important source of income for any party in the two countries, it is nevertheless generally more important in Angola. This holds for both the incumbent and the opposition. There are several reasons for this. First of all, even though

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<sup>169</sup> Quoted in *The Economist*, Oct. 23, 1999.

there is a striking inequality in Angola, the general poverty level is still higher in Uganda, and the parties in Angola can thus charge higher membership fees from its members. Second of all, parties are generally more important in Angola, where there is a party-centred electoral system, rather than in Uganda, where there is a candidate-centred electoral system. This could lead to more people seeing the importance of contributing to the party coffers. Nevertheless, my interviews seem to indicate that even though representatives of most political parties say that membership dues and small donations are important sources of funds, it is not sufficient to run the party, especially during campaigns. My case studies indicate that *small donations* are generally given through material support rather than financial contributions, and they are more important during campaigns than between elections. In terms of *party business*, there are clear differences between Uganda and Angola. In Uganda, the NRM-party does not own as much party business as could be expected of a ruling party. Again, seems to be linked to the importance of the candidate rather than the party, as well as the historical legacy of the “Movement-system”. In Angola on the other hand, MPLA clearly benefits from the extensive business network it controls, and the party seems to actively use this tool in order to raise funds for the party. UNITA also has some party business. My analysis seems to indicate that the longevity of the civil war in Angola and the geographical affinity of the parties have generated more party infrastructure there than it did in Uganda, were the civil war was shorter and the NRM-party did not have the need to establish the same amount of party infrastructure.

### *Plutocratic funding*

My case studies have confirmed Saffu’s claim that “donations are the modal source of political financing in Africa” (Saffu 2003: 23). *Plutocratic funding from the elite in both Angola and Uganda is extremely important, both for the opposition and the incumbent parties.* There is a clear difference between internal and external plutocratic funding however. *While internal plutocratic funding is important both for the incumbent and the opposition, external plutocratic funding is more important for the ruling party than it is for the opposition.* This holds across cases, though external plutocratic funding is slightly more important for the opposition in Angola than in Uganda. This could be due to the general income level and the fact that the Angolan elite is larger than the Ugandan one. Nevertheless, the fact that the incumbent party is the primary beneficiary of external plutocratic funding fits well with the theoretical argument presented in chapter 2. In electoral authoritarian regimes in Sub-Saharan Africa, it seems like the “fear” of alienating the ruling party is high enough to scare external investors away from the opposition parties. While there are indications that this

“silent threat” is real, it does not really matter if it is, as it works as a deterrent anyway. In addition, the importance of the state in the economy makes it imperative to be on good terms with the ruling party.

Internal plutocratic funding is the only factor that seems to be of high importance for all political parties in both Uganda and Angola. *This highlights the role of political entrepreneurship in Africa; the elite seem to prefer engaging directly in politics rather than funding someone else to do the “work” for them.* This is buttressed by the fact that political positions in Africa are high-income jobs, as illustrated by the situation in Uganda. Plutocratic funding can thus be seen as an investment in a future career. This is problematic given that it creates elite parties that are funded and run by a small fraction of the population. Parties in both Uganda and Angola are to a large extent financed by the elite, which is reflected in the poor links between the parties and society. For the opposition in Uganda and Angola, internal plutocratic funding is essential. Not only do the opposition parties depend on the personal wealth of the candidates themselves to run the campaigns, but it also depends on regular contributions from its elected members to sustain the party between elections. It is normal for elected politicians to contribute a portion of their salary to their parent party both in Uganda and Angola, and this is a much more steady source of income than grassroots contributions. Parties therefore depend on being in position to a much larger degree than in countries where grassroots funding can sustain party organizations. This makes it harder for the small parties to build organizations, something which again increases the importance of the personal wealth of key individuals within the party. *In Uganda and Angola today, it seems that you have to be rich or know rich people to compete as an opposition party.*

The final finding on plutocratic funding that deserves mention is that *for the ruling party plutocratic funding seems to be linked intrinsically with the internal and external elite’s access to state resources and the use and distribution of graft.* In both Uganda and Angola many of the richest people in the country are members of the party elite or family or associates of the party elite, and they contribute in kind to the party when needed, especially during campaigns. This link between plutocratic funding and graft seems to be one of the factors that contribute most towards creating an uneven playing field and thus an electoral authoritarian regime in Uganda and Angola. I will return to this in section 6.2 below.

