

TRANSPARENCY AND ACCOUNTABILITY IN POLITICAL FINANCING IN TURKEY

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Abstract

Considering that accountability and transparency are essential part of good governance, the financing of political parties in Turkey results in a number of issues in relations to the conduct of good governance. This study, hence, aims to explore the Turkish political system in locating the rationale and nature of political financing in Turkey. Through a consequentialist approach, this study suggests that accountability and transparency must be endogenised in political and also political party financing structures and strategies so that good government should be essentialised by the Parliament, which is supposed to run on democratic rules aiming to maximise good governance as a social capital. Therefore, current practice as well as the development trajectories of political financing is examined by this study to identify the developments and general pattern of Turkish political financing and its implications for good governance over the years.

Keywords: Political Financing, Political Corruption, Transparency, Accountability.

Türkiye’de Siyasetin Finansmanında Saydamlık ve Hesap Verme Sorumluluğu

Özet

Hesap Verme Sorumluluğu ve Saydamlığın iyi yönetişimin temel unsurları olduğu düşünüldüğünde, Türkiye’de siyasetin finansmanında bu kavramların hayata geçirilmesi yönetişimin sağlanması açısından önemlidir. Çalışmanın amacı, Türkiye ‘deki politik sistemin ve siyasetin finansmanının doğasının daha akılcı bir zemine taşınmasının yollarını araştırmaktır. Çalışmada gerek siyasette gerekse siyasetin finansmanında, hesap verme sorumluluğu ve saydamlığın içselleştirilmesi önerilmektedir. Demokratik kuralların amacı sosyal bir sermaye olarak iyi yönetişimin kullanılabilirliğini artırmaktır. Çalışmada siyasetin finansmanında mevcut uygulamalara değinilecek ve önerilerde bulunulacaktır. Böylece çalışmayla genel olarak Türkiye’de siyasetin finansmanının temel yapısı ve gelişmesi irdelenmiş ve yıllar itibariyle iyi yönetim etkileri üzerinde durulmuş olacaktır.

Anahtar Kelimeler: Siyasetin Finansmanı, Politik Yolsuzluk, Saydamlık, Hesap Verme Sorumluluğu.

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INTRODUCTION

Political parties today are among the indispensable elements of democracy. In democracies which are defined as government of people, there are different political points of view. In other words, democratic politics need to be in parallel with social diversity. One of the conditions in which democracy is actualized is elections. Elections are periods when political parties clash with all the power they have.

Propaganda costs of political parties have dramatically increased nowadays. In a broader sense, political financing have brought about much higher costs. This issue poses a significant matter in terms of Turkish politics.

Transparency and Accountability should be internalized in political financing. These concepts constitute basic issues in political financing in a number of countries across the world. In this study; we will be emphasizing the importance of political financing, political corruption, public financing, current situation in political financing and measures to be taken along with transparency and accountability.

I.WHY IS POLITICAL FINANCING IMPORTANT?

Relation between money and politics constitutes one of the most significant problems of democratic governments. It does not appear possible to establish a sound network of political connections so long as usage of money in political financing is not filtered. Waves of democratization, increasing complexity of election processes and increasing awareness of corruption have made political financing one of the primary issues debated in public opinions of countries. (Casas-Zamora, 2005:1; Walecki, 2007:75).

