Reforming Political Finance for More Diversity in Political Office

Khushbu Agrawal and Yukihiro Hamada
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About the Grand Challenge

Inequality and exclusion are among the most pressing political issues of our age. They are on the rise and the anger felt by citizens towards elites perceived to be out-of-touch constitutes a potent political force. Policymakers and the public are clamouring for a set of policy options that can arrest and reverse this trend. The Grand Challenge on Inequality and Exclusion seeks to identify practical and politically viable solutions to meet the targets on equitable and inclusive societies in the Sustainable Development Goals. Our goal is for national governments, intergovernmental bodies, multilateral organizations, and civil society groups to increase commitments and adopt solutions for equality and inclusion.

The Grand Challenge is an initiative of the Pathfinders, a multi-stakeholder partnership that brings together 36 member states, international organizations, civil society, and the private sector to accelerate delivery of the SDG targets for peace, justice and inclusion. Pathfinders is hosted at New York University’s Center for International Cooperation.

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Please cite this work as: Pathfinders for Peaceful, Just and Inclusive Societies, Reforming Political Finance for More Political Diversity in Political Office. (New York: Center on International Cooperation, 2021), available at https://www.sdg16.plus/

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Executive Summary

Systemic and legal barriers to equal political participation persist at all levels and take different forms, including unfavorable electoral systems, lack of support from political parties, socio-economic, and cultural. **Women, people with disabilities, indigenous people, LGBT+ individuals, and young people** face all of these barriers, particularly insufficient access to political finance. Campaigning has become an expensive affair, and political aspirants and candidates from these groups find it challenging to secure the substantial sums of money usually required to run a campaign and win an election. In order to address these barriers and level the playing field, several targeted political finance measures have been designed and adopted by some governments, political parties, and private initiatives, although they vary in their target and effectiveness. These measures can be categorized into targeted public funding for political parties, intra-party measures, and private funding initiatives.

Governments in many countries are using public funding to encourage political parties to nominate candidates from traditionally underrepresented groups, and get them elected by tying the provision of public funding to enforcement of electoral quotas where they exist. Public funding gives political parties financial incentives to meet the quota target, or penalizes them if they fail to meet the agreed proportion of candidates from underrepresented groups.

While gender-targeted public funding is utilized in thirty countries, there are few countries that have adopted such targeted funding measures for people with disabilities, ethnic minorities, indigenous populations, and LGBT+ individuals. Political parties also play a key potential role in addressing this funding gap. They could go beyond legislated measures and adopt their own brand of reforms to promote equitable participation, also raising funds on behalf of underrepresented groups with limited access to political funding. Finally, partisan and non-partisan private initiatives have been introduced in some countries to support certain groups in accessing campaign funds, in addition to providing candidates with training and necessary tools to run effective campaigns.

Such measures have contributed to improve political participation and representation of underrepresented groups in many countries. In order for these measures to be effective, some success factors highlighted in this paper also need to be in place. Such factors include adoption of appropriate electoral systems, implementation of quota provisions, gender-sensitive political party strategies, lobbying by civil society, and a positive enabling social and cultural environment. This calls for legislators, regulatory bodies, political parties, and civil society to all play their part.

Given that most of these measures are recent, this paper also acknowledges that more empirical data is needed to measure their precise effectiveness or impact. Moving forward, further research is needed to ascertain how nominated candidates who may have benefitted from the incentives or penalties were able to fund their campaigns, and how much funding came from the party. It would also be useful to trace how the parties that received additional funding spent these funds, and if the funds were directed to support candidates from underrepresented groups. Further research is also needed into voluntary initiatives by political parties, considering that they are the gatekeepers to political participation by these groups.