### *State subsidies*

In terms of state subsidies, there is naturally a large difference between Uganda and Angola given that there is party funding between elections in Angola, while in Uganda it has not yet

been implemented. Two observations are nevertheless very interesting. *First of all, state subsidies are “addictive”*; they have become very important for political parties in Angola. Second, there is a clear indication *that state subsidies as implemented in Angola clearly increase the importance of winning seats in parliament, and thus increases the difference between the winners and the losers of the electoral competition.* At the same time though, the state subsidies increases the dependency on the state of the small political parties who win seats, something which can be used by the ruling party as a tool of control. This is linked to the third observation: *state subsidies seem to be implemented to the degree that they favour the ruling party.* Selective implementation seems to be a general characteristic of the official funding system in both Uganda and Angola, as illustrated by the delay of official campaign funding in recent elections in both countries. This observation will be discussed more thoroughly in section 6.2.

#### *Income from graft*

The case studies of Angola and Uganda have by and large confirmed the importance attributed to graft in the theory. *Graft is important, and fundamentally it is the only source of funding that is exclusive to the ruling party.* This is not to say that the opposition parties would not use this funding tactic if they could, but since they do not have access to state power it is simply not available to them. *The cases do suggest that the theory does perhaps understate the sophistication of the graft-networks.* First of all, patronage tactics that enable the party to distribute positions and clientelist practices that enable the distribution of favourable policy seems to be more important than the direct use of official money. The ruling parties have politicized official positions both in Angola and Uganda, and use this as a tool to increase their control over the state and to increase their resource bases. In Angola, public officials visibly campaigned for the ruling party in 2008, while in Uganda you have public servants such as the RDCs who are appointed and answer directly to the President. Both the MPLA in Angola and NRM-party in Uganda also tend to increase the use of selective and favorable policies before elections. While both of these advantages can be seen as an incumbency advantage that we also see in democratic systems, the sheer scale of which these tactics are being utilized severely compromises the level playing field and makes it extremely difficult for the opposition to compete. In addition, there have been instances of more direct use of state money as well. In Angola this has primarily happened through privatization of state assets, while in Uganda the President is actually allowed to use state

resources in the campaign. In Uganda the passing and timing of the supplementary budget creates a direct link between the campaigns and increased Presidential spending.

Finally, the within-case studies have highlighted how the composition of the economy creates different graft opportunities, and how the ruling parties adapt their strategies to suit this. In Angola, the importance of oil and other valuable natural resources have created an environment with low transparency and many possible opportunities for the elite to make money from this lucrative trade. The elite therefore rely on the MPLA to keep control of the state so that they can maintain control over the oil revenues. In Uganda on the other hand, the absence of such resources and the importance of aid has created a different form of graft, in that it is more direct abuse of government money, policy and positions. It will be interesting to see whether the newly discovered oil in Western Uganda will change this.

### *Foreign funding*

Like state subsidies, the issue of foreign funding sources also differ widely between the two countries as it is illegal in Angola and legal (though strictly regulated) in Uganda. A likely reason for the difference between the countries is that Uganda is more dependent on western donors in general, and that it thus is harder for them to deny aid targeted at political parties. Nevertheless, as the case study shows it is strictly regulated and there have been talks about implementing state subsidies in order to lessen the influence of donors. In Angola, the denial of foreign funding is unpopular with the opposition parties, and denies them a revenue source that clearly would benefit them financially. At the same time, the presence of direct donor funding of political parties seems to increase transparency. In terms of the other two subtypes of foreign funding, they seem to be of limited importance in Uganda and Angola. The exception is the NRM-party, who clearly benefits from having powerful allies abroad who have supported the party financially before. *All in all, the case studies show that foreign funding can play a role in electoral authoritarian regimes in Sub-Saharan Africa, but it depends on the position that the country is in and what is most beneficial for the ruling party.*

