

Financing of political parties and sponsors

*By Ch.Tamir, professor, Sociology Department
of the Mongolian National University*

In this paper, the author presents the current status of election campaign financing in Mongolia¹ and discusses about its social consequences, especially its negative aspects.

Political parties of Mongolia belong to the party system with strict membership and discipline. Such parties constantly face financial problems hence they have branches located throughout the country and they need to have personnels to run them. There are three types of financial sources for political parties: membership fee, government support, and contribution. Membership fees are supposed to be the main income for political parties. However, membership fees are not enough to finance activities of political parties. Parties are not able to collect membership fees because of low income of people, and fee collection mechanisms are not formed yet in most parties. On the other hand, party members are not used to pay fees. As of the second type of source, only parties with seats in the Parliament are able to get government support. Therefore, the main financial source for present political parties consists of contributions from business sector and that is why business sponsors have deep influence on parties.

Analysis of Law on Political Parties and Election Law shows that there are no subtle regulations on financing of political parties in Mongolia. The author has to come up with the present discussion and suggestions because the above-mentioned laws did not state anything about financial sources, their differences, and donation amounts. Some chapters even did not define the law subjects. Therefore, financing of political parties has remained as a closed issue.

It is not secret that sponsors contribute donations to the political parties because of their economic interest and their donations are more likely of bribery nature. Today politicians are not able to neutralize economic interests of sponsors and they often stooze certain groups. In some cases politicians shamelessly express interests of sponsors and turn to be their pledges.

Consequently, politicians lose ability to make right decisions and they become pledges of sponsors. Moreover, conflict between economic groups aggravates because of some political decisions and political parties take responsibilities over it and in some cases it ends up with the Government resignation. It is necessary to study about these problems taking into account that such conflicts could eventually cause government crisis no matter who rules it. Considering the widely spread phenomena of the above-mentioned problems, there is no guarantee that these circumstances would not occur during the Parliament election in 2004. Therefore, financing of political parties should be regulated in the following ways:

¹Ch.Tamir "Some political, governmental and business relation aspects in Mongolian society" //Shine Toli № 43. Scientific magazine of the Academy of Political Education

One. Political inequality or money politics

Various studies indicate that money expenditures of election campaigns are increasing worldwide. Mongolia follows this trend and moreover one can notice some negative effects related to it. Although it is not possible to say that such increased campaign expenses are direct disadvantages, the negative effects of the above-mentioned trend could be explained as follows.

First of all, politicians and businessmen hold certain distance in other countries. However, these two groups are mixed and it is easy to change one by another in Mongolia. It could be seen from the examples of politicians making money, taking advantage of their influence or businessmen, who increase their profits being involved in politics. Our society is a comparably small. Studies indicate that there are not many active politicians in Mongolia and the number of businessmen is fewer than them. These people are somehow connected to each other and most of them live in Ulaanbaatar. In most cases, politicians and businessmen are friends, relatives, classmates, or from same birthplace.

In such proximity between politicians and businessmen, inequality in economic relationships eliminates equality in political relationships. Existence of citizens with different economic potential is a common phenomenon in a democratic society with market economy. However, equal right in politics is an important factor of democracy.

Next reason is related to the fact that Mongolian politicians and parties are not protected from the influence of contributors. To overcome this problem, one should get small money donations from as many as possible contributors and this way prevent the case when somebody will take an initiative giving the most contributions. Political parties also could try to cover expenditures by their management and involve more citizens to fundraising. It could be concluded that the above-mentioned specifics of our country raise the election campaign expenditures and vanish political equality.

Two. Financing of political parties causes corruption

We need to answer to the question whether corruption in society influences financing of political parties or vice versa. If one can assume that existing corruption in society influences financing of parties, then our discussion will be tangled very much because Government has not achieved any results with fighting over corruption so far. In any case, these two sides of question are interrelated factors of systematic character.

Three. Government is forgetting its duty to serve its citizens

The current financing system of political parties in Mongolia makes the Government to forget about its duty to serve its citizens and to serve the narrow group of politics and economics. Contributors find a way to take advantage from the winning party policy. It should be noted here that it is a common phenomenon not only in Mongolia but also in other countries. Mongolian election campaign financing system is not widely argued topic among researchers. It causes conflict between public, political and economic groups. On the theoretical level, it could be formulated as conflict between government and citizens. Systematic analysis of government policy shows that our government expresses the interests of narrow groups of politicians and businessmen, and not of its citizens. It surely might have some ties with financing of political parties. Conflict between government and citizens is serious for the country like Mongolia with small population, scarce economical resources and tiny market.

Four. The present system of political parties' financing reduces the value of economic competition

It could be demonstrated by the fact that those economic and business groups, who contributed to the winning party often succeed in tenders. Although this problem does not seem serious right now, it might bring damages to the economy and moreover to the development of the country in future because fair competition is a key element of market economy.

Five. Political involvement of citizens is declining², and voters' behavior is changing³

Skyrocketing of the election campaign cost and its unregulated hidden character causes money-driven competition. One can see the clear indications of how this trend affects citizens' attitude towards election from everyday life. Once election time approaches, citizens get more interested in the material side of campaign such as various services and distribution of free products. It diminishes the fundamental ideas of real democracy because election takes a trade character and citizens lose the right to participate in state affairs. It is undoubtful that such phenomem will have negative effects on Mongolian democracy.

Translated by Ya.Borchuluun

² «Political involvement of Mongolians is declining»// Ch.Tamir, D.Ganhuyag. Unuudur newspaper. Aug 2, 2002

³Ch.Tamir. «Changes and types of political involvement of Monfolians» presentation Research and scientific conference of the Mongolian National University, June 2002
Ch.Tamir. «Political involvement of Mongolians» presentation// Research and scientific conference dedicated to the 12th anniversary of Mongolian Revolution, April 2003