

**SG Keynote Address for the Regional Conference on Money in Politics
Tbilisi, Georgia, 18 February**

Good morning distinguished Guests,

It is a pleasure to stand before you today and welcome you together with the other co-organizers of this conference. Before I say anything else, I would like to thank Georgia's State Audit Office for hosting this conference. I would also like to thank the Council of Europe, the OSCE, the Netherlands Institute for Multiparty Democracy and the International Foundation for Electoral Systems. We greatly appreciate their partnership and the work they have put into organising this conference.

At International IDEA, we believe that to support sustainable democracies, it is crucial to understand how money influences the political process and counteract these distortions. I am therefore delighted that we are all gathered here today to discuss this important issue. In fact, Georgia is a most opportune location for holding a conference on Money in Politics.

Over the past years Georgia has introduced significant steps to reform its political finance system.

Other states, like Ukraine or Moldova, have recently actively engaged in similar reforms.

International IDEA commends those across the region who have increasingly started to tackle these issues which are so significant for democracy.

In my speech, I would like to talk to you about three issues. Firstly, I will talk about how International IDEA views the influence of money in political and democratic processes. Next, I will discuss some of the specific challenges for Central and Eastern Europe. Finally, I will mention a few concrete steps International IDEA proposes to address this matter. I hope these pointers can be useful to kick-start the conversation here today.

Today, the question of money's negative influence over politics is as pressing as ever. Why? Because it threatens the very foundations of our democracies.

Money seeps into politics on several levels. In many countries, the exorbitant funds involved in election campaigns (including non-monetary, in-kind donations) make it impossible for those without access to large private funds to compete. The spiralling costs of political participation particularly affect women candidates. When the political process is "hijacked" by the wealthy few, their interests

take priority over ordinary citizens, and accountability relationships are distorted. Finally, we witness illegal money seeping into politics through organized crime or foreign sources.

Unfortunately, as global media clearly show, these processes occur across the world, in both established and new democracies.

Precisely because money can be such a threat to global democracy, International IDEA has been focusing on this problem for over 15 years. We organize national debates to stimulate reform, assist in institutional capacity building, and create knowledge and analytical resources on the issue.

However, we do not stand alone in raising awareness and seeking solutions. That is why International IDEA seeks to create regional networks, to document and share good practices from around the world.

Now I would like to talk more specifically about the challenges in Central and Eastern Europe.

As this region is quite diverse in terms of size, political culture and constitutional background, it is difficult to discern one single set of problems related to money in politics. Nevertheless, several patterns appear to be particularly persistent in Central and Eastern Europe.

A first problem, is the **abuse of state influence over politics**, which is often a partial legacy of the Soviet era and a general obstacle for the freedom of political competition. During elections, for example, we witness ruling parties illegitimately accessing state finances or media access for political advantage.

A second problem is related to **biased political finance legislation and its enforcement**. While Central and Eastern European states often have a solid legal framework, the law's weakest link is often enforcement. Additionally, laws have been selectively designed and implemented against political opponents, for example, by specifically banning support from foreign donors, or by all too stringently limiting public funding to emerging parties

Next, politics are tainted by **private sector influence**. As a result, parties may support specific corporate interests, business representatives may gain a political position after favours, or politicians may receive high corporate positions after finishing their careers.

Finally, as in many other regions we witness **illicit funding** entering politics. This problem is especially acute in places where human trafficking or contraband trading constitutes a large part of the economy.

Together, these problems may seem too complex to tackle. Yet International IDEA has over the past years noted a rising global awareness of the problem, coupled with a strong demand for action. This leads me to believe that the timing for this conference is exactly right.

Potential solutions for MiP problem to be discussed

Based on International IDEA's experience, I would like to highlight three potential solutions as a starting point for our discussions. It is important to note that this list is not exhaustive. In practice, a broad package of reforms is needed to address Money in Politics, including lowering the cost of elections, balancing private and public funding, and strengthening the rule of law. However, the following solutions are of particular interest to International IDEA:

Firstly, International IDEA believes it is crucial to end the arms race in electoral spending. Because this particularly affects women candidates, I want to highlight **the gender-funding gap in politics**. One of the main barriers for women's political participation, is their lack of access to finance. Globally, about 13 per cent of countries address this by making public funding conditional on political parties' efforts to nominate female candidates. While commendable, this has not always been effective in providing equitable funding access to women. Public funding may therefore also be earmarked for equality within parties, through funding for women's wings, reduced nomination fees and increased media access. Naturally, parties themselves can also take responsibility by financially aiding their female candidates. Civil society can also provide micro-credit loans to aspiring female candidates. Currently, International IDEA is further deepening its research on gender and global political finance.

Secondly, International IDEA recommends using **technology and open data** to strengthen oversight and increase transparency in Money in Politics.

One of the difficulties in tackling political finance problems, is that information is rarely documented on the income and expenses of parties and candidates. Technology can help systematically gather national political finance data and make it easily accessible. This will in turn foster public trust in politicians. International IDEA has thus developed a tool for oversight agencies to manage financial data online.

Thirdly, I would like to stress the importance of learning from regional best practices – including from further **empirical research** on Money in Politics.

International IDEA has been an international lead actor in this field by co-organizing a series of global and regional conferences – including in Paris, Brasilia, Mexico City and New Delhi during the past year. So far, these conferences have kick-started some valuable initiatives, including a Community of Practice on Money in Politics. Regional networks are crucial, especially now that GRECO's third round of evaluations on political funding is completed. This has given us a wealth of information, but I hope we can find new ways for this region to come together and work on joint solutions.

I look forward with great interest to your inputs during this conference. The result will no doubt bring us one step closer to eliminating money's negative influence over Central and Eastern European democracy.

Thank you very much for your attention.