



Financing Democracy: Supporting Better Public Policies and Preventing Policy Capture

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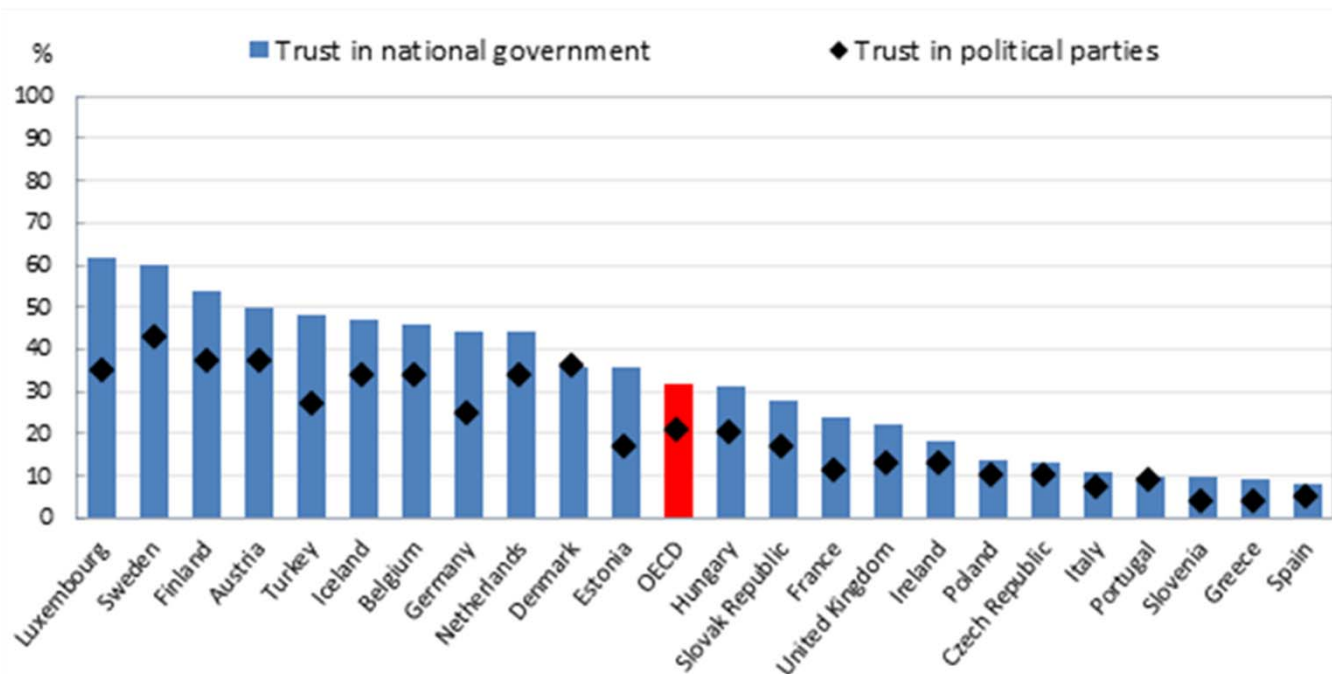
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Growing demand for better management of political finance

- Levels of trust in government are low, trust in political parties is even lower

Trust in government and trust in political parties in 23 European OECD countries (2013)