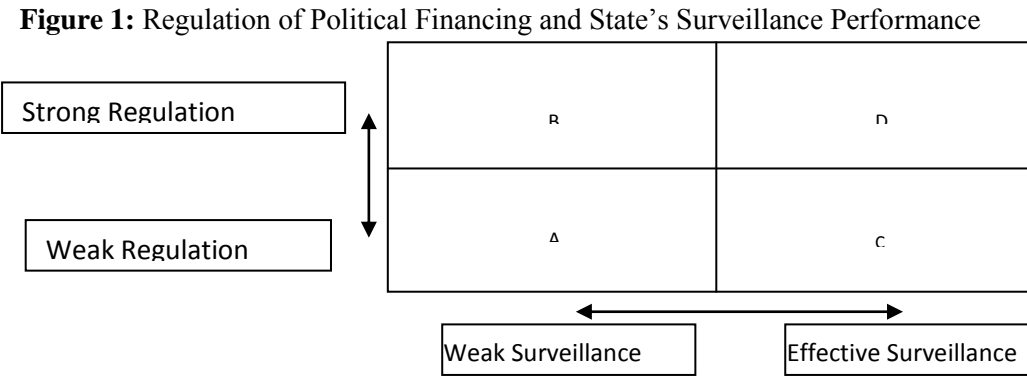
In terms of political financing; single model is appreciated neither in developed countries nor in newly-democratized countries. Origins of political parties vary; therefore reflect their own political histories and cultures. In this sense; a mechanism which operates in one country does not have to operate in another (Burnell and Ware, 1998:243; Johnston, 2005:27-28; Hopkin, 2004: 33-34). There are also a number of factors influential in political financing. Unfair distribution of wealth; media ownership structure; and judicial institutions not functioning efficiently and effectively may be considered among the primary ones of said factors (Poire, 2006:4-5).

In the event of that political parties do not have adequate resources to fund politics, they inevitably need public funding. Nevertheless; this situation will bring into question state's - even though indirect - interference in politics. As a consequence, parties will be estranged from their own roots; and therefore, state will be able to prevent their institutionalization. In addition to public fundings being a fact that strengthens political parties' hands in the course of competition, it

should not be ignored that it will also protect the status quo (Williams, 2000:200; Gençkaya, 2008:193; Walecki, 2009b:98-99).

We have been experiencing a period in which direct conduct of campaigns is almost eliminated, while printed and visual media have come into prominence. These circumstances increase the costs of politics. Therefore, it gets more difficult for parties not having adequate resources to reach its voters and explain their policies to them. (Williams, 2000: 200; Ewing, 2001:186).

Regulations made by countries regarding political financing may be in a direction from weak to strong; in other words, countries may herein reflect their choices. Considering the case in terms of surveillance, countries are also able to move on a scale from a low-level surveillance to an effective surveillance. The situation is shown in the following matrix;



Reference: Speck, 2008: 2.

In this figure; surveillance level increases from left to right on horizontal axis; whereas regulation level increases from down to up on vertical axis. Accordingly, weak regulation and weak surveillance are implemented in Country A; strong regulation and weak surveillance in Country B; weak regulation and effective surveillance; and strong regulation and effective surveillance.

It is beneficial to indicate that the essential issue in terms of either making regulations or conducting surveillance is the existence of political will.

II. POLITICAL CORRUPTION

Political parties are of indispensable for sustainability of democracy. Parties' need for money increases along with the increasing political competition. The important issue here is how such fund will be obtained. Increasing need for expenditures against restricted resources results in increasing political corruption. (Williams, 2000: 199).

Since early 1970s, especially after the Watergate Scandal in the USA, media's interest in politicians and their lives have grown. Resignation of the minister of economy in Germany due to bribery by Flick Company, unseating of Benazir Bhutto for her negative influence on judicial independency, and accusations of buying-off votes and forgery levelled against Indian Prime Minister Narashima Rao may be considered as similar incidents subsequent to these years. As a result of these revealed incidents of corruption, confidence in politicians has dramatically decreased. When examined from the view of developing countries, we can say that political corruption does not occur only in these countries, but also in developed western countries with institutionalized democracy. It is possible state in other words that corruption in political financing is not a field in which developed western countries are to give advice to developing countries (Heywood,1997:417-418; Pinto-Duschinsky, 2002:72). Corruption fundamentally constitutes one of the most destructive factors against democracy. That is because corruption damages the principle of equality of citizens, inconveniences decision-making and accountability, prejudices respect for rules of law and diminishes confidence in government agencies (Heywood, 1997:421).

