



Challenging the Norms and Standards of Election Administration: Political Finance Standards

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Laws concerning political finance have become far more extensive and complex in recent years. However, frequently there has been a failure to provide regulatory bodies with necessary knowledge and with the additional resources needed to carry out their new functions. Since it is a growing field, it is important to consider the meaning and boundaries of “political finance” before analyzing any standards.¹ The narrowest definition of “political finance” would be money for electioneering or campaign finance. This money may be collected and spent by candidates for public office and also by their political parties or by other individuals or organized groups of supporters. Political parties play a crucial part in election campaigns in many parts of the world, and since it is difficult to differentiate between campaign costs of party organizations and their routine expenses, political party funds may reasonably be considered “political finance,” too. Karl-Heinz Nassmacher rightly notes that there is the fundamental difference between campaign- and candidate-oriented North American and party-orientated European political finance. He suggests that ‘In Europe, the term political can appropriately be used as a synonym for party finance.’²

However, campaign and party funds are only two kinds of political money and not necessarily the most important. In fact, parties’ expenses and campaign finance are not the only costs of democracy. Many extra-party actors and individuals are involved in political competition with clear political objectives like shaping public policy agendas, influencing legislation or even electoral debates and outcomes. Yet, for the purposes of this paper, “political finance” will be understood to mean only campaign and party finance.

¹ For more details see also Michael Pinto-Duschinsky, *Financing Politics: A Global View*, *Journal of Democracy* (2002), pp. 69-86

² Karl-Heinz Nassmacher, *Structure and impact of public subsidies to political parties in Europe*, in Herbert E. Alexander (ed.) *Comparative Political Finance in the 1980s* (Cambridge: Cambridge University Press 1989)

WHY STANDARDS SHOULD GOVERN POLITICAL FINANCE?

Money provides access to the basic tools of a modern democracy—for example, advertising, running political parties, selecting candidates, mobilizing voters and polling — and for this reason, political finance affects almost every aspect of democratic politics in both developing and consolidated democracies. In order to create a fair and competitive political arena in which politicians are accountable to the electorate and their actions transparent, a democracy must regulate spending on political activities, be they campaign or party activities.

To achieve a fair and competitive system, a country must offer a level playing field in which any political actor can participate and must demand political actors behave transparently and are accountable to citizens. A flawed system of political finance undermines accountability and good governance in multiple ways.³ It not only separates the political elite from society but challenges the whole concept of fair democratic representation.⁴ When political parties are viewed as ineffective and corrupt, people hesitate to associate with them. Unregulated political money can also shape public debate and therefore influence the results of an election. In addition, the expense of running for office can either prevent candidates from doing so, cause them to spend too much time raising money, or accept money from unacceptable sources, and could contribute to public cynicism regarding the political process. Unregulated political finance can also feed the greediness of political parties and candidates, and their increasing financial need can affect the other arenas of democracy.

Furthermore, political parties with authoritarian tendencies can sometimes create pressure on state apparatus, civil society and economic society through the abuse of state resources, physical threats and administrative pressure on potential sponsors. To prevent these possibilities, some international standards have recently been advocated by global and regional international organizations. However, global standards for the funding of political parties are still a controversial issue with scholars and reformers unable to agree on detailed regulations and norms constituting an ideal political finance system.

The reform of political finance regimes is—and should be—very high on the agenda in all democratic countries as greater transparency in political finance and accountability on the part of parties' leaders are essential for democracy. For this reason, it is crucial to discuss the standards that every system of political finance should meet and that encourage parties to undertake more transparent and accountable operations without unnecessary interference from the state bodies. Well-defined political finance rules allow political parties to know what the government expects of them and what they can expect from it (in terms of sanctions or other regulatory activity). Yet, it seems that in most democracies there has been insufficient attention devoted to enhancing the effectiveness of political finance enforcement and increasing the transparency in political finance disclosure.

³ See also Marcin Walecki, *Political money and corruption*, in Global Corruption Report, Transparency International (London: Pluto Press, 2004), pp. 19-30

⁴ As Larry Diamond and Richard Gunther suggest, "The combination of a more or less corrupt system of party and campaign finance with a stream of blatant scandals and a backlog of public aspirations for more responsive government that go unmet (while being amplified by a cynical media) generates growing public disillusionment with democratic politics and government." Larry Diamond and Richard Gunther (eds.), *Political Parties and Democracy* (Baltimore: The Johns Hopkins University Press, 2001), p. XIII.