Source: Eurobarometer

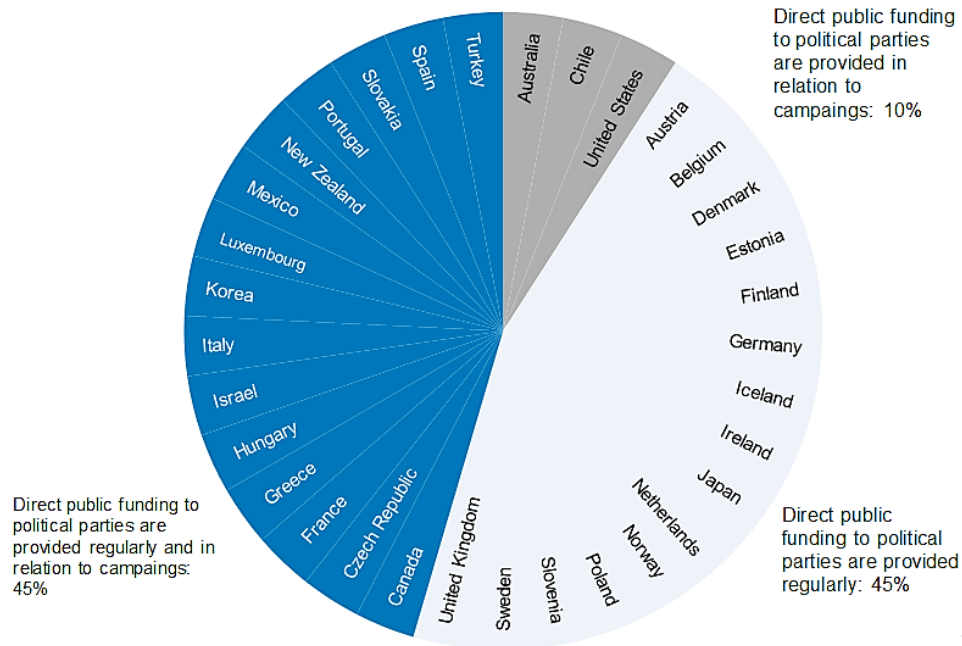




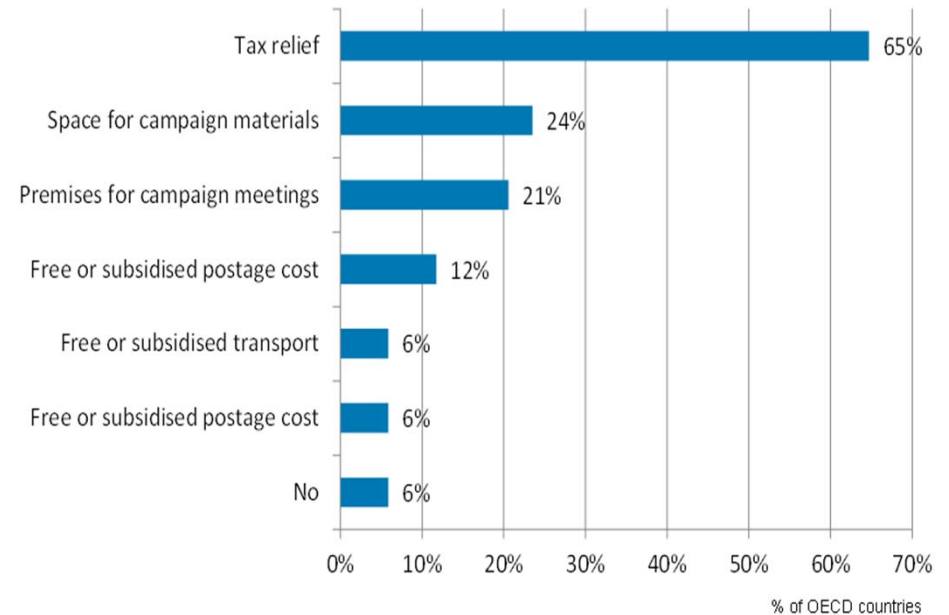
Promoting a level playing field: Public funding

