

REVIEW ARTICLE

INDEPENDENT NATIONAL ELECTORAL COMMISSION IMPLEMENTATION CAPACITY ON THIRD-PARTY SPENDING AND THE BREACH OF CAMPAIGN FINANCING LIMIT IN NIGERIA

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Abstract: In any democratic framework, establishing an effective oversight mechanism for third-party expenditures constitutes the most essential element of political transparency. In light of this, a financial cap was instituted within the 2022 Electoral Act to mitigate excessive financial outlays; however, both politicians and their corresponding political entities have transgressed this limit. The significance of the aforementioned indicates the reasons behind the engagement of politicians, political parties, and their financial backers in illicit party financing and corruption within the Nigerian context. In this context, the present study investigates the relationship between the Independent National Electoral Commission's (INEC) capacity to enforce third-party expenditure regulations among political parties and the persistent non-compliance with campaign financing restrictions in Nigeria. The methodology employed in this research utilized a documentary approach, with data being systematically collected from secondary sources and subsequently subjected to content analysis. The theory of structural functionalism served as an adequate theoretical framework for the comprehensive examination of this study. The findings articulated in the paper indicate that the Independent National Electoral Commission's (INEC) insufficient oversight regarding the engagement of political parties in third-party expenditures facilitates the violation of campaign financing regulations within Nigeria. In light of this conclusion, the paper proffers several recommendations, which include the assertion that INEC should assume a pivotal role in scrutinizing the financial transactions and fiscal integrity of political parties. Furthermore, it is imperative that both INEC and State Independent Electoral Commissions (SIECs) enhance their capacities to effectively address the challenges associated with campaign financing.

Keywords: *INEC, Third party spending, Campaign financing, Nigeria.*

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INTRODUCTION

The potential hazards associated with unregulated access to both monetary and non-monetary resources within the electoral process necessitate the establishment of constraints regarding the total financial contributions that candidates and their respective political parties are permitted to garner from individuals and organizations, as well as the expenditures allocated to political endeavours, encompassing campaigns and elections. The principal concept is to eradicate disparities in electoral competitions while simultaneously ensuring equitable access for all political participants (Hatchard, 2014; Power, 2020; Ezike, 2022).

Beyond the rationale of mitigating electoral disparities that may arise from the availability of excessive financial resources, the restrictions imposed on electoral financing aim to fulfil a multifaceted array of objectives. These objectives encompass the regulation of party politics expenses, the reduction of inequalities among candidates and political entities, the diminishment of the likelihood of transactional politics, the safeguarding of electoral processes, and, by extension, the political system from the encroachment of plutocratic influence, while also limiting the potential for undue

influence and corruption within the political framework. This concern arises from the fact that the Nigerian political landscape is significantly influenced by monetary factors within the electoral process. According to Adetula (2015), in any democracy, proper check on third party spending is the most fundamental act of political transparency. Corroborating this view, Kura (2011) states that the Independent National Electoral Commission have the constitutional right to check all the funds that the political party generated, this is clearly spelt out in Section 225 sub-section 1-6 and Section 226 of the 1999 constitution which empowers INEC to monitor electoral and financial activities of political parties. Echoing similar spectrum of thought, Adetula (2015) noted that:

The Electoral Act empowers INEC to access and sanction party financially in terms of income and expenditure, furthermore setting a limit to maximum spending for various elective positions at all levels. Thus, there is need to monitor political parties and their sources of income accordingly, because most of the political parties are unchecked which have led to breach of campaign financing limit.

It is in this context that Section 225 specifically subsections 2 of the 1999 Constitution, unequivocally mandates each political party to furnish the Independent National Electoral Commission (INEC) with a comprehensive annual report and analysis detailing its funding sources and other assets, alongside a corresponding report of its expenditures in a format prescribed by the commission.

It is evident from the aforementioned constitutional stipulations that INEC is expected to assume a pivotal role in scrutinizing the financial transactions and standings of political parties while ensuring adherence to this constitutional mandate. This constitutional framework, coupled with the imperative to regulate and constrain political financing, is further reinforced by the Companies and Allied Matters Act, which explicitly prohibits corporate entities from making political contributions. Regrettably, the attempts to regulate political donations and campaign financing are observed to be more frequently contravened than adhered to.