### *Modifications of the theoretical model*

All this indicates that the theoretical model presented in table 2.3 was not far off the mark. Some *modifications need to be made however*. First of all, state subsidies, and especially party funding, will most likely be important in those countries that have this type of funding. The case of Angola illustrate this: in a country where especially the opposition has few significant sources of funding, state subsidies quickly gain importance for those who

qualify. The same goes for foreign funding: if allowed, it will most likely have a significant impact on parties in Sub-Saharan African countries. Other than that, there are small variations between the cases, notably because of the fact that the Angolan system is more party-centric than the Ugandan system, and that the Angolan economy is less transparent due to the importance of oil and other natural resources. *Nevertheless, the theoretical model seems to broadly fit.* First of all, the incumbent party has access to several possible sources of funding that the opposition parties does not have access to. Furthermore, while grassroots funding cannot be dismissed as a source of funding, it cannot be relied upon as the main source of income for political parties in the setting investigated. *For the opposition parties this thus leaves foreign funding, which is normally strictly regulated, and internal plutocratic funding as the only really viable sources of income in electoral authoritarian regimes in Sub-Saharan Africa.* As the two case studies of Uganda and Angola have shown and as will be highlighted in the next section, this is not coincidental.

## **6.2 The role of political funding in electoral authoritarian regimes in Sub-Saharan Africa**

The secondary issue that this thesis has investigated is the implications of political funding for the electoral authoritarian regimes in Sub-Saharan Africa. My case studies have illustrated the process and mechanisms surrounding political funding in two such regimes. Both case studies have shown the important role that money and funds play in the recent electoral successes of the ruling parties. Both case studies have shown how the incumbent parties have used state resources to tilt the playing field in their favour. And both case studies have shown how the ruling parties have manipulated the laws governing political funding and the implementation of these laws in order to weaken the opposition parties that they compete against. At the same time, the case studies suggest that contextual factors have contributed to different approaches in terms of how these results have been achieved.

### *Keeping your friends close...*

Perhaps the most significant finding of the case studies of Angola and Uganda is that they both show *that there is a clear funding gap between the incumbent party and the opposition parties, and furthermore that the regimes seem to exploit this purposefully.* As indicated in the section above, the big difference between the opposition parties and the ruling party in Angola and Uganda is that the ruling party controls the state and can use state resources by using graft-tactics. This enriches the parties directly, but also indirectly through enriching the ruling

elite who then contributes with plutocratic funding back to the party. When comparing the funding relationship between the state and the ruling parties in Uganda and Angola presented in figure 4.2 and 5.2 respectively, we see that they are quite similar. They are both continuous, which indicates that as long as the parties are successful in capturing state power through elections they will be able to control the electoral game and keep the funding cycle going. It is important to notice though that my case studies highlight that the chain may also break down if economic factors change and create a big drop in state revenues. A big and long-term drop in oil prices could provide such a shock in Angola, an in Uganda a major cut in budget support from the donors could potentially have the same effect. Nevertheless, the case studies indicate that an electoral authoritarian regime can be quite stable if the ruling party manages to preserve or expand its clientelist and patronage networks before elections. They thus verify the findings of previous researchers such as Rakner and van de Walle (2009), Salih and Nordlund (2007) and Gyimah-Boadi (2007) that highlight this as a serious issue for the future of African democracy.

*... And your “enemies” dependent and weak*

However, the case studies also show that you cannot simply focus on the how the incumbent parties strengthen their financial position, you also have to look at how they create an unlevel playing field by manipulating the number and size of the sources that the opposition can fundraise from. Thus they can prevent the opposition from challenging them electorally. Rakner and van de Walle posit that the key causal mechanisms that undermine the role of elections as a mode of transition towards democracy in Sub-Saharan Africa are the “limited resources of opposition parties, combined with the pervasive ability of presidential parties to draw on state resource for clientilism” (Rakner and van de Walle 2009: 205). The case studies of Angola and Uganda suggest that some incumbent parties actually take it a step further and *actively work to prevent the opposition from gaining enough funding to realistically threaten their hold on power in elections*. While employing different strategies, both incumbent parties seem to use political funding as a tool to not only manipulate the *freedom of demand* as hypothesized by Schedler (2002: 40), but also what he calls *freedom of supply*. The opposition parties are fragmentalized or constrained from becoming viable alternatives through manipulation of the funding process.

In Uganda, the ruling party keeps the opposition weak by denying the political parties funds to compete by refusing or limiting access to potential sources through legal regulation, or by making the potential sources aware of the consequences of contributing to the



opposition. The opposition parties are thus stuck in a situation where they do not have an organization strong enough to challenge the incumbent party in elections. It is illustrative that the second largest group in the Ugandan Parliament after the 2011 election does not come from an opposition party; they are independent candidates.

