



**THE DEMAND AND SUPPLY OF POLITICAL
CAMPAIGN FINANCING IN TANZANIA AND
UGANDA DURING THE 2010S**

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ABSTRACT

Campaign financing is defined as money and other resources used by parties and candidates during primary, parliamentary, or presidential elections to secure nomination and election to political office. In this paper, we develop a demand-supply framework for analysing and understanding such financing in newly democratising poor countries, exemplified by Tanzania and Uganda. Like other African countries, both countries operate a first-past-the-post electoral system, and both experienced a double transition towards political and economic liberalisation beginning in the 1980s. This has increased the cost to parties and candidates of being elected to public office.

We make estimates of the orders of magnitude and sources of campaign financing in the two elections in both countries during the early and mid-2010s. Some 80+ members of parliament in each country were interviewed in 2017 to provide such information. For the two presidential elections during that period, we collected data through interviews with knowledgeable individuals and the use of secondary sources.

The main findings are that: (a) legislation and enforcement of campaign financing regulations are weak, especially in Uganda; (b) campaign expenditures for parliamentary and presidential elections have grown significantly during the period – more so in Uganda than in Tanzania, while the incumbent party candidates outspend the opposition significantly in both the parliamentary and presidential elections in both countries; (c) female members of parliament generally spent as much or more on election campaigns as male candidates; (d) the supply of plutocratic financing by larger, mainly domestic, private companies – especially to fund the presidential candidates of the ruling parties in Tanzania and Uganda – has grown in tandem with economic liberalisation since the 1990s; and (e) providing campaign financing probably improves the bargaining positions of major donors – especially vis-à-vis the incumbent presidents and parties – and more so than does paying taxes to the state by these larger campaign finance donors.

Comparing our campaign cost figures with those from neighbouring countries, the conclusion is also that Tanzania and Uganda – despite the significant differences between them – do fall within a comparable range of campaign costs found in other African countries.

Further research can improve estimates of the magnitudes and the sources of election campaign finances. It can also shed more light on the extent to which the donation of money to fund parties and candidates – especially of the ruling party – can buy significant influence over how rents are allocated, tax legislation made and policies in general designed and implemented. Money sometimes speaks louder than votes.

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LIST OF ABBREVIATIONS

ACFIM	Alliance for Campaign Finance Monitoring, Tanzania
BoT	Bank of Tanzania
CCM	Chama cha Mapinduzi, Tanzania
CDD	Center for Democratic Development, Ghana
CEO	Chief Executive Officer
CHADEMA	Chama cha Demokrasia na Maendeleo, Tanzania
EPA	External Payments Account
FDC	Forum for Democratic Change, Uganda
GDP	Gross Domestic Product
IPTL	Independent Power Tanzania Limited
LHRC	Legal and Human Rights Centre, Tanzania
MDA	Ministries, Departments, and Agencies
MNC	Multinational Corporations
MP	Member of Parliament
NDC	National Democratic Congress, Ghana
NDI	National Democratic Institute, USA
NEC	National Electoral Commission
NPP	New Patriotic Party, Ghana
NGO	Non-Governmental Organisation
NRM	National Resistance Movement, Uganda
PAP	Pan African Power Solutions
PPP	Purchasing Power Parity
PSRB	Political Settlement and Revenue Bargaining research programme
REPOA	Research on Poverty Alleviation
SEATINI	Southern and Eastern Africa Trade Information and Negotiations Institute, Uganda
TACCEO	Tanzania Civil Society Consortium on Election Observation
TANESCO	Tanzania Electric Supply Company

TANU	Tanganyika African National Union
TASAF	Tanzania Social Action Fund
TEA	Tegeta Escrow Account
TEMCO	Tanzania Election Monitoring Committee
TICTS	Tanzania International Container Terminal Services
TPA	Tanzania Ports Authority
TRA	Tanzania Revenue Authority
URA	Uganda Revenue Authority
URT	United Republic of Tanzania
USD	United States Dollars
VAT	Value Added Tax

INTRODUCTION

Since the early 1990s, as part of an Africa-wide trend, electoral politics became routinized in Tanzania and Uganda. Regulative institutions including constitutions, laws and relevant organisations have changed in some commendable ways, but multi-party elections have become increasingly expensive for parties and candidates (Ewald, 2011; Tangri and Mwenda, 2013). Seemingly, elections elsewhere in Africa have also become more costly (McNamee et al., 2017), although comparative research on campaign financing is limited (Kulick and Nassmacher, 2012). Such research is hampered by a general lack of reliable and comparable information about levels of actual spending by African political parties and candidates.

There are two ways to view the rising cost for parties and politicians of election campaigns. On the one hand, parties are situated between society and the state: their key function in capitalist societies is to channel (un)organised and corporate interests into the political process (Bardi et al., 2014). This function requires financing. Without money, political parties cannot interact with voters and interest groups to develop their political ideas; cannot inform the electorate about these ideas and how they differ from those of other parties; cannot train and support party cadres to disseminate messages and mobilise voters; and cannot run the party organisations that underpin such activities. From this perspective, therefore, growing political financing can be a sign of healthy and vibrant political competition and participation (Ham and Lindberg, 2015). This said, it is also important to note that there is more to campaigning than money. Group organisation and group links to the ruling elite are also important bases of power and influence during election campaigns, as Khisa (2016: 741), for example, points out.

On the other hand, money in politics can be harmful for both emerging and so-called mature democracies. ‘One person, one vote’ squares badly with the political influence that some individuals and corporations can buy with money (Mendilow, 2012). Titles of recent publications reflect this concern,¹ and they are clearly not unique to poor African countries. The world over, money in politics is often associated with corruption, with undue access to rents and influence over

¹ E.g. *Checkbook Elections: Political Finance in Comparative Perspective* by Norris, van Es and Fennis Norris, P., Es, A. A. v. and Fennis, L. (2015) *Checkbook Elections. Political Finance in Comparative Perspective. Executive report*, Sidney: The Electoral Integrity Project. Department of Government and International Relations. University of Sydney., *Financing Democracy: Funding of Political Parties and Election Campaigns and the Risk of Policy Capture* by OECD (2016) *Financing Democracy. Funding of Political Parties and Election Campaigns and the Risk of Policy Capture* [OECD Public Governance Reviews], Paris: OECD Publishing., *Plutocrats United: Campaign Money, the Supreme Court, and the Distortion of American Elections* by Richard L. Hasen (2016).

government policies by powerful economic interests, and with the outright buying of votes. Too much money in politics can delegitimise the democratic process and distort the policymaking process in favour of those that donate political finance – or are rich enough to run their own campaigns, thus buying themselves into political power (Hasen, 2016). Such concerns are a common theme in all research into political financing in both rich and poor countries (e.g. Arriola, 2013; Butler, 2010; Mendilow, 2012).

We define campaign financing as money and other resources used by parties and candidates during primary and general elections for the purposes of securing a party's nomination and/or contesting a general election. Because of the overriding necessity of money to run election campaigns, the need to get funding from private sources becomes more pressing and opens avenues for possible negotiations and bargains between the suppliers and the recipients of funds. Contributors of political finance can typically be reciprocated for both their legal and illegal donations, and this may have significant influence on decision-making and on the implementation of public policies. It is, however, impossible to sort out the specific bargaining implications of political financing without more detailed, country-specific analyses of its sources and recipients.

This paper focuses on political financing in Tanzania and Uganda. Both countries operate a first-past-the-post election system with individualised campaigns, which tend to result in relatively high campaign costs (Murray et al., 2021). These two cases are unlikely to be very different from many other African countries with this election system and with generally low incomes.

For both countries, we analyse only the elections of the 2010s. Methodologically, we draw on a range of quantitative and qualitative data on campaign financing for both parliamentary and presidential elections. Most of our data are drawn from a combination of interviews and a questionnaire survey of randomly selected members of parliament who contested for primary and/or parliamentary seats in Tanzania (2010 and 2015) and in Uganda (in 2011 and 2016). The interviews were conducted in 2017 and the response rates were surprisingly high (84 percent in Tanzania; 71 percent in Uganda).

We proceed in two main steps. First, we develop a demand-supply framework for analysing campaign financing with inspiration from political settlement theory (Kjær et al., forthcoming). This is followed by empirical comparative explorations in both countries of the costs of parliamentary and presidential election campaigns and of the major sources of campaign funds.

We emphasise five main findings. First, while intra- and inter-party competition for office has increased in Tanzania and Uganda since the political liberalisation of the 1990s and early 2000s, the regulation of election funding is deficient, and enforcement of campaign finance laws is lax – especially in Uganda. Our fieldwork in both countries reveals that the legal regime in place is not strong enough to regulate the amount of money that goes into campaigns. Worse still, the weak extant laws are easily disregarded by political actors without much sanction. Consequently, limits on campaign expenditure are not enforced.² This has contributed to increased political financing relative to the GDP of both countries.

Secondly, consistent with Arriola's (2013) findings, our survey data show that the ruling party parliamentary candidates in both countries outspend the opposition by a significant margin.³ Presidential campaigns show a similar but even more pronounced pattern. In Uganda, for example, the incumbent presidential candidate spent more than ninety percent of all the money used by presidential candidates in the 2016 elections. Despite scant comparable expenditure data for Tanzania, observations by election monitors of, among others, the scale of campaign advertising suggest that the ruling party's presidential candidate spent 60 percent more than the main opposition candidate in the 2015 elections, thereby enjoying a marked financial advantage over the opposition. Notwithstanding the availability of expenditure data, election observers found the ruling party to have received four times as much airtime from private TV stations as the main opposition in Tanzania (LHRC and TACCEO, 2016). Clearly, the electoral playing field is not level. There is a huge incumbency advantage in funding campaigns.

Thirdly, according to our survey data, female candidates generally spend as much or more on parliamentary election campaigning as male candidates. Indeed, in Uganda's primary elections, female candidates spend much more than male candidates. This runs counter to the general view in the literature that fundraising is harder for female challengers (a conclusion in a special issue on the subject in the *International Political Science Review* by Murray *et al.*, 2021). It also differs from the common proposition that women and minorities are often excluded from participating in politics due to a lack of access to political funding (Falguera, Jones, & Ohman, 2014).

² In any case, the limits are generous. For the 2015 Tanzania elections, the total limit on presidential election campaign expenses for each political party was TZShs17 billion or €7 million (EU Election Observation Mission Tanzania, 2015 page 25). See also Babeyia (2011) on the Election Expenses (Maximum Amount of Funds) Order (supplement No 26) of 2010. There is no legal stipulation for limits in Uganda, but there is a prohibition on seeking and receiving foreign funding.

³ The exception is parliamentary candidates in Uganda who stood as independents (although many of them were allied to the ruling party). On average they spent more than twice as much on their campaigns as did the official candidates of the ruling party in the general elections of 2016.

Fourthly, the supply of plutocratic financing by larger, mainly domestic, private companies to the ruling parties in Tanzanian and Uganda – especially to fund their presidential candidates – has grown in tandem with economic liberalisation since the 1990s. This has enhanced the importance of rent-seeking by firms for profits and survival. Anecdotal evidence suggests that this source of campaign financing is highly discreet and smacks of collusion between politicians and business entities.

Finally, based on the last point, we deduce that providing campaign financing probably improves the bargaining positions of the major donors – especially with respect to the incumbent presidents and parties – more than does paying taxes to the state by these larger campaign finance donors.

This paper contributes to the wider debates on political financing and democratisation in Africa. It also contributes to the research project on Political Settlement and Revenue Bargains (PSRB).⁴ However, detailed empirical analyses of the links between donation of campaign financing, bargaining power and policy outcomes is not dealt with in this paper, but is analysed in a related book chapter.⁵ Only some of the theoretical arguments for the importance of political financing in bargaining for rents and policy changes are briefly outlined in this paper.

The rest of the paper is structured in six sections. First, we provide a theoretical framework for analysing the demand and supply of campaign financing. Next, we briefly address the extent to which the donation of money to fund parties and candidates – especially the ruling party – may buy significant influence over how rents are allocated, tax legislation made and policies in general designed and implemented. Then follows a brief account of the methods used to collect our empirical information. In the two subsequent sections we present findings on the estimated costs and the major sources of campaign money for Tanzanian and Ugandan MPs, followed by similar analyses of presidential campaigns. Finally, we offer some tentative conclusions and broader reflections.

⁴ See the PSRB website: <https://ps.au.dk/forskning/forskningsprojekter/political-settlements-and-revenue-bargains-in-africa/>

⁵ *Campaign financing and revenue bargaining in Tanzania and Uganda*. By Khisa, Msami and Therkildsen in Kjær, Ulriksen and Bak (forthcoming). *The Politics of revenue bargaining: Triggers, processes, and outcomes*. Oxford University Press.

A DEMAND-SUPPLY FRAMEWORK FOR ANALYSING CAMPAIGN FINANCING

Our framework is based on a relatively straightforward proposition: with economic and political liberalisation, the demand by political parties and politicians for campaign financing grows as political competition increases. Supply of campaign financing also expands as the capitalist market incentivises private providers of political financing to pay themselves into favourable bargaining positions with regards to state policy, access to rent and especially taxation issues. This said, it is also important to note that money is not the only factor that matters in winning elections, but it tends to be the most important, especially where campaigns are not structured around a limited set of policy issues.

Our proposition must be put into context because political parties change according to the society they are part of and the state they are linked to (Bardi *et al.*, 2014; Hasen 2016; Bryan and Baer, 2005: 25; Lindberg, 2003). Consequently, a better understanding of the role of money in politics on a country-by-country basis is important. With differing political and economic histories, and unique party evolutionary patterns, each country has its unique set of challenges as political parties and overall political culture change with broader societal changes. In the Tanzanian and Ugandan contexts, the political systems have evolved from similar historical antecedents and ideological provenance, but they have also taken divergent trajectories.

Since independence, Tanzania's politics has been built around the ruling party, initially operating under a single-party regime (TANU/CCM) and subsequently in a single party-dominant system following the introduction of multiparty elections in 1995. But in recent years, the institutional robustness of CCM appeared to have been waning, with evident fragmentation and factional contests for control over rent allocation growing especially in the 2010s. Stability and continuity in the system has been in part aided by such institutional checks as presidential term limits and the prohibition of independent contestants for presidential and parliamentary office.

Economically, Tanzania experienced a comparatively rapid growth after 1995. Foreign direct investment has grown significantly, and several larger domestic firms – some with close ties to the ruling party – have emerged (Andreoni and Sial, 2020). Evidence suggests that such firms and wealthy individuals are among the main donors of campaign finance to the ruling party.

In Uganda, following the 1981-1986 civil war and the coming into power of a new government, multiparty politics was banned for two decades (1986-2006). Multiparty competition was reintroduced in 2006 but undertaken along with what Makara *et al.* (2009) referred to as a 'turnaround': the NRM (or Movement) that was purported to be a no-party system and an alternative to a multiparty party system changed to being a political party in competition with others, both old and newly formed. The return of open competition was also in part driven by the need

to rid the NRM of internal critics. Even more critical to note is that the reintroduction of multiparty elections was used as a bargaining chip for the removal of presidential term limits to allow the incumbent president Yoweri Museveni to contest again. This was done in 2005, and Museveni has since secured re-election in the elections that have followed.

