

Box 1.2: Transparency International's Standards on Political Finance and Favours

The TI Standards on Political Finance and Favours are based on the values of integrity, equity, transparency and accountability. They arise out of concern about the influence of money and favours in politics, which undermines democratic processes and the rule of law. They are presented against the background of an international commitment to countering corruption expressed in the UN Convention against Corruption, at this writing due to be adopted in December 2003, and they are anchored in the global recognition of human rights endorsed in the Universal Declaration and related conventions.

1. Curbing influence peddling and conflicts of interest

Donations to political parties, candidates and elected officials should not be a means to gain personal or policy favours or buy access to politicians or civil servants. Parties and candidates must themselves practise transparency and demonstrate commitment to ethical standards in public life. Governments must implement adequate conflict of interest legislation, including laws that regulate the circumstances under which an elected official may hold a position in the private sector or a state-owned company.

2. Transparency through disclosure and publication

Political parties, candidates and politicians should disclose assets, income and expenditure to an independent agency. Such information should be presented in a timely fashion, on an annual basis, but particularly before and after elections. It should list donors and the amount of their donations, including in-kind contributions and loans, and should also list destinations of expenditure. The information should, subject to consideration of demonstrable security risks to donors or recipients, be made publicly available in a timely manner so that the public can take account of it prior to elections.

Furthermore, publicly held companies should be required to list all donations to political parties in any country in their annual reports to shareholders and consideration should be given to requiring shareholder approval for such donations.

3. Effectiveness in the enforcement and supervision of regulatory measures

Public oversight bodies must effectively supervise the observance of regulatory laws and measures. To this end, they must be endowed with the necessary resources, skills, independence and powers of investigation. Together with independent courts, they must ensure that offenders be held accountable and that they be duly sanctioned. The funding of political parties with illegal sources should be criminalised.

4. Diversity of income and spending limits

Careful consideration should be given to the benefits of state funding of parties and candidates and to the encouragement of citizens' participation through small donations and membership fees. Consideration should also be given to limiting corporate and foreign support, as well as large individual donations.

To control the demand for political financing, mechanisms such as spending limits and subsidised access to the media should be considered.

5. Fairness and integrity in access to the media

Candidates and parties should have fair access to the media. Standards for achieving balanced media coverage and media integrity must be established, applied and maintained. The media should play an independent and critical role, both in election campaigns and in the broader political process. Instruments such as conflict of interest legislation should be used to prevent political control of public and private media from creating a bias in the coverage of politics.

6. Civil society participation

Civil society should actively participate in promoting adequate legislation in the field of political finance and in the monitoring of political finance and its impact on political representation. The legal framework, both regulatory and institutional, must enable civil society organisations, in conjunction with independent media, to undertake such activities. This framework should also provide access to information, the opportunity for civil society input on pending legislation, and legal remedies, among other measures.