Consequently, this situation accounts for the violations of the campaign financing limits as explicitly delineated in Section 88 (1-7) of the 2022 Electoral Act in Nigeria and Section 226 of the 1999 Constitution, which empowers INEC to oversee the electoral and financial operations of political parties. The negligence towards this critical domain is what precipitates the infringement of campaign financing limits.

The ramifications of the aforementioned circumstances elucidate the rationale behind the engagement of politicians, political parties, and their financiers in illicit party financing and corruption in Nigeria, which adversely affects the quality of life for the populace, socio-economic policies, and the sustainability of political development (Sakariyau, *et. al.*, 2015; Nwangwu, & Ononogbu, 2016; Olorunmola, 2016; Onuoha & Okafor, 2020; Olaniyan, 2020). Although scholars have contributed intellectually regarding INEC's deficiency in monitoring parties' utilization of third-party expenditures and the breaches of campaign financing limits in Nigeria at various levels, they have yet to establish an empirical correlation between these phenomena.

Furthermore, the prevailing body of literature has inadequately presented systematic examinations of the aforementioned phenomenon under scrutiny, as the majority of academic contributions predominantly manifested as subjective viewpoints within the domain of journalistic publications, accompanied by visual representations such as photographs, videos, and illustrations aimed at exposing the illicit practice of disseminating monetary resources, materials, and other incentives among the electorate by political candidates and party representatives to entice voters to cast their ballots in favour of their nominated individuals, thereby serving as indicative of the unregulated influx of financial resources and auxiliary assets during electoral campaigns, yet failing to adopt a holistic perspective regarding the pertinent issue.

The objective of the present study is to address this informational void in consideration of the previously identified knowledge deficiency.

Consequently, this scholarly article is delineated into six distinct sections: The initial section provides an introduction along with a conceptual clarification. The subsequent segment addresses the fundamental theoretical concerns related to discourse and methodology. The third section examines how the absence of regulatory oversight by INEC regarding political parties' utilization of third-party expenditures fosters violations of the campaign financing limits established in Nigeria. The fourth section explores the ramifications of these violations on the democratic processes within Nigeria. The fifth section presents the concluding remarks, while the final section is dedicated to outlining the recommendations.

Conceptual Elucidation

INEC: The Independent National Electoral Commission (INEC) is the authoritative institution entrusted with the mandate of administering general elections within the Federal Republic of Nigeria, as established by the provisions enshrined in the 1999 Constitution. Consequently, it is imperative to acknowledge that INEC is intrinsically linked to the matters concerning campaign financing.

Third Party Spending: Third-party spending or financing denotes the campaign-related expenditures undertaken independently of any individual candidate or political party, aimed at either promoting or opposing a candidate or party, whether in a direct or indirect manner. This phenomenon is occasionally characterized as "non-party campaigning" or "independent speech."

Campaign Financing: Campaign financing constitutes a distinct facet of the broader domain of political finance. It encompasses all monetary contributions and expenditures, including in-kind resources, made to and incurred by political entities and candidates for the purpose of electoral engagement. Such activities may encompass, for instance, the leasing of temporary office spaces, the employment of personnel, the financing of campaign-related communications and transportation, the organization of electoral rallies, executing door-to-door canvassing, and the production of campaign materials alongside advertising through mass media channels.

Theoretical Framework

The research implemented the structural functionalism theory as the analytical framework to scrutinize the deficiencies in the Independent National Electoral Commission's (INEC) oversight of political parties' adoption of third-party expenditures and the violations regarding campaign finance limits within Nigeria. The origins of the structural-functional theory can be traced back to Aristotle's examination of ultimate causes, particularly actions related to their purposes or utilities.

The subsequent evolution of this theory was significantly contributed to by the French philosopher Baron De Montesquieu in the 17th century through his doctrine of the separation of powers, which is predicated on the premise that certain functions are optimally executed when performed independently, thus promoting stability and security. The significance of functionalism was underscored during the period when Darwin's Theory of Evolution began to shape contemporary understandings of human behavior (Sule, Mart & Sani, 2018).

Within sociological discourse, structural functionalism is deeply rooted in the scholarly contributions of Durkheim, Parsons (1951), and Merton (1968). These intellectual traditions were pivotal in the establishment of the theory within modern social sciences. The theoretical constructs were subsequently embraced and further developed by political scientists such as Almond & Coleman (1960).

