



IFES POLITICAL FINANCE WHITE PAPER SERIES

From Discourse to Action:
Avoiding Pitfalls in Political Finance
Disclosure Initiatives

Jeffrey Carlson

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**FROM DISCOURSE TO ACTION:
AVOIDING PITFALLS IN POLITICAL FINANCE
DISCLOSURE INITIATIVES**

**By
Jeffrey Carlson**

Political finance is not a new discipline, especially in western democracies. The United States has been addressing the regulation of campaigns since 1867. As political finance systems developed over the last century in established democracies, there were new laws, regulatory bodies, and court interpretations. With each came new ways for political actors to circumvent the legal provisions in the laws. The study of political finance seeks to identify the most appropriate balance in financing political activities and the means by which provisions can be enforced and political actors held accountable.

The establishment of democratic governments in South America and the fall of the Soviet Union gave rise to large-scale democracy promotion efforts beginning in the late 1980's. This paper will explore the role that international assistance organizations can and should play to promote transparency and accountability in the area of political finance. It will first define what we mean by political finance and briefly explore the rise of the discipline as it relates to countries in transition. It will then discuss the role of disclosure in promoting access to information and accountability in established and consolidating democracies, semi-authoritarian regimes, and emerging democracies.

With this background, the paper will discuss the different types of political finance programming that can promote best practices. As each of these types of programming involves possible problems in its implementation, the paper will explore these pitfalls. Included in this discussion are the roles donors, international assistance organizations, practitioners, and academics can play by working effectively together in this relatively new field.

While there has been a great deal of discourse on political finance, little has been done to actively address the issue in emerging and consolidating democracies. The limited efforts that have been made represent some concrete successes while highlighting potential problems in implementing sustainable political finance systems. In its conclusion, this paper will suggest how overcoming these pitfalls will lead to a higher level of accountability among political parties, candidates, and elected officials and will promote confidence in the political process.

1. What is Political Finance?¹

Political finance is a broad term that covers campaign and party finance; use of funds for legitimate, irregular, or illicit political activities; use of state resources for political purposes; and media coverage during the campaign. As such, it encompasses both formal and informal, financial and in-kind political income and expenditures. Further, these transactions may occur inside or outside the campaign period, or they may be not directly related to a campaign at all.

Campaign finance refers to transactions that are related to an electoral campaign. Such transactions may include formal and legal financial or in-kind donations or expenditures. Formal transactions that occur within the scope of the law may be augmented by public financing of campaigns. Informal transactions may occur outside the scope of the law. These may include legitimate in-kind expenses for which no accounting is required. But they may also range from vote buying to unaccounted in-kind support from private and government enterprises to abuse of public resources.

Political party finance refers to non-campaign-related financial or in-kind donations to political parties, organizations, and associations, as well as expenditures made by these groups. Public financing of political parties may also occur, often as the result of garnering a certain percentage of the vote in an election.

¹ See <http://www.moneyandpolitics.net>.

2. Addressing Political Finance in Transition Countries

The discipline of political finance in transition countries has lagged behind the rise of international democracy promotion efforts. In the 1980's, several groups were formed in the United States to address the development and consolidation of new democracies. These include institutions such as the National Endowment for Democracy (NED) and organizations such as IFES, the National Democratic Institute (NDI), the International Republican Institute (IRI), the International Research and Exchange Board (IREX), and others. With support from donors such as the United States Agency for International Development (USAID) and private foundations, these groups emphasized different facets of democracy promotion—from electoral reform to political party development to media training. They were soon joined by western European counterparts and the United Nations Development Program in funding and providing technical democracy assistance.

Since the end of the 1980's, several books and comparative studies have been written on political finance, focusing on established and consolidating democracies.² They explored ways to transfer knowledge from established democracies in order to promote sustainable political finance systems. However, during the 1990's, while efforts were underway to strengthen nascent democracies, little emphasis was placed on political finance assistance. For the most part, priorities were to strengthen independent media, build political parties, create an independent judiciary, and establish the laws, regulations, and institutions needed to hold free and fair elections.