- Balancing funding through direct and in-direct public contributions

Direct public funding to political parties



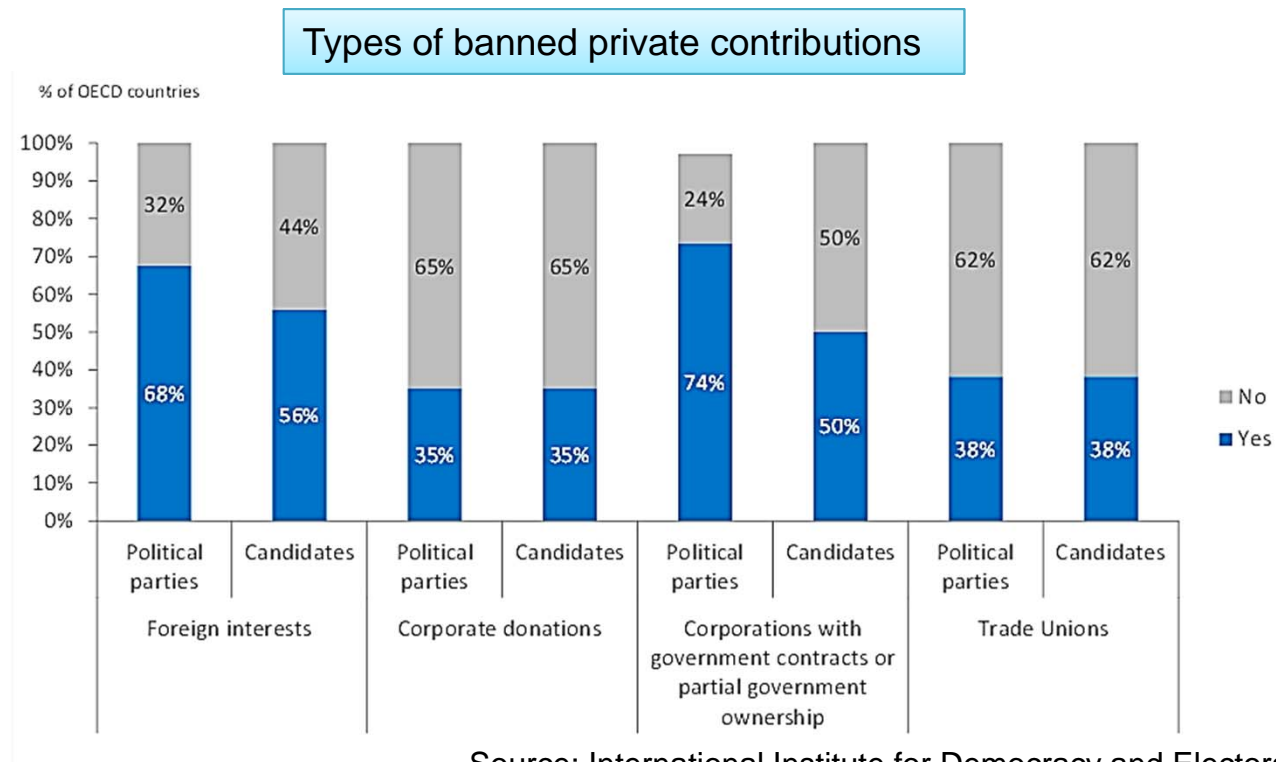
Most common types of in-direct public funding





Promoting a level playing field: Private funding

- Promoting or limiting private funding?
- Increasing trend to regulate private funding in order to avoid risk of undue influence and corruption