This paper explores the challenges facing different groups in accessing political finance, various measures that have been adopted in selected countries around the world, the challenges of implementing these measures, and the prerequisites for their effective implementation. It also provides a set of recommendations to ensure that the quest for more accessible political finance includes consideration of other important aspects that are indispensable to more inclusive and representative politics.
Introduction

Political participation of women, people with disabilities, indigenous people, LGBT+ individuals, and youth originates in the principles of nondiscrimination and equal enjoyment of political rights enshrined in the 1948 Universal Declaration of Human Rights (UDHR). In addition, multiple international and regional human rights instruments guarantee the right to equal participation and representation of everyone regardless of gender, age, race, and religion. Equal political participation of all, therefore, plays a crucial role in advancement of human rights and consequently in the promotion of democratic governance, the rule of law, and social inclusion and economic development. Exclusion of certain groups from decision-making processes results not only in divided and potentially less peaceful societies; it also significantly weakens these excluded groups’ abilities to defend their own interests.

For instance, research has indicated that women’s political participation translates to tangible social and economic gains. This is because women in political positions advocate for and allocate more funds toward social issues, including in education, health, and gender equality. Similarly, political participation of people with disabilities is instrumental in fighting existing stereotypes, prejudices, and segregation and promoting disability-friends legal and policy frameworks. Inclusion of other marginalized groups warrants similar merit from the perspective of promoting inclusive and sustainable democracies.

Despite the acknowledgement of the need and value of inclusive political participation, these groups remain underrepresented in politics. They also continue to face multiple barriers including structural, legal, cultural, socioeconomic, and psychological, depending on where they live and what group they belong to.

State of political representation of women and other marginalized groups

Globally, only 25.5 percent of all national parliamentarians are women. At national levels, only three countries have 50 percent or more women in parliament in single or lower houses: Rwanda (61.3 percent), Cuba (53.4 percent), and United Arab Emirates (50 percent). Conversely, twenty-seven countries around the world have less than 10 percent women parliamentarians in Lower/Single House. At the current rate, as per the Global State of Democracy Indices (GSoD) 2019, it will take another forty-seven years to reach gender parity in parliaments (see Figure 1).

Similarly, one billion people—15 percent of the world’s population—experience some form of disability, and disability prevalence is higher in developing countries. While international, regional, and national treaties protect and guarantee the rights of persons with disabilities to participate in political processes, such persons are still underrepresented in political and public life, particularly as candidates or members of institutions including political parties, electoral management bodies, local governments, and parliaments.

In the EU, about 15 percent of the general population has some sort of impairment, as opposed to only around 1 percent of politicians.7 Similarly, in Asia and the Pacific, which has one of the highest number of persons with disabilities (690 million people), only 0.4 percent of national parliamentarians are persons with disabilities.8

Other minority groups also continue to be underrepresented in politics around the world. There is no global data available for political representation of LGBT+ or ethnic minorities. A study conducted in forty-two countries by Andrew Reynolds from the School of Public and International Affairs at Princeton University found that only 194 lawmakers out of thousands are openly gay. Similarly, as of 2015, there were only fifteen publicly “out” politicians holding office in all of Latin America.9 In the UK, forty-five of the 650 Members of Parliament are openly gay, lesbian, or bisexual.10 In New Zealand, 11 percent of parliamentarians are openly gay, lesbian, bisexual, or of another sexual identity other than straight.11 In the EU, ethnic and racial minorities make up at least 10 percent of the population but hold just 5 percent of seats in the European Parliament.12

Multifaceted challenges to political participation and representation

While they experience varying socioeconomic differences, these groups often identify a lack of access to sufficient political funding—both from their own parties and from external funding networks—as a major obstacle to their participation in politics.13 The exponential growth in campaign expenditure in many countries impedes the ability of those with little or no access to political funding to run successful election campaigns. While providing targeted financial assistance to underrepresented groups does not automatically guarantee them a seat in the political sphere, it can help encourage their political participation, for instance by incentivizing political parties to nominate more candidates from underrepresented groups.