This is not to say there were no efforts focused on political finance. Organizations such as IFES did begin to address this important issue in new democracies. For example, through its election law drafting initiatives in Russia and Indonesia, IFES put great effort into closing political finance

² See Herbert Alexander (ed.), Comparative Political Finance in the 1980s, 1989; Herbert Alexander and Rei Shiratori (eds.), Comparative Finance among the Democracies, Westview Press, 1994; "International Political Finance: the Konrad Adenauer Foundations and Latin America," in The International Dimensions of Democratisation: Europe and the Americas, ed. Laurence Whitehead, Oxford UP, 1996; and Janis Ikstens, Daniel Smilov, and Marcin Walecki, Campaign Finance in Central and Eastern Europe: Lessons Learned and Challenges Ahead, IFES Reports, IFES 2002.

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loopholes and helping local partners develop the appropriate balance of public funding and limits.

However, as new democracies, particularly those in Central and Eastern Europe, developed politically and began to host more credible electoral processes, the political corruption in their systems became clearer. With few laws and regulations governing disclosure and few bodies with the political will to enforce the laws on the books, poor political finance practices began to become entrenched. Thus, while political finance emerged as an issue in these countries years after their transitions had begun, international democracy promoters learned an important lesson. In order to avoid entrenched practices of corruption, political finance must be addressed from the beginning.

By 2004, many in the development community appeared to realize this fact. Conferences held by groups such as IFES, the British Council, and the World Movement for Democracy; handbooks produced by USAID³ and International Institute for Democracy and Electoral Assistance (IDEA)⁴; and studies launched by the United Kingdom's Department for International Development (DFID) and NDI raised the level of discourse and increased the tools available to both political finance regulators and international assistance organizations. For example, IFES has successfully launched its Money and Politics (MAP) Program, and OSI Justice Initiative is undertaking an NGO monitoring initiative, but few organizations have yet to utilize these resources to provide direct assistance. On the one hand, the multiple approaches of these various initiatives have encouraged innovation, while on the other hand, preventing the development of a comprehensive and coordinated approach that will be needed to be successful in targeted countries.

³ Money in Politics Handbook: A Guide to Increasing Transparency in Emerging Democracies, Technical Publication Series, USAID, November 2003.

⁴ Reginald Austin and Maja Tjernstrom (eds.), Funding of Political Parties and Election Campaigns. Handbook Series, International Institute for Democracy and Electoral Assistance, 2003.

3. Access to Information and Accountability

There are varying degrees of political finance development around the world. However, there is no single blueprint for achieving the delicate balances between public and private funding, public and paid advertising, and spending and donation limits. Two points, however, are clear. First, policy makers and legal drafters need information to formulate practical and appropriate legislation and regulations. Second, existing laws must be enforced to reduce corruption and lend credibility to the system. Disclosure is a critical component of this process.

In this sense, disclosure refers to the reporting of political finance accounts to a government body. Effective disclosure works when these accounts are detailed, timely, and available for public scrutiny. However, one must be aware that disclosed information can be inaccurate or incomplete. At times, information is left out that may fall within the gray areas of the law. In other cases, information that a candidate or political party wants to hide from the public is left out of reports. Nevertheless, even when reports are incomplete, they serve a very useful purpose. In either case, disclosure provides a key starting point for political finance regulators (such as election management bodies, anti-corruption bureaus, and the judiciary) to begin effectively enforcing legislation.

Further, the more access to accurate and complete information that civil society actors demand, the more likely it is that the information will be analyzed. For example, civil society organizations such as the Institute for Democracy in South Africa (IDASA) and Asociatia Pro Democratia (APD) in Romania are actively using access to information provisions in the law to seek more complete and public disclosure of political finance information. IDASA is currently employing the court system to encourage compliance with access to information requirements while APD is utilizing the formal application process with the government. In the United States, access to

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information has led to a plethora of websites that allow visitors to search and analyze the data available in creative ways.⁵

There is no clear correlation between the level of disclosure required by law⁶ and the level of political development of a country. However, there is a clear consensus that open government and access to information are key underpinnings to sustained economic and democratic development. Access to information through disclosure helps policy makers to formulate political finance legislation and political finance regulators to enforce the laws. Further, using disclosure to follow the money trail gives political parties, candidates, media, NGOs, academics, and voters the opportunity to hold political parties, candidates, elected and other government officials, and judges accountable. When these groups have access to political accounts and understand and use the information made available by the campaigns, journalists, research, and choices at the polls, they provide effective oversight.