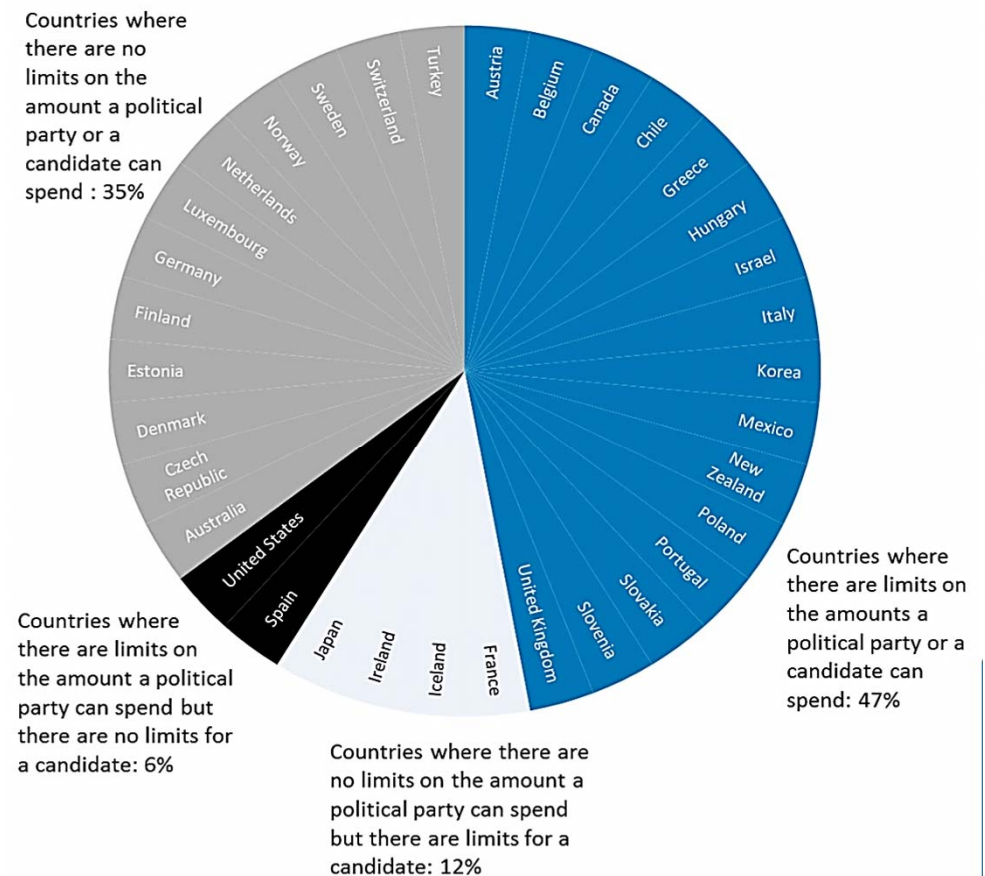
Source: International Institute for Democracy and Electoral Assistance



Promoting a level playing field: Spending limits

Spending limits for candidates and political parties in OECD countries

- Promoting integrity and fairness or a limitation of political expression?
- Causing a disadvantage for challengers who need more funds to unseat an incumbent?
- 47% of OECD countries have introduced spending limits for both parties and candidates