Emile Durkheim, in the 19th century, posited that societies consist of fragmented components that must collaborate cohesively for the optimal functioning of the larger societal framework (Durkheim, 1893). Durkheim (1893) further asserted that the efficacy of societal bonds is crucial; failure in this regard results in societal disintegration. Consequently, since the mid-20th century, structural functionalism has emerged as one of the most prevalently utilized theories within the realm of social science, particularly in sociology and political science. It is well established that structural functionalism, as a theoretical approach to the examination of political phenomena, seeks to elucidate the fundamental functions

of political structures within the political system and serves as an investigative tool. Essentially, it elucidates the interrelations among the components (structures) and the relationship between these components and the entirety of the political system. This interrelation is articulated in terms of the functions attributed to each component (Olaniyi, 2001 in Alabi & Sakariyau, 2013).

The theory possesses relevance and applicability to the study, primarily by offering profound insights into the relationship between a political structure and its corresponding functions, which may be influenced by various factors affecting its efficacy or dysfunction. In light of the aforementioned considerations, an institution such as INEC, which oversees electoral processes and the activities of political parties, lacks clearly delineated procedures distinguishing the processes from their contents. For example, there exist well-defined constitutional provisions and the 2010/2022 Electoral Acts that empower INEC to monitor, regulate, and impose limits on campaign expenditures by political parties, their benefactors, and associated activities, with the objective of sanctioning noncompliance.

Beyond the stipulated maximum limits on campaign expenditures and the penalties for transgressors, other provisions within the Electoral Acts 2010/2022 also confer upon INEC the authority to scrutinize the financial operations of political parties, oversee their assets and liabilities, and regulate their income sources and expenditures, as delineated in Sections 88(1-2), 89(1-4), and 91(1).

Nevertheless, recent disclosures have demonstrated that the Independent National Electoral Commission (INEC) has been insufficiently equipped to effectively oversee or implement the regulations regarding the limitation of campaign expenditures by political entities and their benefactors. The negligent approach of INEC towards this pivotal domain is the underlying factor contributing to the persistent violations of campaign finance regulations in Nigeria. The ramifications of the aforementioned circumstances elucidate why political actors, political organizations, and their financial backers partake in unlawful party financing

practices and corruption within Nigeria, which consequently exerts detrimental effects on the quality of life for citizens, socio-economic frameworks, and the sustainability of political advancement.

METHODOLOGY

This study utilized a single case ex post facto research design. Kerlinger (1977) as cited in Ogbanje (2016) characterized ex post facto research design as a variant of descriptive research where an independent variable has already occurred, prompting the investigator to commence with the observation of a dependent variable. In a similar vein, Cohen and Manon (as cited in Ezeibe, 2012) articulated that ex post facto design examines potential causal relationships by observing a pre-existing condition and identifying plausible causal agents.

Indeed, ex post facto design is employed when experimental research is infeasible, such as in scenarios where individuals have self-selected levels of an independent variable or when a treatment occurs naturally, beyond the researcher's control regarding the extent of its application. Within this design framework, an existing case is monitored longitudinally to facilitate its study or evaluation. The implementation capacity of the Independent National Electoral Commission regarding third-party spending and the infringement of campaign financing limits in Nigeria are phenomena over which the researchers exert no control. This circumstance substantiates our rationale for adopting the ex post facto design.

In contrast, the study embraced the documentary method of data collection to procure sufficient evidence for its analysis. The documentary method pertains to research conducted via the utilization of official or personal documents as information sources (Nworgu, 2006). Consequently, the study will depend on secondary data sources, which encompass a compilation of resources including books, journals, and various articles, both digital and print, that contain pertinent information on the phenomenon under examination. The decision to implement the documentary method of data collection is predicated upon its numerous advantages, which primarily include the mitigation of "the research effect," the

assurance of material availability for the study, the cost-effectiveness and reliability of data that might otherwise be inaccessible, and the conservation of time. Furthermore, it is widely acknowledged that one cannot proficiently articulate on any subject without integrating insights from other scholars. Therefore, the adoption of the documentary method of data collection is highly beneficial due to its facilitation of data source accessibility and the significant temporal constraints it alleviates, enabling a comprehensive aggregation of necessary data for research analysis as well as a detailed description of the existing phenomena. Thus, the merits associated with this data collection method significantly informed our methodological choice.

