



## INCLUSIVE SOCIETY INSTITUTE

### MEDIA STATEMENT

#### **POLITICAL FUNDING DISCLOSURE MUST MATCH PUBLIC SUPPORT - SWANEPOEL**

*Remarks delivered at the IEC Symposium on Political Funding, Durban, 18 June 2025*

Daryl Swanepoel, Chief Executive Officer of the Inclusive Society Institute, today raised concerns about the adequacy of political party funding in South Africa during the Electoral Commission's Symposium on Political Funding, held in Durban on 18–19 June 2025.

Speaking on the first day of the event, Swanepoel suggested that there was a significant discrepancy between the financial declarations submitted by political parties to the Independent Electoral Commission (IEC) and the visible expenditure witnessed during election campaigns.

“There appears to be a mismatch between what parties are declaring and the value on full display in the field, particularly during electoral contests. There is clearly something amiss,” Swanepoel said.

He further argued that in jurisdictions where there is a high disclosure regime for political funding, there should be correspondingly high levels of public funding for political parties. Conversely, in systems with low disclosure requirements, public funding may justifiably be lower. “South Africa has opted for a high disclosure regime, but we continue to underfund our democratic infrastructure,” he explained.

Swanepoel cited research conducted by the Inclusive Society Institute, which found that South Africa’s democracy is indeed underfunded when benchmarked against international peers with proportional representation systems. “In 2021, for example, South Africa spent only around R20 per eligible voter per year on public funding of political parties. That figure (adjusted for power-purchasing-parity) was significantly lower than in comparable jurisdictions,” he noted. “While there has been a notable increase in public funding since the research was conducted, the overall level remains insufficient to sustain a robust and fair democratic process.”

He further warned that chronic underfunding of political parties may, in fact, undermine the very objectives of the Political Party Funding Act, chief among them, the prevention of corruption. “If parties do not receive adequate funding through transparent and lawful channels, they will be forced to find alternative ways to finance their posters, adverts, events and campaigning logistics. In such a context, the risk of parties seeking to bypass the legislative framework increases significantly, thereby weakening the integrity of the system the Act seeks to uphold.”

Swanepoel also responded to concerns raised in the room regarding the recent changes to the formula for allocating public funding to political parties. “There has been considerable criticism about the shift from the original formula, where one-third of funds were distributed equally among all represented parties and two-thirds based on proportional representation, to the current 10-90 split,” he noted.

“While proportionality is important, smaller parties must be given a fair opportunity to survive administratively and compete meaningfully.” As a possible middle ground, Swanepoel proposed a three-tiered funding model to replace the current: a basic allocation to all represented parties to ensure operational functionality, followed by a 10% equal share and a 90% proportional distribution layered on top. “This would preserve fairness, while still acknowledging the role of electoral performance in determining funding.”

He concluded by urging stakeholders to consider a funding model that is both transparent and sufficiently robust to support the democratic process, warning that “a vibrant democracy cannot be sustained on goodwill alone, it requires adequate financial support to ensure fairness, competitiveness and transparency.”

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