ARE THERE ANY STANDARDS GOVERNING POLITICAL FINANCE?

Different international standards have recently been advocated by a number of international governmental and non-governmental organizations. Most of them have been broad, thus permitting considerable scope for national variations. Many of the proposals, such as those emerging from organs of the Organization of American States⁵, the Council of Europe⁶, or the Association of Central and Eastern European Election Officials (ACEEEO)⁷ are a clear indication in which direction the future political finance regulations will move. Advocating a set of global standards, even if they are fairly general, is a positive development. Most of the principles need to be sufficiently flexible to be relevant to all democracies and transition countries. Not surprisingly, all of them also emphasize strategies based on public disclosure and address the question of monitoring.

In general, scholars and practitioners would agree that any political finance system should the following minimum requirements that are sufficiently flexible to be relevant to all regimes:

- 1) Equal opportunity to compete in elections;
- 2) Preventing political actors from monopolizing elections through abuse of state resources;
- 3) Preventing the biased and partisan use of enforcement mechanisms against political opponents; and
- 4) Demanding that parties and candidates are transparent about how they collect and spend their money.

Some innovative examples of innovative Public Finance Standards include a recent, bold initiative by the Council of Europe Rec. (2003/4), asking all the member countries to take a number of concrete steps to combat political finance related corruption, ranging from full transparency in party accounts through restrictions and prohibitions of sources of funds to public funding and effective enforcement. The Council of Europe made concrete recommendations on records of donations, the obligation to present and make public accounts, introducing independent monitoring, promoting the specialization of the enforcement agencies and proportionate and dissuasive sanctions. Good practice in political finance is also being promoted by the Organization of American States (OAS) and the Association of Central and Eastern European Election Officials (ACEEEO). These types of general principles and recommendations would be of particular importance for the less structured democracies of the Americas and Central and Eastern Europe.

Unfortunately, in recent decades there has been a generally increasing rush toward more complicated political finance regulations and more subsidies. The rapidity with which legal changes relating to political finance occur in various countries raises serious concerns about their implementation and proper enforcement. The main provisions of the current political finance laws can include: 1) Prohibitions against corrupt and illegal practices (such as vote buying); 2) Financial deposits for candidates for public office; 3) Disclosure rules; 4) Spending and contribution limits; 5) Bans on certain types of contributions (such as foreign contributions, anonymous contributions, or contributions from business corporations); 6) Bans on certain types of spending; 7) Financial audit; 8) Direct public subsidies; 9) Tax relief

⁵ Statement of the Council of Presidents and Prime Ministers of the Americas, the Carter Center and the Organization of American States, Atlanta Georgia March 19, 2003

⁶ www.coe.int

⁷ www.aceeeo.org

and subsidies-in-kind; 10) Political broadcasting rules; 11) Rules concerning financial representatives and accounting; 12) Rules concerning the funding of internal party contests; 13) Rules concerning the funding of referendums; 14) Rules concerning the declaration of assets by candidates for public office; 15) Measures to control the use of public resources for campaign purposes; and 16) Rules concerning the use of government resources by incumbents.

Such provisions sometimes are contained in laws dealing specifically with party finance or election finance. Often they are included in broader laws about elections, political parties, or the prevention of corruption. The existence of a variety of separate laws often complicates the task of the regulatory body or bodies responsible for enforcing the laws. Moreover, as Michael Pinto-Duschinsky rightly points out:

‘The desirable scope of political finance regulations and subsidies is bound to remain a subject of debate. There is little doubt, however, that all too often laws express objectives (such as transparency of political donations) without considering in sufficient detail how to implement those objectives. There is, in short, too much law and too little enforcement.’⁸

Thus, it is necessary to have a more realistic approach to political finance reforms and focus attention on disclosure and enforcement for a number of reasons. First, in developing electoral environments, establishing standards in political finance administration should be built into public expectations so that the relative roles and responsibilities are understood by all electoral actors. Second, all the above limits and prohibitions on political finance can only work if there adequate rules for disclosure and effective enforcement. Without full and timely public disclosure contribution and spending limits could not be monitored or enforced. Disclosure is also crucial to determine whether a party or candidate is complying with different bans, and in public financing systems, disclosure is necessary to calculate the amount of subsidies. Without adequate enforcement, political finance regulations--whether they involve limits, bans or simply disclosure requirements--have little meaning and are unlikely to be respected. Because a lack of enforcement brings the entire political finance regulatory regime into question, the integrity of the process is at stake. Thus, disclosure and enforcement are fundamental to maintaining the legitimacy of political finance regulations.