Furthermore, the paper utilized a content analytical approach in which the collected data were subjected to rigorous analysis. The content analysis method encompasses any systematic technique aimed at drawing inferences through the objective identification of specified characteristics inherent in messages (Ezeibe, 2015). The rationale behind the selection of this analytical approach is that it permits researchers to efficiently navigate extensive datasets in a structured and methodical manner.

This is predicated upon the premise that content analysis relies on the scrutiny of existing data and overarching information to ascertain facts and subsequently derive conclusions from interpretations. Consequently, the analysis conducted in this study was predicated on the interpretation of information obtained from secondary sources, including the INEC 2005 Handbook, the 2022 Electoral Act, official documents, academic literature, journals, online resources, and various other relevant articles available in both print and digital formats pertinent to the inquiry.

How INEC Lack of Implementation Capacity on Third-Party Spending Encourage the Breach of Campaign Financing Limit in Nigeria

Campaign financing in Nigeria has historically been characterized by significant inefficiencies, as inadequate oversight has resulted in imprudent expenditures by political entities (Omotola, 2009; Ukase,

2016). Specifically, the amended 1999 Constitution and the Electoral Act allocate an oversight duty to the Independent National Electoral Commission (INEC) and the National Assembly 'to supervise the organization and functioning of Political Parties, including their financial activities in accordance with Section 15(d) of the 1999 Constitution'. Consequently, the political parties are required to submit their audited financial statements, detailing monetary inflows and outflows, to the Independent National Electoral Commission (INEC) following a general election and at designated intervals throughout the year. Section 92 (3) of the 2010 Electoral Act (as amended) stipulates that "The election expenditures of a political party must be presented to the Commission in a distinct audited return within 6 months post-election, and such return shall receive signatures from the party's auditor and countersignature from the party Chairman, supported by an affidavit from the signatories affirming the accuracy of its contents."

These stipulations were further reinforced by the amendments made to the Electoral Act in 2022, which were ratified by President Muhammadu Buhari in May. The amendment also elevated the threshold for campaign expenditures associated with elections for various offices (Samson, 2022).

In order to enhance the transparency of the electoral process, the 2010 and 2022 Electoral Acts endeavored to resolve the ambiguities present in the 2002-2006 Electoral Acts by explicitly delineating the maximum permissible campaign expenditures for candidates vying for respective political positions. For example, Section 91 of the Electoral Act 2010 established a spending limit of N1 billion for presidential candidates in Nigeria, while the minimum expenditure for local government (LG) councilors was set at N1 million (Olorunmola, 2016).

Conversely, Section 88 of the revised legislation set the new ceiling for presidential election expenditures at N5 billion. The revised financial caps for gubernatorial, senatorial, and House of Representatives elections have also been increased from N200 million, N40 million, and N10 million to N1 billion, N100 million, and N70 million respectively.

Other state-level offices have similarly experienced adjustments to reflect the current economic circumstances of the nation, as outlined in the subsequent table.

Table 1: Statutory cap on electoral expenditure established by the electoral acts of 2010 and 2022 in Nigeria

2010 Electoral Act		2022 Electoral Act	
Office Position	Approved Limit of Expenses (N)	Office Position	Approved Limit of Expenses (N)
President	N1,000,000,000.00	President	N5,000,000,000
Governorship	N200,000,000.00	Governorship	N1,000,000,000
Senate	N40,000,000.00	Senate	N100,000,000
House of Representatives	N20,000,000.00	House of Representatives	N N70,000,000
State Assembly	N10,000,000.00	State Assembly	N N30,000,000
LG Chairmanship	N10,000,000.00	LG Chairmanship	N30,000,000
Councilors	N1,000,000.00	Councilors	N N5,000,000

Source: Federal Republic of Nigeria Electoral Acts of 2010 and 2022 (Amended) (compilation made by the authors).