Political parties are considered as the nerve centre of democracy. It is required for both political parties and party systems to be institutionalized for consolidation of democracy (Burnell and Ware, 1998:3) Democracy is significant in terms of both political competition and meeting citizens' demands. Once these purposes are not fulfilled; it may be possible to say that all layers of society are encountered by a serious danger in terms of democratic institutions and implementation of the principle of rule of law. Ensuring democratic transformation - in addition to being desired - will encounter severe impediments, which may be considered as a contradiction. That is because political competition will be able to prevent transformation of this process. In other words, there will be those wishing the status quo to change along with those wishing for preservation of current circumstances. Therefore, balance of power will be changed. This is actually a struggle for winning or losing space. Thus, transformation will be a time-consuming and painful process (Idea, 2013).

Functioning of democratic process and democratic institutions are the most essential elements of the struggle strategy to be formed. Nevertheless, who are to be the assurer here and who are to check functionality of the power of sanction? Realization of this depends on legitimacy/illegitimacy and effective functioning of democratic institutions and processes (Idea, 2013). Assuring large masses is of great importance in terms of obtaining social support. Social and economic improvement of society should also be ensured in this struggle process. Consequently, social layers will become stronger and resistant.

III. PUBLIC FINANCING FOR POLITICS

The most crucial contribution made by the state to political parties is procurement of aid by means of various criteria. Not being a very old state practice, procurement of public funding to political parties has become a practice applicable in a number of countries. Public funding was first practiced in Latin America (Uruguay, 1928). Commencement of said practice in Europe was in West Germany in 1959. Global approach towards public funding practice is shown in the following table.

Table 1: Ratio of Countries with Public Funding Practice in Different Regions

Region	Ratio (%)
Africa	56
North and South America	53
Australasia	43
Europe	91
Middle East	38
General	60

Reference: Ohman, 2011: 3-5.

As it is clear from Table 1; Europe is the continent with highest ratio of public funding and the Middle Eastern countries have the lowest ratio of public funding provided. New Zealand, Switzerland and the USA are the most significant exceptions among them.

In spite of the fact that politics being funded with public funding relieves political parties' need for private funds, it should not be considered as a panacea (Burnell and Ware, 1998: 242).

Necessity to grant more public funding to political parties in order to diminish corruption has been debated for long in a number of countries. In France, Germany and Spain where politics is substantially funded by state, it is possible to observe a level of corruption which may be defined as scandal. Therefore, it would be wiser to express that granting public funding to political parties is no magical stick against prevent political corruption. (Walecki, 2009a, 32).

IV. PUBLIC FUNDING FOR POLITICAL PARTIES INTURKEY

Public funding for political parties commenced in Turkey in 1965. It is required from a Turkish political party to have received minimum 10% of valid votes in the last election in order to be entitled to public funding. However,

political parties that have received 7% of valid votes are also granted public funding. This funding cannot be less than the funding granted to the party that is granted minimum funding. Public funding is granted 3 times more in general election years and 2 times more in local election years. Turkish political parties are also granted the opportunity to make a speech on radio and on TV for a certain period of time, which may be defined as indirect public funding. Nevertheless, this opportunity is not available for local elections. (Sayarı, 2012:186; Gençkaya, 2008:71-73).

We can say that 90% of revenues of political parties are from direct public funding. As it is in other democracies, political parties have become more dependent on state due to the increasing public funding for parties. This situation bears the meaning of supporting the status quo (Sayarı, 2012:186). Considering the existing system for public funding for political parties, we can say that this system make large parties even larger and small parties even smaller (Gençkaya, 2009: 48).

Examining the circumstances in Turkey in terms of membership fees, it is difficult to establish proportional relations between number of party members and obtained membership fees. Cartel parties do not care for their membership fees due to public funding perpetually granted to them. The reasons for this may include inaccurate membership records, difficulties in collecting this revenue item due to financial problems and increasing public funding (Gençkaya, 2008:69).

It is a crucial deficiency in that there is no regulation regarding usage of public funding granted to political parties or audit of expenditures of political parties on the basis of transparency in Turkey. This situation merely encourages parties to expend profusely and easefully (Sayarı, 2012:186). It should not be ignored that the resource used here is actually public resource and that it should be used on the basis of transparency and accountability.

