

**POLITICAL PARTY FINANCING AND DEMOCRATIC GOVERNANCE IN
SOUTHWESTERN NIGERIA (1999-2011)**

BY

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CERTIFICATION

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ACRONYMS

ACB	African Continental Bank
ADB	African Development Bank
ANPP	All Nigeria Peoples Party
APC	All Progressive Congress
BIIP	Bureau of International Information Programme
BDCHA	Bureau for Democracy, Conflict, and Humanitarian Assistance
CCB	Code of Conduct Bureau
CDD	Center for Democratic Development
CEE	Central and Eastern Europe
DFID	Department for Foreign Investment Department
CSJ	Center for Social Justice
DPNC	Democratic Party of Nigerian Citizens
EFCC	Economic and Financial Crime Commission
ESC	Economic and Social Council
FEC	Federal Electoral Commission
FN	Front National
FGN	Federal Republic of Nigeria
FRN	Federal Republic of Nigeria
HOS	Head of Service
ICPC	Independent Corrupt Practices and other Related Offences Commission
INEC	Independent National Electoral Commission
NATO	North Atlantic Treaty Organisation

NCNC	National Council of Nigeria
NDI	National Democratic Institute
NDIIA	National Democratic Institute for International Affairs
NNDP	Nigerian National Democratic Party
NRC	National Republican Convention
PAC	Political Action Committee
PCF	Party Communiste Francais
PDP	Peoples Democratic Party
PSE	Parti Socialiste
PS	Permanent Secretary
SAP	Structural Adjustment Programme
SDP	Social Democratic Party
SIEC	State Independent Electoral Commission
SSG	Secretary to the State Government
UDF	Union pour la Democratie Francaise
UMP	Union pour le Mouvement Populaire
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USA	United States of America

Abstract

The study examined the existing nature of political party financing in Southwestern Nigeria and assessed the political party financing regulation by Independent National Electoral Commission (INEC) in Nigeria. It also determined the relationship between political party financing and electoral success and analysed the influence of the political party financing on democratic governance in Southwestern Nigeria. These were with a view to providing information on the activities of political parties, political financiers and their influence on governance process in Southwestern Nigeria.

Primary and secondary data were used for the study. Primary data were gathered through questionnaire administration and conduct of in-depth interviews. The study population was 756 comprising Local Government executive members of the two major political parties, the All Progressive Congress (APC) and the Peoples Democratic Party (PDP) in 18 Local Governments from each of the three States both selected using simple random sampling technique. Three hundred and eighty respondents covering 50% of the total population were targeted for questionnaire administration, 326 copies were retrieved representing 82.2%. To compliment data collected through questionnaire, indepth interviews were conducted with 30 respondents. These included the state political party chairmen of the two political parties (APC and PDP) in the selected states; three principal officers of the Independent National Electoral Commission; three Permanent Secretaries (Ministries of Works, Finance, Health and Education) in each state; and two coordinators of non-governmental organisations in each state. Secondary data were collected from journals, government publications, political parties' publications, periodicals, INEC publications and the Internet. Data collected were analyzed using percentages, chi-square distribution and content analysis.

The results showed that the existing nature of political party financing in the southwestern Nigeria to a large extent was similar to what is obtainable across the world which included donations from party members and sympathisers, selling of party emblems, intervention from multinational organisations, kickbacks, membership dues, local fund raising, levies from the salaries of party members occupying public positions. The results also showed that political party financing regulation by Independent National Electoral Commission (INEC) in Nigeria was ineffective owing to weak legal framework, which needed to be overhauled. The results further revealed that there was a significant relationship between political party financing and electoral success in southwestern Nigeria ($\chi^2 = 49.1$; $p < 0.05$). Finally, the result showed that political party financing had a significant influence on democratic governance in Southwestern Nigeria ($\chi^2 = 80$; $p < 0.05$).

The study concluded that political party financing in Southwestern Nigeria, to a very large extent, affected democratic governance. Despite the various efforts by relevant organisations to stem the associated problems of corruption, enforceability, and gaps in laws regulating political party finance in Nigeria, the problems persisted and impacted negatively on democratic governance in the zone.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The concept of political party and its finance cannot be isolated from democratic governance. This concept was hitherto seen as wholly within the preserve of political science scholarship and research. While there is not much contestation of this perspective, we are not oblivious of the fact that political science and public administration to some extent, both share a deep-seated scholastic lineage and historical pedigree. The collective characteristics of political science and public administration clearly earn the latter the disciplinary parameters within which political party finance can be investigated.