The principal objective of the aforementioned Electoral laws delineated in the preceding table is to regulate and restrict political parties' access to financial resources, thereby ensuring that monetary contributions do not serve as a substantial determinant for electoral victories within the Nigerian context. Moreover, the legislation explicitly dictates that any political party that engages in electoral expenditures surpassing the thresholds established by the 2010 Act shall be deemed to have committed an infraction, rendering it liable upon conviction to a maximum pecuniary penalty of N1, 000,000 and the forfeiture of any amount exceeding the designated limit to the Independent National Electoral Commission (INEC). The 2022 Electoral Act has exhibited even greater transparency concerning this matter, particularly in Section 88. (1), which articulates that:

Election expenses shall not exceed the sum stipulated in subsections (2) - (7). (2) The maximum election expenses to be incurred by a candidate at a presidential election shall not exceed N5, 000,000,000. (8) No individual or other entity shall donate to a candidate more than N50, 000,000. (9) A candidate who knowingly acts in contravention of this section commits an offence and is liable on conviction to a fine of 1% of the amount permitted as the limit of campaign expenditure under this Act or imprisonment for a term not more than 12 months or both. (10) Any individual who knowingly acts in contravention of subsection (9) is liable on conviction to a maximum fine of N500, 000 or imprisonment for a term of nine months or both. (11) An accountant who falsifies, or

conspires or aids a candidate to forge or falsify a document relating to his expenditure at an election or receipt or donation for the election or in any way aids and abets the contravention of the provisions of this section commits an offence and is liable on conviction to a fine of N3, 000,000 or imprisonment for a term of three years or both.

However, notwithstanding the constitutional authority vested in the Independent National Electoral Commission (INEC) to oversee and regulate campaign financing in Nigeria, as delineated by both the amended 1999 Constitution and the amended Electoral Act, electoral processes have been significantly compromised by a plethora of instances wherein political parties have exceeded their prescribed expenditure limits. This phenomenon is exacerbated by the pervasive nature of campaign expenditures, as all political entities that have engaged in elections, along with their respective presidential, gubernatorial, and legislative candidates at both federal and state levels since 1999, have contravened established regulations governing campaign and electoral financing. The underlying issue resides in the regulatory body and its monitoring divisions, which, despite the existence of relevant legislative frameworks, have historically failed to adequately scrutinize individual candidates' financial outlays or third-party contributions as mandated by regulatory provisions. Consequently, the prevailing sentiment among average electoral candidates in Nigeria is that funds procured through unchecked donations from individuals and corporate entities enable them to exceed their financial limits in

pursuit of electoral victory. This situation has persistently characterized the political landscape in Nigeria with respect to political parties and the electoral process (Ezike, 2022; Samson, 2022).

The aforementioned circumstances elucidate why, during the electoral campaign of 2003, a consortium of business individuals operating under the designation of Corporate Nigeria contributed in excess of 2 billion Naira to the campaign resources of President Olusegun Obasanjo, thereby contravening Section 38, Sub-section 2 of the Companies and Allied Matters Act, which explicitly prohibits corporate entities from making financial contributions to political parties.

A comparable instance is observed with former President Goodluck Jonathan, who is reportedly alleged to have amassed over N21 billion from both corporate bodies and other sources for the 2015 elections. Notwithstanding the unequivocal prohibition delineated in Section 38(2) of CAMA, the

proliferation of financial gifts to political parties, politicians, and the facilitation of political interference by third parties and corporations in Nigeria have persisted unabated, potentially exacerbated by INEC's failure to impose oversight on the adoption of third-party financing by political parties in Nigeria.

For example, in the lead-up to the 2019 elections, the presidential candidate of the All Progressives Congress (APC), President Muhammadu Buhari, along with his running mate, Vice President Yemi Osinbajo, reportedly raised over N200 billion as campaign financing, a figure that was paralleled by the People's Democratic Party (PDP), all while exceeding the constitutional spending limits (http://www.politicoscope.com/2019moneyrace-Nigeria-election). The subsequent table provides a quintessential illustration of this detrimental reality as demonstrated by the aforementioned political parties during the 2019 electoral cycle.

Table 2: Total money spent on elections by the two major political parties in Nigeria on electioneering campaigns in 2019

Purpose of Expenditure	PDP	APC
Campaign Rallies	N1.057 Billion	N595,082 Million
Bill Boards	N155.13 Million	N99.23 Million
Electronic Media Campaign Coverage	N508.35 Million	N391.05 Million
Electronic Media Advert	N7.339 Million	N5.556 Million
Total	N2.5 Billion	N1.091 Billion

Source: Ezike (2022)

No doubt, INEC clearly lacked the powers to enforce the provisions of the electoral acts and constitutions concerning party financing. Consequently, the commission has been turned into a toothless bulldog by the actions and moves of Nigerian politicians who see power as a do or die affair and therefore spend heavily to either consolidate or acquire political power. In the same vein, ahead of

2023 General election, several donations by third parties were reported to have been received by various political parties in Nigeria even though they did not pass through the adequate procedures of the INEC led down rules and that of the electoral Act of 2010 as Amended in 2022. Typical examples of this ugly reality are exemplified in the table below.