The approach of the ruling party in Angola is slightly different. MPLA seems to control political parties by manipulating state subsidies in order to actively encourage and discourage party formation at different stages in the electoral cycle. Also, the fact that party and campaign funding from the state is distributed to all actors during the campaign period and not throughout the whole electoral cycle would seem to create an incentive for parties and political actors to compete for votes separately, instead of forming a single alternative to the ruling party. All this seems to indicate that you can manipulate what Schedler (2002b: 106) calls the “actor space” and weaken and fragmentalize the opposition by controlling the funding. While the statement of the leader of OSISA-ANGOLA that political parties in Africa become “hostages” of the ruling party when state subsidies are introduced might be a little dramatic, the Angolan case seems to indicate that state subsidies does seem to leave the opposition open for manipulation under electoral authoritarian regimes. The Angolan and Ugandan cases show that research on political funding cannot just focus on what types of funding the opposition does get access to either; it is just as important to see *what types of funding the opposition does not get access to*. And, if they do get access, it is also important to investigate *when and how often they get access to it*.

Thus the conclusion in terms of my secondary research question is that control over political funding seems to be an important tool in the “authoritarian toolbox” of the incumbent party in electoral authoritarian regimes in Sub-Saharan Africa. This tool is softer and more subtle than those of a more fully-closed authoritarian regime. Instead of resorting to straight out physical repression, the ruling party in such regimes can rely on controlling the *freedom of demand* and *freedom of supply* of the political system through manipulating the availability of political funding for different actors. In the post-third wave of democratization world where most countries accept the democratic shell of multiparty elections, it is more important than ever to identify and expose such tools for what they are: a means to create a playing field that is not level and thus the continuation in power of the ruling party.

### **6.3 Concluding remarks**

The cross-case comparison provides us with some tentative conclusions about political funding in electoral authoritarian regimes in Sub-Saharan Africa, and thus a natural synopsis

of the thesis. First of all, it has shown that a variety of funding sources are available for political parties in these regimes, but that the ruling parties have more sources that they can fundraise from than the opposition parties. While grassroots funding plays some role for most parties, the three subtypes do not provide enough funding for any political party to get by on. This seems to hold across both cases. Plutocratic funding on the other hand is essential for political parties in these types of regimes. While external plutocratic funding primarily benefits the ruling party, internal plutocratic funding is important for all parties. State subsidies are important in Angola, while foreign funding is important in Uganda. Both of these sources of funding are regulated and implemented through legal regimes, and they are thus easily manipulated by the ruling party. Finally, my case studies indicate that graft related income is very important in electoral authoritarian regimes, but that it only benefits the ruling party. The way it is utilized varies across cases, depending on contextual factors. In general, the political history of a country seems to have a profound impact on political funding. It is therefore difficult to compare across cases. Nevertheless, the incumbent parties in both Uganda and Angola seem to have benefited from their control over state institutions during the transition to electoral and multiparty politics. This control is tempered by other contextual factors such as the composition of the economy of a given country.

Furthermore, both case studies analysed have highlighted that political funding seem to be a very important issue confronting political parties in electoral authoritarian regimes, and that the funding gap between the ruling party and the opposition is one of the major reasons why the playing field in these countries is not level. The cross-case comparison has highlighted that the incumbent party in such regimes will use their power to create a favourable financial climate for their own party. The comparison also indicate that the ruling party will use its political control in order to limit the number of sources of funds available to the opposition.

Uganda and Angola are both electoral authoritarian regimes, and the ruling parties are not afraid of using the political control to create a playing field that favours them. Control over political funding is an important tool for preserving their rule. This thesis has shown that manipulating the funding process can have a powerful impact on the political process, and be an important mechanism in the authoritarian toolkit of electoral authoritarian regimes in Sub-Saharan Africa. Wafula Oguttu's words describe this toolkit as much as it describes the biggest challenges of the opposition in Uganda in 2011: "Funds and fear. Fear and funds".

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## Appendix

### Appendix 1:

#### *Interview guide representative of political party*

##### *General questions about political parties:*

1. What are the main challenges for political parties in your country?
2. Have there been any changes in the party system since the last election?
3. How do you perceive the role of an opposition party in the party system?
4. Does the incumbent party inhabit any structural advantages compared to the other parties?

##### *Party finance/resources – questions concerning finances of own party:*

5. Could you please tell me something about the general financial state of the party?
6. What are the major sources of income for your party?
7. What are the major sources of expenditure for your party?
8. During election campaigns, are candidates and their campaigns paid for by the party or the individual candidate?
9. What is the situation for your party in terms of getting media coverage of party activities, policy and candidates?
10. Does your party have enough resources to maintain an organization covering the whole country over time?
11. Are private individuals and businesses willing to back your party?

