

# **Commercialisation of Politics and its Impact on an Already Strained Economy**

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## **I. Introduction**

When the Electoral Commission cleared Maureen Kyalya to contest for the presidency in the 2016 general elections, making her the only female contender in a pool of eight presidential aspirants, she probably did not expect the campaign trail to be that gruelling. From the onset, Kyalya went about criticising the level of corruption eating up the country, and the kind of solutions she would undertake if elected president. Her messages on the campaign trail—usually delivered to a handful of people, rotated around some of the critical issues Uganda faces, among which are a failing health system and a weak education system.

However, in less than a month on the trail, financial constraints forced Kyalya off the campaign platform. She reported the need to head back to the United Kingdom to raise funds for her campaign. Speaking to NTV from the UK, she said she had informed the Electoral Commission of her leave of absence, and that she would take at least a month off the campaign trying to get financial support. Kyalya's dilemma, perhaps, offers a perfect representation of just how money remains a big factor in Uganda's political contests, and how that has impacted on the general economy and the tenets of a democratic process.

## **II. Money in Politics**

It is almost impossible to run a political campaign in Uganda without spending huge amounts of money. It is now a Ugandan culture that many politicians have to pay voters to win their support. Mwabutsya Ndebesa, a political science lecturer at Makerere University and a political commentator, said the issue of voter bribery is inevitable because historically people expect the election season to be a season of making money. He explained that “most voters are poor and are therefore prone to fall for cash handouts from the political elite.” According to Oluka of the Observer, “Electoral campaigns are very expensive ventures, especially in Uganda's highly monetised politics.”<sup>1</sup> After speaking to various politicians, he reported that

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<sup>1</sup> Benon Herbert Oluka, ‘What it Costs to Become MP,’ The Observer, January 2, 2015, available at <http://www.observer.ug/component/content/article?id=35745:-what-it-costs-to-become-mp>.

Billions of shillings will exchange hands across the country in 2015 as politicians intensify their campaigns for parliamentary and local council positions ahead of the 2016 general elections. Individual aspirants plan to spend as much as Shs 800m-Shs1bn, according to a survey by The Observer and revelations by some politicians.<sup>2</sup>

While political candidates channel money through their handlers, who in turn swindle some of it to buy assets, a huge amount of it is used to buy off support. It is hard to estimate how much money is spent during the election seasons. According to Wafula Oguttu, the Leader of the Opposition in Parliament, NRM spent more than Shs 1 trillion in the 2011 general election — more than what the health sector has ever received in any national budget in Uganda.<sup>3</sup> However, it was reported that

During the 2011 presidential elections, NRM budgeted for Shs 65bn for parliamentary and local council elections, with each MP receiving Shs 30m, Woman MP Shs 50m, and LC-V candidate Shs 50m. The candidates had to raise the rest of the money. The leading opposition party, Forum for Democratic Change (FDC), budgeted Shs 23bn for the 2011 general elections (presidential, parliamentary and local council polls), Democratic Party (DP) Shs 9bn and Uganda Federal Alliance (UFA) Shs 4bn. It is believed that the sum total for election campaigns will rise considerably as the monetisation of Uganda's electoral process increases.<sup>4</sup>

Similarly, claims of voter bribery are not new; they have formed a large part of the petitions from losers contesting the outcomes of the results over the years. In a few cases, these allegations have been proven to the satisfaction of the courts. For example, when Muwanga Kivumbi lost the parliamentary elections in Butambala to Faisal Kikulukunyu in 2011, he went to court challenging the outcome on grounds of massive voter bribery. At least five of the six allegations of voter bribery orchestrated by Kikulukunyu's camp were found to be satisfactory to the Court of Appeal. Kikulukunyu's victory was nullified.

A number of reasons explain why Uganda's politics remain commercialised. A total breakdown of trust in the democratic process of the election, which has led to voter apathy that many are willing to trade their vote for a kilo of sugar; a poorly structured state system where political

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<sup>2</sup> Ibid.

<sup>3</sup> Ivan Okuda, 'Is Museveni being honest on voter bribery?', The Daily Monitor, November 23, 2015, available at <http://mobile.monitor.co.ug/specialreports/elections/Is-Museveni-being-honest-on-voter-bribery/-/2471424/2968078/-/format/xhtml/-/q87rehz/-/index.html>.