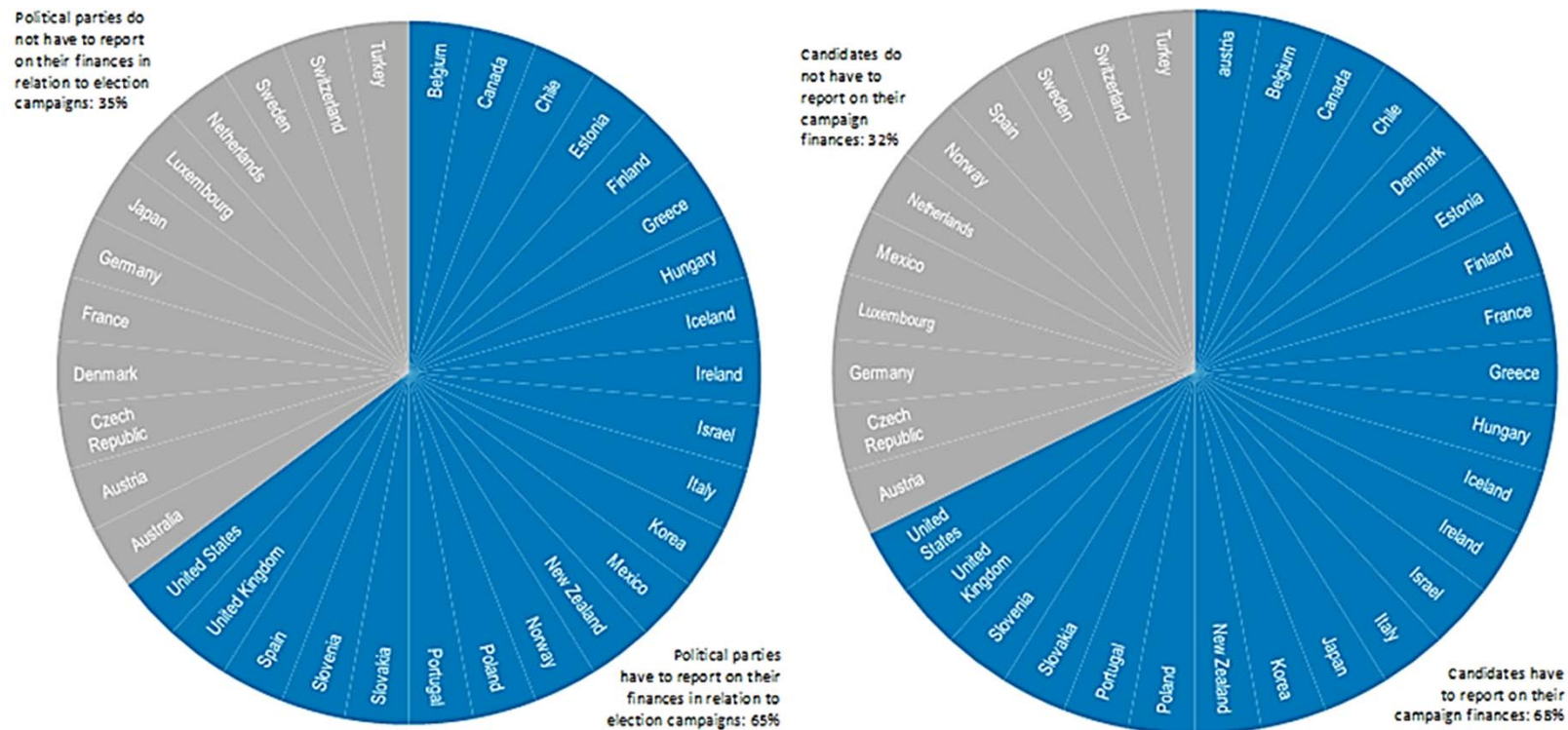




Ensuring transparency and accountability

- Requiring disclosures as well as enabling scrutiny
- Verifying and auditing the data are equally important

Public disclosure of information in reports from political parties and/or candidates in OECD countries

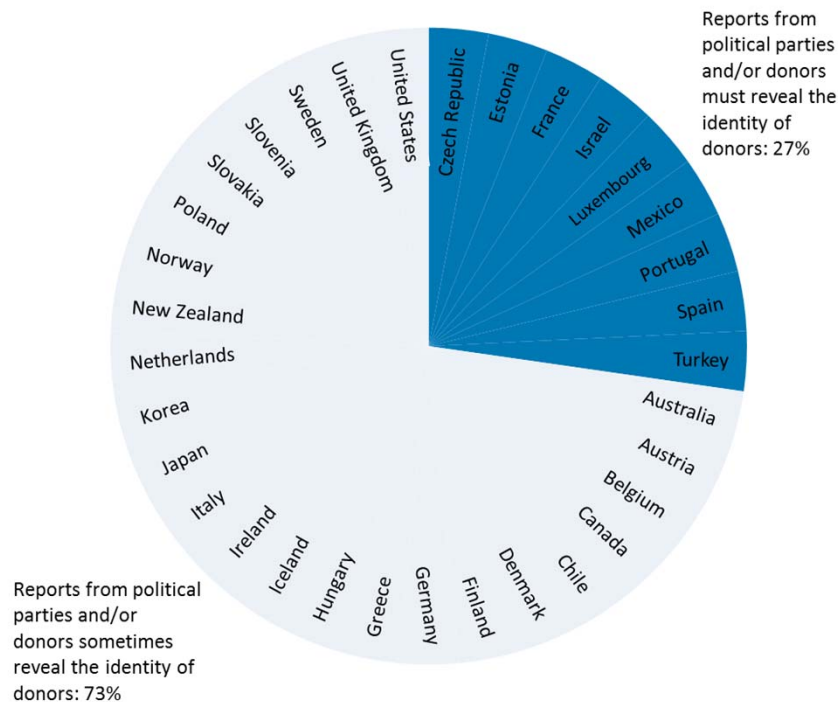


Source: International Institute for Democracy and Electoral Assistance



Ensuring transparency and accountability

- Identifying individual donors is necessary to enhance transparency
- In 73% of the countries, the identity is disclosed on an ad-hoc basis



