

## POLITICAL PARTY AND CAMPAIGN FINANCING IN BARBADOS<sup>1</sup>

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### I. INTRODUCTION

Research into the culture of political party financing reveals that there are no **substantive** regulations on political party financing in Barbados, however, the state does provide financial support to political parties through several mechanisms. One major source of funding is through the Parliament (Administration) Act 1989 (CAP. 10). This facility allows parliament to provide an annual subvention of BDS\$300,000 which is shared among the political parties having a parliamentary presence. In addition, each constituency is entitled to an office and a stipend of BDS\$750, as well as the provision of a constituency assistant attached to each Member of Parliament under the provisions of Section 10 of the Parliament (Administration) Act. Finally there is also a tax-incentive granted to Members of Parliament, which allows them to claim up to 5,000 annually or 10% of their Parliamentary salary (whichever is smaller) in respect of financial contributions to their political party.

### II. THE NATURE OF PARTY FINANCING

Interviews with senior executive officials of both political parties in Barbados, the opposition Democratic Labour Party (DLP) and the ruling Barbados Labour Party (BLP) reveal contrasting fortunes and levels of capacity to sufficiently attract party financing. It must be noted from the outset however, that neither official of either of the two parties interviewed was willing to provide quantitative details or information relating to specific sources of finance outside of that provided through parliamentary means. Moreover it was evident from the interviews that there was a high level of creativity used in fund raising and individual officers in both organisations often pursued independent sources and indirect fund-raising through special and highly personalised relationships. This made it difficult to determine exactly how much money was raised annually and where all money which supported the parties efforts, came from.

Both political parties had few assets outside of the building which housed their headquarters. In the case of the DLP, this asset was significantly more valuable since it was a commercial property which generated revenue. The BLP headquarters was also a substantial property in a commercial area, however, its design did not facilitate rental for commercial purposes. Neither party conducted major commercial activity to fund its operations.

With respect to the Democratic Labour Party (DLP), it was disclosed that the major sources of funding included:

- *An annual Parliamentary Subvention;*

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<sup>1</sup> The opinions expressed in this document do not reflect the official position of the Organization of American States.

- *The collection of party membership dues and donations which constitute approximately 5% of total dues, the collection process having been described by the party official interviewed as being a rather inefficient one;*
- *Contributions from MPs which are tax-deductible (between 1999 and 2003, this amount was insignificant since there were only two DLP MPs in parliament);*
- *Donations from various representatives of corporate Barbados and well-wishers. However, such corporate donations are mostly forthcoming only during election periods;*
- *Corporate sponsors may pay for services on behalf of the political party, however it was argued that this was an infrequent luxury enjoyed by the DLP.*
- *The party also raises money via commercial endeavours, predominantly through fund raising ventures at the party's headquarters, the George Street Auditorium.*

The senior member of the executive of the Barbados Labour Party, who was interviewed was less forthcoming with information, however, it was apparent that the BLP had many advantages in terms of financing, which would accrue to a ruling party with a large parliamentary presence. The major sources were:

- *An annual Parliamentary Subvention*
- *Contributions from MPs which are tax-deductible;*
- *Corporate sponsors may pay for services on behalf of the political party;*
- *Individual fund-raising efforts led by the PM and Ministers.*
- *Donations from various representatives of corporate Barbados and well-wishers. However, such corporate donations are mostly forthcoming only during election periods;*

Funds allocated to the political parties by parliament, are used predominantly to cover the basic, day-to-day expenses of the party such as the wages of party officials such as the Chief Executive Officer and the clerical staff as well as toward the payment of utilities expenses and general maintenance of party headquarters.

### **III. ELECTION CAMPAIGN FINANCING**

As was mentioned in the introductory section, political party financing is largely unregulated in Barbados, consequently, the amount and the source of financing to cover election expenses is essential unfettered and is generally shrouded in secrecy. Indeed, neither of the officials of the two parties interviewed were willing to divulge any specific information as it related to the source of funding obtained in order to finance election campaigns.

