

Financing of political parties and electoral campaigns

Financial contributions allow individuals and entities to support candidates and political parties running for election and to represent their ideas and interests. However, if the financing of political parties and electoral campaigns is not adequately regulated, it may become an instrument for undue influence and policy capture. Ensuring transparency in the financing of political parties and electoral campaigns is therefore crucial to preventing undue influence and helping governments to strengthen and enhance public integrity.

Countries can enhance the transparency and integrity in the financing of political parties and election campaigns by requiring political parties to disclose financial reports, banning contributions from foreign actors and publicly owned enterprises, and enforcing regulations through an independent oversight body. In general, OECD countries have strong political finance regulations, but have room to improve their implementation and oversight.

Political parties are legally required to make their annual financial reports public in 26 out of 29 OECD countries with available data (90%). In practice, these reports were only published by all political parties in 19 countries. There are also legal requirements to disclose the funding and expenditure of election campaigns within set timelines in 27 out of 29 OECD countries (93%), but in practice these reports were delivered by all political parties and candidates within the timelines defined by national regulations for the past two election cycles in only 9 countries (Table 4.10).

In 15 out of 29 OECD countries with available data (52%), anonymous donations are completely banned, and all contributions made to political parties and candidates must be registered and reported. Political parties are prohibited by law from receiving financial contributions from publicly owned enterprises in 22 out of 29 countries (76%), and from foreign states or foreign enterprises in 23 countries. Fourteen OECD countries impose all three types of bans in their legal frameworks, while five do not impose any of them (Figure 4.11).

There is an independent oversight body to oversee the financing of political parties and election campaigns in 17 out of 27 OECD countries (63%). Fourteen countries have published information on the number of cases related to breaches of political finance regulations, the number of investigations conducted and a breakdown of the different types of sanctions issued. Three OECD countries have no independent oversight body and nor do they publish any of this type of information on political finance (Figure 4.12).

Methodology and definitions

Data were collected through a questionnaire based on the OECD Public Integrity Indicators on Accountability of Public Policy Making. Twenty-nine OECD countries and one accession country (Brazil) responded. Respondents were senior officials responsible for integrity policies in central government. The OECD Public Integrity indicators measure the state of play against the OECD Recommendation on Public Integrity.

Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector.

Further reading

OECD (n.d.), Public Integrity Indicators, <https://oecd-public-integrity-indicators.org/>.

OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, <https://doi.org/10.1787/ac8ed8e8-en>.

OECD (2017), "Recommendation of the Council on Public Integrity", *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435>.

Figure notes

- 4.10. Annual financial reports (in practice): financial reports from all political parties are publicly available. Election campaigns (in practice): all political parties have submitted accounts related to elections within the timelines defined by national legislation for the past two election cycle.
- 4.11. Inner ring: ban on anonymous donations, and all contributions made to political parties and/or candidates must be registered and reported. Middle ring: ban on contributions from publicly owned enterprises. Outer ring: ban on contributions from foreign states or foreign enterprises. Brazil: Yes for all three indicators.
- 4.12. Inner ring: an independent body has the mandate to oversee the financing of political parties and election campaigns. Outer ring: the following information has been published: 1) number of cases related to breaches of political finance regulations; 2) number of investigations conducted; and 3) a breakdown of the different types of sanctions issued. Brazil: Yes for inner ring, No for outer ring.