Table 3: Names of third party donors and the amount they contributed towards supporting individuals and political parties in Nigeria

S.N.	Names of Donors	Amount Donated (N)	Names of Individual(s) Supported	Political Parties
1	Mr. Tunde Ayen	1 billion	Goodluck Jonathan	PDP
2	Aliko Dangote	5 billion	Unidentified	Unidentified
3	Bala Shagaya representing the Oil and Gas sector	5 billion	Goodluck Jonathan	PDP
4	Tunde Ayeni & Group of	2.6 billion	Goodluck Jonathan	PDP

	friends			
5	Danlad foundation	10 million	Unidentified	Unidentified
6	Auther Eze	50 million	Unidentified	Unidentified
7	Real Estate and Building Sector represented by Oluchi Okoye	4 billion	Goodluck Jonathan	PDP
8	Transport and Aviation Sector represented by Didi Ndimou	1 billion	Goodluck Jonathan	PDP
9	Sabo Kente	12 million	Unidentified	Unidentified
10	Alhaji Ikenya Yusuf	25 million	Unidentified	Unidentified
11	Jerry Gana, and friends	5 billion	Goodluck Jonathan	PDP
12	PDP Governors Forum (each of the 21Governors N50million)	1.05 billion	Goodluck Jonathan	PDP
13	Food and Agriculture Sector represented by Chief OmenifeUzoegbu	5 million	Goodluck Jonathan	PDP
14	Power Sectorrepresented by Tunde Ayeni	500 million	Goodluck Jonathan	PDP
15	Construction Sector	310 million	Goodluck Jonathan	PDP
16	Cizally Limited	310 million	Goodluck Jonathan	PDP
17	Igbos in Southeast geopolitical zone represented by Osita Okechukwu	54million	Muhammadu Buhari	APC
18	National Automotive Council	450 million	Goodluck Jonathan	PDP
19	Shelter Development limited	250 million	Goodluck Jonathan	PDP
20	SUFAX Group	100 million	Goodluck Jonathan	PDP
21	Buhari Support Group	54,415,386.70	Muhammadu Buhari	APC
22	15 states on the board of the Niger DeltaDevelopmentCommission	15 million	Goodluck Jonathan	PDP
23	National Association of Stevedores	25 million	Goodluck Jonathan	PDP
24	Halima Jibril	5 million	Goodluck Jonathan	PDP
25	Mr. Sam Egwu	1 million	Goodluck Jonathan	PDP
26	The Rice Farmers Association of Nigeria led by Aminu Goronyo	1.2billion	Muhammadu Buhari	APC

Source:<https://www.google.com/amp/s/nairametrics.com/2014/12/21/list-of-donors-for-the-presidentgej> 2015- election-campaign/%3famp; This Day Live, 21 December 2014; Premium Times, 2014, December, 24; Nwagwu et. al., 2022)

What can be deduced from the above table is that the aforementioned individuals made huge financial donations in support of political parties in the 2019-2023 General elections and have been received by the various political parties in Nigeria but have not passed through the adequate procedures

of the INEC led down rules and that of the electoral Act of 2022 as Amended. As a result, the aforementioned contributions made by individuals or corporate entities represent a violation of Section 38, Sub-section 2 of the Companies and Allied Matters Act, which explicitly forbids non-

party members and corporate organizations from providing financial support to political parties. This prohibition is grounded in the stipulations outlined in Section 38 of the Act, which states that:

A company shall not have or exercise power either directly or indirectly to make a donation or gift of any of its property or funds to a political party or political association, or for any political purpose and if any company, in breach of this subsection makes any donation or gift of its property to a political party or political association or for any political purpose., and that the officers in default and any member who voted for the breach shall be jointly and severally liable to refund to the company the sum or value of the donation or gift and in addition, the company and every such officer or member shall be guilty of an offence and liable to a fine equal to the amount or value of the donation or gift.

Regrettably, this provision is frequently disregarded by corporations in Nigeria, particularly as the penalties associated with it seem to be merely superficial. This is underscored by the reality that no corporation has been adjudicated as guilty under the relevant section despite a plethora of documented contributions to political parties that constitute a blatant violation of the law. It is evident from the preceding analysis that the Independent National Electoral Commission (INEC) does not assume a pivotal role in scrutinizing the financial transactions and status of political parties, nor in ensuring adherence to this constitutional mandate.