Economically, a series of economic reform measures were undertaken, starting with a major currency overhaul in 1987 and structural adjustment programmes funded by international financial institutions (the World Bank and IMF). By the early 1990s, Uganda's economy was on the path to recovery, with impressive GDP growth rates sustained through the 2000s. But though it maintains a largely liberal and pro-market economic approach, Uganda has not attracted substantial foreign investment, and the local business class, with close ties to the president and the ruling party, has expanded only modestly. Unlike Tanzania, which has attained lower-middle income status, this has eluded Uganda, despite President Museveni's promise during the 2016 election cycle that Uganda would be a lower-middle income country by 2020.

Below we provide a framework for analysing campaign financing that captures some of these changes. First, inspired by Khan (2010 and 2017), we use political settlement theory to relate changes in political power to political financing of parties. We then develop a demand-supply framework to help to understand the factors that influence the need for campaign financing and the incentives that private individuals and larger companies may have to donate such funds. Finally, we outline some implications of the exchange of money to finance political parties – especially the ruling party – for specific rents and benefits.

Political settlement and campaign financing

A political settlement refers to the distribution of power among groups and institutions in a society. Reflecting this distribution of power, the ruling elites create coalitions of different key political factions to keep them in political office (Khan, 2010; Kjær *et al.*, Forthcoming). Money is needed to build and maintain such coalitions and forms a basis for mutual interests between ruling elites and capitalists and wealthy individuals, who are typically among the main donors of political finance for the ruling coalition, including campaign finance. Such donations give them political power and influence to affect government policy and rents for their own benefit. That power is enhanced if they also create many jobs in the economy and are important sources of government revenue and/or foreign exchange (Whitfield *et al.*, 2015: 290).

In Tanzania and Uganda, the double transition of economic and political liberalisation in the 1990s created two simultaneous imperatives for ruling elites. First, they needed more money to build and maintain ruling coalitions in the context of multiparty elections, even in Tanzania where the ruling party won elections by a wide margin. Moreover, due to economic reforms and conditionalities by foreign aid donors, the ruling parties could no longer rely as

much on the state budget and state-owned enterprises⁶ as they had done in the past to provide them with money to run their election campaigns. These twin imperatives compelled ruling elites to seek financing from private businesses. At the same time, these politicians could use their positions in public office to start and expand their own businesses or businesses allied with the ruling coalition. Similar dynamics have also been set in motion in other African countries by this double transition (Whitfield et al., 2015: 293).

Our fieldwork shows a consensus among interviewees that in both Tanzania and Uganda, the amount of money expended in campaigns has shot up in recent election cycles. Respondents also underlined the role of both demand and supply factors. Uganda's former government chief whip summarized the situation this way: 'The money is obscene. Somebody tells you that he used 2 billion [shillings] to win a parliamentary election and you are like what? Even 1 billion, 800 million [shillings] in a small constituency. Why? You have to hire motorcycles, buy this, and print T-Shirts.'⁷

Political and economic liberalisation have significantly increased the demand and supply of campaign financing in newly democratising countries such as Tanzania and Uganda. A first attempt at developing a demand-supply framework for analysing and understanding campaign financing in the contexts described above was made by Therkildsen (2013). It is further elaborated below, inspired especially by Arriola (2013) and Nassmacher (2003), who have done a review of campaign financing.

The demand for campaign financing for MP candidates

The shift from one-party (in Tanzania) and no-party (in Uganda) to multi-party elections enhanced the lures of political office: the power and prestige of political office and the possibility of shaping policies, promoting ideological beliefs and patriotic causes. Legally sanctioned material benefits have become ever more generous: hefty remunerations to politicians; housing and transport benefits; access to discretionary spending (e.g., constituency funding), etc. Finally, entry into politics can be a profitable business strategy, an opportunity for development of business networks and an important career step. Powerful politicians simultaneously double in lucrative business ventures. In the context of political and economic liberalisation, these demands, forces and power trappings have driven inter- and intra-party competition for political office as well as the costs of running election campaigns, as we explain below.

⁶ Party-owned businesses still exist in Uganda and Tanzania – as well as in Rwanda, Ethiopia, Eritrea, Angola, Mozambique, Namibia, South Africa, Zimbabwe, Sudan and Zambia (Weis 2012).

⁷ Interview with Ruth Nankabirwa, Government Chief Whip and Woman MP for Kiboga District (at the time of the interview), November 2017, Kampala. She is now Minister of Energy.

Inter-party competition

Elections in Tanzania and Uganda have become more competitive and expensive. In the 2010 Tanzanian multi-party election, the ruling CCM won 258 of the 343 contested seats in parliament, and 63 percent of the presidential vote. The winning margin for parliamentary seats was less than in the elections of 2000 and 2005, but no worse than in the 1995 elections. In the 2015 elections, the CCM won 189 of the contested seats (excluding appointive seats) – its narrowest majority ever. Moreover, John Magufuli won 58.5 percent of the vote in the presidential race in 2015, the lowest margin for a CCM presidential candidate since multi-party elections in 1995. The European Union election observers of the 2015 elections concluded that ‘the emergence of an opposition coalition helped the competitiveness of the electoral campaign’ (European Union Election Observation Mission, 2015: 24).

In Uganda, the National Resistance Movement controversially won 66 percent of the contested seats in parliament in 2006 and 69 percent in 2016. Incumbent Yoweri Museveni won the presidential race in 1996 with 76 percent of the popular vote but got only 59 percent in 2006, 68 percent in 2011 and was down to 61 percent in the disputed 2016 elections (Khisa and Rwengabo, 2016). The latter was judged ‘the most competitive general elections in the history of Uganda’s democracy’ (EISA, 2016: 57; see also Collord, 2016: endnote 23).⁸

Intra-party competition

Intra-party competition among candidates has also increased (Kjaer and Katusiimeh, 2012; Collord, 2016). Two important factors drive this as far as the ruling parties in the two countries are concerned: their position as a ‘party of choice’ and the growing party fragmentation. So far CCM’s and NRM’s continuing dominant positions have maintained each one as the ‘party of choice’ for political entrepreneurs seeking political office to gain the benefits mentioned above. The rewards of a ruling party nomination are therefore greater than those of running on an opposition ticket. Consequently, the cost for aspiring politicians of winning ruling party nomination increases, as we show later.

In addition, the ruling party’s position as the ‘party of choice’ depends on the continued ability of its candidates to outcompete the opposition. Elections must be won with considerable margins to undermine belief in the opposition’s ability to win and hence deter future opposition support and turnout (Simpser, 2004). The aura of ruling party invincibility must be sustained through larger winning margins and absolute majorities in the national legislature and local councils. Thus, maintaining this ‘party of choice’ status requires increasingly more money for voter mobilisation and campaigning, as well as building and maintaining informal ruling coalitions at both the local and national levels.

Intra-party competition in Tanzania is reflected by the 67 percent overall turnover of MPs between the 2010 and 2015 elections (Warren, 2017: Table A3). This

⁸ All results except those of 1996 were disputed by the opposition and are presented here as the official results.

dynamic is both symbolic of the CCM's allure as the 'party of choice' for candidates and illustrative of the increasing fragmentation of the party. As the 'party of choice', aspiring politicians flock to CCM on account of its mobilisation capabilities and grip on power, despite falling returns at the polls since 2010. Intra-party competition has also been encouraged by increasing internal fragmentation that has pitted increasingly well organized and financed factions against each other in quests for party control.

In contrast, intra-party competition among opposition parties in Tanzania had largely been absent between 1995 (following the re-establishment of multiparty politics in 1992) and 2010. Among other factors, the lack of competition was reflective of the low likelihood of victory, the financial burden of elections, the high fragmentation of opposition politics and the weak spatial reach of many opposition parties. The three dominant opposition parties at the 1995, 2000 and 2005 general elections suffered from limited appeal and weak party institutions. However, intra-party competition within the opposition in Tanzania began to increase in 2007 with CHADEMA's increasing institutionalisation and expansion of its party base. CHADEMA's ability to exploit dissatisfaction with and within the ruling CCM party, secure financing from commercial banks and mimic the CCM's recruitment drive, particularly among professionals and the educated elite, significantly expanded its spatial reach across the country and with it the supply of candidates (Paget, 2018).

Like the CCM, but for very different reasons, the NRM has gone on to establish a hegemonic grip on the multiparty scene in Uganda. Yet it too faces fragmentation and factionalism, in fact far worse than CCM's. Factional contests are more pronounced at the lower levels, and clientelism is an overarching feature of the NRM political settlement (Kjaer and Katusiimeh, 2012; Hickey and Golooba-Mutebi, 2013; Vokes and Wilkins, 2017). What is more, the party system in Uganda is less institutionalised than Tanzania's, thus allowing individual politicians, especially members of parliament, considerable independence and leverage (Collord, 2016), with implications for campaign finance sourcing: most parliamentary contestants will likely find individual/personal ways of funding their campaigns.

NRM party primaries are characterized by intense competition, especially in constituencies where an NRM candidate in the general election is almost assured of victory, thus contributing to a rise in violence (Kjaer and Katusiimeh 2021). Party primaries are often chaotic and reveal the organisational weaknesses of the ruling party. By contrast, there is limited intra-party competition in opposition parties in part because chances of winning the general election as an opposition candidate are minimal – more so in rural constituencies, where state structures are fused with the ruling party and heavily used against opposition candidates. Overall, competition for Parliament in Uganda has been intense across party lines, with a very high MP turnover of around 60 percent since 2006, while the presidency remains under the firm grip of Yoweri Museveni, in power since 1986 despite often facing stiff challenge from the opposition.

The intra-party competition in both countries is generally managed through the party's primary elections because nomination to run in national elections normally requires a successful run in the party's primary election. In Tanzania, independent candidates are not allowed. Both the CCM and CHADEMA, the main opposition party, have institutionalised competitive selection processes within the party. For CCM, these involve prospective candidates campaigning for votes among their local constituencies, followed by elections in which only registered local party members are allowed to participate (The Commonwealth Observer Group, 2015). Despite the decentralised nature of the candidate selection processes, the central committees of the CCM and CHADEMA retain considerable control over the primary election process through various procedures for vetting candidates and have been known to annul election results and impose candidates of their own choosing on local party constituencies (Komba, 2001; The Citizen, 2015).

In Uganda, only the NRM held countrywide primary elections in 2015 for the 2016 general elections (Alliance for Campaign Finance Monitoring, 2016: 13). However, NRM procedures for selecting candidates are rather lax. In the 2011 elections, for example, five NRM ministers ran as independents after losing party primaries. Indeed, a total of 30 independents won parliamentary seats – more than all opposition parties except the FDC (Faller, 2015: 435-6). Annex Table 1.2 provides an overview for the 2016 elections. In any case, at least for the ruling party candidates in Uganda, for some constituencies intra-party primary election competition may well be more expensive than campaigns for the inter-party elections for parliament.

In Tanzania, there is often limited competition for 'special seats' in parliament. These are allocated through a quota-linked parliamentary seat appointment such as special seats for women, youth, etc., subject to a party attaining a five percent threshold of presidential votes in the general elections. In 2015, 29 percent of seats (113 out of 393) were quota-based. Prospective candidates may lobby for such seats and spend money in the process. Women's special seats are more often than not 'awarded' to prominent or favourite female members of the two main parties (Mørck, 2006; Yoon, 2008). In Uganda no seats are allocated in this way. Instead, women candidates openly compete for the seats reserved for women at the district level, which is approximately one third of all parliamentary seats. Other special interest seats for youth, people with disabilities, the army and workers are decided through electoral colleges for the respective groups. The ruling NRM tends to take almost all these special interest seats and has used them to assure its supermajority in parliament.

Campaign costs

Elections require substantial money for mobilisation, media expenses, transport, coalition building, and vote-buying in clientelist and electoral authoritarian systems. Based on information from eleven African countries, Bryan and Baer (2005: 14) found that 'the majority of funds spent by political parties are reportedly on direct voter contact through rallies, meetings, and political events, where parties can actually come in contact with voters, make speeches, and distribute

campaign materials... You have to give allowances to organizers and food to attendees, as well as money for public announcement systems, security, and transportation.’ They also concluded that widespread international concern over vote-buying⁹ as a campaign phenomenon in developing countries is misplaced. ‘Only a small percentage of all campaign expenditures might actually be used to influence voters through financial incentives’ (Bryan and Baer, 2005: 1), although this varies substantially across countries.¹⁰ For highly competitive elections, campaigns have become more capital-intensive and machine-like operations, such as those seen in Ghana (Westminster Foundation & CDD, 2018).

It is also a widespread public concern in African countries that politicians are actively engaged in corrupt electoral practices. Thus, when the Afrobarometer (2006: Table 2.2) asked how often politicians ‘offer gifts to voters during election campaigns’, large majorities of respondents typically answered ‘often’ or ‘always’ (in Uganda 85 percent and in Tanzania 53 percent).¹¹ Yet, when Tanzanians were asked if they had actually been offered such inducements during the run-up to the 2000 national elections, only 6% said yes (Afrobarometer and REPOA, 2006: 5).

There is little doubt that the costs of running election campaigns are high and have increased, as shown later in this paper, yet some research has concluded that there is not much effect of money on actual vote choices. Conroy-Krutz and Logan (2013), for example, argue that money did not matter much in the 2011 Uganda elections, although Museveni and his party spent much more than the opposition – and won. Similarly, Tsubura (2015) contends that Tanzanian voters prefer candidates who contribute to national policymaking or procure widespread public goods for citizens across the country over those who indulge in clientelist exchanges. He also notes that Tanzanian voters were more likely to disapprove the performance of their MPs if they had been offered election incentives.

These observations are suspect, as they beg the question of why elections in both Tanzania and Uganda have become more expensive if money is not a decisive factor. For example, a large supplementary budget of up to 30% was passed on the eve of the 2011 Ugandan elections, and it was believed that much of the money (allocated to the state house and classified as allocations to defence and security) went towards the NRM’s and President Museveni’s campaigns in the final days before the election (Khisa, 2015). In Tanzania, President Kikwete scaled up a low-

⁹ Meaning the ‘exchange of money, goods or services in exchange for votes’. More specifically, Ham and Lindberg (2017: footnote 4) considered vote buying ‘a dimension of clientelism, where clientelism refers to the broader non-programmatic distribution of public goods in return for political support. Vote buying is distinct from patronage, which is the provision of public sector employment in return for political support, while vote buying is the provision of a material reward in return for votes.’

¹⁰ Parties in some countries reportedly spent up to forty percent of their total campaign expenditures on vote buying. Jensen, P. S. and Justesen, M. K. (2014), ‘Poverty and vote buying: survey based evidence from Africa,’ *Electoral Studies*, 33, pp. 220-232. Moreover, Bryan and Baer base their assessment on the money spent by political parties. However, their figures show that individual candidates do spend a relatively high proportion on vote buying.