While access to information in and of itself does not necessarily lead to the emergence or consolidation of political systems in transition, it is what allows citizens to hold political actors accountable. There are countries, such as Sweden, that have no formal disclosure laws, yet the parties still share this information in an informal and transparent manner. They do this because of the recognized benefits of access to information for the legitimacy of the party among a population with a strong democratic culture. There are also countries in which disclosure can be problematic, and Walecki points out that the “context and level of democratization must be factored in.”⁷ These are countries in which the level of political corruption and state control requires a “certain degree of privacy and freedom from harassment.”⁸ Aside from these rare cases where a country is not ready for full disclosure, access to information through disclosure should always be a clear goal.

⁵ <http://www.commoncause.org/laundromat> and <http://www.fundrace.org> are two examples of websites that rely on information from the U.S. Federal Election Commission.

⁶ See research by Michael Pinto-Duschinsky in “Appendix A: Basic Disclosure Rules in 118 Countries” of the Money in Politics Handbook, USAID.

⁷ Marcin Walecki, “Ensuring Equal Rights in the Election Process,” IFES Political Finance White Paper Series, IFES, 2004, p. 6.

⁸ *Ibid.* p. 7.

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Semi-authoritarian regimes⁹ pose precisely the problem Walecki identifies. In countries such as Azerbaijan, Kyrgyzstan, or Ukraine, should disclosure be promoted? If so, how? Using Carothers' democratic transition model,¹⁰ Ottaway argues that there are three stages of democratization for emerging democracies—liberalization, the transition proper, and consolidation—with different donor strategies traditionally attached to each. Without going into great detail, she discounts the validity of this model when applied to semi-authoritarian regimes. In such regimes, she argues, liberalization and elections represent the end of the process rather than its initial phase. Further, while personalities are important, their exit from the scene does not necessarily precipitate change as the political conditions remain.¹¹ This hypothesis is currently being tested in the Caucasian Republic of Georgia and in Serbia, where regime change has opened the door to true democratization.

If the conditions for semi-authoritarianism exist, what can be done to change those conditions to promote effective disclosure? First, in the short term, one can begin to utilize the limited openness to promote advocacy among coalitions of civil society organizations and reform-minded politicians to promote change. In many of these environments, however, such coalitions may be viewed as a threat by the government and effectively shut down. In the long term, a focus could be placed on building the capacity of political parties to account for their income and expenditures, of civil society organizations to effectively monitor campaigns, and of the media to cover elections. Over time, it is hoped that in both the short-term and long-term, the enhanced flow of information and ideas and the increased capacity of key agents of change will support a gradual transformation of these conditions. Doing so will allow these groups to quickly monitor disclosed accounts should

⁹ According to Martha Brill Olcott and Marina Ottaway, the defining characteristics of semi-authoritarian regimes is "the existence and persistence of mechanisms that effectively prevent the transfer of power through elections from the hands of the incumbent leaders or party to a new political elite or political organization." See "The Challenge of Semi-Authoritarianism," Working Paper, Washington: Carnegie Endowment for International Peace, 1999.

¹⁰ See Thomas Carothers, *Aiding Democracy Abroad: The Learning Curve*, Washington: Carnegie Endowment for International Peace, 2003.

