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| **COSATU Submission:**  **Political Parties Funding Bill**  **08 June 2018** |
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1. **Introductory Comments**

COSATU strongly welcomes Parliament’s Political Party Funding Bill.

COSATU believes that is important and in fact long overdue initiative in response to growing public anger at corruption across society and in particular our political realm.

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 is not thrilled and in fact quite disgusted by the prospect of expanding public funding for political parties whilst these same parties cry about the need to reduce the budget, reduce workers’ salaries, reduce public service employment, raise taxes on workers and cut public services etc.

COSATU accepts the principles of the Bill and the provisions it makes for political parties represented in Parliament and the Provincial Legislatures to be provided with reasonable public funding in exchange for the required accounting principles attached to it.

COSATU welcomes and supports the various transparency and accountability provisions in the Bill as well as the various enforcement and sanctions provisions.

The Bill 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 and 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. 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.

1. **Proposed Amendments to the Bill**

COSATU proposes amendments to the Bill’s disclosure thresholds with the view to strengthening the Bill.

**Section 9 Disclosure of donations to political party**

COSATU is deeply concerned that Section 9 of the bill will potentially collapse the anti-corruption objectives of the Bill.

Section 9. (1) (a) provides for prescribed thresholds below which parties do not need to disclose donations to the Commission. This is further provided for in Section 24 dealing with regulations.

Schedule 2 states that the limit below which a party does not need to disclose donations is R100 000.

COSATU rejects this provision in its entirety and calls for the deletion of Section 9. (1) (a) as well as its consequential references in Section 24. (1) and Schedule 2 under definitions and sub-section 9 under Disclosure limit.

R100 000 is a large amount. There are sufficient examples of officials and politicians who have been bribed by such amounts.

Persons can easily circumvent this arbitrary amount by making donations of for example R99 999 repeatedly to a political party. The party would then be under no legal obligation to make such disclosures to the Commission.

The Bill must be based on principle. The principle which COSATU and much of society are calling for is simple. There must be full transparency.

All donations that all parties receive, whether it is 5 cents or R100 000 etc. must simply be disclosed in full to the Commission. Any dilution of this principle will put the Bill’s progressive objectives at risk.

COSATU is thus calling for Section 9. (1) (a) and its consequential references in Section 24 and Schedule 2 to simply be deleted. There must be no threshold below which donations do not need to be disclosed to the Commission.

This will not present any administrative burden to parties as they anyway will monitor donations that they receive. Statements are generated automatically by banks. In fact to separate those statements below and above the thresholds will be an administrative burden.

The political risks of such a threshold outweigh any counter arguments to it. Besides if parties want to receive more public funding then they must show they are worthy of it. More so in a budget climate of austerity. One which politicians and their corrupt friends have caused. One which they now expect workers to pay for through higher taxes.

1. **Conclusion**

COSATU hopes that the Ad-Hoc Committee will take its submission and proposed amendments into account during its deliberations.

COSATU would further like to request the chance to make an oral submission if the committee during its public hearings on this critical matter facing the nation.

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