¹¹ Kenya 95%; Zambia 94%; Benin 85%; Mali 85%; Nigeria 85%; Senegal 85%; Zimbabwe 83%; Cape Verde 82%; Ghana 72%; Malawi 70%; Madagascar 65%; Mozambique 65%; Botswana 55%; South Africa 54%; Lesotho 46%; Namibia 45%.

cost public housing project in the heat of the 2015 election campaigns (LHRC and TACCEO, 2016).

In interviews with journalists, politicians and NGO employees in Uganda, Faller (2015: 433) found that respondents 'frequently stated their beliefs in the importance of resources used to finance campaign rallies, party agents, and small amounts of cash or gifts to voters during elections'. One puzzle in this field of research is that evidence that money is crucial for winning elections is weak, as mentioned above. The other puzzle is this: increased demand for campaign financing requires increased supply. However, causality may also run the other way: growing campaign costs can be driven by a growing willingness of major donors (e.g., private sector companies and/or wealthy individuals) to fund election campaigns to increase their influence on policymaking and access to government-controlled rents. In any case, from a bargaining perspective, it is important to identify the sources of political financing because some types of donations enhance the donor's bargaining power vis-à-vis the recipient party and/or politician.

Supply of campaign financing for MP candidates

With specific reference to sub-Saharan Africa, Arriola (2013: 138) states that the 'onset of multiparty competition, if anything, has underscored the political importance of the private resources in the hands of entrepreneurs... [if these resources] ... could be brought to bear on the electoral process, opposition parties would be more likely to mount a viable challenge against incumbents'. Money certainly plays a larger role in African politics now than during the era of one-party rule on the continent. Private sector growth since economic liberalisation started in the 1980s has helped to concentrate income and wealth in relatively few companies and individuals (Oxfam, 2016). But economic inequality, which is relatively higher in Uganda than in Tanzania, may not reflect this adequately. Rather, huge differences in the importance of revenue providers give a better picture of such inequalities, as shown below.

In African countries, the sources of funds to parties and their candidates are numerous (Bryan and Baer, 2005: 11-13). They include donations from businesses, individuals, party leaders and the candidates themselves; funds raised by the party (through membership fees, party-owned businesses, fundraising, etc.); direct party subsidies from the state; and foreign sources (aid organisations, multinational companies, etc.). In addition, in some countries they may include classified expenditure by the military and intelligence agencies (Arriola, 2013; Tangri and Mwenda, 2013: 108-9). Clandestine support from foreign intelligence services may also be important sources of political finance in some African countries. The relative importance of these many sources varies, of course, across countries, parties and candidates. Below we highlight some of the key potential sources and their potential bargaining implications.

Government subsidies

The shift from one-party to multi-party systems meant that the ruling parties in Africa could no longer draw directly on government budgets to cover political expenses as they pleased. This led to different responses. Today, for example, all parties represented in the Tanzanian parliament receive modest government subsidies. Although this has broken the ruling CCM's earlier one-party monopoly on legal access to state funds, CCM still receives the lion's share of such transfers because subsidies depend on the number of seats in parliament. Here the ruling party has a substantial majority.

In Uganda, government subsidies were simply abandoned (Nassmacher, 2003: 25), and the country was under 'no-party' politics for 20 years until 2006, when the NRM formally registered as a political party and cemented its dominance of the political scene. Since 2015, all parties represented in parliament are entitled to state funding, with an annual subvention of 10 billion shillings distributed according to numeric strength in parliament. Just as in Tanzania, in Uganda the ruling NRM, with more than two-thirds of the seats in parliament, takes the bulk of these state funds. But these formal and official funds are a tiny fraction of what ruling parties actually spend, especially during election campaigns. The dwindling or abolished state subsidies for the ruling political parties that followed political liberalisation may have forced them to look for new sources of funds for electioneering from larger companies and rich individuals.

'Grassroots' financing

Nassmacher (2003: 36) considers 'all money provided in small amounts by the rank and file of identified party supporters' to be grassroots financing – this includes fees by party members, as well as voluntary contributions from such members and other loyalists. In the literature referred to earlier, such financing is regarded as healthy for democracy. It indicates citizens' interest in participating in the political processes. However, membership figures are not reliable, and far from all members pay the modest annual membership fee.

CCM claimed to have some 8 million members (Chahali, 2015). Some years earlier there were 3.5 million, according to Ewald (2011), but paying members are much fewer. Membership of Uganda's parties remains unknown. In fact, NRM membership is free, so the party does not raise any funds from membership. From a bargaining perspective, this might mean that members and loyalists probably do not wield much influence. Saffu (2003: 24) mentions, with reference to Ghana, that contributions from citizens living abroad are an important source of funding for political parties – 'particularly for opposition parties'. This source may also be of increasing importance in Tanzania and Uganda, but it remains unclear and unspecified.

Own incomes

It is interesting that candidates' own funding of their campaigns is not specifically mentioned by Nassmacher (2003: chapter 3) in his authoritative review of the funding of political parties. It is, however, a widespread practice in African

countries, as Saffu (2003) points out in the same publication. Oxford Analytica (2008) has ventured to estimate how important this source of funding is in African countries. They find that only '26% of funds are raised by the party, with 20% coming through direct public funds'. The implication must be that around half of the funds are raised by the candidates themselves one way or another, either through the receipt of various donations or by drawing on own incomes from business, employment or even graft. If these are valid estimates, they imply that party leaders – and, indeed, the parties themselves – have limited control over individual candidates.¹² In turn, this implies that parties are fragmenting because individual candidates depend more on sources other than the party for campaign support. This trend must have increased with economic liberalisation.

Plutocratic financing

This concept entered research use on political financing in rich countries in the early 1980s and is one of Nassmacher's main categories (2003: 8). It captures the idea that a distinction between small and large contributions is important. The latter may originate from trade unions or other interest groups, corporations and wealthy individuals. Their very size makes them interesting from a bargaining point of view. Interestingly, Bryan & Baer (2005): 14) found that 'business contributions to African candidates is reportedly insignificant'. This may have been truer during the early 2000s, when they conducted their multi-country surveys, than it has been in recent years. Recent work by Arriola (2013) has underscored the critical role played by business in funding especially opposition electoral coalitions. The emerging evidence is that plutocratic funding is becoming of much greater importance, and insights from political settlement theory show why that is the case. According to this theory, mutual interests between (factions of) the ruling political elite and economic entrepreneurs is central for understanding the dynamics of political financing. Such mutual interests are based on the exchange of policy influence and industry- or firm-specific rents; for example, in return for financing the ruling coalition, securing government revenues to fund state policies or funding election campaigns (Whitfield *et al.*, 2015).

Developing mutual interests is especially important for domestic capitalists in poor African countries. For historical reasons, they typically have limited capabilities and access to capital. Consequently, they are especially dependent on state-provided rents and favourable policies (including tax regimes) to survive and prosper in newly liberalised and more competitive economies. This enhances their interests in political financing of the ruling political elite to enhance their bargaining position. By contrast, multinationals have higher capabilities and better access to capital than do local firms and are therefore less dependent on host state rents. Consequently, their relations to host country ruling political elites are typically less 'embedded' compared to those of domestic capitalists (Amsden, 2009). Multinationals are therefore less likely to exchange political financing for

¹² This is the opposite of Oxford Analytica's own conclusions. Note, however, that documentation for its figures is not provided. The publication is based on a review of (unspecified) literature.

rents. Their influence/bargaining strategy is typically based more on their capabilities and importance as major taxpayers than on their donations of political financing in host countries. Multinationals (MNCs) are probably also more sensitive to 'reputational risks' than are large local firms and indigenous entrepreneurs.

However, MNCs are by far the most important generators of government revenues in many poor countries in Africa. In Tanzania in 2005, for example, just 286 large taxpayers accounted for almost 70 percent of domestic revenue (Fjeldstad and Moore, 2008: 256). By 2008, around 400 large taxpayers accounted for 80 percent of revenue (African Development Bank, 2011: 247). Moreover, the top ten taxpayers in both countries are multinationals – not locally owned firms (see Annex 3). It is arguable that this structure of government revenues has not changed much in recent years and is comparable to Uganda and similar in other African countries.

It is even more remarkable that among these large taxpayers, just a handful of firms contribute a disproportionately large share of the revenues. The top 15 taxpayers in Uganda contributed more than half of total corporate taxes in 2011 (Uganda Revenue Authority, 2012: Table 1). In Tanzania, the top 15 corporate taxpayers accounted for half of all total corporate taxes in 2011 (URT, 2011), and are therefore a very important source of revenue collection – also because their activities generate substantial volumes of other taxes, such as VAT, income tax from employees, various forms of excise taxes and royalties. The bottom line is that the two governments are very dependent on a limited number of companies for the total tax revenue needed to pay for the goods and services that the ruling political elites rely on to sway voters to support them (Therkildsen, 2013: 17).

Nevertheless, many MNCs – typically linked to global value chains – also have plenty of opportunities for avoiding and evading taxes (Forstater, 2016; Fuest and Riedel, 2012; Reuter, 2012). Some manoeuvres to reduce taxation are not necessarily illegal and not a result of MNC bargaining power vis-à-vis the host country, but simply reflect the exploitation of loopholes in international tax legislation or tax treaties that favour profit shifting. Other cases do involve negotiations, conflicts and bargaining with host country governments.¹³ The bottom line is that domestic capitalists are relatively more important sources of (unofficial) political financing than MNCs typically are, while MNCs are clearly more important for official revenue generation than domestic capitalists.

Income from graft: The spoils of office

Party funding often relies on financial sources that presuppose inequality and illegality. 'The search for funds may induce politicians to listen more to those who give to their campaigns than to those who vote for them, or for their party'

¹³ See Therkildsen (2013: 17) for examples of tax disputes with the government in Tanzania and Uganda. The Acacia case in Tanzania (which evolved especially after President Magufuli took office) is prominent in a long list of such disputes. They reflect the renewed strength of economic nationalism (Jacob and Pedersen, 2018).

(Nassmacher, 2003: 5). Toll-gating is a common practice. A contribution to the party coffers or to a politician may happen in exchange for the granting of permits, licences, and government contracts, for access to rents (land, etc.), for changes in policies (such as tax exemptions) or for firm-specific leniency in the enforcement of rules and regulations. Incomes from corrupt practices of this kind and the increasing costs of election campaigns reinforce each other. It is likely that politicians and their parties also finance their election campaigns (at least partly) by debts, which subsequently must be repaid by utilising the spoils of office.

Certainly, many voters perceive corruption as endemic and a feature of the political system as a whole – including in the party they vote for. Faller (2015: 443-444) argues that for many voters in Uganda, ‘the proper default assumption is that candidates are corrupt. Citizens who perceive the system to be highly corrupt are unlikely to punish corrupt individuals, and some even prefer them’. Indeed, she claims, ‘many voters do not object to, and may even prefer, corrupt politicians in a system where a single “honest” official is unlikely to reduce corruption overall’ (Ibid: 428). However, this interpretation may be too pessimistic. In Tanzania, for example, the late president John Magufuli made the fight against corruption a top priority. He took some sweeping steps to remove officials in, for example, the Tanzania Revenue Authority and the Dar es Salaam Harbour Authority. Popular support for such moves was substantial.¹⁴ But it is perhaps telling that Magufuli did not focus on reforming the legislation for political financing, nor on improving enforcement of existing rules and regulations.¹⁵

Government spending favouring the ruling party

Government election-cycle spending to generate votes is so widespread across the globe (Cheibub, 1998) that government revenues (including aid) could be considered part of political financing too. In Tanzania, election observers noted the upscaling of a low-cost public housing scheme and the use of the Tanzania Social Action Fund’s (TASAF) conditional cash transfer and feeding programmes to entice voters to vote for the ruling party in the 2015 general elections (LHRC and TACCEO, 2016). Similar observations involving the use of state resources such as vehicles, buildings, rally fields and even functionaries in favour of the ruling CCM party have been reported in past elections in Tanzania (TEMCO, 2011).

Uganda’s 2011 election is, perhaps, an especially spectacular case. At that time, it was the single most expensive event in Uganda’s post-independence history (Izama and Wilkerson, 2011: 68). Despite a thirty percent supplementary budget in January 2011, the minister of finance declared ‘that the government was nearly out of money just seven months into the fiscal year. It emerged that USD 1.3 billion, or

¹⁴ Multiple interviews in Dar es Salaam, July 2017. The popular word on the street at the time was that Magufuli was doing a great job, with one person expressing a widespread opinion by telling one of the co-authors in Swahili that ‘Rais Magufuli nii muzurii sana’, meaning ‘President Magufuli is very good’.

¹⁵ President Kikwete tried to do just that. In 2008 he told Parliament that he wanted to ‘keep businesspeople from politics and politicians from business’. His initial stance was that businesspeople should leave the running of their economic activities to a trust fund if they wanted to enter politics. However, he had to abandon this radical (and unrealistic) idea because of resistance within CCM (Therkildsen, 2013: 12).

more than a third of the entire budget, had been spent in January alone. The government denied that money had been channelled into the election campaign, but no accounting for the spending was made' (Ibid). Moreover, according to the media, NRM candidates received packets of 20 million shillings (about USD 8,800 at that time) in government funds (Faller, 2015: 432).

PAYING FOR INFLUENCE

All these demand-supply issues raise an important question: does the donation of money to fund parties and candidates – especially the ruling party – buy significant influence on how rents are allocated, tax legislation made and policies in general designed and implemented? The answers have implications for how economic inequality may translate into political inequality, whereby the rich can influence who gets elected, posing a danger to the principle of one person, one vote (Hasen, 2016: 9). They also have implications for revenue collection and bargaining power.

In their paper on the politics of revenue bargaining, Kjær, Ulriksen and Bak (Forthcoming) address this issue. They argue that the influence of revenue providers on rent and taxation practices depends on the size of the revenues paid by them, and on the country's political settlement – specifically the formal or informal importance of the revenue provider for keeping the ruling coalition in power. In exchange for paying taxes, '[r]uling coalitions are maintained, and the ruling elites' hold on power secured, by giving powerful groups, or factions, in society access to rents, such as government contracts, land rights, business monopolies or tax exemptions' (Kjaer and Ulriksen, 2017: 5).

Although Kjaer, Ulriksen and Bak (Forthcoming) take a revenue perspective, many of their arguments are relevant for understanding the bargaining implications of political financing, too. From a campaign financing perspective, a key question is this: does political financing of especially the ruling party and its candidate give donor(s) a stronger (or different) bargaining position vis-à-vis rent access and policy influence than does paying taxes to the state? There are four possible reasons why the answer to that question can, analytically speaking, be in the affirmative.

First, from a political settlement perspective, the dominant (ruling) party in both Tanzania and Uganda has become weaker and more clientelist over time (Whitfield et al., 2015). As central control of the party erodes, consensus about the party line becomes more difficult, and life as a politician more uncertain and precarious. Competition for political power within and between parties increases. Consequently, ruling elites have become more vulnerable, and this increases the need for political financing to keep the CCM and the NRM in power. Some private (sector) campaign finance donors may therefore be motivated to fund the ruling party to help to maintain a political and economic status quo that has served them well. Moreover, lower-level factions have gained strength in both ruling coalitions

since political liberalisation. In Tanzania, local party members and leaders mobilise votes for CCM because winning elections at all levels with large margins is important to keep CCM as the 'party of choice'.