¹¹ See Marina Ottaway, *Democracy Challenged: The Rise of Semi-Authoritarianism*, Washington: Carnegie Endowment for International Peace, 2003.

an enabling environment present itself. Such a situation recently occurred in the Caucasian Republic of Georgia. Within months of the revolution, a database of political accounts was up and running.¹²

What about countries that may be well into the consolidation phase of their democratic development, but have not yet promoted political finance disclosure? The case of Central and Eastern Europe discussed in the preceding section highlights the dangers of not addressing this issue early on. Perhaps, it could even be argued that issues related to access to information need to be addressed during the liberalization phase of democratization in order to prevent the spread of political corruption later on in the process. A measured and appropriate approach to political finance development must be seriously and immediately considered in the societies emerging from conflict—like Afghanistan, Iraq, and Haiti—in order to prevent levels of political corruption similar to those that have become entrenched in other consolidating democracies.

4. Promoting Best Practices and Possible Pitfalls

There are a number of approaches that can be taken to promote political finance disclosure. These have been captured in the *USAID Money in Politics Handbook* which will be used as the starting point for the discussion. Each area has inherent pitfalls that should be avoided in order to promote effective initiatives. These pitfalls can be summed up into four general categories (See Table).

¹² See http://www.cec.gov.ge/finance/finansuri_angarishieng.php.

TABLE
Potential Pitfalls in Political Finance Initiatives

Pitfalls	Definition
Go-it-alone	Failure to promote coalitions of key agents of change on both a national and regional level reduces the capacity for effective advocacy and accountability.
Inappropriate Reform	Ill-conceived or incomplete legal and/or procedural assistance based on incomplete information can lead to more problems than they solve.
Bad Timing	Attempting to support a specific reform in an imperfect or inappropriate environment can fail without the requisite public support and/or political will.
Disconnect	Failure to involve key players in the process at each step of the way can lead to solutions that these players do not have the capacity to implement.

Overcoming these pitfalls will require effective coalitions on all levels to promote the sharing of information, engender political will through advocacy and other means, and to ensure effective initiatives.

This paper will further base its analysis on IFES' experience conducting disclosure-oriented programs throughout the world to highlight how best practices can be promoted and lessons can be learned from the process.

4.1 Establishing and Strengthening Coalitions and Their Members

Greater transparency in political finance requires joining the forces of those interested in reform, potentially including civil society organizations, political parties or selected politicians, the media, and election commissioners.

-USAID Money in Politics Handbook, p. 47.

Building coalitions of key actors is perhaps the most important aspect of political finance strengthening. Through its MAP Program, IFES continuously seeks to increase the capacity of these key actors while building coalitions among them. Country-specific and comparative information is necessary to increase awareness and give civil society organizations and media the tools they need to perform their oversight role. When working with

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civil society organizations and journalists, there is a danger that they may lack the capacity to put the training and information they receive into action. Building their capacity thus becomes an integral component. For example, with some notable exceptions in places such as Romania, civil society organizations and political parties often fail to actively incorporate political finance into their election monitoring activities. This is due in part to the lack of a coherent methodology to do so.

Further, while media awareness is important, coverage will not be effective unless key journalists have investigative skills and have established linkages with political finance regulators, parties and politicians, watchdog organizations, and academics. Journalists may also face a problem with editorial censorship as they may be unable to publish controversial articles unless media owners, producers, and editors allow them to do so.

Capacity is an issue when working with political finance regulators, such as central election commissions. It is important that technical assistance initiatives take into account their strengths and work effectively with their weaknesses. They also need to be aware of the limits of existing laws. Further, initiatives designed to promote more detailed reporting need to take into account the capacity of the reporting parties to collect and provide the information.

The most effective way to collect and disseminate information is through electronic means (where available). The collection and dissemination of accounts is done effectively in countries such as the United States and Australia. In Lithuania and Georgia, the Internet is used to store data and make it available to the public while allowing parties to transmit data electronically.¹³ In both cases, it can be expected that the use of the Internet will reduce the labor it takes to collect, store, and organize these accounts over time. The same can be said about easing the auditing process, as reported information becomes more detailed, readily available and searchable. The timely implementation of such a database and its long-term

¹³ In both cases, the database is based on the IFES MAP Database template.

sustainability are in jeopardy if the implementers do not have adequate access to qualified, in-country information technology expertise.