Implications of Third-Party Expenditure on the Democratic Processes in Nigeria

The implications of third-party expenditure on Nigeria's democratic framework entail the facilitation of affluent individuals, international corporations, governmental entities, and others possessing sufficient financial resources to dominate the political landscape and usurp control over political parties while endorsing candidates and political endeavors. This phenomenon arises from the notion that the funding of a political party or candidate is, in essence, a commercial investment, which the financier anticipates to recuperate immediately upon

the ascension of their candidate to a public office (Babayo, Usman & Yoserizal, 2020). This disconcerting reality harbors further dire consequences for the embryonic democracy of Nigeria. Among these adverse effects are, but are not limited to, the absence of quality and parity among rival interests, the de-legitimization of both democratic and electoral processes, persistent corruption issues and the proclivity of politicians to illicitly accumulate wealth in pursuit of electoral success, the reduction of elections to mere farces with outcomes dictated by affluent individuals, the transformation of democracy into a heretical concept, pre/post-election violence and legal disputes, disregard for due process and violations of human rights, as well as the lack of accountability and ethical standards among politicians as well as the monetization of electoral process etc. (Sarkariyau *et. al.*, 2015; Nkwede, 2020).

Furthermore, third-party spending is not only in contravention of the pertinent statutory provisions and regulatory frameworks, such as the Electoral Acts, the Constitution, and the Code of Conduct for public officials, but it also undermines the moral integrity, competence, and accountability within the political landscape of Nigeria.

CONCLUSION

In conclusion, this study elucidates that since the re-establishment of democratic governance in 1999, the issue of campaign financing has persisted as a matter of speculation. Although certain initiatives have been undertaken to amend the legal frameworks governing campaign financing, violations and malpractices related to these regulations have continued to be a persistent issue. In the context of Nigeria, there exists a multitude of constitutional and legal frameworks that oversee the operations of political parties, particularly concerning their engagement in third-party expenditures.

These frameworks encompass the 1999 Constitution of the Federal Republic of Nigeria as amended, along with the Electoral Acts of 2002, 2006, 2010, and 2022, also as amended. Additional regulations include the statutory guidelines set forth by the Independent National Electoral Commission (INEC) as well as various informal protocols.

Collectively, these legislative instruments delineate comprehensive stipulations regarding the scope and constraints imposed on political parties in relation to campaign financing limits. Notwithstanding the presence of these prevailing legal statutes governing campaign and political financing, Nigeria continues to struggle with the manipulative practices of politicians and political entities, as evidenced by the substantial financial expenditures incurred by politicians during electoral contests, which contravene the prescribed limits set forth by law.

An examination of Nigeria's political history reveals that substantial reforms are necessary due to INEC's inadequate oversight concerning parties' utilization of third-party expenditures, which exacerbates the violation of campaign financing limits in Nigeria.

RECOMMENDATIONS

In an ideal democratic system, parties' adoption of third-party spending and campaign financing is in line with what is obtainable in the Electoral Act. However, the reverse is the case in Nigeria. It is against this backdrop that we make the following recommendations:

- The Independent National Electoral Commission (INEC) ought to assume a pivotal role in the scrutiny of the financial transactions and fiscal condition of political parties.
- Nigerian political parties are required to implement internal control frameworks that encompass financial agents and managers, a code of conduct, accounting protocols, financial oversight mechanisms, and ethical committees to facilitate the governance of financial administration and fundraising endeavors.
- Moreover, the scrutiny of political entities' engagement in third-party expenditure related to campaign financing by the Independent National Electoral Commission (INEC) ought to be an ongoing and prompt process, rather than being confined to annual assessments or limited to electoral periods.
- Most importantly, it is imperative to enhance the capabilities of INEC and State Independent Electoral Commissions

(SIECs) to effectively address the challenges posed by campaign financing, which necessitates implementing certain punitive measures against offenders. It is anticipated that INEC, in particular, will capitalize on the prosecutorial authority conferred upon it by Sections 150(2) and 78(1) of both the 2010 and 2022 Electoral Acts as amended, with the objective of making an example of habitual transgressors of political finance regulations through legal prosecution in the courts.

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