Disclosure

Disclosure seems to be a necessary condition for any system of public control of political finance, and a variety of disclosure requirements can be adopted.⁹ Political parties are required to submit routine or periodic financial reports to public officials. And, in most systems, electoral committees and candidates are required to file special reports during or immediately after election campaigns. In general, disclosure may help accomplish a number of tasks:

1. Financial disclosure contributes to an overall transparency of the electoral process, offering voters an opportunity to learn more about political contenders in order to make an informed decision at the polls.

⁸ Pinto-Duschinsky (2002), p. 81

⁹ For the most comprehensive study of political finance disclosure see *Money in Politics Handbook: A Guide to increasing transparency in Emerging Democracies*, USAID (Washington: Office of Democracy and Governance 2003)

2. Requirements to disclose sources of funding are likely to stimulate parties/candidates to raise and also spend their financial resources in ways that are acceptable to a majority of voters and do not provoke political scandals.
3. Disclosure emerges as an obstacle to corruption and trading in influence that are likely to be greater when the financial transactions between political parties and companies are hidden from the public eye.
4. Public disclosure can serve as a barrier to excessive campaign spending in particular countries/cultures where money in politics is viewed with suspicion or money is not seen as all-powerful.

Still, when it comes to this simplest and least controversial principle of political financing there is a wide gulf between accepting such a principle and knowing about the specific problems involved in regulating public disclosure. Any political finance system should aim at two basic requirements regarding political finance disclosure to aid monitoring of financial transactions of political parties, candidates, or other electoral participants, and to enable the Political Finance Regulator (PFR) to effectively detect and penalize violations of the law:

1. The law should require each party or candidate to authorize one particular committee, and designate one specific individual, serving as the financial agent (“treasurer”), to be responsible for all receipts and expenditures of that political entity. Any political party or its’ committee should use only one bank account, which is fully reported and disclosed to the PFR, for all financial transactions. By permitting only one conduit for all financial activity, the law thus enables the Political Finance Regulator to effectively “follow the money” and track political finance activity.
2. The law should require comprehensive disclosure of all financial transactions. Regarding receipts, the party or candidate should disclose the amount and nature of each contribution (*i.e.* whether check, cash or non-monetary [“in-kind”]), and the identity, address and employer/business of each contributor. In terms of expenditures, the law should require disclosure of all spending, including the date and amount of expenditure and its recipient, and all debts and liabilities incurred by the committee. The law should also require the disclosure of loans and advances received by the party, including the lender’s identity and business/ employment, the date and amount of the original loan or advance, and the date when the loan or advance was repaid.

An important issue to be stressed is the timing of disclosure reporting or, rather, the delay in reporting. Ideally, election reports should be submitted and published from one week to 10 days before an election, and following an election (usually 30 or 60 days after the election). With the technology available today, information can be sent to the regulatory body in “real time” and then posted on its website. In jurisdictions ranging from the United States to Lithuania, computer software is provided to parties and/or candidates for ease in submitting financial reports. These reports should be formatted in such a way that further statistical and/or audit study is made easy to perform.

In addition to providing regulators the ability to track campaign-related expenditures, pre-election disclosure provides the public with information that is critical to their voting decisions. Such was the U.S. Supreme Court’s reasoning in *Buckley v. Valeo*,¹⁰ one of the most important decisions in political finance legislation:

¹⁰ *Buckley v. Valeo* 424 US 1 (1976).

Disclosure provides the electorate with information as to where political campaign money comes from and how it is spent by the candidate in order to aid the voters in evaluating those who seek federal office. It allows the voters to place each candidate in the political spectrum more precisely than is often possible solely on the basis of party labels and campaign speeches. The sources of a candidate's financial support also alert the voter to the interests to which a candidate is more likely to be responsive and thus facilitate predictions of future performance in office.¹¹

Furthermore, disclosure enhances the accountability of political parties and provides monitoring and enforcement agencies with all the information necessary for proper verification. However, for these objectives to be achieved, all financial reports covering routine and campaign funding should fulfil the following criteria:

1. Reports should provide for the full accounting of assets and liabilities for the reporting entity ('Baseline' financial statement – required just once or on a cyclical basis);
2. Reports should be prepared by the independent body as a result of consultations with parties and candidates and should be supported by manuals/ guides and trainings;
3. Reports should be based on a calendar timeline, such as annual, biannual, or quarterly reporting schedule;
4. Reports should be introduced before the beginning of the reporting period;
5. Reports should be publicly accessible (e.g., Internet, newspapers);
6. Reports should be detailed and comprehensive (but not absurdly detailed) and should reflect conventional accounting standards;
7. Reports should include, in addition to contributions and expenditures, information about in-kind donations, received loans and credits, as well as debts;
8. Reports should be unified for routine operations and campaign finance;
9. Reports should be understandable to the public at large;
10. Reports should be available for future reference.