In addition to lack of access to sufficient funding, these groups face other interconnected challenges. Various studies have identified major barriers to political participation by women, LGBT+, and people with disabilities. Examples of such barriers are restrictive legal frameworks; unfavourable electoral systems; lack of political party support; prevailing stereotypes and discriminatory attitudes and norms; lack of formal or political education; and limited access to information, among others. People with disabilities face additional challenges of inaccessible physical environments and low employment.14

Political finance as a catalyst to promote inclusive politics

Political funding for women

Women frequently have less access than men to the resources needed to successfully seek a party nomination or stand in an election, including lack of access to moneyed networks and credit, and political clientelism. In developing countries in particular, the inability to pay even modest candidate registration fees can exclude women from the election process.15 Moreover, political parties tend to nominate men to winnable positions so they can benefit from the resources at their disposal.16

a) Gender-targeted public funding

A growing number of countries are using public funding of political parties and election campaigns to encourage gender equality. Gender-targeted public funding has two distinct avenues. In the first, the eligibility of a political party to receive a certain amount of public funding (or all of it) is connected to the level of gender equality among the candidates it puts up for election (or manages to get elected). In the second, a certain proportion of public funding that a political party receives is formally tied to provisions related to gender, or earmarked for gender-related activities, including training and development of female members, developing a gender-action plan, or gender-sensitization within the ranks of political parties.17

In many countries, additional public funding is provided to political parties depending on their degree of gender equality, or is reduced if a political party does not meet a set definition of gender equality.
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The three-fold objectives of gender-targeted public funding are:

- Provide incentives to political parties to include more women as electoral candidates
- Improve capacity of individual women to run successful campaigns for party nomination and winning the election
- Undertake strategic work within parties to improve attitudes and support toward gender equality

The broader aim of gender-targeted public funding, therefore, is to not only address the issue of underrepresentation of women in politics, but also to empower women beyond formal representation in elected bodies.

The first use of gender-targeted public funding is found in Finland, where in 1974 a certain proportion of public funding was earmarked for activities to enhance gender equality. As of 2020, thirty countries around the world provided some form of gender-targeted public funding to political parties (Figure 2), a six-fold increase in the last twenty years.

70% of countries provide direct public funding to political parties

However, only 17% of countries have gender-targeted public funding to promote women’s political participation

Box 1: Gender-targeted public funding in France

In France, gender-targeted public funding was introduced in 2000 (Law 2000-493) (Official Gazette of France 2000). This was at a time when women represented only 11 percent of French National Assembly members, below both the global and European averages.

The provision meant that if the gender gap between all candidates presented by a political party was greater than 2 percent (in practice, greater than 51 percent men and 49 percent women), the public funding received by that party would be reduced. The reduction was originally set at half of that gap, later increased to two-thirds. Since 2014, it has been 1.5 times the gap. This means that if a party nominates 60 percent of men and 40 percent of women (a gap of 20 percent), its public funding is reduced by 30 percent; if it were to nominate no women at all, it would forfeit all public funding that it would otherwise have received.

Public funding is a major source of income for French political parties. A reduction in public funding would significantly affect their financial status. The gradual increase in penalties for noncompliance aims to increase the impact of the provision on their candidate selection decisions. As a result of these provisions, the proportion of female candidates and elected parliamentarians has increased. In 1973, women held 1 percent of seats in the National Assembly, and 3 percent in 1978. The total increased to 11 per cent in 1997. In 2017, women held 39 percent of the seats. Similarly, women made up only 25 percent of the candidates for the National Assembly in the 1997 elections. This increased to 39 percent in 2002, and to 42 percent in the 2017 elections.

These increases cannot fully be attributed to the introduction of gender-targeted public funding; other factors come into play, such as internal party quotas and gender equality reforms including quotas for other types of elections. Reports have indicated that implementation of quotas together with enforcement mechanisms of gender-targeted public funding has played an important role in increasing the numbers of women within political party structures as well as in elected bodies.

b) Party-level initiatives

Political parties are a vital link to achieving equal and inclusive participation of women, as they play a crucial role in not only the candidate selection and nomination process, but also in the administration of political funds, including public funding for political activities. In some countries, political parties have adopted voluntary initiatives to level the playing field for women candidates, including reducing and waiving nomination fees and establishing fundraising mechanisms. In many countries, however, women candidates often receive little or no financial assistance from their political parties. In order to support women in their quest for political office, political parties can help women raise funds for political campaigns by, for example, establishing fundraising networks; reducing or waiving membership and candidate registration fees; creating funds within the party aimed at supporting women candidates; providing them with subsidies or in-kind contributions such as cost of childcare, support toward transportation, and campaign materials; or setting ceilings on nomination and campaign expenditures.
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Box 2: Party support to women candidates in El Salvador