##### *General questions concerning party finance:*

12. What do you perceive to be the most normal type of political funding today in your country??
13. What is your view on how political parties should be financed?
14. What is your opinion on legal regulations on party funding/party expenditure?
15. What can be done to improve transparency on the issue?
16. Do you believe that there is a level playing field in terms of finance for political parties today?

*Interview guide Academic*

*General questions about political parties:*

1. What are the main challenges for political parties in your country?
2. How do you perceive the role of an opposition party in the party system?
3. To what degree would you say that the party system in your country is permanent?
4. Does the incumbent party inhabit any structural advantages compared to the other parties?
  - a. What structural advantages does the party in power enjoy?
  - b. Do the structural advantages limit itself to the executive office?

*General questions concerning party finance:*

5. Could you tell me something about the general financial state of the political parties?
6. What are the major sources of income for political parties?
  - a. Who are the most important actors in the funding of political parties?
7. As shown by the lack of reports on the issue, there is little or no transparency on party funding. What can be done to improve this?
8. Do parties have enough resources to maintain an organization covering the whole country over time?
9. How is time in the media divided between the parties?
10. What is your view on how political parties should be financed?
  - a. What is your opinion on the proposal of public funding of political parties?
11. What is your opinion on legal regulations on party funding/party expenditure?
12. Who benefits from the current system of party funding?

*General questions:*

13. Any question on this topic that I should have asked?
14. Any particular you would recommend me to talk to?

*Interview guide media:*

*General questions about political parties:*

1. What are the main challenges for political parties in your country?
2. How do you perceive the role of an opposition party in the party system?
3. To what degree would you say that the party system in your country is permanent?
4. Does the incumbent party inhabit any structural advantages compared to the other parties?
  - a. What structural advantages do the party in power enjoy?
  - b. Do the structural advantages limit itself to the executive office?

*General questions concerning party finance:*

5. Could you tell me something about the general financial state of the political parties?
6. What are the major sources of income for political parties?
  - a. Who are the most important actors in the funding of political parties?
7. As shown by the lack of reports on the issue, there is little or no transparency on party funding. What can be done to improve this?
8. What is your opinion on the proposal of public funding of political parties?
9. Who benefits from the current system of party funding?
10. How important are resources for getting attention in the media?
  - a. Should time in the media be considered as part of the funding issue?
11. What principles do the media follow in their coverage of political activities?

*General questions:*

12. Any question on this topic that I should have asked?
13. Any particular you would recommend me to talk to?

## Appendix 2: List of persons interviewed during fieldwork

### Uganda:

| Name                   | Type | Org/Party                                 | Position             | Date       |
|------------------------|------|---|----------------------|------------|
| Monica Chibita         | Aca  | Makerere University                       | Mass Comm            | 08.12.2010 |
| Fredrik Gooloba-Mutebi | Aca  | Makerere Social Science Research Insitute | Pol Scientist        | 09.12.2010 |
| Mwambutsya Ndebesa     | Aca  | Makerere University                       | History              | 10.12.2010 |
| Julius Kiiza           | Aca  | Makerere University                       | Pol Scientist        | 10.12.2010 |
| Jack Sabiti            | Pol  | FDC                                       | Treasurer            | 11.12.2010 |
| Issa Kikungwe          | Pol  | DP  | Gen Secretary        | 13.12.2010 |
| Alice Alaso            | Pol  | FDC                                       | Gen Secretary        | 13.12.2010 |
| Joseph Bossa           | Pol  | UPC                                       | Gen Secretary        | 14.12.2010 |
| Wafula Oguttu          | Pol  | FDC                                       | Spokesperson         | 14.12.2010 |
| Peter Walubiri         | Pol  | UPC                                       | Treasurer            | 15.12.2010 |
| Hippo Twebaze          | Pol  | NRM                                       | Assistant to Gen Sec | 16.12.2010 |
| Ofwono Opondo          | Pol  | NRM                                       | Spokesperson         | 17.12.2010 |
| Mathias Nsubuga        | Pol  | DP  | Gen Sec              | 18.12.2010 |
| Margareth Vuchiri      | Med  | Editor                                    | Daily Monitor        | 15.12.2010 |
| Nicholas Sengoba       | Med  | Political Commentator                     | Freelance            | 18.12.2010 |
| Simon Osborn           | GOV  | Responsible for political parties         | DDP                  | 20.12.2010 |