While disclosure is an important element that should be present in all political finance regulatory systems, there are some limits to the reporting that can be required from political parties. Excessive reporting requirements may act as a deterrent to political participation by increasing the level of intrusion into political parties' internal organization and candidates' personal lives and by raising the costs of standing for elected office beyond the reach of ordinary citizens. The challenge is to create a political finance system that makes political finance regulation meaningful without becoming a barrier to full citizen participation and development of multi-party democracy. This would depend on a number of factors, including level of democratization, sophistication of the party system, freedom of media, political values.

Finally, though disclosure is desirable in most cases, there are countries in which it is a dangerous policy. A recent study of Ukraine, for example, has demonstrated that donors who declared their financial support for opposition parties were then harassed by the tax authorities as a punishment.¹² In potentially violent, repressive regimes compulsory disclosure of political contributions has the effect of making it very difficult for opposition groups to organise political campaigns. In fact, Keith Ewing points to the example of the established democracy, an instance in which compelled disclosure led to harassment—in *Brown v.*

¹¹ Ibid., p. 67.

¹² See Marcin Walecki, *Ukraine*, in Global Corruption Report, Transparency International (London: Pluto Press, 2004)

*Socialist Workers' 74 Campaign Committee (Ohio)*¹³—“with the result that Ohio disclosure laws were held unconstitutional to the extent that they applied to the Socialist Workers Party.”¹⁴

Enforcement

The narrow definition of political finance enforcement is “control exerted by an enforcement agency which gives force and authority to a political finance system.”¹⁵ Enforcement is essential to any regulations of political finance, starting with disclosure. The reason is quite simple: without enforcement, regulations - no matter how well intentioned - have little value. However, an ideal enforcement mechanism should include not only a controlling body but requires a comprehensive system consisting of all the components found in a justice system, namely: investigation, prosecution, adjudication, and sanctions. Such a system will also depend on the cooperation of various stakeholders and relies on the monitoring mechanisms provided by parties' financial agents, auditors, banking institutions, government bodies, anti-corruption watch-dog organizations, and the media.

The enforcement of a political financing law is particularly important, since a regulatory scheme is only as effective as the consequences for violating it. In practice, the political finance enforcement agency can detect possible law violations through three processes: 1) Monitoring — potential violations are discovered through a review of financial reports or through an audit; 2) Complaint — an individual, a political party or a civil society organization may file a complaint, which alleges violations and explains the basis for the allegations; 3) Referral — possible violations discovered by other agencies should be referred to the main political finance enforcement agency.

An effective enforcement regime is one that enjoys legitimacy in the eyes of the parties, the candidates and, especially, the electorate. There many democracies with cases of non-enforcement but the following reasons seem to be particularly problematic :

1. Ambiguous laws – terms such as “donation”, “campaign expenditure”, “campaign period” “reporting” are often ill-defined or undefined;
2. Failure to specify penalties or inappropriate penalties – laws sometimes set out offences but they fail to specify any penalties for them. At the same time if penalties are disproportionately severe, regulatory bodies may be reluctant to impose them
3. Lack of administrative capacity and lack of authority in a regulatory body – often the resources given to bodies responsible for administering political finance laws are not increased to keep pace with new complex laws and subsidies. In addition, the PFR may lack powers needed for effective enforcement, including auditing, investigating or assessing penalties
4. Political constraints and lack of independent PFR – Political Finance Regulator can consist of political loyalists, or even politicians who are reluctant to enforce laws against their colleagues. Furthermore, even non-partisan commissioners may be reluctant to challenge the government party due to the personal fear or the fear that the commission's budget will be cut in retaliation.

According to Khayyam Paltiel, “Enforcement demands a strong authority endowed with sufficient legal powers to supervise, verify, investigate and if necessary institute legal

¹³ *Brown v. Socialist Workers' 74 Campaign Committee (Ohio)* 459 US 87 (1982).

¹⁴ Keith D. Ewing, *Money, Politics and Law* (Oxford: Oxford University Press, 1992), p. 195.