A similar trend occurs in Uganda. The introduction of regular elections in 1996 under the Movement (no-party) system followed by the reintroduction of multiparty competition in 2005, coupled with increasing tensions within the NRM, contributed to fragmenting the ruling coalition and made the financing of its lower-level factions more important for winning elections. Thus, maintaining its 'party of choice' status required increasingly more money for voter mobilisation and campaigning as well as building and maintaining the coalition. This dynamic inevitably increases the cost of electioneering and the need by politicians to seek campaign funding either indirectly from state funds or directly from private funders.

Second, tax revenues paid by companies and wealthy individuals to government are rarely earmarked for specific purposes. Instead, revenues help the government to finance a range of public activities – law and order, social services, infrastructure etc. To the extent that voters appreciate such public or club goods, tax revenues do help the ruling party to gain votes. In addition, the ruling party can entice voters by using government revenues – as well as civil servants and government vehicles – in election campaigns. However, these two tax-financed routes to gain votes are indirect and unassured. They require cooperation by the government bureaucracy to work well. The influence of paying taxes on voting patterns is therefore comparatively small – unless the amount of taxes paid is very substantial.

Third, and consequent to the point above, direct financing of the party and/or its candidates by donors is likely to buy them more influence than paying (un-earmarked) taxes. Not only is the transaction more dependency-generating for a lesser amount of money (party/candidate budgets are much smaller than government budgets); the donation is also more personalised and direct so that the funder is more likely to be able to enforce the rent and/or policy promises made in the bargaining process. There is more direct reciprocity and quid pro quo at play.

Finally, political financing can be targeted to those individual politicians and parties that are most influential in delivering the benefits that the donor seeks. The goal is to secure a policy favour or some kind of preferential treatment that helps the business interests of the donor. In the presidential systems that are the predominant feature of African states, the key target is the president, who, as the head of state, wields enormous policy power.

The logic of these arguments is that funding of opposition parties does not significantly strengthen donor bargain positions vis-à-vis governments (Arriola, 2013). Thus, opposition parties lose out because entrepreneurs tend not to support them, especially if the incumbents are well entrenched and have the capacity to monitor the flow of resources to the opposition. Donors from the business community (rightly) fear retribution from the winning dominant party, and

opposition parties in practice have limited influence on policymaking and power over rent allocation. The ruling party even has the added advantage that it also has access to state coffers to fund its re-election campaigns. In countries where a ruling coalition repeatedly wins elections, this bias in political financing by businesses in favour of the incumbents helps to entrench dominant parties in power (Therkildsen, 2013: 10).

It is outside the scope of this paper to analyse these important issues of ‘paying for influence’, but in the following we do provide some of the essential empirical evidence on the volumes and sources of money involved in campaign financing in Tanzania and Uganda. They are highly relevant in their own right and are needed by researchers who seek to address these issues.

DATA COLLECTION

This paper is based on a range of data sources for the two election cycles in Tanzania and Uganda during the 2010s. There are several data-related and general methodological points worth underscoring. First, we started with a review of official party documents and newspaper material. Thereafter we conducted interviews with both active and retired politicians as well as people in academia, media, and civil society – especially those engaged in election monitoring. These key informants were purposely selected based on their knowledge of the subject matter. Between 2017 and 2020, we conducted more than 50 formal and informal key informant interviews in both countries. These interviews provided useful contextual information, anecdotal data, and a broader picture of political financing issues. The sample characteristics and definitions of the different sources of campaign funding are presented in Annex 1.

Second, as already mentioned, we define campaign financing as money and other resources used by parties and candidates during primary and general elections. It is a part of political financing – income generated by parties and politicians for political purposes including campaign financing (Nassmacher, 2003a: 34). This distinction is ambiguous, however. To separate ‘money for electioneering’ from routine party organisation expenses is difficult. Moreover, the ruling party’s use of state resources and money spent by, for example, legally distinct NGOs, foreign aid agencies, media, lobbyists and other organisations to support specific parties or candidates is part of political-cum-campaign financing too, but is difficult to quantify (Pinto-Duschinsky, 2002: 70). This makes comparative work on campaign financing methodologically difficult. In this paper, we strictly deal with money directly spent on seeking election or re-election; that is, expenditure incurred during electioneering time, and which relates directly to the competition to win an electoral contest.

Third, we conducted a survey among incumbent members of parliament who contested in either or both of the two parliamentary elections in Zanzibar and mainland Tanzania (2010 and 2015) and Uganda (2011 and 2016). For Uganda, the

survey was conducted between May and July 2017, in Tanzania between September and October 2017. We used a generic questionnaire for both countries for MPs' primary and general elections. This survey information was used to estimate total expenditure for the two cycles of elections for both the primary and general elections, and to identify the key sources of funds. The questionnaire was administered either in person or over the phone. The sample was randomly drawn from the official directory of MPs in each country. In Tanzania, a total of 85 MPs responded to the survey, out of 100 who were contacted. The body of respondents is largely representative of the composition of the parliament. In Uganda, a total of 86 MPs responded to the questionnaire, out of 120 who were contacted. MPs from the ruling NRM party are somewhat overrepresented, although the original sample was randomly selected, and the number of responses is fewer in part because some of the respondents stood as independents, so they did not contest in party primaries (though others first participated in party primaries, lost and then stood as independents). This was not the case in Tanzania, where there were no independent candidates. In any case, the campaign cost figures presented in this paper are weighted to reflect the actual composition of parliament.

Fourth, in administering the survey, MP respondents were assured of confidentiality in order to encourage them to be truthful about accurately estimating their campaign finances. Still, it is likely that some MPs under-reported what they spent (this is further discussed below). Additionally, the long period between election cycles may affect accuracy in reporting what was spent on the first election. Most MPs revealed that they don't keep consistent records of their campaign-related expenses. To partly get around this, we have made use of other available studies that provide both campaign cost estimates and the sources.

Fifth, we used the same guidelines in both countries to code answers to the estimated direct cost of campaigns, which we defined as 'monetary expenses incurred by a candidate for the purposes of securing a party's nomination or/and contesting an election in a given constituency'. This includes expenses directly incurred in advertising; printing or hiring of campaign materials (e.g., leaflets, banners, posters, apparel, entertainment and public announcement systems, stage platforms etc.); transportation of campaign-related resources – both people and equipment; fees (including statutory fees, such as those for nomination forms or registration of candidacy) and allowances paid to staffers, agents, volunteers, landlords etc. However, the reported expenditures by individual parliamentary candidates do not capture funds spent by presidential candidates to support the campaigns of their favoured (party or independent) parliamentary candidates.

Sixth, unlike parliamentary elections, estimating the costs of presidential elections cannot be based on a questionnaire methodology. In the case of Tanzania, because information on the costs of presidential election campaigns is held centrally by the respective parties, attempts to gather such information have not been successful – individual parties are unwilling to share the information, and the Political Parties' Registrar is prohibited from doing so by the Political Parties Act of 1992. The best we could do was to estimate the corresponding figures based on informed

analysis of campaign activities, their scale and frequency, and the relative unit cost of performing them. For Uganda, the law requires political parties to file financial reports to the Electoral Commission, but only the opposition FDC party did so in the years after it was founded in 2005. The ruling NRM, the biggest campaign finance spender, does not comply with this requirement. Thus, our data for presidential cost estimates came from a combination of secondary sources, individual interviewees, and especially from a report by a local NGO that tracked expenditure in real time during the 2016 elections. Additional important data issues that specifically concern presidential campaign finances are presented below in the section on presidential campaigns.

In sum, there are several methodological limitations to our study, especially because the data of interest are sensitive (such limitations also affect other similar surveys/analyses). In both countries, a great part of the public discussion openly links political financing and corruption. Thus, even with the promise of confidentiality, some MPs did not want to reveal information that they suspected could implicate them. Moreover, the expenditures by individual parliamentary candidates do not capture funds spent by presidential candidates during campaigning for their favoured parliamentary candidates. In addition, it is obviously difficult to quantify the value of support that ruling party candidates get from the spoils of office and the range of incumbency advantages. These limitations mean that – everything else equal – we probably underestimate the magnitude of political funding for ruling party parliamentary and presidential candidates. It is, however, our assessment that the orders of magnitude presented in this paper are valid and relatively accurate. We hope that this paper can inspire further work that can generate fine-grained data and findings to help inform our understanding of questions around campaign financing in Africa.

MP CAMPAIGNS IN TANZANIA AND UGANDA: COST ESTIMATES AND FINANCIAL SOURCES

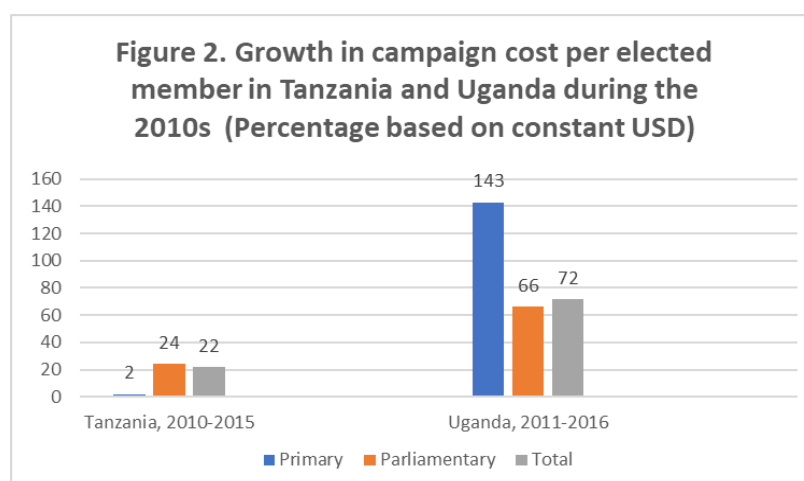
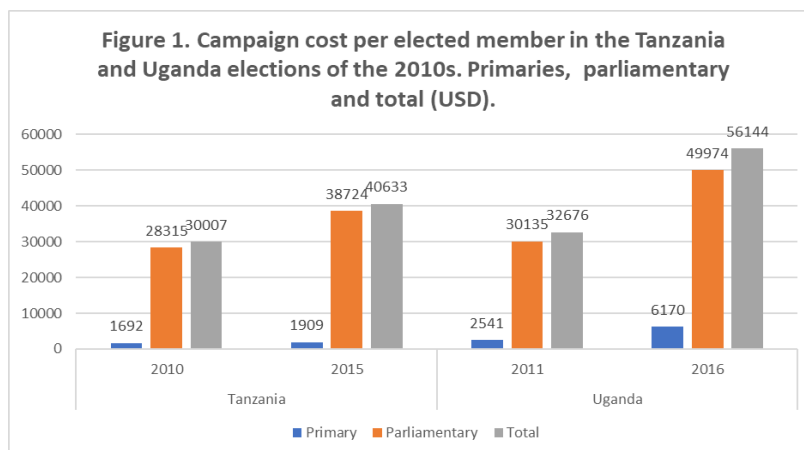
The two key areas of focus in the following analyses are the cost of running for office and the major sources of campaign funds. We also compare our findings with analyses of other African countries to assess the extent to which campaign financing in Tanzania and Uganda is typical.

Cost of primary and parliamentary campaigns

Respondents in both countries underscored that running for elective office has become very expensive. Indeed, the Tanzanian elections in 2015 and the Ugandan elections in 2016 were the most expensive ever (not counting the elections of the 2020/2021), based on the self-reported estimates of MPs. This is shown in Figure 1.¹⁶ It summarises the growth in the average campaign cost per elected member for primary and parliamentary elections during the 2010s in the two countries as

¹⁶ Annex 2 provides the detailed information on which the figures are based.

measured in USD: these rose from some USD 30,000 to some USD 41,000 in Tanzania, and from some USD 33,000 to some USD 56,000 in Uganda. Accounting for inflation, Figure 2 shows that the growth in constant 2010 USD was more than three times greater in Uganda (72 percent) than in Tanzania (22 percent).



In Tanzania, the growth in average campaign costs during the 2010s largely reflected the economic growth during that period (as measured in GDP growth per capita) between the two elections. This was not the case for Uganda: here the cost of campaigns grew much faster than the economy did.

Figure 2 also shows that primary election costs grew much faster in Uganda (143 percent) than in Tanzania (2 percent) between the two elections during the 2010s. The modest rise in Tanzania reflects increasing scrutiny of spending and irregularities in primaries by the main political parties, particularly the CCM, which had been forced to improve the transparency, integrity, and compliance of its internal processes in the wake of an increasingly popular CHADEMA. To underline its commitment to due process, the CCM leadership annulled the results of five primaries, two involving sitting cabinet ministers, in August 2015 following concerns over bribery and excessive spending (Mwananchi, 2015).

In Uganda, by contrast, there appears to have been a dramatic explosion in primary election costs from 2011 to 2016, perhaps pointing to competitiveness

especially within the ruling party, where stakes are very high because in many constituencies, winning the NRM primaries is almost a guarantee for winning the general election (Kjaer and Katusiimeh, 2021). In other words, the real contest is at the primary level. But the stiff competition in primaries does not mean general election expenditure is not high – quite to the contrary, we see an equally dramatic growth in general election expenditure between 2011 and 2016.

It is also noteworthy that the cost figures found for Tanzania significantly exceed the parliamentary expenditure ceiling defined by the 2015 revisions of Tanzania’s Electoral Expenses Act 17. They underscore the ineffectiveness of electoral expense laws in contexts with limited enforcement capacity (TEMCO, 2016) and political will to use them as well as limited statutory disclosure of accounts. In Uganda, as already noted, there is no legal ceiling for expenditure by parties, but there is a prohibition on soliciting and receiving funding from foreign sources. However, the latter cannot be enforced since there is no transparency; parties and politicians do not make explicit their funding sources by filing financial reports to the Electoral Commission.

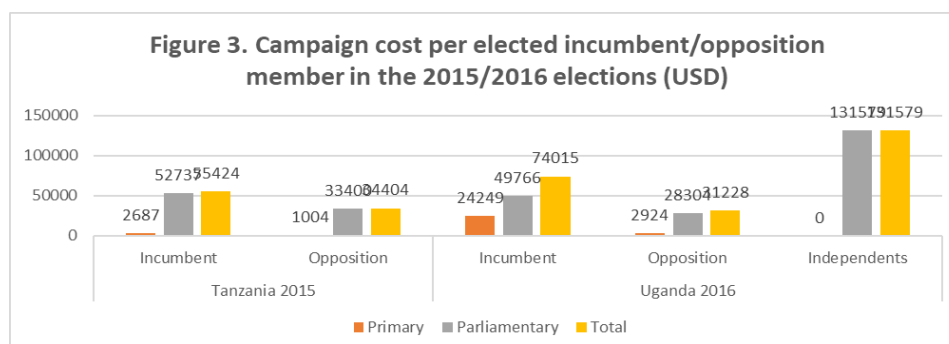
How does this quantitative evidence compare with that of others? We know of no attempts other than ours to make quantitative estimates of campaign finances in Tanzania.¹⁸ For Uganda, a consortium of election observation NGOs – the Alliance for Campaign Finance Monitoring (ACFIM, 2016) – found in a survey of 113 MPs that the average spending per candidate was USD 64,300 for the 2016 elections. Golooba-Mutebi (2016: 8) found that the costs of ‘electioneering’ ranged from USD 43,000 to USD 143,000 in the 2016 elections, but his figures are based on a very small sample of only 10 winning as well as losing candidates (Ibid: 3). According to Kitamirike and Kisaakye (2020: 11), the average for Uganda’s 2016 elections was USD 136,084 per candidate; however, they used a more encompassing definition of campaign financing than ours, namely a ‘comprehensive notion of the cost of politics that considered use of money by political actors throughout the whole electoral cycle including the pre-campaign, the campaign itself, polling day expenses and costs in its aftermath to maintain office for elected representatives’. It is therefore prudent to conclude that our campaign cost figures for Uganda are clearly within the bounds of findings by other studies.