Table 2: Public Funds Granted To Political Parties As Per 2820 th Political Parties Act (1984-2001)

(Thousand TL.)																		
	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
ANAVATAN PARTİSİ	350.40 0	497.20 0	738.000	4.023.40 0	2.369.10 0	7.983.000	6.928.200	40.705.20 0	17.876.60 0	37.249.800	148.017.80 0	430.253.300	253.440.000	598.840.400	1.032.960.00 0	5.113.152.000	2.124.292.000	3.282.504.270
SOSYAL DEMOKRAT HALKÇI PARTİ	0	0	297.500	1.256.30 0	803.200	2.706.600	2.348.900	13.800.70 0	13.679.50 0	28.504.200	113.265.80 0	88.156.400	0	0	0	0	0	0
SOSYAL DEMOKRASİ PARTİSİ	46.000	65.300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HALKÇI PARTİ	154.60 0	219.30 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DOĞRU YOL PARTİSİ	17.100	24.200	41.900	518.700	478.700	1.613.000	1.399.900	8.224.700	27.669.90 0	57.656.200	229.105.80 0	665.957.300	259.200.000	612.450.400	1.056.436.40 0	5.229.360.000	1.929.783.000	2.981.944.940
M. DEMOKRASİ PARTİSİ	123.10 0	174.60 0	239.500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REFAH PARTİSİ	1.300	1.800	3.100	4.900	350.000	700.000	523.700	3.076.700	9.637.900	20.082.500	79.800.900	231.962.600	303.360.000	716.793.800	0	0	0	0
DEMOKRATİK SOL PARTİ	0	0	0	402.800	350.000	718.900	623.900	3.665.400	6.137.800	12.789.500	50.821.000	147.725.100	145.920.000	344.786.900	594.734.500	2.943.936.000	3.565.280.000	5.509.152.910
MİLLİYETÇİ ÇALIŞMA PARTİSİ	0	0	0	0	0	0	0	0	6.137.800	12.017.300	0	0	0	0	0	0	0	0
HALKIN EMEK PARTİSİ	0	0	0	0	0	0	86.100	1.025.600	0	12.017.300	0	0	0	0	0	0	0	0
CUMHURİYET HALK PARTİSİ	0	0	0	0	0	0	0	0	554.900	12.789.500	50.821.000	280.635.700	106.748.800	252.231.400	435.082.400	2.007.456.400	1.399.436.000	2.162.440.860
BÜYÜK BİRLİK PARTİSİ	0	0	0	0	0	0	0	0	0	954.800	12.705.300	12.310.400	17.097.200	48.161.900	83.076.000	411.226.100	0	0
DEMOKRASİ PARTİSİ	0	0	0	0	0	0	0	0	0	0	43.801.600	0	0	0	0	0	0	0
MİLLİYETÇİ HAREKET PARTİSİ	0	0	0	0	0	0	0	0	0	772.200	50.821.000	147.725.100	81.531.800	192.647.300	332.303.900	1.644.904.100	2.888.728.000	4.463.727.760
YENİ PARTİ	0	0	0	0	0	0	0	0	0	0	0	8.014.900	0	0	0	0	0	0
MİLLET PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	2.630.700	0	0	0	0	0	0
YENİ DEMOKRASİ HAREKETİ	0	0	0	0	0	0	0	0	0	0	0	2.428.400	0	0	0	0	0	0
DEMOKRAT TÜRKİYE PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	25.334.400	332.303.900	1.644.904.100	0	0
FAZİLET PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	137.473.600	1.644.904.100	2.475.917.000	3.266.670.080
SAADET PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	527.280.100
ADALET VE KALKINMA PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	159.961.370
YURT PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ÖZGÜRLÜK VE DAYANIŞMA PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOSYAL DEMOKRAT HALK PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENÇ PARTİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOPLAM :	692.50 0	982.40 0	1.320.00 0	6.206.10 0	4.351.00 0	13.721.50 0	11.910.70 0	70.498.30 0	81.694.40 0	194.833.30 0	779.160.20 0	2.017.799.90 0	1.167.297.80 0	2.791.246.50 0	4.004.370.70 0	20.639.842.80 0	14.383.436.00 0	22.353.682.290

Reference: Ministry of Finance, General Directorate of Budget and Fiscal Control

Table 2: Public Funds Granted To Political Parties As Per 2820 th Political Parties Act (2002-2013) (Cont.)