### Angola:

| Name                      | Type    | Org/Party    | Position                    | Date       |
|---------------------------|---------|--------------|-----------------------------|------------|
| Sapalo Antonio            | Pol     | PRS          | Head of parliamentary group | 18.01.2011 |
| Adalberto da Costa Junior | Pol     | UNITA        | Secretary of assets         | 27.01.2011 |
| Rui Falcao                | Pol     | MPLA         | Secretary of information    | 26.01.2011 |
| Filomeno Viera Lopes      | Pol     | BD           | Secretary general           | 23.01.2011 |
| Sindiangami Mbinde        | Pol     | PDPANA       | President                   | 24.01.2011 |
| N'Gola Kabangu            | Pol     | FNLA         | Head of parliamentary group | 21.01.2011 |
| Nelson Pestana            | Aca/Pol | CEIC-UCAN/BD | Professor/Activist          | 25.02.2011 |
| Alves da Rocha            | Aca     | CEIC         | Economist                   | 28.01.2011 |
| Sérgio Calundungo         | NGO     | ADRA         | Civil Society               | 26.01.2011 |
|                           | NGO     | OSISA-ANGOLA | Civil Society               | 24.01.2011 |
| Ranca Tuba                | GOV     | USAID        | Democracy promotion         | 21.01.2011 |



**Appendix 3: Classification of subtypes of political funding in terms of which political parties they are important for**

*Uganda:*

| Type of funding      | No/low importance | Medium importance | High importance    |
|----------------------|-------------------|-------------------|--------------------|
| Membership dues      | NRM, DP, UPC      | FDC               |                    |
| Small donations      |                   | NRM, FDC, UPC, DP |                    |
| Party business       | FDC               | NRM, UPC, DP      |                    |
| Internal Plutocratic |                   |                   | NRM, FDC, DP, UPC, |
| External Plutocratic | UPC, DP           | FDC               | NRM                |
| Party funding        | NRM, FDC, UPC, DP |                   |                    |
| Campaign funding     |                   | NRM, FDC, UPC, DP |                    |
| Patronage            | FDC, UPC, DP      |                   | NRM                |
| Money from graft     | FDC, UPC, DP      |                   | NRM                |
| Clientilism          | FDC, UPC, DP      |                   | NRM                |
| Donor                | NRM               |                   | FDC, DP, UPC       |
| Diaspora             | NRM, FDC, DP      | UPC               |                    |
| Covert               | DP                | FDC, UPC          | NRM                |

*Angola:*

| Type of funding      | No/low importance                   | Medium importance         | High importance                     |
|----------------------|-------------------------------------|---------------------------|-------------------------------------|
| Membership dues      |                                     | MPLA, UNITA, PRS, PDP-ANA | FNLA, BD                            |
| Small donations      | MPLA, UNITA,                        | PRS, BD                   | FNLA, PDP-ANA                       |
| Party business       | PRS, FNLA, BD, PDP-ANA              | UNITA                     | MPLA                                |
| Internal Plutocratic |                                     |                           | MPLA, UNITA, PRS, FNLA, BD, PDP-ANA |
| External Plutocratic |                                     | UNITA, FNLA, BD-PDP-ANA   | MPLA, PRS                           |
| Party funding        | FNLA, BD, PDP-ANA                   |                           | MPLA, UNITA, PRS                    |
| Campaign funding     | MPLA, UNITA, PRS                    | FNLA, BD, PDP-ANA         |                                     |
| Patronage            | UNITA, PRS, FNLA, BD, PDP-ANA       |                           | MPLA                                |
| Money from graft     | UNITA, PRS, FNLA, BD, PDP-ANA       |                           | MPLA                                |
| Clientilism          | UNITA, PRS, FNLA, BD, PDP-ANA       |                           | MPLA                                |
| Donor                | MPLA, UNITA, PRS, FNLA, BD, PDP-ANA |                           |                                     |
| Diaspora             | MPLA, UNITA, PRS, FNLA, BD, PDP-ANA |                           |                                     |
| Covert               | MPLA, UNITA, PRS, FNLA, BD, PDP-ANA |                           |                                     |

Classifications are based on data presented in section 4.1 and 5.1 respectively.