Source: International Institute for Democracy and Electoral Assistance



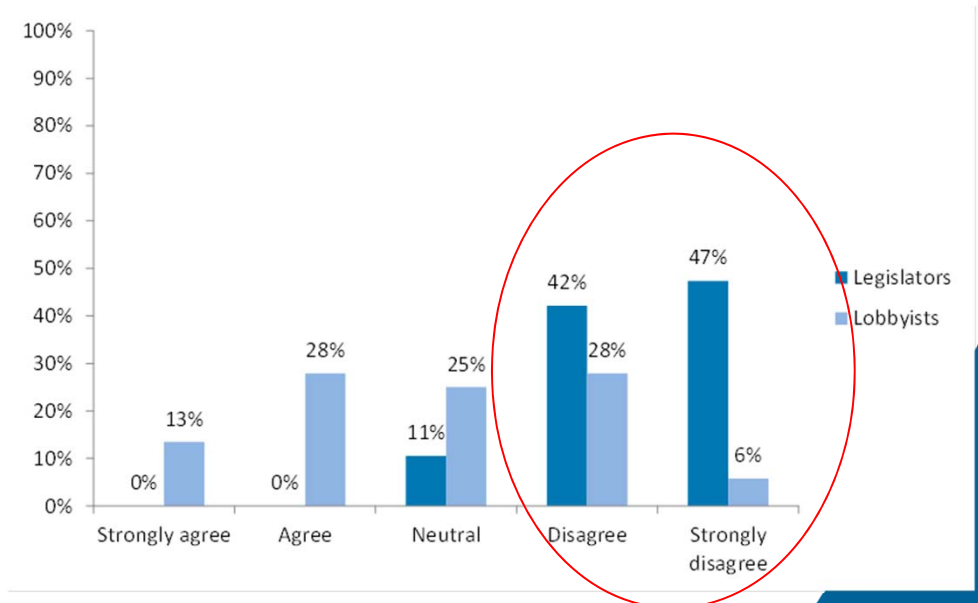
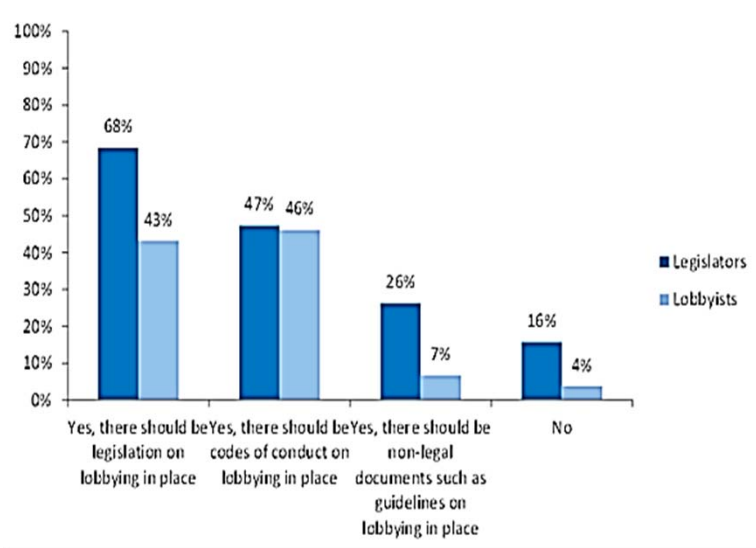


Fostering a culture of integrity

- Promoting standards of professionalism, integrity and transparency in private donors
- Stakeholders (e.g. lobbyists) also support regulations
- Self-regulation alone is not sufficient

Stakeholders believe that there should be rules on lobbying in place

Self-regulation of lobbying is sufficient to alleviate actual or perceived problems of inappropriate influence peddling by lobbyists