The ruling BLP official cited its election party finances as having been largely obtained from "*party well-wishers*", as well as through monies raised by Members of Parliament from that party. The single largest percentage of election spending for the BLP was in the area of advertising. While no approximate figure was given for the cost of an adequate election campaign, it was stated that 1 million (Bds.) was grossly inadequate to run a successful election campaign. Interestingly enough, the DLP official interviewed suggested that the BLP spent 3.1 million (Bds) on their campaign.

Similarly, the Democratic Labour Party official indicated that advertising was the single largest expense incurred during their election campaign, with as much 60% – 70% of party resources directed towards that expense. Although refusing to be specific, he expressed the view that 1 million (BDs) was their fund-raising target in the last election, however, they fell short of that mark. In such situations, it was customary for the DLP to attempt to secure commercial bank loans to cover outstanding bills after an election. This process was, however, difficult because Banks were hesitant to use the assets of political parties as collateral; therefore individual members usually had to guarantee loans in their personal capacity.

It must be noted that the only legal requirement of political parties as it relates to election campaign financing is the requirement under the Representation of the People Act CAP. 12 that election agents report, in relation to their candidacy, all payments made to election agents, together with all bills and receipts incurred by the candidate. Therefore the issue of financing and legislative and regulatory scrutiny of political parties is not contemplated by the Act of Parliament which regulates general elections in Barbados. Moreover, while there is a requirement that a report be sent to the Management Commission of Parliament (regarding the subvention), this report is not audited.

#### **IV. ACCESS TO THE MEDIA**

Political party access to the media during an election period is governed under the General Elections (Allocation of Broadcast Time) Regulations, 1990. According to Section 4 (2) of the Regulations, the political party which commanded the support of the majority of the membership of the House of Assembly immediately prior to the last dissolution of Parliament is allotted two broadcasts of not more than 15 minutes duration and a third and final broadcast of not more than 30 minutes duration, while the opposition party is allowed one broadcast of not more than 15 minutes and a second, final broadcast of not more than 30 minutes. Moreover, under Section 6, the political party which commanded the majority of the membership of the House of Assembly immediately prior to the last dissolution of parliament is entitled to have the first and last election broadcast.

With respect to the allocation of broadcast time for party advertisements, under Section 10 of the Regulations, each party is allowed a maximum number of radio advertisements (in relation to each radio station) calculated on the basis of five advertisements for each candidate, which are to be no more than 30 seconds in duration. Furthermore, each party is allowed a maximum number of television advertisements (in relation to each television station) calculated on the basis of three advertisements for each candidate, which are to be no longer than 60 seconds in duration.

The ability of either political party to attract financing has impacted on their ability to exploit media access. As has been mentioned earlier, advertising constitutes the single largest portion of political party expenditure, and also plays a critical role in any election campaign. With respect to the Democratic Labour Party, their comparative disadvantage in attracting adequate funding to run a substantial election campaign has been cited as a principle reason for their inability to take full advantage of broadcast time allocations during the General Election period of May 2003. While the official from the Barbados Labour Party spoke of

the high cost of advertising expenses, details of his party's advertising programme and expenses were not forthcoming.

## **V. DISCLOSURE AND ACCOUNTABILITY IN POLITICAL PARTY FINANCING**

As has been stated earlier, there are no major regulatory mechanisms in place, which govern political party financing in Barbados. Consequently therefore, there is no requirement or indeed any intention on the part of political parties to publicly disclose such details. Indeed, as has been stated by the BLP official, disclosure of financing is unheard of even within the upper echelons of the party itself, far less to the wider public. Parties are therefore unlikely to maintain records of party spending and financing in order to maintain the anonymity of party financiers and well-wishers. This leads one to conclude that the unregulated nature of political party financing in Barbados is a process generally shrouded in secrecy, a lack of transparency and accountability to the public at large.