Key coalition actors also need information about how to use the political finance account data and about the context within which it exists. Prior to launching any initiative, it is crucial that country-specific assessments are conducted where information is lacking. In addition to basic source materials (e.g., laws, regulations, court cases, etc.), academics can and should play a key role. Almost every country has at least a handful of leading academics researching issues related to money in politics and corruption. Unless this research is targeted and continuously updated, however, there is a danger that the utility of the research will be reduced.

Coalition actors also have a great deal to share with each other. For example, academics often provide long-term analysis and civil society organizations identify past discrepancies that can be used by journalists when investigating a specific case. Bodies such as election commissions and the judiciary can provide legal background and official information, in addition to access to public accounts. All of this activity serves to increase the utility and accessibility of information.

4.2 Reviewing and Enhancing the Legal Framework for Disclosure

[F]ew nations have adequate disclosure laws and regulations, and ... having such a framework does not necessarily mean that it is enforced. ... Complex, unclear, or absent laws hinder the ability of enforcement bodies to do their jobs, including the application of sanctions for non-compliance.

-USAID Money in Politics Handbook, p. 49.

As mentioned earlier, there is no perfect formula for a political finance regime, but there are some avenues to meaningful reform. Legal reviews and commentaries often serve as the baseline for technical assistance promoting legal reform. There is a danger, however, that if the reviews are rushed, subsequent recommendations may be incomplete. Further, if reviews and recommendations are incomplete, there is a danger that additional loopholes

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are created as some are closed. Recommendations must take into account the country's context as well as the capacity of political finance regulators, political parties, and candidates to comply with the law. For example, if in-kind contributions and volunteers are to be accounted for, how will they be valued? Can they be valued in the given environment? Questions like these are particularly important to address when the government is providing resources to incumbents.

Promoting effective reform also requires a coalition of key actors as discussed above. Reform-minded politicians can be supported by advocacy groups pressing for disclosure regulations through public fora and lobbying. They also can utilize information from academics and the media to help make their case and gain public support. This process can be effective. However, reformers need to be careful. First, the use of inaccurate information can undermine their whole case for reform. Second, timing is critical when promoting legal and procedural changes. Timing an effort around an emerging political finance corruption scandal, such as the Watergate scandal or the recent impeachment of the president of Lithuania, can increase public support for a reform initiative. In cases where there is a regime change and a nascent democracy, such as in Indonesia and Bosnia and Herzegovina, political finance initiatives can and have been very successful in promoting change and setting the foundation for future reform.

However, moving too fast or acting at the wrong time may cause a backlash among political forces that do not want or do not have the political will for change. In Hungary, for example, there was a desire among the election office to promote public disclosure over the Internet, but little political will existed among political actors to enact such change. Romania has faced similar difficulties. Faced with scarce political will, APD (the local NGO discussed above) has found it difficult to access data—that should be public—through the freedom of information laws.

Thus, it is clear that well conceived, appropriate, and properly timed approaches to reform that build on coalitions are the key to success.

4.3 Encourage Reform with Political Parties and Leaders

Political parties and leaders can be engines of political finance reform and proponents of public disclosure.

-USAID Money in Politics Handbook, p. 49.

Supporting reform-minded politicians with information, encouragement, and exposure can lead to effective reform. Such reform can result in new laws and the emergence of large coalitions inside a country's parliament. As mentioned above, timing this support properly may be critical to cause change. Further, when working with advocacy groups on a reform agenda, it is critical include reform-minded politicians at an early stage.

When implementing reform, it is important to move beyond select reform-minded politicians to bring all major political parties and leaders into the process at an early phase. In Georgia and Bosnia-Herzegovina, IFES encouraged the respective election commissions to work with political parties to help develop the reporting forms. As a result, the forms they developed took into account the parties' internal accounting procedures and capacities. The danger of not doing so is that the forms may ask for information that is difficult to locate, or they may be otherwise difficult to complete, thereby discouraging compliance. Early training on internal political party accounts and reporting requirements is also essential. This is also true in semi-authoritarian regimes, where developing the capacity to maintain proper internal party accounts will have a long-term benefit for the party and an effective political finance system over time. Political parties that maintain accurate and regular accounts are more likely to comply with the law than those that do not. Finally, as data is made publicly available, parties need to be encouraged to use it in their campaigns, thereby holding each other accountable. In the case of the recent presidential elections in Lithuania, the level of debate was increased following the launch of a database containing political finance data from which candidates began citing.