Comparing our campaign cost figures with those from neighbouring countries, the conclusion is also that Tanzania and Uganda – despite the significant differences between them – do fall within the range of costs found in other African countries. Using a definition similar to ours, Wahman (2019: 1) found that the average cost of primary and parliamentary elections for candidates winning more than 20 percent of the vote in Malawi’s 2019 elections was USD 36,700 (and USD 20,200 for all candidates – including the losing candidates). Mboya (2020: 9) uses a similar

¹⁷ Tanzania’s Election Expenses Act defines an expenses cap that ranged from Tshs. 33 to 88 million because of Tanzania’s vast geography. The low end of the expenses range caters to some 60 constituencies while only 12 constituencies fall on the higher end of the scale.

¹⁸ TEMCO follows the elections closely but focuses on compliance with the Election Expenses Act – not actual expenditures by candidates (see, for example, TEMCO (2016)).

encompassing definition of political financing for Kenya’s 2017 elections to Kitimirike and Kisaakye’s for Uganda. Consequently, his estimates are high: ‘[a]t the more conservative end of the spectrum, respondents felt it would cost a minimum of KSh 20 million (USD 196,000) to run an effective campaign across both the primary and campaign phase. At the higher end of the spectrum, respondents felt that it could cost KSh 35 million (USD 343,000) or more’.



Another key feature of campaign costs in Tanzania and Uganda during the 2010s is shown in Figure 3: incumbent party members (CCM and NRM respectively) were much better funded than opposition party members. In Tanzania, elected incumbent party members spent some 60 percent more (USD 55,400) than elected opposition members (USD 34,400) in the 2015 elections. The spending power of incumbents is ostensibly boosted by gratuities received by MPs at the end of their term in parliament as well as subsidies received by political parties, amounting to 2% of the national yearly budget according to their number of elected MPs, local councillors, and presidential vote share (URT, 1997). In Uganda the difference in the 2016 elections is much higher (some 140 percent). This could be because NRM candidates benefit from official and unofficial support from the president, whose campaigns often include campaigning for MPs and extending part of his campaign war chest to his party’s candidates. Additionally, private funders are more likely to provide funding to NRM candidates, who have a higher chance of winning, than to opposition challengers. Moreover, the independent candidates in Uganda stand out as spending more than the NRM and opposition – almost two times as much as NRM members. This is likely because independent candidates do not have the benefit of a party infrastructure and thus end up spending more because they are running their campaigns on their own.

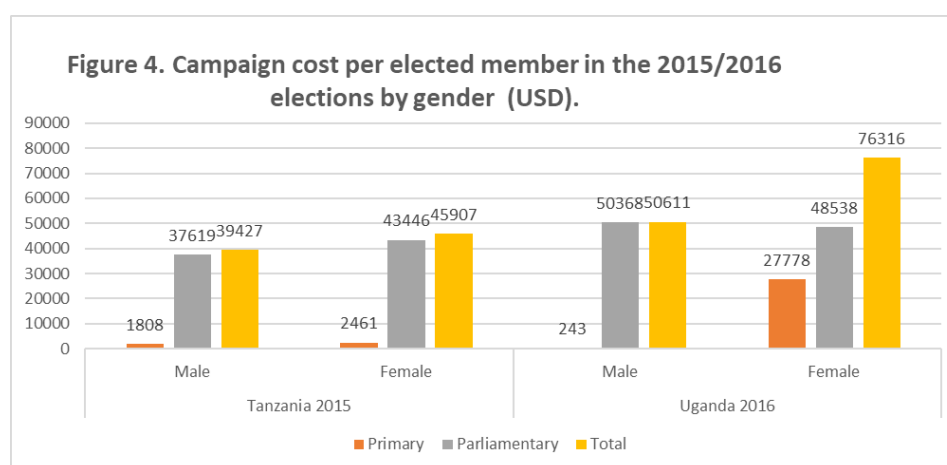
That the incumbent party candidates spend more on campaigns than do opposition members is a pattern also found by other researchers – for example in Kenya’s 2017 elections (Mboya, 2020) and in Malawi in 2019 (Wahman, 2019: 1). Ghana is an interesting case in this regard (Asante and Kunnath, undated: 7): ‘Money remains the lifeblood of the NPP and NDC’ – the two parties that compete for power.¹⁹ In 2016, the NPP spent slightly more on the primary elections (7

¹⁹ NPP (New Patriotic Party) and NDC (National Democratic Congress).

percent) than the incumbent NDC, which lost the elections. Both parties spent 75 percent or more on the primary elections than the smaller parties.²⁰

A final important feature of the campaign costs in 2015/2016 in the two countries is that, on average, female elected candidates to parliament spent more money on elections than elected male candidates did – more so in Uganda than in Tanzania (see Figure 4). In Tanzania,²¹ electoral politics, party membership and leadership remain dominated by men, with limited opportunities for women beyond those circumscribed by affirmative action measures. Parties very rarely let female candidates contest competitive seats. If they do, the parties usually make sure such candidates are as well or better funded than their competition (this was the case for CCM, and to a certain extent also for the opposition in the 2015 elections). What counts is winning the seat rather than the gender of the candidate.

In Uganda, the difference between female and male campaign expenditures is very high. This is because female candidates compete in districts that are often larger than the regular constituencies where men compete. Moreover, women are district representatives (reserved seats) – not regular constituency representatives, although women compete in these as well – and women districts are much bigger than the latter. Kampala district, for example, has eight constituencies, all represented by men, and one district seat reserved for a woman. The women candidates competing in this district seat cover the area equivalent to the eight constituencies where men compete.



Our findings on the financing of female candidates generally differ from that of others. IDEA (2021: 101) writes, for example, that ‘Women’s lower socio-economic positions in most countries mean that they may lack economic independence to pursue a political career. Gender socialisation roles, which position men as the “breadwinners,” mean that men are more accustomed to raising funds for their own use, while women have been traditionally relegated to the private sphere.

²⁰ The report (Figure 6) only provides data on party-specific campaign costs for the primary – not the parliamentary – elections.

²¹ This is because of the special seats provision that results in very few women contesting elections (except the discernibly popular and/or rich female candidates).

Women also lack access to moneyed networks and credit and political clientelism.’ Similarly, Baur and Darkwah, as quoted in Wang (2021: 6), note that the ‘cost of politics’ is ‘gendered’... ‘in the sense that the implications of the high cost of running for office are typically different for male and female candidates, with women – who are likely to have fewer resources and less access to resources – more likely to be deterred from standing’. To this Wang and Yoon (2018)²² add with respect to Uganda that ‘women are financially disadvantaged, compared with their male counterparts, in terms of access to patronage and independent resources’. Our findings for Tanzania and Uganda do not fit these explanations. This points to the need for more research on this issue.

Finally, it is instructive to estimate the total costs of campaigning in Tanzania and Uganda. Thus, the total campaign costs for all 263 *directly* elected parliamentary members in Tanzania was USD 10.7 million in 2015. They spent an average of USD 40,600 on their campaigns (Figure 1). The comparable figure for Uganda’s 2016 election was USD 16.2 million (with 289 directly elected members spending USD 56,100 on average). In addition is the campaign costs incurred by women’s seats occupants (113 in Tanzania and 112 in Uganda, as shown in Annex 1), who are not directly elected. Moreover, to get the full picture of the money spent on elections, the cost incurred by unsuccessful candidates should be included, but we do not have information on these figures. Based on our general knowledge of the elections, we venture to guess that the total campaign cost for all candidates (winners and losers) was twice the cost for the directly elected: that is, some 22 million USD in Tanzania in 2015, and some 32 million USD in Uganda in 2016. These figures *do not* include expenditures financed directly by the political parties during election campaigns, which are much higher (see ACFIM, 2016 on Uganda), nor do they include expenses incurred by presidential candidates to assist their MP candidates. To summarise: our findings, combined with those of others, show that the money spent on campaigning for political office in Tanzania and Uganda – as in other African countries – is substantial and on the rise. This has significant implications for the political economy of elections, as discussed later.

Sources of campaign financing

In Tanzania, the CCM secretary general noted in 2017 that since the 2005 elections, prominent local businessmen entered politics, helped by money derived from lucrative joint ventures with multinationals.²³ In Uganda the ruling party’s chief whip added a twist to that take. He summarised the situation as follows:

I have attended meetings here where politicians who have made it or failed to make it to parliament and are asking the president to be assisted financially and the president does not enjoy the pressure. Those who have failed come to him because they are in debts, those who have won come expecting money, but the money is not there, they bounce back to the president and say salary alone is not

²² The quote is from the online version of the article, dated 11 May 2018.

²³ Interview with Bashiru Ally, CCM Secretary General, 5 July 2017, Dar es Salaam. (Note: The interview took place before he was appointed to this position, which he has since left.)

enough or all our salary is mortgaged, and we are getting zero money to push us.²⁴

The survey data reflects these observations. In Tanzania's 2015 parliamentary elections, the most important source of campaign money was 'personal savings', while 'donations from supporters' was the main source in Uganda's 2016 elections. The results are shown in Table 1 below (funding sources are defined in Annex 1). Private sources²⁵ make up 88 percent of campaign finances for Tanzanian MPs (largely personal) but only 29 percent for Ugandan MPs. It is possible that these 'private sources' could include donations from wealthy individuals or companies, but the MP respondents were unwilling to divulge this. This is very likely due to the relatively sensitive nature of the inquiry in question, the increasingly repressive post-election political climate (Beaumont, 2019; Paget, 2018) and overt actions by state institutions against private firms and businesses (Reuters, 2017; Wangwe and Bourguignon, 2018). Collectively, these factors facilitated the need to protect contributions from 'supporters' by classifying them as own-source private contributions. In contrast, Ugandan MPs are much more dependent on 'supporters' contributions' and on the 'party' than Tanzanian MPs, which is rather surprising considering that the CCM is a more established and stronger party than the NRM. This supplements work that suggests that the re-election of incumbent MPs is strongly influenced by party institutions (Warren, 2017; Collord, 2017). Moreover, as already noted (see Figure 3), the Ugandan independent MPs outspent MPs of both the ruling party and the opposition. This fits well with the main observation that campaign money sources are primarily personal and that independents do not have access to the non-monetary and indirect campaign benefits from the state which ruling party candidates enjoy.

²⁴ Interview with Ruth Nankabirwa.

²⁵ That is: money from own business, loans, personal savings and other sources, and sold property.

Table 1. Sources for parliamentary campaign financing (frequency of mentioning the ‘most important source’ (%))

Source	Tanzania, 2015	Uganda, 2016
Own Business	2.4	0.3
Supporters’ contributions	3.6	47.1
Loans	15.3	2.7
Party support	3.5	22.5
Personal saving & other sources	65.9	25.5
Sold property	4.7	0.3
Others (family, friends, etc.)	4.6	1.6
Total	100	100

Source: Interviews with MPs. For definitions of categories see Annex 1.

Table 1 also shows that loans are a more important source of funding for MPs in Tanzania than in Uganda. This may reflect that it is generally easier to get bank credit in Tanzania, according to the World Bank.²⁶ When a country’s banking system becomes liberalised, candidates will take out more loans to run their campaigns, according to Arriola (2018).

Finally, it is worth noting that party support for MPs is significant in Uganda (22.5%), where government subsidies to the parties were introduced in 2015. Such party subsidies are also given in Tanzania based on the parties’ respective proportions of parliamentary seats. Prior to the 2015 elections, it is estimated that the ruling CCM party received up to 80 percent of all government subventions to political parties in Tanzania (Magolowondo, Falguera and Matsimbe, 2012). Recipient parties need to win at least 5 percent of the presidential vote to be eligible, a requirement which excludes minority parties from state support. In any case, subsidies are not much used to support candidates (only 3.5 percent according to Table 1). Instead, such monies are often earmarked for the day-to-day functioning of political parties (Magolowondo, Falguera and Matsimbe, 2012) and thus play a limited role in campaign financing.

Although MPs indicated that they mainly self-funded through personal savings and loans, interviews with independent observers and analysts revealed that the privatisation of state enterprises in both countries led to the shift of sources of campaign financing from state business to the private sector. In both Tanzania and

²⁶ <https://openknowledge.worldbank.org/handle/10986/30438> License: CC BY 3.0 IGO (accessed May 13, 2019).

Uganda, the Asian community in particular is interested in election outcomes, and its members thus provide funding to individual MPs and to the parties, including the opposition.²⁷ It is believed, for example, that prominent Ugandan businessman Hassan Basajjabalaba directly funds NRM parliamentary candidates in western Uganda, especially in his home sub-region of Bushenyi.²⁸ In turn, he has been a routine beneficiary of preferential treatment on financial matters both by parliament and its oversight committees and the executive, especially the state house on matters of taxation and access to state funds (more below).

The general picture of campaign finance sources is that access to funds depends much on the political candidates themselves: their own wealth and income plus their networks to larger private sector (primarily domestically owned) companies, even in Tanzania, where respondents indicated 'private sources' as the largest source, and with the smaller role of financial support from the party. This fits well with research by others like Mboya (2020: 9) on Kenya and Asante and Kunnath (undated: 6) on Ghana, who noted: 'Political parties do still provide some financial assistance to candidates but the picture that emerges is that of a funding structure much more reliant on personal relationships'. This implies that the sources of finance for campaigns are in flux and differ across countries. Tanzania and Uganda illustrate this very well.

PRESIDENTIAL CAMPAIGNS: COST ESTIMATES AND FINANCIAL SOURCES

As in the preceding section on MP campaign financing, we first focus on the cost of presidential campaigns, then on their funding sources. We also compare with other countries. However, some data issues need first to be highlighted. It is difficult to get a clear and reliable estimate of the money spent by presidential candidates in both Tanzania and Uganda in recent elections, especially for the incumbent.

In Tanzania, reports by domestic and international election monitoring groups do not offer much insight into the scale of campaign expenditure for presidential elections. By law, participating parties are required to file accounts of their election expenses along with disclosures of the sources of finance with the office of the Registrar of Political Parties (URT, 2015). Failure to submit such accounts can result in barring of a party from contesting forthcoming elections and even compel the Registrar to initiate an investigation into potential violations of the 1992 Political Parties Act, leading to possible de-registration of the party (URT, 2015; 2002). However, access to these records is limited except for use as evidence in a court of law. Further, political parties have little incentive to disclose their finances

²⁷ MNCs support parties, too. However, they seem to prefer funding general party activities rather than individual candidates, as an example from Tanzania indicates (The Guardian on Sunday, 2011).