¹⁵ See *Training in Detection and Enforcement (TIDE) Handbook*, (Washington DC: IFES 2005)

proceedings. Anything less is a formula for failure.”¹⁶ The state must take on this responsibility and, to fulfill it properly, must become more accountable itself. Otherwise, efforts to enforce political finance rules and fight corruption and lawlessness might have the opposite effect. In the absence of the rule of law, an unaccountable government might choose selective and partisan implementation of political finance regulations. Such a choice can reduce electoral competition and lead to long periods of one-party domination. Given this risk of abuse, designers of political finance regulations must simultaneously seek to encourage disclosure and protect political donors from possible harassment or invasion of privacy. This is particularly true for countries in transition, during which the party in power tends to use the state apparatus to its advantage.

An accountable system of political finance presupposes other democratic institutions are sufficiently organized to discipline political actors and may need to be reconsidered where such conditions do not exist. In countries where a strong and independent Political Finance Regulator is feasible, the following recommendations¹⁷ could enhance enforcement:

- Obligations, offences and penalties must be clearly identified in law. Political Finance Regulator should outline clearly who is to be held accountable for which infringement of the law.
- Lawmakers must anticipate that parties and candidates will seek ways to get around limits and disclosure requirements. Thus penalties should be clearly provided in statute. At the same time, it should be recognized that penalties such as fines or imprisonment are not the only response, or even the best response, to some types of infractions. Other avenues, particularly administrative sanctions, can often be more effective.
- System should encourage political parties and candidates to monitor their own financial activities and comply with the requirements of professional bookkeeping
- Sufficient resources--in the form of training and personnel--are also necessary to enable timely and effective review, audit and investigations.
- Enforcement requires that an enforcement agency has the capacity to monitor for compliance, review and audit financial reports, investigate alleged infractions, negotiate and, where necessary, apply the appropriate penalties.
- Public trust and participation are fundamental to any effective enforcement regime. External complaints should be encouraged and treated seriously.

In order to function properly, the enforcement agency must also remain independent and possess adequate resources to monitor and investigate party/candidate finances. Its autonomy and independence must be supported by its budget, but it, too, should be accountable to Parliament for the proper use of public funds. Furthermore, if too little enforcement renders political finance rules meaningless, too much enforcement can paralyze the system by rendering it overly rigid.¹⁸

¹⁶ Khayyam Z. Paltiel, *Party, Candidate and Election Finance*, study no. 22, Royal Commission on Corporate Concentration (Ottawa, Ont.: Queen's Printer, 1976), pp. 108-109. In addition, Keith Ewing states, "History has taught the lesson that there is little point in enacting promising legislation which is unaccompanied by the necessary administrative support." Ewing (1992), p. 85.

¹⁷ Based on ACE update prepared by the NYCCFB

¹⁸ Diane R. Davidson, *Enforcing Campaign Finance Laws: What Others Can Learn From Canada*, Election Law Journal 2004

In addition to ensuring the presence of a strong and independent enforcement agency, an effective political finance regulatory system also incorporates four other elements that aid the enforcement function: Auditing; External Complaints; Investigation; and Sanctions.

Auditing

One method in attempting to assure the accuracy and integrity of financial accounts submitted by parties and/or candidates is to require that they be examined and certified by professional auditors. An audit is an examination of an entity's financial statements, financial records, and banking information which have been prepared by the entity's financial agents for other interested parties outside the entity, and of the evidence supporting the information contained in those financial statements. There can be several possible levels for audit reviews:

1. Field audits and simple visits to campaign offices (to establish that an actual campaign is being conducted and that records are being properly maintained, among other observations that may be made);
2. Statement review (looking for violations that appear on the face of statements filed by a campaign);
3. Review of back-up documentation (Are copies of checks from contributors available and do they match reported contributions in the filed statements?); and
4. Evaluation of overall campaign information (How does this particular campaign compare against an "average"? Is rent reported? Are certain expenditures unusually high?).

Audits also look at internal controls to ensure compliance with the legal and regulatory requirements, and internal controls for financial reporting and safeguarding assets. The timing of any audit review can be very important. In a jurisdiction that offers public funds to campaigns, an early field audit/visit can help the campaign correct errors early on, saving it from problems later on, and help regulators uncover activities that are prohibited—before any public funds are dispersed. Audit is a precondition for any serious enforcement system in which the agency is authorized to review all reports to determine whether they are in compliance with the rules and to conduct field audits, including random audits, of the entities required to file financial reports. In some cases, agencies do have random audit authority, although they rarely have the resources necessary to conduct them.