The Republic of El Salvador uses voluntary party quotas and legislated quotas for the single/lower house and at the subnational level. Twenty-eight out of eighty-four seats in the Legislative Assembly (33 percent) are held by women.\(^{23}\) Despite an encouraging number in the parliament, female candidates in general face difficulties in securing campaign finance. This places constraints on their equal political participation and results in other social, cultural, and structural barriers.\(^ {24}\)

The Frente Farabundo Martí Para la Liberación Nacional (FMLN) party recognizes in its principles and objectives equity and equality between genders, as well as an intent to promote the human rights of women. Article 9 of its Statute states that “the members of the party enjoy equal rights and obligations according to the quality of affiliate or militant.” This same article establishes that the level of participation of women may never be less than 35 percent. That is to say, that quota is 5 percent above the 30 percent required by the Law on Political Parties.

The FMLN also includes the Secretariat Nacional de la Mujer (National Secretariat for Women) which develops gender policy and promotes respect for the gender quota in its internal processes. In order to support women candidates for their campaigns, the party set up an electoral committee which raised funds for women candidates by seeking donations and organizing fundraising events. The funds went toward promoting women candidates through media exposure, as well as printing of T-shirts and posters with the names of women candidates. The party also allocates resources from its budget to the Secretariat for the development of activities such as national assemblies for party women, training, and consultations with women on specific topics.

c) Private initiatives
While public funding and party-level initiatives can relieve the financial burden women candidates face, they are often insufficient. As a result, women are increasingly relying on private sources of funding. However, even private sources are not always easily accessible, as women can have limited access to the public sphere, including moneyed networks. The absence of women from these networks hampers their ability to raise funds to campaign effectively. In some countries, partisan networks have been raising funds through member contributions to support women candidates. In the US, these are political action committees (PACs), such as the Democratic EMILY’s List and the Republican Wish List.
Box 3: EMILY’s List—Supporting women candidates to run for elections at all levels

EMILY’s List is a US political action committee (PAC) founded in 1985 that helps pro-choice Democratic female candidates get elected to office. It does so by recruiting and training women candidates to run for office at every level across the country, supporting their campaigns through research, communication, fundraising, and mobilizing women voters.

Comprised of five million members, EMILY’s List has raised over USD 500 million in the last thirty-five years, becoming one of the largest financial resources for minority women seeking federal office. It has helped elect 116 pro-choice Democratic women to the House, twenty-six to the Senate, sixteen to governors’ seats, and over 1,100 women to state and local office.25

Emily’s List has supported every Democratic congresswoman of color currently serving in federal office, including the first Latina to ever serve in the senate, the first and second African American women senators, the first Asian American woman senator, the first Indian American woman to serve in the House, and the first Mexican American and Puerto Rican women serving in Congress. It has also supported women who identify as lesbian, bisexual, and transgender, helping elect the first openly gay senator.

The success of EMILY’s List has led to the establishment of similar organizations in Australia and the UK, which employ similar models of supporting women candidates. These organizations have provided an important alternative to traditional fundraising networks.

Political funding for LGBT+ candidates

Political participation of LGBT+ candidates rests on a number of factors, access to campaign funding being one of them. Particularly in a candidate-centered electoral system where the onus of raising funds rests on the candidates themselves, LGBT+ individuals face challenges in securing the financial means to increase their chances of being recruited as a candidate by the party. Access to funding for people with diverse gender identity and sexual orientation can be instrumental in creating a level playing field, contributing to getting them elected and promoting inclusive democratic institutions.