²⁸ Interview with Charles Bichachi, former executive editor of Monitor Publications, 8 March 2018, Kampala.

in public, partly out of concern for competition from others.²⁹ It is customary for the chairpersons of political parties, both ruling and opposition, to spearhead fundraising for elections. However, as the oldest and most organised party, CCM possesses the more comprehensive approach and structure, employing a full-time party treasurer who operates even between elections. With the exception of the 2015 elections, the main opposition parties in Tanzania relied heavily on the personal abilities of their individual chairpeople to raise funds, including securing commercial loans from banks (Paget, 2018).

In Uganda, the ruling party's secretariat has no records of money expended, no audited books of account, and does not file financial reports to the Electoral Commission as required by law. The party has no known sources of funding or institutionalised mechanisms of raising campaign funds other than the activities of the chairman.³⁰ As Tangri and Mwenda (2013) rightly point out, it is the president who is the sole fundraiser for the party, especially for his own re-election, and the funds go directly to him. The National Enterprise Cooperation (NEC), which was started as a business arm of the NRM, did not become a viable and profitable venture to fund the ruling party as had been anticipated.

Consequently, we have used the following sources of information about presidential campaign costs. On Tanzania the best we could do was to rely on unofficial interviews and some secondary sources to arrive at some order-of-magnitude estimates. The main sources of information for the presidential campaigns in Uganda are Tangri and Mwenda (2013), Khisa (2015) and the Alliance for Campaign Finance Monitoring (ACFIM, 2017) plus interviews with key knowledgeable individuals.

Cost of presidential campaigns

A remarkable feature of presidential campaign costs is their magnitude and their rapid growth. This is shown in Figure 5. Between the two presidential elections in the 2010s, campaign costs grew by more than 40 percent in Tanzania measured in PPP dollars and 70 percent in current USD. The actual expenditures were USD 10 million for the 2010 elections and 17 million for the 2015 elections. The cost increase in Uganda was more than 700 percent from 2011 to 2016 measured in current USD – a virtual explosion. The PPP dollar comparisons³¹ show an increase of some 40 percent.³²

²⁹ Interview with Anthony Komu, former treasurer and current CHADEMA MP for Moshi Rural, 13 November 2018, Dar es Salaam.

³⁰ Interview with Simon Osborn, former Country Director, National Democratic Institute (NDI) for International Affairs, June 2017, Kampala. NDI is an American political think tank; it funded and coordinated the campaign financing tracking and reporting cited below by ACFIM.

³¹ Some pitfalls of using PPP dollars for comparisons are discussed by Ghosh (2018).

³² Measured in constant 2010 USD, the presidential campaign costs grew by 43 percent in Tanzania and by 737 percent in Uganda.

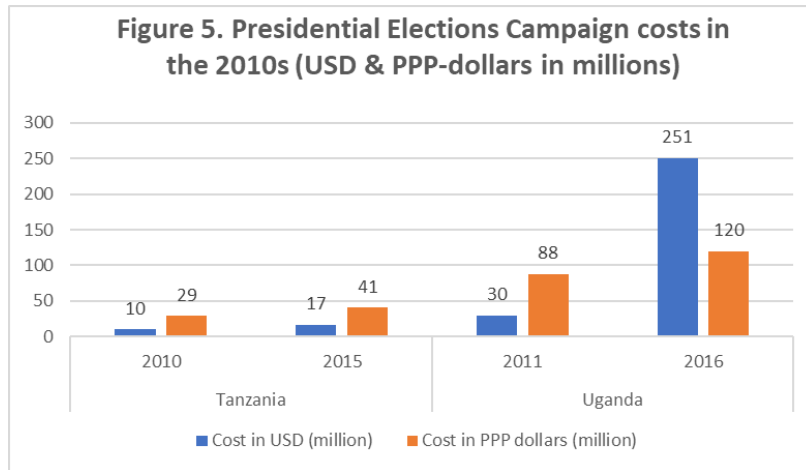
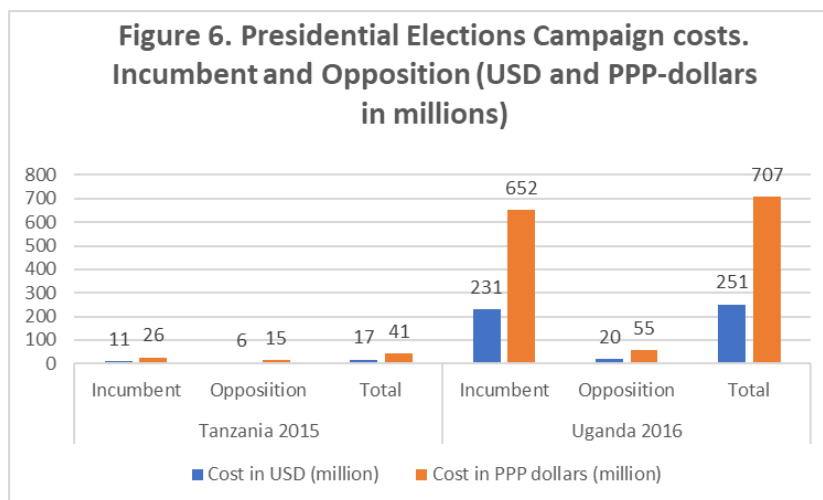


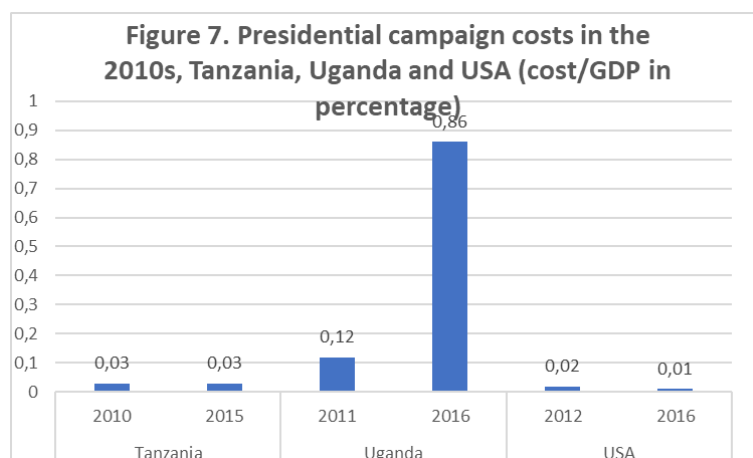
Figure 5 also shows another striking difference between the two countries: presidential campaign costs are much higher in Uganda. While they were below USD 20 million in Tanzania’s two elections in the 2010s, they grew in Uganda from USD 30 million in the 2011 elections to some USD 250 million in the 2016 election.

For the 2016 Uganda elections, we use the order-of-magnitude estimates made by the Alliance for Campaign Finance Monitoring (ACFIM). They found the total spending by all presidential candidates to have been at least 857 billion shillings (or about USD 252 million). This estimate is derived from a field study and tracking of campaign expenses in 16 districts. The figure does not include expenditures before the general elections; that is, holding delegate conferences, party primaries and other activities (ACFIM, 2017: 59). The incumbent Yoweri Museveni reportedly spent 91.5 percent of this estimated total expenditure, with the other seven candidates sharing less than nine percent.



Our estimate on the difference between expenditures by the incumbent and other candidates are of a similar order of magnitude, as shown in Figure 6. It shows a third key feature of presidential campaign costs: the incumbent spends much more than the main opposition candidate. This is true for both the CCM candidate, who spent almost twice as much as the main opposition candidate (measured in

USD), as well as for the NRM candidate in Uganda, who spent 11 times more than the opposition candidate. The differences are at a similar level when measured in PPP dollars.



Finally, it is instructive to compare presidential campaign costs during the 2010s to the size of the two economies. Figure 7 shows that the costs as a share of GDP have remained constant in Tanzania but have grown very rapidly in Uganda. Moreover, relative to the economy, the Ugandan presidential elections are much more expensive than the Tanzanian. Finally, again going by the size of the economy, Figure 7 shows that presidential elections are relatively more expensive in Tanzania and – especially – Uganda than they are in the United States.³³ This is a remarkable finding because the role of money in American politics is massive and well documented. It is safe to conclude, therefore, that money plays a significant role in the politics of Tanzania and (especially) Uganda.

Sources of presidential campaign funding

An overview of the major funding sources is provided in Table 2, with more details for both countries provided below.

³³ The figures for the American elections are taken from [2012 Presidential Race | OpenSecrets](#) and [2016 Presidential Race • OpenSecrets](#). The GDP figures are from the [World Bank database](#).

Table 2: Major sources of presidential campaign funds for the last two elections*

Major Sources of Presidential Campaign Funds	Incumbent/Ruling Party		Opposition	
	Tanzania	Uganda	Tanzania	Uganda
	Local businesses	Local businesses	Local businesses	Local businesses
	Official government budgets	Official government budgets	Official government budgets	Foreign sources/donors
	Supporters	Foreign sources/donors	Personal	Personal
	Large domestic companies	Large domestic companies	Supporters	Supporters

Sources: Field interviews in both Uganda and Tanzania.

* The sources are not ordered as we do not have sufficient information to do so.

Leveraging the business-politics nexus for presidential campaign financing in Tanzania

Although there is little secondary evidence to link financiers with either the ruling or opposition party in Tanzania, some notable grand corruption scandals have exposed linkages between businesses and politics. However, it is generally difficult to directly link businesses with election financing, and this is compounded by the political parties' lack of disclosure of sources of financing, lack of disclosure by the revenue authorities of the identity of recipients of tax exemptions (which would help triangulate other existing anecdotal evidence) and the prevalent use of tax havens by some large taxpayers – typically foreign companies with interests in extractives (Curtis and Ngowi, 2017) – which diminishes the bargaining leverage of domestic politicians. On the whole, despite the participation of a few business elites in party and parliamentary politics on behalf of the CCM, there have been few direct demonstrations of patronage. Exceptions do exist, however, including shareholding in the telecoms giant Vodacom by Rostam Aziz, the CCM treasury chair until 2011 and MP for Igunga, Tabora.

It is believed that rent extraction occurs more clandestinely, with anonymous business contributors rewarded with local monopolies over key commodities such as sugar (as in the cases of the Mtibwa and Kagera Sugar companies), primary commodities such as cashews and edible oils (the case of Mohammed Enterprises, whose CEO is a former CCM MP for Singida Urban), other foodstuffs (wherein the Bakhressa Group has been alleged to finance both the CCM and CUF in Zanzibar), and concessions in VAT, excise, import and other taxes in the run-up to general

elections (Semboja et al., forthcoming). To understand the trajectory of potential private sector sources of campaign financing for the CCM presidential candidate and the party as a whole during the 2010s, we look back a bit to the mid-2000s.

Up until 2006, the single most brazen incident of party-business patronage had been the port handling contract between the parastatal Tanzania Ports Authority (TPA) and the Tanzania International Container Terminal Services (TICTS), whose chairman and 30 percent stakeholder is Nazir Karamagi, a CCM MP for Bukoba Rural (Cooksey, 2011). In 2005, right before the end of President Mkapa's tenure and the country's general elections, TICTS received an irregular contract extension of its services from 10 to 25 years, against strong opposition in parliament and civil society. Patrimonial connections involving TICTS are even more profound given that Karamagi was subsequently appointed by president Kikwete first as the minister for industry, trade and marketing (2005–2006) and later as the minister of energy and minerals (2006–2008). In 2007, Karamagi controversially signed the infamous Buzwagi mining agreement with Barrick Gold, despite widespread opposition to the deal in parliament. Karamagi was forced to resign from his post in February 2008 after a parliamentary review committee found improprieties in the deal and held him in contempt of parliament (SID, 2009).

Electoral financing in Tanzania appears better coordinated in terms of both its timing and management than it is in Uganda. Observers of Tanzanian politics in the last fifteen years have become accustomed to the eruption of politically enabled grand corruption scandals in the immediate vicinity of general elections (Wangwe and Gray, 2018). In September 2006, an audit query was raised of the central bank's accounts over payments of USD 133 million from the External Payments Account (EPA)³⁴ to 22 local companies between May 2005 and March 2006 (Cooksey and Kelsall, 2011). Tanzania's presidential elections in 2005 took place on 4 December of that year, having previously been scheduled for 30 October. Key among the Ernst and Young auditors' queries were payments of some USD 90 million made based on 'invalid and fraudulent supporting documents', and to 13 companies whose claims had already been settled. Of these sums, USD 40 million was paid to Kagoda Agriculture Limited, a company registered in September 2005 which counted Jeetu Patel as a director (Cooksey and Kelsall, 2011). Patel is a long-time associate of the CCM and a majority shareholder of, among others, the Noble Azania group of companies as well as Bank M (Tanzanian Affairs, 2011; Elinaza, 2012; Aminzade, 2013), entities with checkered histories of improprieties in Tanzania. Improperly documented payments worth some USD 10 million were also made by the central bank to Deep Green Finance, a shell company registered in 2005 primarily to take over the assets and liabilities of

³⁴ Wangwe and Gray (2018) have noted that the EPA account was originally set up by the government to help service balance of payments, whereby local importers would pay into the account in local currency, after which foreign suppliers would then be paid back by the Bank of Tanzania in foreign currency. However, due to poor foreign currency reserves in the 1980s and 1990s, the debt within the account accumulated, leading to efforts under a scheme known as 'debt buyback', which involved some debt cancellations. It is alleged that most of the major Asian- and Arab-owned businesses in Tanzania owe their rise to these debt buyback schemes (Gray, 2015). Such businesses have also been argued to possess considerable political leverage within the ruling party (Cooksey, 2011).

Meremeta Limited (joint venture between the Tanzanian Ministry of Defence and the South African company Triennex, which had incurred losses of USD 130 million in less than seven years of operation). One of Deep Green Finance's directors was IMMA Advocates, whose founding partner Lawrence Masha was later appointed Minister of Home Affairs during President Kikwete's first term (Cooksey and Kelsall, 2011).

The management of electoral financing in Tanzania tends to be mostly decentralised (Cooksey, 2011), involving multiple actors making anonymous contributions or seed capital with subsequent returns mostly materialising in the immediate post-election period. The presence of multiple and discreet financiers of elections weakens the ability to directly associate party leaders with rent-seeking. In 2014, a year before the 2015 general elections, another grand corruption scandal took centre stage in Tanzania in the shape of the Tegeta Escrow Account (TEA) (Wangwe and Gray, 2018). The TEA scandal demonstrated spill-over effects of how incremental short-term rent-seeking behaviours can be appropriated for election finances. TEA was a special facility set up at the Bank of Tanzania (BoT) in 2006 to hold payments following a dispute between Tanzania's Utility company, TANESCO, and Independent Power Tanzania Limited (IPTL), an independent supplier, that had been referred to the International Centre for the Settlements of Investment Disputes (ICSID).