It is also important to move beyond building the capacity of political parties and candidates to demonstrate to these groups how public disclosure

of political finance information (even when not required by law) can position one as an anti-corruption party or candidate. In many cases, with the right timing, such a move could allow the party or candidate to garner widespread public support among voters tired of the *status quo* in government. The new anti-corruption New Era party's October 2002 gain of 26 seats in Latvia's fragmented 100-seat parliament exemplifies how a new force can galvanize public support. Likewise, governments of semi-authoritarian regimes that may feel their power slipping could be encouraged to promote anti-corruption agendas in order to garner the support of the population while putting into place long-term, difficult-to-reverse reforms.

4.4 Strengthening Enforcement

[E]nforcement of disclosure requirements is as important as the legal framework, and ... public enforcement effectively enforced is the backbone of most approaches to controlling money in politics.

-USAID Money in Politics Handbook, p. 50.

Effective enforcement begins with political parties and candidates that have the capacity to comply with the law. This is not to say that those who do not comply can be considered exempt; rather, it is crucial to involve them in any regulatory disclosure reform, to provide them with technical assistance with internal accounting procedures, and to ensure that legal requirements are appropriate for the country's context (as discussed above).

Political finance regulators must also have both the political and administrative capacity to enforce the laws. Administratively, they require expertise and an infrastructure to audit and investigate accounts, to identify discrepancies, and, if necessary, to impose sanctions commensurate with the violation of the law. Even with such an administrative capacity, implementation may fail if there is not the political will to enforce regulations. By virtue of their lack of independence, political finance regulators may find it difficult to aggressively investigate or prosecute a case. For example, election commissions may be appointed by political parties, most of whom may be

quite content with the status quo. Or tax authorities may have a mandate for auditing political accounts and reporting to an executive who may, in turn, not wish to discover a Pandora's box of violations, especially if they come back to bite the ruling party. Thus, to ensure successful enforcement, it is critical to seek broad-based support, if not consensus, for reform among the major political actors.

In all situations, but particularly in unstable semi-authoritarian regimes and post-conflict situations, it is critical that enforcement be conducted fairly across the board. Effective international and civil society monitoring and independent auditing of accounts (possibly by international auditors) can help to ensure proper enforcement of the law and to build both transparency and confidence.

4.5 Linking with Anti-Corruption Programming

[A]nti-corruption initiatives are increasing worldwide. Many can increase to incorporate disclosure.

-USAID Money in Politics Handbook, p. 51.

Does the number of anti-corruption initiatives worldwide "obviate the need for stand-alone money in politics initiatives?" questions the USAID *Money in Politics Handbook*.¹⁴ There is definite value to creating larger initiatives that include a wide array of anti-corruption measures from asset disclosure to public expenditure tracking to conflict of interest provisions to electoral fraud. It should also be noted that not all political finance issues stem from legal violations. Some are rooted in irregular funding of political activities, such as legal donations from organized crime.

In all of these cases, organizations must be careful to avoid the pitfalls discussed above and to take new, flexible approaches to the issue of political finance. Some organizations have chosen anti-corruption partners that may make pursuing political finance reform difficult. For example, working with an advocacy organization (which could be perceived as attacking politicians for

¹⁴ USAID, p 51.

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its own ends) could make it difficult to generate the political will required for reform. There is also a danger in working with some anti-corruption agencies that may themselves not be independent, thereby discrediting the successes of the project. Finally, such anti-corruption organizations must cooperate and work within the scope of their strengths and avoid overlap.

Overall, moving from discourse to action also will require international, regional, and national organizations to cooperate effectively and to maximize their comparative advantages. This cooperation may be organized topically or regionally. Organizations that work with lawmakers and political finance regulators need to cooperate with those that focus on internal political party accounts; those that work with watchdog and advocacy organizations need to work with those that train and protect journalists and promote media standards; and academics need to be encouraged to share information with media and advocacy organizations. Organizations such as IFES, Transparency International, International IDEA, NDI, and others—which are actively conducting research in this field—also need to cooperate effectively in order to support the growth of this relatively new discipline. These are just a few examples of the type of cooperation that can and must take place if political finance–related corruption is to be addressed in a meaningful way.