<sup>4</sup> Benon Herbert Oluka, 'What it Costs to Become MP,' supra note 1

power is key if one needs to advance his or her economic interests, so much so that spending on the electorate is seen as an investment rather than an expenditure; weak clampdown, if any, of illicit funds in that no questions are asked about the source of money; and a young multi-party system, where political parties are weak to enforce rules on campaign expenditure, just to mention a few.

This notwithstanding, Ugandan laws are against any financial actions that influence the outcome of an election. Article 68 of the Parliamentary Elections Act, 2005, deals with bribery, and is to the effect that

A person who, either before or during an election with intent, either directly or indirectly to influence another person to vote or to refrain from voting for any candidate, gives or provides or causes to be given or provided any money, gift or other consideration to that other person, commits the offence of bribery and is liable on conviction to a fine not exceeding seventy two currency points or imprisonment not exceeding three years or both.<sup>5</sup>

However, the enforcement of this law is wanting. In all circumstances where an election has been nullified on the basis of bribery, there has never been any imprisonment of the culprits. It is only through such harsh punishments that the ills of money in politics can adversely be addressed.

The emergence of new trends, such as businessmen funding a candidate, possibly in a bid to safeguard their interests, also partly explains why Uganda's politics remains heavily commercialised. For example, when Amelia Kyambadde, the once powerful presidential press secretary, who used to determine whether one could hold a meeting with the president or not, decided to contest as a Member of Parliament in 2011, top businessmen such as Sudhir Ruparelia drove to her constituency in Mpigi to offer their donations and fundraise for her. Such businesspeople have helped to further oil the money-machines that run the campaigns.<sup>6</sup>

### **III. Impact of Politics of Money**

The repercussions for the commercialisation of Uganda's politics stretch far and wide, from the high level of a country's economic prospects to the lower units of the future of a family. When

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<sup>5</sup> Article 68 (1), Parliamentary Elections Act, 2005

<sup>6</sup> Can Amelia Kyambadde take Mawokota North?, March 5, 2010, available at <http://www.newvision.co.ug/D/9/803/712032>.

money is spent during an election campaign, the stakes are usually higher. On a presidential level, the money spent on an incumbent's campaign is usually got from donations from political and business allies, and expenditure cuts from ministries and other government parastatals.<sup>7</sup>

On a lower level, such as parliamentary and local council races, much of the money spent on the campaign is either borrowed or proceeds from a sale of a precious asset such as land or property. Mobilizing funds is not easy, and according to Paul Amoru who was defeated in the Dokolo MP race in 2011, he had to sell his vehicle to raise money for his initial campaign.<sup>8</sup> Many politicians borrow money to finance their campaigns, hoping to make it to Parliament, where they earn different perks, in order to service their loans. Some borrow more money while in Parliament in order to pay off their loans. It has now become a common feature to see loan officers and money-lenders prowling the corridors of Parliament trying to lure the legislators to take up credit. However, taking loans to finance campaigns has led to some ending up in jail after failing to make it to the house and then having no resources to pay back the loans. It has been witnessed that some candidates, or even incumbent MPs such as Nakato Kyabangi Katusiime, served stints in jail after failing to pay back the money [borrowed to finance her campaigns].<sup>9</sup>

For some of these loan sharks, the move has backfired. Two loan firms, Kenloy Investments Ltd and Nibya group of companies, early this year petitioned the Speaker of Parliament Rebecca Kadaga to intervene in a matter where at least 21 legislators and some Parliament staff had failed to clear debts amounting to almost Shs 1.5bn.<sup>10</sup>

Aggrey Awori, who once stood for the presidency in 2001, told *The Observer* newspaper that “the money lenders are creating problems for us politicians. They give you very little money but at very high interest and you need to get that money in order to compete [in an election].”<sup>11</sup> Finance Minister Matia Kasaija and his permanent secretary, Keith Muhakanizi, have been reported to have cautioned politicians against the sale of property to fund their campaigns, saying

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<sup>7</sup> Election funding: Uganda is broke, says Bbumba as tough times loom, *The East African*, available at <http://www.theeastafrican.co.ke/news/-/2558/1106116/-/view/printVersion/-/ky6ob1z/-/index.html>.

<sup>8</sup> Oluka, “What it Costs to Become MP,” supra note 1

<sup>9</sup> *Ibid.*

<sup>10</sup> Deo Walusimbi, ‘Debt Heavy MPs Named’ *The Observer*, May 6, 2015, available at <http://www.observer.ug/news-headlines/37701-heavy-debt-mps-named>.