Between November 2006 and November 2013, USD 122 million had been deposited in the account (Policy Forum, 2014). On instructions from the private secretary to president, the BoT transferred the entire TEA balance to IPTL before an ICSID ruling that had necessitated the account in the first place. The transfer was also made without regard to another legal dispute involving Pan African Power Solutions (PAP) and liquidators of the 70 percent majority owner of IPTL, the Malaysian firm Mechmar, which had become insolvent. PAP's owner is Harbinder Singh, a bagman for Gideon Moi, son of former Kenyan President Daniel Moi (Policy Forum, 2014). Some USD 75 million from TEA passed to James Rugemalira as payment by Singh's PAP to his 30 percent stake in IPTL. Rugemalira subsequently made payments of up to USD 1 million each to a long list of senior officials, MPs and the clergy, which included former Attorney General Andrew Chenge, Anna Tibaijuka (the then Minister of Lands and current CCM MP for Muleba South) and William Ngeleja (former Minister of Energy and Minerals and current CCM MP for Sengerema).

Despite the sacking of multiple senior officials following the scandal, some authors (Cooksey, 2017; Wangwe and Gray, 2018) have found it difficult to disassociate the ruling party with gains from the TEA.

In June 2017, under the Magufuli administration, Harbinder Singh Sethi and James Rugemalira were arrested and charged with economic sabotage, criminal conspiracy, money laundering and numerous other offences pertaining to their role in TEA. However, to date, no other beneficiaries of TEA have been arraigned.

Finally, despite the limited availability of information on beneficiaries of tax exemptions in Tanzania, there are grounds to link the growth in tax exemptions

with election financing (Therkildsen and Bak, 2019). Secondary data from the Tanzania Revenue Authority indicate significant year-on-year rises in the value of tax exemptions between election years (Table 3). Indeed, the two highest incidences of tax exemptions were reported at 4.6 percent and 4.4 percent of GDP in 2005/06 and 2011/12 respectively (CRC Sogema, 2013). However, detailed campaign financing bargains are beyond the remit of this paper (but see Khisa, Msami and Therkildsen, (Forthcoming).

Table 3: Value of tax exemptions, Tanzania and Uganda, 2010 to 2016

Year	As % of GDP		As % of Total Tax Collected	
	Tanzania	Uganda	Tanzania	Uganda
2010/2011	2.9	3.6	18.8	35.5
2011/2012	4.4	2.5	27.4	24.1
2012/2013	2.6	1.7	15.2	15.5
2013/2014	2.5	1.9	18.3	15.9
2014/2015	1.5	1.2	17.1	9.1
2015/2016	1.2	1.9	16.0	14.6

Sources: Tanzania – CRC Sogema, 2013, Curtis and Ngowi, 2017; Uganda – Flynn et al., 2017, SEATINI and ActionAid, 2017.

Leveraging government funding and private business links for presidential financing in Uganda

From anecdotal evidence and secondary material, we identify two major sources of campaign financing for the election of incumbent NRM candidate and president, Yoweri Museveni. First are official budgetary allocations to ministries, departments and agencies (MDA) that are directly or indirectly controlled by the president or the presidency. There are several major budget votes to note: Ministry of Defence, Ministry of Security, the office of the president, the State House, and the Ugandan police force. In addition, government programs like rural electrification and National Agricultural Advisory Services (NAADS) contribute to bolstering campaign resources for the NRM.³⁵ The bulk of expenditures for the ministries of defence and security as well as the police tends to be classified, while the budgets for office of the president and the State House, though they do contain some classified expenditures, are directly or indirectly spent on activities by the president, including during the campaign season for general elections. These

³⁵ We thank Anne Mette Kjaer for this suggestion, based on her own fieldwork on elections and the productive sectors in Uganda.

MDAs also tend to top supplementary budget requests, especially on the eve of general elections. For example, a few months before the March 2011 general elections, parliament passed a highly controversial supplementary budget that was about 30 percent of the regular budget (Khisa, 2015: 182). The State House alone took a quarter of that supplementary budget.

In 2016, the election-year budget had two notable features that pointed to the budget being a source of campaign finance for the incumbent: a 51 percent increase in the total national budget, and budget over-performance by some of the MDAs mentioned above, such that for the Ministry of Defence and the State House, the funds disbursed had been totally utilised by the end of the first half of the financial year (that is, December – two months to election day). In all, notes law Professor Joe Oloka-Onyango, ‘the predatory nature of the Uganda state means there are all sorts of government agencies and projects like the Road Fund from where campaign funds can be drawn for the incumbent’.³⁶ In addition, Oloka-Onyango underscores what he calls the ‘China factor’, where numerous infrastructure projects have been concluded with no transparency and under questionable sources of financing.

The second major source of campaign funds for the incumbent President Museveni is from the business sector and private donors with connections to the NRM regime.³⁷ In African countries, electoral outcomes in part depend on the extent to which the business sector can fund both the incumbent and opposition parties (Arriola, 2013). In Uganda the ruling party and its presidential candidate have had preponderant access to business-sector campaign funds. Much of the campaign contributions to President Museveni are not recorded or officially registered, so it is difficult to know, on record, who contributed and how much they gave.³⁸ What we were able to ascertain from credible expert sources is that private sector individuals and companies who secretly donate money to President Museveni do so in person and directly. The strategy on the part of the contributors is to make it personal and be assured of possible payback in a highly clientelist system. The recipient, for his part, also prefers it that way because the method of directly receiving donations helps solve the problem of corrupt staffers and middlemen who would otherwise take off a slice of the funds. This fundraising approach suits the NRM and Museveni well: ad-hoc, person-focused and linked to their access to state resources (Helle, 2013: 51). Apparently, campaign funders meet Museveni in the State House and carry with them stacks of cash, which is stashed in a strong room directly manned by the president himself and accessed by only one senior female aid who hands out tranches of cash to different individuals for various campaign operations.³⁹

³⁶ Interview with Joe Oloka-Onyango, professor of law at Makerere University, Kampala, 8 March 2018.

³⁷ Interview with Andrew Mwenda, founder and managing director, *The Independent Publications*, July 2017, Kampala.

³⁸ Ibid.

³⁹ Interview with Andrew Mwenda.

There is remarkable similarity and continuity in the list of the top ten taxpayers in 2006 and 2016. In 2006 the top ten taxpayers contributed close to 30 percent of the total revenue collected by Uganda Revenue Authority, while the top 35 taxpayers paid more than 50 percent. It is instructive that there was no wholly Ugandan-owned company among the top ten taxpayers in 2006, and there was only one in 2016 (see Annex 3). Missing from the top 10, and even the top 20, are indigenous Ugandan and Asian-Ugandan businesses, such as the Madhvan Group, Imperial Group, the Ruparelia Group, Mukwano Group and others owned by individuals who are among the leading donors to Museveni and the NRM. Crane Bank, owned by Sudhir Ruparelia, who also owns the Ruparelia Group, was ranked the third-largest commercial bank in 2016, yet was the 28th-largest taxpayer. In what appears to have been a political fallout, the central bank went after Crane Bank shortly after the 2016 elections, declaring the bank insolvent and taking over its management. It is rather surprising that a bank that had a clean bill of health before the 2016 elections would suddenly become distressed within months of the election.

Tangri and Mwenda (2013: 117) note that President Museveni received large (unspecified) amounts of campaign cash from the business community for both the 2011 and 2006 elections. The same, according to a lengthy interview with one of the authors, happened for the 2016 elections. In turn, rents to these well-connected businesses (tax breaks, loans, etc.) were provided by the state – often through the personal interventions of Museveni. These same individual businesspeople, who were favoured by and indebted to the president, became sources of campaign finance at election time (Tangri and Mwenda, 2013: 110).

According to media reports going back to the 1990s, some indigenous Ugandan entrepreneurs, including Charles Mbire, Patrick Bitature, and Hassan Bassajabalaba, are believed to have strong ties with the first family. They are also from western Uganda, Museveni's home area. They use their resources to campaign for Museveni in presidential elections and for individual NRM candidates in parliamentary races (Therkildsen, 2013). The case of Hassan Bassajabalaba illustrates the point. In 2005, the president instructed the Ministry of Finance to waive taxes (estimated worth USD 6.8 million) on building materials for the construction of the Ishaka Teaching Hospital in Bushenyi in western Uganda, which is owned by Bassajabalaba. He also received a controversial 20 billion shilling grant from the central bank, again on the instruction of the president, to pay debts and taxes, and to subsidize his Kampala International University. In turn, Bassajabalaba reportedly donated to the NRM's 2011 election fund and allegedly also funded the campaigns of at least two dozen MPs (Tangri and Mwenda, 2013: 113).

The biggest source of funds from the business community tends to be from the Asian-Ugandan businesspeople who exchange donations for preferential treatment (Tangri and Mwenda, 2013). Resident Asian business tycoons like Karim Hirji, Sudhir Ruparelia and Nitin Madhvani are among some of the known individuals who give large sums to Museveni's campaigns. According to Tangri and Mwenda, the Mehta group gave Museveni around USD 3 million to finance

his re-election campaign in 2006. In return for financial and other transfers to his election campaigns, President Museveni rewards Asian firms after the elections in various ways. Over the years, Tangri and Mwenda further point out that the URA was instructed by the State House not to penalise substantial tax evasions or pursue tax arrears that some of these firms were implicated in. It 'was also not by coincidence that Museveni unilaterally gave the Madhvani group a licence for sugar farming in the Butamira Forest Reserve immediately after the 2001 election, while he ordered the Ministry of Lands to give the Mehta group one-third of Mabira Forest reserve for sugar cultivation just after the 2006 election' (Tangri and Mwenda, 2013: 110-111), although this move was stopped by violent protests in Kampala. Therkildsen (2013: 24) notes that this indicates that it is becoming more difficult for the NRM and Museveni to provide land to favoured businesspeople; thus a possible switch towards less visible rents such as tax breaks and import privileges.

Tangri and Mwenda (2013) also allude to the role of big corporations and multinationals that make illicit offers and payments to win major profitable contracts (Tangri and Mwenda, 2013: 92-94, 103, 115). In Tanzania, a certain MNC is known to have funded both the CCM and CHADEMA in the 2010 and 2015 elections.⁴⁰ However, as Therkildsen (2013: 24) points out, 'a careful reading of Tangri's and Mwenda's cases of multinationals involved in corrupt practices indicates that MNCs do not seem to be as involved in political financing as local tycoons and businesses'. This is plausible, but the loss of revenue through tax evasion and avoidance – to which the inner circles of power might turn a blind eye – suggests a connection between political patronage and revenue collection. Two recent reports pointed to huge revenue losses that could be connected to possible tax evasion and avoidance in exchange for political financing. A 2014 study by the IMF found that there was a 60 percent VAT compliance gap, while another study by the International Growth Centre found non-declared sales to the tune of four billion, or an estimated VAT gap of 747 billion Uganda shillings (SEATINI and ActionAid, 2017: 17; Flynn et al., 2017).

Finally, our data indicate that there is a large difference between presidential election expenditure in Tanzania and Uganda, but much less so with respect to parliamentary elections. There are two possible explanations. First, the CCM is much stronger, well-established and more functional as a political organisation than the NRM. This means there is more efficiency in utilising campaign funds for the CCM presidential candidate than for the NRM: the more organised and institutionalised a political party is, the relatively less money it needs to run an effective campaign. In fact, interviews with individuals who have inside knowledge of the NRM's handling of campaign finance donations revealed that in the heat of the campaigns, physical cash from individual donations (including those made unofficially in the name of companies and businesses) is given directly to Museveni in the State House and individuals then come in to sign for it for use

⁴⁰ Interview with John Jingu, Senior Lecturer of Political Science, University of Dar es Salaam, 5 July 2017.

in the field – they don't provide any accountability. Thus, it is believed that much of that money is pocketed by campaign agents and the officials in charge.

The second plausible explanation relates to presidential longevity in Uganda. The longer Museveni has held onto power, the more costly it has become for him to secure re-election, unlike the CCM, which has had a new candidate every ten years. Longevity in power raises the stakes as the incumbent is likely to become less popular, thus increasing the monetary cost of keeping power.

CONCLUSION

This paper develops a demand-supply framework for analysing campaign financing in two African country case studies. The study provides estimates of the costs incurred by candidates seeking political office as members of parliament and as president in Tanzania and Uganda. The estimates show that the demand for financing electoral politics has accelerated in both Tanzania and Uganda since the economic and political liberalisation of the 1990s and early 2000s, as has the supply of campaign cash.

The full picture of how expensive electioneering has become remains difficult to pin down precisely. But the evidence gathered in this study suggests that Tanzania's and Uganda's 2015 and 2016 elections were the most expensive ever, spurred by the benefits of holding political office, and by increased inter- and intra-party competition for votes (see also Vokes and Wilkins, 2016).

The sources of campaign money include both officially allocated state funds to the parties as well as unofficial state funds and the use of the bureaucracy, which mostly benefits the ruling party and its candidates. This paper also documents that private money from individuals and private businesses, especially larger domestic companies, is significant, and that it benefits the ruling party more than the opposition, as argued by Arriola (2013). Indeed, some scholars refer to some private funding as plutocratic (Hasen, 2016; Therkildsen, 2013).

One obvious impact of significant volumes of money for campaign financing is that the democratic playing field is not level. The opposition tend to be disadvantaged. Money sometimes speaks louder than votes, and in many cases votes do follow the money. Large and rising amounts are spent by especially the ruling parties in both countries, though more so in Uganda than in Tanzania. From the data we collected, there is a significant difference between presidential election expenditure in Tanzania and Uganda, but much less so with respect to parliamentary elections. There are two possible explanations for this.

First, the CCM has a new presidential candidate every ten years, who comes in under a well-established and robust party process. The party machinery is extensive and rooted across the country, making campaigning and winning the presidency cheaper, despite the competitiveness observed during recent election cycles. This contrasts with Uganda, where the same incumbent runs in every

presidential election under a not-so-well established and institutionalised party, thus needing far more resources due to waning legitimacy associated with his long stay in power and also given the institutional weaknesses and deficiencies of the ruling party.

Second, while Tanzania's limits on campaign financing may not be well enforced and the regulatory system is ineffective, it is likely that these do make some difference, compared to Uganda where there are no statutory limits on campaign expenditure and the ruling party never submits any books of account to the electoral commission as required by law. In Tanzania, statutory requirements for political parties to submit their accounts to an executive-appointed auditor general further reinforce the need to comply with funding legislation over fears of sanctions, often at the discretion of another executive-appointed official, the political parties' registrar.

Third, contrary to some other research in this field, our findings show that women MPs spend more than men on campaign financing. In Tanzania, one important reason is that parties believe voters (including some party members who vote in the primaries) are prejudiced against female candidates and thus additional efforts are required to secure them votes. Moreover, the women's special seats system may have some spill-over effects in constituencies where male and female candidates compete: Some candidates, voters and party officials see the system as an additional encroachment by women on constituency seats that men can contest thereby forcing female candidates to spend more money to secure votes in the open competition in such constituencies. In Uganda, an additional reason is that the districts in which women run are larger (and therefore more costly to campaign in) than the regular constituencies where men compete.