Currently, there exists no provision for providing public funding targeted to LGBT+ candidates. However, some efforts are being made at the party level and through partisan funding networks.

a) Party-level initiatives

As the demand to uphold the rights of LGBT+ individuals gains widespread recognition, political parties around the world are adopting strategies and policies to promote their participation within internal party structures as well as throughout the electoral processes. They do this through adapting inclusive party documents and norms; including LGBT+ leaders in governing boards and internal decision-making processes; creating and supporting LGBT+ groups and networks within the organization; training and sensitization sessions for party members; and developing an internal culture of respect and diversity. Very few parties around the world are also supporting LGBT+ candidates by providing them funding to run their campaigns.
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Box 4: The Candidates’ Fund of the Conservative Party in the United Kingdom

The Conservative Party in the UK, through its affiliated national organization LGBT+ Conservatives, established the Candidates’ Fund (CF) to provide financial support to LGBT+ candidates of the party. The maximum amount of funding provided per candidate per year is £5,000.

Over the years, the Conservative Party has elected some of the highest numbers of “out” Members of Parliament in Britain and the world. As of 2021, there are 24 LGBT+ MPs in the House of Commons in the UK. The CF was set up with the objective of ensuring that more LGBT+ candidates are represented in elections. The funds provided are used for electoral campaigning and spreading the Conservative message in candidates’ constituencies. The fund helps conservative LGBT+ candidates win and hold seats. It further ensures that the Party has great representatives who are backed not only by the LGBT+ community, but also by local activists and, ultimately, voters.

The Fund supported twelve candidates in the 2012 general election, nineteen candidates in the 2015 general election, and six candidates in the 2016 Scottish Parliament elections.26

Box 5: The Victory Fund—Supporting Open LGBT+ candidates to run for office

The Victory Fund in the US was created as a nonpartisan PAC in 1991. It provides campaign, fundraising, and communications support to openly gay, lesbian, bisexual, transgender, and queer candidates. Its goal is to increase the number of openly LGBT+ elected officials across the US at all levels of government: federal, state, and local.

In 2020, the Victory Fund endorsed 390 candidates, of which 222 were successful. After the COVID-19 pandemic hit campaign coffers, the Victory Fund aimed to cover the shortfall as candidates adapted their campaign strategies. By holding dozens of fundraisers and mobilizing its network of financial supporters, the Fund were able to raise USD 3.6 million in donations.27 In 2019, an odd-numbered election year, the Victory Fund spent USD 3.1 million in endorsing 178 openly LGBT+ candidates for school boards, city councils, and state legislatures, with 66% of these candidates winning their races.28

b) Private initiatives

In the absence of public funding and limited party-level initiatives dedicated to LGBT+ candidates, there is increasing support from private donors for LGBT+ candidates to level the playing field and address the financial challenges they may face. In the US and Canada, private funds—e.g., the Victory Fund, Trans United Fund, Equity PAC, and Proud Politics—endorse, fund, and promote visibility of candidates who identify as LGBT+.

Political funding for people with disabilities

Low income and a lack of financial resources have been identified as the major barriers for disabled people to run for office or become a member of a political party.29 Certain costs associated with their disability—e.g., sign language interpretation, speech-to-text services, or the potential extra cost of hosting an event at an accessible location—can be further prohibitive when seeking elected office. For individuals who are marginalized in more than one way, the challenges are amplified. For instance, one in every five women is likely to experience some form of disability in their lifetime,30 yet they encounter multiple barriers to becoming candidates and elected officials (including financial hardship) based on both their gender and disability status.
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Box 6: Access to Elected Office Scotland (Access Fund)

The Scottish programme, known as the Access to Elected Office Scotland (Access Fund), began as a pilot program in the runup to the 2017 elections and was administered by a charity, Inclusion Scotland. The pilot Access Fund opened in August 2016 for persons with disabilities seeking selection as candidates/confirmed as candidates for the 2017 Scottish local elections.

In these local elections the Fund approved forty-four applicants (thirty-nine of whom became candidates), of which fifteen were elected, representing four political parties. Although there was no cap on the level of support available to an applicant, the amounts awarded ranged from just under £50 to slightly more than £21,000. Five categories of support were on offer during the pilot: equipment and software; personal assistant support, communication support; transportation and accommodation costs; and coaching/training and impairment-related support.

Based on the 2017 pilot project results, the Scottish government has extended the Access to Elected Office Fund for the 2021 elections to the Scottish Parliament.

