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| **COSATU Submission** **Review of the Public Funding of Represented Political Parties Act, No. 103, 1997** **16 August 2017** |
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**Submitted to:****Ad-Hoc Committee on the****Funding of Political Parties** **Parliament****Republic of South Africa** |

1. **Welcome Call**

COSATU strongly welcomes Parliament’s calling for public submissions on a review of the Public Funding of Represented Political Parties Act.

COSATU believes that is an important and in fact long overdue call.

1. **Expand Existing Legislation**

COSATU supports the principles of the Act and the provisions it makes for political parties represented in Parliament and the Provincial Legislatures to be provided with reasonable public funding as well as the required accounting principles attached to it.

Its provisions for public funding of political parties should be retained with additional further measures to ensure parties account for public funds received in line with the Public Finance Management Act. Parties which do not account fully for monies received should not be allowed to receive further funds until the existing funds have been accounted for in full.

The existing public funding provisions should be expanded to provide for similar funding and support to political parties represented in our various municipalities. This should be done by the municipalities along the same principles and lines of proportionality as is done by Parliament and the Provincial Legislatures.

State owned enterprises should be completely prohibited from funding political parties. This is against the PFMA. However numerous transgressions have happened with few if any consequences. The Act should be amended to state clearly this is a criminal offence.

1. **Corruption, Transparency and Disclosure**

COSATU like most of South Africa is deeply concerned and alarmed by the ever increasing levels of corruption in both the public and private sectors.

This is a cancer that if left unattended threatens the very fabric of our hard won democracy that so many paid the ultimate sacrifice for.

COSATU therefore proposes that the Act be reviewed with the view to strengthening it.

**3.1 Disclosure**

The Act should be amended to allow for parties to continue receiving private funding. However parties must be required to disclosed and account for in full to Parliament, the Provincial Legislatures and the Independent Electoral Commission.

Private companies that fund political parties must also be required by the Act to disclose such donations in their annual reports.

Such public and private funding annual reports should be available to the public and available on Parliament, the Legislatures, Municipalities and the IEC’s websites.

This is critical as there are growing examples of a vicious cycle where business persons seek to bribe parties with funding in exchange for tenders or favourable government policies.

Likewise there are growing cases of politicians demanding bribes or funding in exchange for tenders or favourable access to government leaders or favourable policies.

Historically many political parties objected to such proposals for private funding transparency on the basis of potential intimidation. Whilst there might be a potential for that, however it is of smaller consequence when compared to the rapidly growing crisis of public private sector corruption at all levels of the state.

Furthermore South Africa is a growing, deepening vibrant constitutional multi-party democracy with a robust judiciary. Our courts have not been afraid to rule against governments at all levels as required.

Currently we have 13 parties represented in Parliament and more in the Provincial Legislatures and Municipalities. The majority of these parties are represented in the executives of one of the three of tiers of government and thus potentially susceptible to conflicts of interest and bribery from private funders.

**3.2 Caps**

Lastly COSATU would like to propose that caps be put in place on corporate and individual donations to parties. This is critical to avoid wealthy individuals and companies simply buying political parties. Such limits would need to be reasonable and costed as running a party is an expensive task. However they need to be meaningful and strict enough to avoid the crises that many parties both in South Africa and internationally have experienced when a few wealthy corrupt individuals have been able to essentially bribe entire political parties.

The United States of America is a prime example of the challenges in this regard.

**3.3 Foreign Funding**

Debate needs to be held on whether 23 years into democracy we should still allow foreign funding for political parties. Whilst many parties depend on such donations, it may be time now to end this. Such donations inevitably come with hidden conditions. These could seriously imperil South Africa’s sovereignty, e.g. a large donation from a ruling party of a country seeking the lowering of tariffs for their exports at the expense of vulnerable local industries and jobs or matters of national security. Again, other nations have already moved to prohibit foreign donations, e.g. the US.

1. **Conclusion**

COSATU hopes that the Ad-Hoc Committee will take its submissions into account during its deliberations. COSATU welcomes this progressive and long overdue initiative by Parliament and avails itself to assist the Committee in its important task.

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