<sup>11</sup> Oluka, “What it Costs to Become MP,” supra note 1.

“there is no money from joining politics.” It is as a result of this do-or-die affair, as a result of the money that candidates spend, that the repercussions from the campaign season tend to be grave. There is perhaps no better example than the post-2011 election season, where inflation shot to 30 per cent, leading to a cocktail of interventions that saw interest rates on credit go up, and an increase in the number of property taken under receivership because the owners could not service their loans.

From the larger economic scale, the campaign season brews investor fear. Razia Khan, the Africa head of research at Standard Chartered bank, predicted that investors would hold back investments in Uganda partly as a fear of an imminent increase in election-related expenditure. Such investor fears have been brutally manifested in Uganda’s exchange rate market, where the dollar continues to batter the shilling. Bank of Uganda says that at least 10 per cent of the depreciation of the shilling is down to speculation over the huge expenditures expected in the election season. The depreciation of the shilling means that Ugandans are going to spend more money on items such as fuel, whose price remains high compared to other markets regardless of the collapse in international oil prices.

Investor fears also lead to a slowdown in the amount of dollars trickling into Uganda. This means that job creation and expansion is limited, hurting those who might be seeking employment, especially the more than 10,000 university graduates being ushered onto the streets each year.

Images of the election-related violence in a world where social media is widespread tend to hurt sectors such as tourism, now Uganda’s main foreign exchange earner. Tourists tend to postpone their holidays to a country holding elections because of the fear of violence that might break out. There have been reports that some of the violence is financed by political candidates. For example, Yona Musinguzi, the incumbent Member of Parliament for Ntungamo, is said to have funded a group of NRM-leaning youth to fight those of independent candidate John Patrick Amama Mbabazi during the clashes in the district on December 13. At the end of this all, such clashes overstretch a thin and poorly-funded Police force. Candidates who are sober enough to rush to court to contest the elections usually find an overstretched and sometimes corrupt judiciary, putting further pressure on the backlog of cases.

#### **IV. Tough Solutions**

It is important that Uganda finds solutions to the commercialisation of its political space. The failure to find a solution means that the basic tenets of democracy, where a free and fair issue-based election is conducted could be undermined. The commercialisation of politics, as we saw in the post 2007 Kenyan election violence, where lives and property were lost, could hurt Uganda's prospects on many fronts. In Kenya, witnesses before the International Criminal Court accused Deputy President William Ruto of financing their militia activities before the elections in December 2007, which partly led to the violence that claimed more than 1,000 people and displaced more.

Ugandan legislators need to push for the amendment of the different election-related Acts to introduce policies that set a cap on the money spent during campaigns. This cap would be enforceable if the laws are amended to provide for the annulment of an election in instances where a candidate has spent more than the capped money. However, like many other strong policies, this would also be prone to abuse in the form of candidates using other proxies to fund bribe voters, which would be hard to prove.

That the state in Uganda is fused with the ruling party is no longer a point of debate; the incumbent uses state infrastructure and funds during the campaign season, offering him an unfair advantage.

The Parliament should push for amendments in the law that require the establishment of an independent authority to audit election-related expenditure. Candidates should be required to submit expenditure reports before their campaigns start, and after, for auditing. The audit should also include donations candidates receive, and there should be a limit at how much one can support a candidate. In the alternative, the cost of campaigns could be reduced through public funding through cash or logistical necessities, of all qualifying candidates and strengthening mechanisms of accountability.

Any expenditure above the agreed standards should be a strong ground to contest an election.

Members of Parliament should also push for an amendment to the elections act that give a candidate protesting against an election only 10 days after the announcement of the results to gather evidence of malpractices. Since voter-bribery is a concealed act, which is sometimes hard to prove, candidates should be given more than 10 days to gather evidence. While these are strong policies, enforcing them is quite hard. The executive retains a lot of power over the legislature. Many of the MPs today belong to the ruling party, and it is quite hard to see them going against their masters.

However, the MPs have more than enough immunity to at least create public debate that could, probably, create the process that could lead to the enactment of these rules. By doing so, they will have played a critical role in promoting a free and fair election, where the impact of money is substantially reduced. That way, we would probably not have complaints such as Maureen Kyalya's.