All these demand-supply issues raise an important question: does the donation of money by private companies and wealthy individuals to fund parties and candidates – especially the ruling party – buy significant influence on how rents are allocated by the state, tax legislation made and policies in general designed and implemented? This question has not been directly answered in this paper, but our analyses of costs and campaign finance sources are important steps in doing so. We have speculated that there is a possible link between campaign financing and allocation or access to rents and tax-related policies and decisions.

Further research can improve estimates of the magnitude and the sources of the money involved, but especially dig into the connection between campaign financing and revenue-related issues. Based on this information, empirically based evidence can be developed about the processes and results of the bargaining between political parties/candidates and donors (individuals and companies). Campaign finance donations of larger sums of money by especially local tycoons to the ruling party are in many cases exchanged for influence on tax-related policies and rents of interest to the providers of campaign finance (i.e. access to land, import and export permits, etc.). These avenues of research will, no doubt, prove to be very fruitful and provide insights into the dynamics of

democratisation following the political and economic liberalisations that many African countries have experienced during the last thirty to forty years.

ANNEX 1. SAMPLING, RESPONSE RATES AND SOME DEFINITIONS

Sampling of parliamentary seats, Tanzania (2017)

At the time of the survey in October 2017, the Tanzanian parliament had a total of 388 members (Annex Table 1.1). Only the 263 directly elected members of parliament for that year were sampled randomly. Women who competed for these directly elected seats were therefore included in the sample, while women's seat members (113 members) were not.⁴¹ The random sample also includes some members from Zanzibar.

Weighting of the campaign cost sample averages is based on the distribution of directly elected members in 2010 and 2015 respectively.

Table 1.1. Parliamentary seats and sampling, Tanzania (2017)

Party	Total	Directly elected	Women's seats	Sample from directly elected
CCM	272	195	66	60
Chadema	71	34	37	18
CUF	42	32	10	7
ACT Wazalendo	1	1	0	0
NCCR- Mageuzi	1	1	0	0
Attorney General	1			0
Total	388	263	113	85

Note: There were 263 directly elected members and a total of 388 filled seats at the time of the survey in September/October 2017 according to the first edition of the 11th parliament's MPs directory, maintained by the Parliament of Tanzania (see [MPs Directory 1st ed](#)).

Sampling of parliamentary seats, Uganda (2016)

In 2016, the Ugandan parliament had 426 members (Annex Table 1.2). The sample of 86 members was drawn from the directly elected members (289) *as well as* from candidates competing for women's seats (112): a total of 401 members. This means that the results for Uganda on gender funding are not strictly comparable with the results from the Tanzania sample.

Weighting of the campaign cost sample averages is based on the distribution of directly elected members in 2010 and 2016 respectively.

⁴¹ Candidates for women's seats do mobilise funds for their campaigns (but we did not sample them).

Table 1.2. Parliamentary seats and sampling, Uganda (2016)

Party	Total	Directly elected	Appointed	Women's seats	Sample
NRM	293	199	10	84	72
Opposition	57	46	0	11	8
- Forum for Democratic Change	36	29		7	3
- Democratic Party	15	13		2	3
- Uganda People's Congress	6	4		2	1
Independents	66	44	5	17	6
Uganda People's Defence Force	10		10		
Total	426	289	25	112	86

Note: The sample was drawn from the directly elected members plus women's seats. The data source is the Official Directory of Parliament of Uganda.

Sample sizes and response rates, Tanzania and Uganda

Annex Table 1.3 shows the sample sizes and response rates for the survey. Note that the response rates for the 2011 primary and general elections in Uganda are rather low. The reliability of the estimated averages for that election is therefore comparatively lower than the estimates for the 2015 elections.

To this should be added that the survey is based on recall. That is likely to affect the results of the first election cycle more than the second election cycle.

Table 1.3. Response rates, Tanzania and Uganda

	Tanzania	Uganda
Number of 2015 elected MPs sampled	100	120
Number that responded	85	86
Of which from ruling party	60 (71%)	72 (84%)
From the opposition	25 (29%)	8 (9%)
Independent	N/A	6 (8%)
Of total contested seats (%)	32%	20%
Sample size for the estimate of primary election costs, 1 st cycle (%)*	74 (87%)	14 (16%)
Sample size for the estimate of primary election costs, 2 nd cycle (%)*	85 (100%)	78 (91%)
Sample size for the estimate of parliamentary election costs, 1 st cycle (%)*	71 (84%)	22 (26%)
Sample size for the estimate parliamentary election costs, 2 nd cycle (%)*	85 (100%)	85 (99%)

* 1st election cycle was 2010 (Tanzania) and 2011 (Uganda). 2nd election cycle was 2015 (Tanzania) and 2016 (Uganda).

Definitions of sources of funding

Information by interviewees was coded into the funding source categories shown in the table below.

Donations from the president to the candidates are not included in the classification, although we have official letters documenting that President Museveni did make such contributions in the 2015 elections.

Table 1.4: Definitions of sources of funding

Category	Definition
Own business	Financing extracted from profits, revenues and other incomes directly resulting from a candidate's ownership or administration of a private commercial entity
Donations	The estimated monetary value of support derived from family, friends, associates and other non-party individuals
Loans	The estimated monetary value of support (including in-kind) borrowed from financial institutions and individuals
Others	Monies derived from sources other than specified, including those from the sale of non-property assets such as vehicles, jewellery, crops etc. solely for the purpose of the campaign and outside the realm of an established business enterprise
Party	The estimated monetary value of support extended to a candidate by an organ (central or otherwise) of an affiliated political party
Personal savings/sources	Financing derived from monetary savings held by an individual, for example, stocks, dividends, bank savings etc.
Sold property	Financing derived from the sale of a property partially or wholly owned by a candidate
Supporters' contributions	The estimated monetary value of support derived from individual <i>party affiliates</i> of the candidate

Exchange rates and GDP figures

We report results in constant dollar terms because campaign costs, like all other costs, are influenced by the effect of price inflation. The reporting of figures in constant 2010 US dollars controls for the effects of price inflation, allowing for the assessment of a 'true growth' of campaign costs over the different election cycles. This is important as the comparison on hand looks at data in different years and across different countries.

Further, we also report some findings in Purchasing Power Parity (PPP) terms to demonstrate the spending power of each dollar unit in the respective countries. This is done to underscore the importance of local cost structures in determining monies spent in elections. That is, a dollar spent in any two countries is unlikely to procure a similar basket of goods and services.⁴²

⁴² See Gosh (2018) for methodological issues on PPP.

Table 1.4. Exchange rates and GDP figures

	Tanzania		Uganda	
	2010	2015	2011	2016
Exchange rate, LCU to USD	1395	1991	2523	3420
Exchange rate, LCU to PPP-dollars	497	804	856	1212
GDP, PPP dollars (million)	89923	117377	75314	82609

Source: [World Bank Open Data | Data](#)

ANNEX 2. SURVEY RESULTS, TABLES

**Table 2.1. Campaign cost per elected member in the elections of the 2010s.
Primaries and parliamentary. Tanzania and Uganda***

	Tanzania			Uganda		
	2010	2015	% change	2011	2016	% change
	LOCAL CURRENCY UNIT (Million)					
Primary	2	4	200	6	21	350
Parliamentary	40	77	92.5	76	171	125
Total	42	81	92.6	82	192	134.2
	CONSTANT 2010 LOCAL CURRENCY UNIT (Million)					
Primary	2.36	2.40	2%	5.56	13.53	143%
Parliamentary	39.5	48.79	24%	66.04	109.62	66%
Total	41.86	51.20	22%	71.60	123.15	72%
	USD					
Primary	1692	1909	12.8	2541	6170	142,8
Parliamentary	28315	38724	36.8	30135	49974	65.8
Total	30007	40633	35.4	32676	56144	71.2
	CONSTANT 2010 USD (Million)					
Primary	0.00163708	0.00167	2%	0.00255708	0.00622	143%
Parliamentary	0.02740036	0.03385	24%	0.03032992	0.05035	66%
Total	0.02903745	0.03552	22%	0.032887	0.05656	72%
	PPP DOLLARS					
Primary	4750	4727	-0.4	7487	17410	132.5
Parliamentary	79498	95918	20.7	88803	141022	58.8
Total	84248	100645	19.5	96290	158432	64.5

Source: Survey results.

* Weighted averages based on actual distribution of the directly elected members in parliament.

Table 2.2. Campaign cost per elected member by incumbent/opposition in the 2015/2016 elections. Primaries, parliamentary and total. Tanzania and Uganda *

	Tanzania 2015			Uganda 2016			
	Incumbent	Opposition	Difference (%)**	Incumbent	Opposition	Independents	Difference (%)**
	LOCAL CURRENCY UNIT (Million)						
Primary	5	2	- 60	83	10	n.a.	- 87.9
Parliamentary	105	67	- 36.2	170	97	450	- 42.9
Total	110	69	- 37.3	253	107		-57.7
	USD						
Primary	2687	1004	- 62.6	24249	2924	n.a.	-88.5
Parliamentary	52737	33400	-36.7	49766	28304	131579	-43.1
Total	55424	34404	-37.9	74015	31228		-57.8
	PPP DOLLARS						
Primary	6656	2488	- 62.6	68427	8251	n.a.	-87.9
Parliamentary	130628	82731	-36.7	140436	79872	371306	-43.1
Total	137284	85219	- 37.9	208863	88123		-57.8

Source: Survey results.

* Weighted averages based on actual distribution of the directly elected incumbent (CCM/NRM) and opposition members in parliament.

** Cost for opposition elected members in percentage of cost for incumbent elected members.

Table 2.3. Campaign cost per elected member by gender in the 2015/2016 elections. Primaries and parliamentary. Tanzania and Uganda (USD per elected member) *

	Tanzania 2015			Uganda 2016		
	Male	Female	Difference (%)**	Male	Female	Difference (%)**
Primary	1808	2461	+36.1	243	27778	+11431.1
Parliamentary	37619	43446	+15.5	50368	48538	-3.4
Total	39427	45907	+16.4	50611	76316	+50.8
Constant 2010 USD						
Primary	1580	2150	+36.1	240	27980	+11431.1
Parliamentary	32880	37980	+15.5	50740	48900	-3.4
Total	34460	40130	+16.4	50980	76880	+50.8
PPP Dollars						
Primary	4479	6096	+36.1	685	78387	+11431.1
Parliamentary	93181	107612	+15.5	142136	136970	-3.4
Total	97660	113708	+16.4	142821	215357	+50.8

Source: Survey results.

Table 2.4. Presidential elections. Campaign costs: Incumbent and opposition

Campaign costs per main candidate	Tanzania				Uganda			
	2010	2015			2011	2016		
	Total	Total	Incumbent	Opposition	Total	Total	Incumbent	Opposition
Cost in local currency (million)	14.629	33.135	21.175	11.960	75.000	857.000	790.000	67.000
Cost in USD (million)	10	17	11	6	30	251	231	20
Cost in constant 2010 local currency (million)	14.629	20.972	13.402	7.570	65.147	549.691	506.716	42.975
Cost in constant 2010 USD (million)	10.15	14.55	9.30	5.25	29.92	252.45	232.71	19.74
Cost in PPP dollars (million)	29	41	26	15	88	707	652	55
Cost per capita USD	0.24	0.32	0.21	0.12	0.84	6.26	5.82	0.49
Cost per capita PPP dollars	0.66	0.79	0.51	0.29	2.49	17.68	16.42	1.39
(Cost/capita)/(GDP/capita) in PPP dollars (%)	0.03%	0.03%	0.02%	0.01%	0.12%	0.85%	0.79%	0.07%

Source: Survey results.

* Weighted averages based on actual distribution of directly elected male and female members in parliament.

** Cost for female elected members in percentage of cost for male elected members.

ANNEX 3. TOP TEN TAXPAYERS, TANZANIA AND UGANDA

Table 3.1. Top ten taxpayers in Tanzania, 2005–2016

2012–2016 ⁴³		
Name	Sector	Ownership
1. National Microfinance Bank	Banking	Domestic and Foreign
2. Tanzania Breweries Ltd	Brewery	Foreign
3. Tanzania Cigarette Company	Manufacturing	Foreign
4. CRDB Bank Ltd	Banking	Foreign
5. Tanzania Ports Authority	Logistics and Handling	Domestic
6. Tanzania Portland Cement	Manufacturing	Foreign
7. Vodacom (T) Ltd.	Telecommunication	Foreign
8. National Bank of Commerce	Banking	70% Foreign
9. Tanga Cement Company Ltd	Manufacturing	Foreign
10. AngloGold Ashanti	Mining	Foreign
2005–2011 ⁴⁴		
1. Tanzania Breweries Ltd	Brewery	Foreign
2. National Microfinance Bank	Banking	Domestic and Foreign
3. Tanzania Cigarette Company	Manufacturing	Foreign
4. National Bank of Commerce	Banking	70% Foreign
5. CRDB Bank Ltd	Banking	Domestic and Foreign
6. Tanzania Ports Authority	Logistics and Handling	Domestic
7. Tanzania Portland Cement	Manufacturing	Foreign
8. Airtel (T) Ltd.	Telecommunication	Foreign
9. Tanga Cement Company Ltd	Manufacturing	Foreign
10. Standard Chartered Bank Ltd	Banking	Foreign

⁴³ Source: Interview with Godwin Barongo, Assistant Manager, Large Taxpayers' department at TRA, on 2 March 2018.

⁴⁴ Source: Prime Minister's Speech to the Parliament of the United Republic of Tanzania on 26 August 2011. Accessed 27 February 2018.

Table 3.2 Top ten Taxpayers in Uganda, 2006 and 2016

2016		
Name	Sector	Ownership
MTN	Telecommunication	Foreign
Nile Breweries	Brewery	Foreign
Airtel	Telecommunication	Foreign
Uganda Breweries	Brewery	Foreign
Stanbic	Banking	Foreign
Tororo Cement	Manufacturing	Foreign
Century Bottling	Beverage	Foreign
Bujagali Energy	Energy	Foreign
Kakira Sugar	Manufacturing	Local/Uganda
Umeme	Energy	Foreign
2006		
MTN	Telecommunication	Foreign
Shell	Petroleum	Foreign
Uganda Breweries	Brewery	Foreign
Nile Breweries	Brewery	Foreign
Caltex	Petroleum	Foreign
BAT	Tobacco	Foreign
Total	Petroleum	Foreign
Tororo Cement	Manufacturing	Partly Foreign
Century Bottling	Beverage	Foreign
Aggreko	Energy	Foreign

Sources: Compiled from different newspaper reports, *Daily Monitor* and *New Vision*.

Table 3.3. Ownership of top ten taxpayers, Tanzania and Uganda, 2005–2016

	Tanzania		Uganda	
	2005–2011	2012–2016	2005	2016
Banking	1F + 3L/F	1F + 2L/F		1F
Breweries	1F	1F	3F	3F
Energy			4F	2F
Logistics and Handling	1L	1LF		
Manufacturing	3F	3F	1F + 1L/F	1F + 1L
Mining		1F		
Telecommunication	1F	1F	1F	2 F/L

L: locally owned; F: foreign owned; L/F: local and foreign owned.

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