Box 7: Targeted public funding for inclusion of people with disabilities in South Korea

South Korea, in order to support political participation of persons with disabilities, in 2010 introduced public subsidies to political parties that nominate persons with disabilities to run for public office. As part of this initiative, political parties were required to nominate 1 percent or more candidates with disabilities for the National Assembly elections. However, none of the political parties received this subsidy, as none met the requirements. In 2014, USD 520,000 was distributed in subsidies to two political parties for nominating candidates with disabilities.31

a) Public funding

Some countries, in recognition of the financial challenges faced by people with disabilities to run for office, have set up funds or made certain arrangements to support the political aspirations of people with disabilities. There seem to be no instance of party-level initiatives or mechanisms to provide active support for candidates with disabilities.

Funding for other underrepresented groups

Other underrepresented groups, including young people, indigenous people, and ethnic minorities, also face financial barriers to political participation. However, only a handful of countries have specific provisions to provide financial support for the political aspirations of these groups.
Box 8: Funding for youth and ethnic minorities in Colombia

Colombia’s Bill 1475 (2011) outlines regulations related to the organization and functioning of political parties and movements, for electoral processes and some other dispositions, including provisions for public funding for ethnic minorities and youth. Article 18 of the bill affirms that public funding must be earmarked for ‘effective inclusion of women, youth, and ethnic minorities in a political process.’ It emphasizes that ‘in any case, parties and movements will allocate in their annual budgets a sum not less than fifteen percent (15%) of the State contributions they were granted to conduct political and electoral training courses for the activities of their centers of thought, and for the effective inclusion of young people, women and ethnic minorities in the political process.’

Box 9: Targeted Public funding for marginalized groups in Kenya

In Kenya, according to Article 26.1 of the Political Parties Act 2011, at least thirty percent of the direct public funding provided to political parties should be used for ‘promoting the representation in Parliament and in the county assemblies of women, persons with disabilities, youth, ethnic and other minorities and marginalised communities’.

It is not clear whether the Electoral Management Body (EMB) monitors compliance with this provision. Even if some parties may comply with this legal requirement on funding allocation, it is important that monitoring mechanisms both within parties and by the IEBC and/or the Office of the Registrar of Political Parties are in place to ensure that funds are spent on initiatives that will indeed improve women’s participation and success in elections.

Success factors for effective targeted political finance measures

Key success factors for effective public funding measures

Targeted public funding can diminish dependence on private donations or special interest groups, which can ultimately create a level playing field for all political actors in the electoral process. For any kind of targeted public funding to work, three factors come into play, as follows.

- **Party dependency on public funding**: although direct public funding of any kind is currently used in over two-thirds of the world, in many countries the amounts provided are too small to have any real impact on party activities. Where parties rely almost exclusively on private funding income, earmarking or altering the amounts of public funding based political parties’ inclusion initiatives is unlikely to have much effect.

- **Strength of connection between public funding and political equality**: the formal connection made between public funding and political inclusion must be large enough to have an impact. If a tiny proportion of the funds is earmarked for activities to support political participation of underrepresented groups, or a party must significantly alter its nomination decisions to receive a very small additional amount of public funding, it is unlikely that targeted public funding will have much impact. However, if parties stand to gain a significant additional amount of public funding, or risk losing a large proportion of the funds they would otherwise have received, results are likely to be significant.

- **Party perception of societal views on equality**: this third factor is more subtle, as it relates to the how party officials view societal opinion on the political participation of traditionally underrepresented groups. The impact of increased or decreased public funding must be more important to political party leaders than the fear of their perceived loss of votes from nominating women, people with disabilities, LGBT+ individuals, youth, and indigenous people to electable positions. Parties cannot achieve their goals without electoral success, and targeted public funding provisions must consequently be designed to alter the incentive structure of party officials.
Another aspect worth considering is the timeline of distribution of funds (i.e., before or after the election). Basing funding penalties or rewards on the number of candidates elected from underrepresented groups may lessen the impact of these measures, since they are implemented postelection when there is less media attention and campaign funds are already spent.