External Complaints

Any enforcement agency will be able to detect only a fraction of all the violations if it relies exclusively on its internal monitoring of financial reports submitted by obliged entities. Thus, an effective agency should also rely on external complaints of suspected wrongdoing. In an ideal system, any civil society organization, journalist, or even individuals who believe that a violation has occurred, or is going to occur, should be able to file a complaint with the agency. Press reports can be a particularly good source of information. The complaint process can require a formal, written document satisfying specific criteria for a proper complaint, or can have a more liberal character, with the enforcement agency taking action based on press articles or informal allegations. In transition regimes, and particularly in post-conflict societies, voters who are in the best position to observe questionable campaign practices may be the most reluctant to come forward with a formal complaint, since they often fear reprisals. Therefore, in order to encourage individuals to share information with the enforcement agency, it is recommended that complainants be given whistleblower protections against reprisals. Yet, some political finance systems give the enforcement agency the discretion to act even on information it receives anonymously.

Investigation

While random checks and audits are part of the regular apparatus of control, political finance regulators need to watch for signs of irregularities that warrant closer scrutiny. Ideally, the legal burden of proof should always be on the political party or the candidate to show compliance with political finance regulations. The tendency in a number of democratic countries is for the political finance enforcement body to have the power, either on its own initiative or in response to complaints, to make enquiries concerning all aspects of political finance. The enforcement agency can investigate, for example, any allegation or suspicion that a political party or candidate failed to disclose the names of substantial donors or illegally accepted foreign donations. Any successful enforcement agency should have its own written policy on initiating, continuing or terminating an investigation. Agencies should also take into account public interest factors in decisions related to investigation. In many systems, anonymous requests are not considered; however, in some countries, a citizen may file an application for investigation if he/she has strong proof that the party or candidate acted illegally.

Sanctions

As a starting point, any political finance system should clearly define violations of disclosure or reporting requirements, such as: 1) Hiding financial activity by use of separate accounts or surrogates; 2) Failure to file reports; 3) Submission of false or incomplete reports; 4) Late filing of reports; and 5) Failure to provide adequate documentation. It should also identify (and impose) effective, proportionate sanctions that can deter malfeasance. Though there is considerable diversity in the penalties currently in use around the world. The more serious of these penalties—the dissolution of a political party, for example—should be used with the utmost restraint, given the essential role political parties play in any democracy. Experience from many countries has shown that effective enforcement more often results from financial penalties (including denial of public funding) than from severe criminal sanctions. Criminal prosecutions that take place after elections do not immediately impact voter behavior,¹⁹ and some experts counsel against the severest sanctions, arguing that some of the penalties are too severe for the circumstances and might discourage enforcement. Laws that are on the books but routinely ignored do not serve as deterrents and can undermine the rule of law.

CONCLUSION

Given the diversity of political systems and differing levels of democratic development, there will be no single best model of political finance for every regime. Rather, systemic differences will always produce a range of effective practices. However, it is important to establish standards in political finance administration to which these diverse practices should aspire. Standards set public expectations and allow all electoral actors to understand their respective roles and responsibilities. To increase the effectiveness of political finance control mechanisms, this paper argued that greater public disclosure and effective enforcement are fundamental for any transparent and accountable system.

Disclosure and enforcement are essential in order for other political finance regulations to be

¹⁹ "Because prosecutions will almost always occur after the election, any adverse publicity surrounding convictions does not threaten immediate voter reaction at the polls, which is supposedly the most effective deterrent to improper conduct. By the time his aides are prosecuted, the candidate who has benefited from violations of the act may well be already in office." Dawid W. Adamany and George E. Agree *Political Money* (Baltimore: The Johns Hopkins University Press, 1975), p. 103.

meaningful. Contemporary analyses of global political finance show a worrying gap between legal requirements and actual practice. One result of the ineffectiveness of public control has been the growing level of political corruption, apathy and public cynicism.

Public trust in the regulatory system as a whole, and in independence of enforcement agency in particular, are more important than a quantity of restrictions and bans. Political finance regulations and their enforcement should serve to build a climate of trust in the electoral process and should not be used for partisan purposes. Thus, any Political Finance Regulator must be free to act without influence from political parties or a government.

The funding of political parties in some established democracies might be more transparent than that of a decade ago. But many newly democratizing countries still continue to search for a better system of regulating money in politics. Success will come over the long term as new realistic reforms emphasizing disclosure and effective enforcement are proposed, designed and enacted.

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