In the lieu of the foregoing, it is in contention that the overwhelming influence of political party and its finance on governance and administration, most especially on the relationship between political officeholders and civil servants, has made research on same increasingly become analytically compelling within the scholarship of public administration. To begin with, it can be reasonably contended that the goodness or otherwise of democratic governance depends on the nature of influence and the type of relationship that exists between the civil servants and public office holders who gained ascendancy through the instrumentalities of political party. Thus, neither of them can exist without the other. Indeed, this has been clearly illustrated by Chapman's (1959) contention cited in Adamolekun (2013:4) that

the determination of ends, the choice of means, the balance of social forces are the stuff of politics. In these terms, it is clear that some civil servants are engaged in politics. The word 'policy' is

the recognition of this; it is a way of describing what civil servants do when they play a part in determining ends, choosing means and fixing priorities.

From this standpoint, it is evident that both politics and administration are interwoven with political party playing key roles. Thus, one of the most important institutions in democratic governance is political party and its financiers are so influential to the extent that the functionality of political parties is grossly dependent on the ability to get adequate funding. The history of political party finance is as old as that of democracy. The formation of political party and the development of its finance were alien to them in Athens because of the direct nature of representation as a result of communalism that existed then which created no need for political party formation. It is therefore sufficient to state that there was a drift towards democracy in Greece from the beginning of the fifth century B.C., and that democracies and oligarchies alternatively succeeded one another in most of the cities till the battle of Chaeronea, in 338 B.C. (Appadorai, 1975).

The development from the City-State to modern democracy was just a question of direct to indirect representation, which necessitates a platform through which citizens can offer themselves for elections to represent their fellow men at the city hall. The origins of political parties are closely associated with the development of the modern state and representative democracy in Western Europe and United States. An early model of the modern party system developed in Britain in the 18th Century shaped around the efforts of the Whig and Tory parties to control government jobs and influence (Lawson, 2009). A party system in the view of Lawson was also developed in the United States in the decade following ratification of the constitution of the United States in 1788, putting members of the Federalists Party against members of the Democratic Republican Party. Political parties at the early stage in Europe and

America were funded by the individuals and groups within the parties through donations. Although, this was not seen then as a major problem that could aggravate corruption, manipulate public policies and impede good governance until the emergence of modern democracy.

The history of political parties and their fundings in Nigeria can be traced to colonial era when the Clifford Constitution introduced the “Elective Principle” in 1922 which, in the real sense of it, marked the beginning of political party activities in Nigeria. During this period, there was no defined regulatory framework on political party finance. Elections therefore were designed to be contested by those who could meet up with the tax requirement of two hundred Pounds (£200) per year. Elections and campaigns were exclusively financed by private individuals and candidates (Adetula, 2008). The prominence of political party finance became very noticeable with the politics of nationalism in the 1950s, similar to the rent-seeking behaviours of parties, politicians and voters. The electoral laws through which elections were conducted between 1959 and 1960 were derived from the provisions of the British Representation of the Peoples Act of 1948/49 and its inherent regulations. The 1959 elections were conducted under the provision of the Nigeria (Electoral Provision) Order-in-Council, LN117 of 1058 enacted by the British Parliament (FGN, 2007).

The party politics between 1956 and 1966 can be articulated as rudimentary in the Nigerian political party finance regime, as no clear cut ceiling was recognized by the Constitution of the country. The two cases of political party corruption (involving the National Council of Nigerian Citizens (NCNC) and African Continental Bank (ACB) in 1956 and Action Group and the Six Western Nigerian Corporations) were investigated by the Foster Sutton Tribunal of Enquiry and Coker Commission of Inquiry respectively (Obiorah, 2004). During this period, candidates were responsible for the funding of their campaign expenses and political

activities were funded by the party leaders and supporters. This was the case before the incursion of the military into Nigerian politics that ended the nation's infant democracy on January 15, 1966. The Second Republic (1979-1983) witnessed an improvement for two reasons and stood as a landmark in the annals of Nigeria history. First, the dispensation brought the presidential system of government and the Constitution made

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