**Key success factors for effective intraparty measures and private initiatives**

Some success factors should be considered before rolling out a political finance intervention aimed at underrepresented groups:

- Information about the initiative should be available and promoted widely well in advance of the election. Information should be disseminated through social media, formal and informal groups, the Electoral Commission, various radio and TV programs, newspaper articles, and through political parties’ disability groups.

- Political parties serve as gatekeepers and their role is vital to increasing representation of marginalized groups. There is a need to encourage greater awareness of and support for issues of inclusion within political parties.

- Timing of establishment of the initiative is vital; any such program should be up and running before the candidate selection process begins.

- The application process should be as accessible and applicant-centered as possible.

Overall, electoral systems are perhaps the most important political and institutional consideration in any country, affecting the broader issues of governance, the political party system, and the inclusiveness of elected legislatures. Research has shown that closed-list Proportional Representation (PR) systems, combined with provisions of legislated quotas, do better when it comes to representation of women and other underrepresented groups.

Additionally, the type of electoral system impacts the underlying mechanisms of political financing. In a majoritarian winner-takes-all system, campaign funding is typically concentrated on one candidate who has the potential to win a particular race. In this case, everyone else—including contenders from underrepresented groups—has a tough job of convincing their political parties or supporters that their winning potential is worth investing considerable resources. Proportional representation systems may provide increased opportunities for candidates of lesser prominence and profile, because competition as part of a party’s list suggests the possibility of teamwork and a chance to pool resources.

Finally, political system and culture is another important factor. In some countries, political representation is totally dependent on big money, such as in the US where a candidate needs large sums of money to run an election, whereas in other countries such as the Finland, party priorities and membership shape representation. Such diverse political system would require totally different tools and strategies in order to increase representativeness.

**Impact of targeted political finance measures**

Targeted political finance measures are relatively new, with some countries having undergone only one electoral cycle since their introduction. As a result, there is not yet enough empirical evidence to thoroughly analyze the impact of funding for political participation of underrepresented groups.

However, initial observations seem to suggest that these measures can indeed enable increasing the number of underrepresented groups in politics. For example, in almost all countries that have introduced gender-targeted public funding, the number of women in parliament is higher today than it was when the provision was introduced, with an average increase of 11 percent. Only two countries had a lower proportion of women in parliament in January 2021 than at the time of the introduction of public funding. However, attributing this increase to financial measures must be made with caution, and only after analyzing individual country context and other legislative and non-legislative measures introduced at the same time. These include changes to electoral systems, adoption of provisions related to quotas and reserved seats, changing attitudes and perceptions, and advocacy by interest groups, among other factors.
Conclusion

Women, people with disabilities, LBGTI individuals, youth, and indigenous people face both demand-side and supply-side barriers to their participation in politics. A lack of access to political finance is one of the biggest hurdles. Funding plays an essential role in politics, and the high cost of election campaigning means that politics often does not afford equal opportunities for all to compete. Those who have financial means, moneyed networks, patrons, and party support are disproportionately advantaged over those who do not, making the former more likely to compete for—and win—political office. Underrepresented groups have insufficient access to political finance, which inhibits their ability to fully participate in politics and public life. Only a limited number of countries around the world have introduced public funding mechanisms to support their inclusion in politics. Moreover, there are few intraparty measures or private initiatives that specifically address the financing challenges facing these groups.

In some countries (e.g., France), there is reason to believe that gender-targeted public funding may have been a factor behind the increase of elected women parliamentarians since such measures were introduced. Similarly, various intraparty measures as well as private level initiatives have made a positive difference in removing financial barriers faced by different groups, at least on individual levels. Targeted political funding should therefore be part of an effective reform package of governments and political parties alike to enhance diversity in public life and decision making. These measures should be combined with complementary regulatory mechanisms such as a reduction in candidate nomination fees for aspiring female candidates, and reducing campaign spending pressures by imposing candidate spending limits. Non-regulatory measures such as mentoring potential female leaders and providing training on fundraising and cost-efficient campaign methods can also be implemented.

Since many such initiatives are still relatively new, it is equally important for countries to evaluate periodically the effectiveness of these measures and assess their impact on political participation of underrepresented groups. Political financing and equal participation are not variables independent of each other. Any analysis should be closely linked to electoral regimes, party systems, and forms of government.