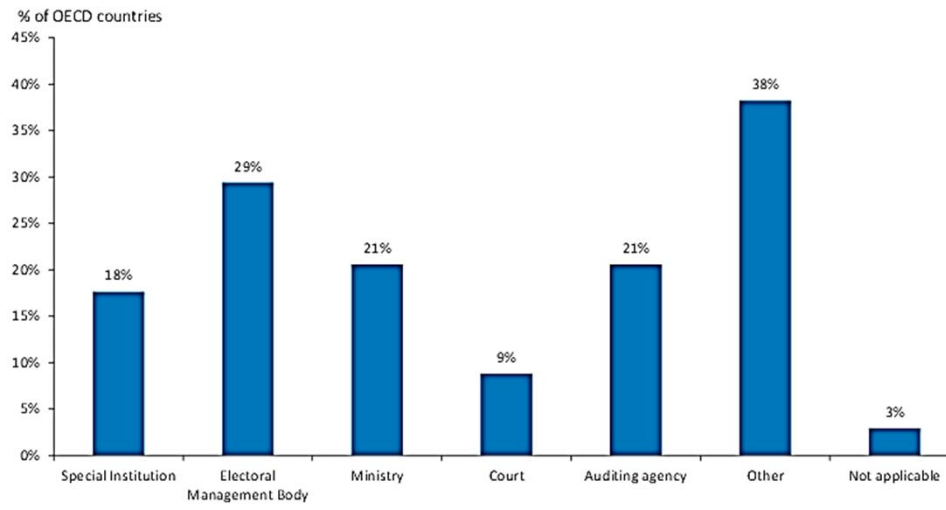




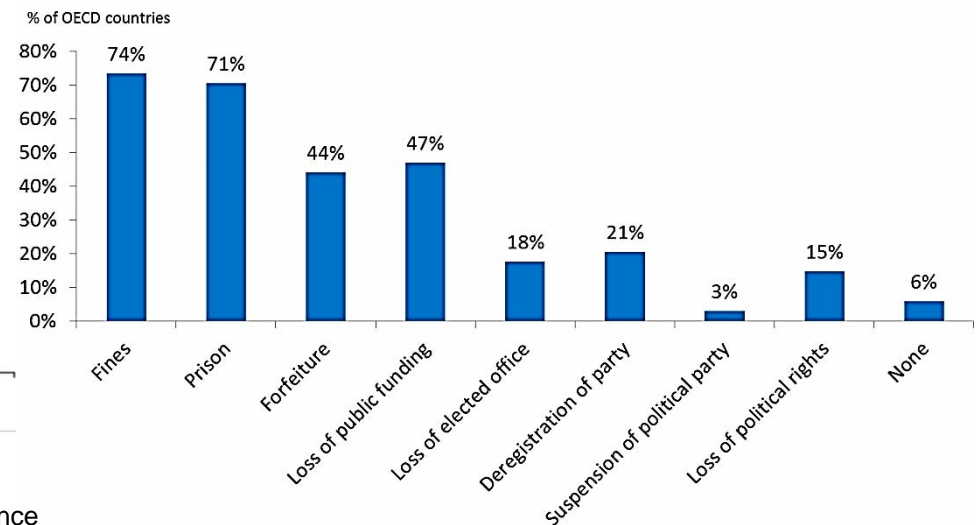
Ensuring compliance and review

- Assuring independent and efficient oversight
- Dissuasive and enforceable sanctions
- Appraising the system
- Support to political parties to facilitate compliance

Institution(s) receiving financial reports from political parties and/or candidates



Sanctions for political finance infractions in OECD countries



Source: International Institute for Democracy and Electoral Assistance



Conclusion

- Trust in public institutions is driven not only by the substance and outcomes of policies, but also by the process of policy making
- A consistent and holistic approach to political finance is needed
- Enforcement remains crucial for successful PF management
- Links with other risk areas in the public decision making process need to be identified (e.g. lobbying, public procurement, etc)
- The OECD to host an international meeting on financing democracy in December 2014