4.6 Supporting Regional Organizations

Many regional organizations are increasingly concerned with money in politics, especially disclosure, as people addressing the issue learn from each other's experiences and identify opportunities for collaboration.

-USAID Money in Politics Handbook, p. 51.

Regional organizations and networks understand the needs and capacities of countries in their regions. Regional networks further exchange information and best practices, while providing reform-minded politicians, advocacy and watchdog organizations, and journalists with an international or regional support network. They can also develop independent auditors and observers of the process. As such, they should be supported and

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strengthened to provide the kinds of initiatives discussed above. However, unless an existing regional organization has the capacity to put training and information into action, there is a danger that skills acquired through support initiatives and resources (which could be better spent elsewhere) will not be utilized. Further, a strong commitment by members of the regional network is necessary to avoid such a collapse into inactivity.

5. Disclosure, Coalitions, and Accountability

This paper holds that disclosure requires free access to information and pointed out the role of coalitions in using this information. There also appears to be a direct link between the level of disclosure, the effectiveness of coalitions, and their capacity for accountability.

If disclosure is important for effective information flow and if coalitions can effectively utilize this information to hold political parties, candidates, and elected officials accountable, then it follows that countries with low levels of disclosure and no coalitions also have a low capacity for accountability. Likewise, countries with high levels of disclosure and effective coalitions should have a high capacity for accountability. (See chart below.)

CHART
**Accountability through Access
and Utilization of Information**

		Coalitions	
		Ineffective	Effective
Access to Information through Disclosure	High	Medium – High Capacity for Accountability	High Capacity for Accountability
	Low	Low Capacity for Accountability	Medium – Low Capacity for Accountability

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There are three key points to consider when examining this chart. First, it is a simplified way to examine the complex dynamics of accountability. It does not imply that these two variables—good access to information and effective coalitions—will necessarily lead to accountability, rather that they will create an environment where the *capacity* for accountability exists at a high level.

Second, access to political finance data is certainly integral to holding political parties, candidates, and elected officials accountable. Other information also play a significant role, such as access to assets and liabilities of elected/unelected government officials, members of the judiciary, and open public expenditure tracking.

Lastly, more research is needed to quantify actual level of disclosure beyond legal requirements, the level to which coalitions are formed, and the level of accountability. Issues related to how coalitions respond or have the capacity to utilize disclosed information within different political cultures from consolidating democracies to semi-authoritarian regimes to post-conflict societies also need to be considered.

6. Conclusion

Political finance efforts require promoting accountability through disclosure and effective coalitions, while avoiding the go-it-alone, inappropriate-reform, bad timing, and disconnect pitfalls when supporting the implementation of sustainable political finance systems. Access to information through disclosure is a key to building transparency and confidence in electoral systems and the governments they produce. The lack of such openness can lead to perceived corruption and doubt in the political process that can alienate voters and discourage active participation in the process. Participation and confidence in the system is critical to the consolidation of nascent and more established democracies and to the building of democracy in semi-authoritarian regimes.

Moving from discourse to action also will require national, regional, and international organizations to cooperate effectively and maximize their comparative advantages both topically and regionally in order to effectively

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promote disclosure. This is particularly true in semi-authoritarian regimes where a more long-term approach may be necessary. This is also true in consolidating democracies that have institutionalized bad habits as well as emerging democracies, especially post-conflict societies, in which best practices can be introduced from the outset of the transition process.

Finally, the active promotion of political finance disclosure and enforcement does not obviate the need for more research in the field of political finance. While political finance as a discipline within the democracy promotion community is growing, more research is needed to complement the efforts of groups promoting reform at all levels. Such research provides the foundation upon which donors target assistance and organizations at all levels conduct appropriate and carefully considered initiatives.