Policy recommendations

As emphasized in the beginning of this paper, equal participation of everyone regardless of gender, age, sexual orientation, class, and caste is a right enshrined in several international conventions and treatises. In addition to securing human rights, representative politics also contributes to making democracies sustainable.

There is no one actor or one strategy that can change the face of politics to make it more inclusive and representative. This requires multiple interventions from multiple actors and needs to be adapted to individual country context. Making political funding accessible to those who often find it hard to gather campaign resources can help fill the financial gap many experience when they decide to run for public office. Well-designed and implemented political finance reforms can contribute toward the larger goal of making politics more representative. Such reforms are not an end in themselves, however. They should be accompanied by complementary regulatory and nonregulatory mechanisms that can eventually overcome not only economic barriers but also structural, legal, and cultural barriers. This requires concerted effort from legislators, regulatory bodies, political parties, and civil society, all of which should work together to create an enabling environment that will not leave anyone behind.
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Legislators
1. Legislation on political finance should reflect the provisions of equal participation of every person in political life outlined in international conventions and instruments. It can include, where appropriate, the creation of special measures to redress discrimination against marginalized groups. If needed, separate financing regulations for underrepresented groups could be developed.
2. Any political finance regulations or reforms should be analyzed through an inclusion lens to ascertain their effectiveness and impact on marginalized and underrepresented groups.
3. Political finance regulations should carefully consider the provisions of contribution and spending limits, which invariably impact the ability of marginalized groups to compete on an even footing with those who have better financial access.
4. Provisions should be made for in-kind incentives that can provide some relief to marginalized groups. These provisions could include such things as childcare, transport, accommodation, security, media time, and sign language interpretation services.
5. The provision of public funding should be tied, where appropriate, to political parties’ commitments on inclusion. Public funding can be used to incentivize parties to nominate more candidates from underrepresented groups. Also, disincentives/sanctions should be put in place in case of failure to comply with the commitments or requirements. However, this will work better if public funding constitutes a significant portion of party income.

Political finance oversight bodies
1. Effective monitoring of compliance is necessary when any provision to earmark the use of public funding is considered. There may be significant risk that money earmarked for purposes of inclusion is put to other uses.
2. Comprehensive disclosure requirements should be placed on political parties regarding candidate expenditures and returns, disaggregated by demographic. This data can be instrumental in analyzing the financial payoff between different groups, and also monitoring political parties’ actions on their commitments.
3. Detailed reports are needed on political parties’ compliance with political finance legislation on matters of inclusion, such as quota enforcement for female candidates.
4. Effectiveness of different political finance measures and their impact on political participation of underrepresented groups should be regularly assessed.

Political parties
1. Parties should conduct an internal review of the differential effects of raising funds on different groups within the party, and develop a plan for ensuring equality in relation to political finance.
2. Parties should implement a dedicated fundraising mechanism to channel funds to candidates from underrepresented groups for party primary competitions and election campaigns.
3. Entry costs should be lowered for candidates from underrepresented groups by reducing or subsidizing membership and/or registration fees. Earmarked funds within parties will promote inclusion initiatives including the financing of campaigns by candidates from underrepresented groups; training them on effective campaign and fundraising strategies; and promoting inclusivity in party statutes.

Civil Society
1. Support is needed for networks to finance candidates’ campaigns from underrepresented groups, at both the primary and campaigning stages. The networks can also contribute to raising early money, which is key to ensuring support at the nomination stage.
2. Financial institutions and other organizations can set up easily accessible microcredit loans and trust funds for underrepresented groups to help them raise funds for their campaigns.
Endnotes


4. Ibid.


6. “Guidelines on Promoting the Political Participation of Persons with Disabilities,” OSCE/ODIHR.


14. “Guidelines on Promoting the Political Participation of Persons with Disabilities,” OSCE/ODIHR.


18. Ibid.
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19 Ibid.


28 Ibid.

29 “Guidelines on Promoting the Political Participation of Persons with Disabilities,” OSCE/ODIHR.


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