4.10. Transparency of financing of political parties and election campaigns: Regulations and practice, 2022

	Political parties must make financial reports public, including all contributions exceeding a fixed ceiling		Parties and/or candidates must report their finances (funding and expenses) during electoral campaigns	
	In regulations	In practice	In regulations	In practice
Australia	Yes	Yes	Yes	No
Austria	Yes	No	Yes	Yes
Canada	Yes	Yes	Yes	Yes
Chile	Yes	Yes	Yes	No
Costa Rica	Yes	Yes	Yes	No
Czech Republic	Yes	Yes	Yes	No
Denmark	Yes	Yes	No	No
Estonia	Yes	N/P	Yes	N/P
Finland	Yes	Yes	Yes	No
France	Yes	Yes	Yes	No
Greece	Yes	Yes	Yes	Yes
Ireland	Yes	Yes	Yes	No
Israel	Yes	Yes	Yes	No
Japan	No	No	Yes	No
Korea	No	No	Yes	Yes
Latvia	Yes	Yes	Yes	No
Luxembourg	Yes	Yes	Yes	No
Mexico	Yes	Yes	Yes	No
Netherlands	Yes	Yes	Yes	Yes
New Zealand	Yes	No	Yes	No
Norway	Yes	Yes	Yes	Yes
Poland	Yes	Yes	Yes	No
Slovak Republic	Yes	No	Yes	Yes
Slovenia	Yes	N/P	Yes	N/P
Spain	Yes	No	Yes	N/A
Sweden	Yes	Yes	Yes	No
Switzerland	Yes	No	Yes	No
Türkiye	No	No	No	Yes
United States	Yes	Yes	Yes	Yes
OECD Total				
YES	26	19	27	9
NO	3	8	2	17
Brazil	YES	NO	YES	NO

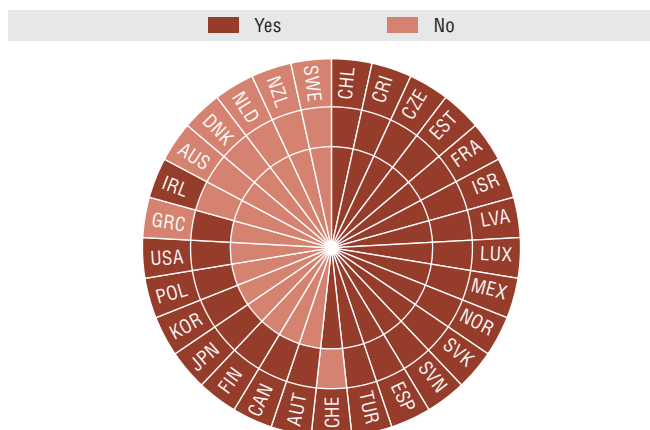
N/A: data not available: data the country could not provide because it does not exist.

N/P: data not provided: data missing from questionnaire responses.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink  <https://stat.link/ifdrhl>

4.11. Oversight of political finance and election campaigns: Regulations, 2022

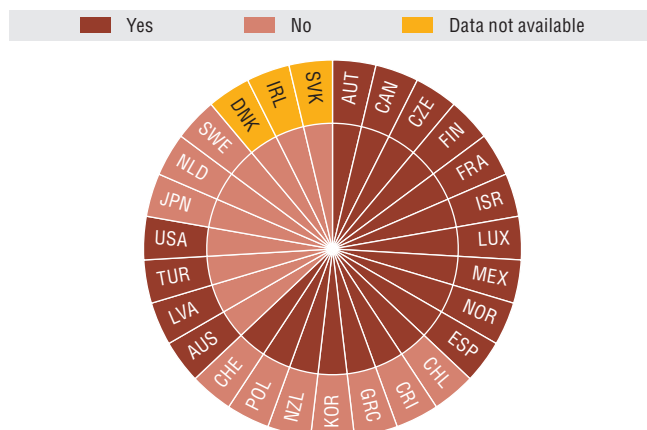


Note: Inner ring: ban on anonymous donations, and all contributions made to political parties and/or candidates must be registered and reported; middle ring: ban on contributions from publicly owned enterprises; outer ring: ban on contributions from foreign states or foreign enterprises.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink  <https://stat.link/sf8q3z>

4.12. Oversight of political finance and election campaigns: Independent oversight and public information, 2022



Note: Inner ring: an independent body has the mandate to oversee the financing of political parties and election campaigns; outer ring: information on breaches, investigations and sanctions published.

Data not available: the country could not provide the data because it does not exist.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink  <https://stat.link/jnbmrc>



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