	(Thousand TL.)				YTL				TL						
	2002		2002	2003	2004	2005	2006	Total 2007	2008	2009	2010	Total 2011	2012	2013	TOTAL
ANAVATAN PARTİSİ	5.734.653.150	11.469.306.300	17.203.959.450	0	0	5.447.785	8.891.230	0	0	0	0	0	0	0	30.320.479.135
SOSYAL DEMOKRAT HALKÇI PARTİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	264.819.100
SOSYAL DEMOKRASİ PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	111.300
HALKÇI PARTİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	373.900
DOĞRU YOL PARTİSİ	5.209.565.190	10.419.130.380	15.628.695.570	6.274.942.200	14.696.063.600	8.843.186	11.156.228	39.313.704	0	0	0	0	0	0	49.720.896.628
M. DEMOKRASİ PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	537.200
REFAH PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.366.299.200
DEMOKRATİK SOL PARTİ	9.624.688.510	19.249.377.020	28.874.065.530	0	0	0	0	0	0	0	0	0	0	0	42.201.110.240
MİLLİYETÇİ ÇALIŞMA PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18.155.100
HALKIN EMEK PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13.129.000
CUMHURİYET HALK PARTİSİ	3.777.862.050	7.555.724.100	11.333.586.150	12.748.976.350	29.858.405.350	17.966.951	22.666.423	79.874.760	20.476.032	49.898.358	23.627.458	83.608.383	37.777.049	42.465.833	60.989.749.008
BÜYÜK BİRLİK PARTİSİ	1.133.358.580	0	1.133.358.580	0	0	0	0	0	0	0	0	0	0	0	1.718.890.280
DEMOKRASİ PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43.801.600
MİLLİYETÇİ HAREKET PARTİSİ	7.798.293.130	15.596.586.260	23.394.879.390	5.496.753.000	12.873.526.100	7.746.495	9.772.685	34.438.203	13.995.780	34.106.531	16.149.843	57.148.011	18.914.013	21.261.568	51.762.938.766
YENİ PARTİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8.014.900
MİLLET PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2.630.700
YENİ DEMOKRASİ HAREKETİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2.428.400
DEMOKRAT TÜRKİYE PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2.002.542.400
FAZİLET PARTİSİ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.524.964.780
SAADET PARTİSİ	3.777.862.050	7.555.724.100	11.333.586.150	0	0	0	0	0	0	0	0	0	0	0	11.860.866.250
ADALET VE KALKINMA PARTİSİ	3.777.862.050	7.555.724.100	11.333.586.150	22.539.820.400	52.788.794.600	31.765.048	40.073.577	141.216.258	45.685.556	111.331.837	52.716.932	186.544.716	72.462.908	81.456.806	87.512.953.250
YURT PARTİSİ	0	1.009.154.900	1.009.154.900	0	0	0	0	0	0	0	0	0	0	0	1.009.154.900
ÖZGÜRLÜK VE DAYANIŞMA PARTİSİ	0	869.425.760	869.425.760	0	0	0	0	0	0	0	0	0	0	0	869.425.760
SOSYAL DEMOKRAT HALK PARTİSİ	0	0	0	0	0	1.364.970	0	0	0	0	0	0	0	0	1.364.970
GENÇ PARTİ	0	0	0	4.766.457.850	11.163.157.550	6.717.301	8.474.292	29.862.765	0	0	0	0	0	0	15.974.669.758
TOPLAM :	40.834.144.710	81.280.152.920	122.114.297.630	51.826.949.800	121.379.947.200	79.851.736	101.034.435	324.705.690	80.157.368	195.336.726	92.494.233	327.301.110	129.153.970	145.184.207	365.045.122.318

Reference: Ministry of Finance, General Directorate of Budget and Fiscal Control

Treasury grants provided to the political parties in Turkey between 1984-2013 are shown in Table 2. A number of parties were provided with treasury grant between 1984-2007. Nevertheless, it is Adalet ve Kalkınma Partisi, Cumhuriyet Halk Partisi and Milliyetçi Hareket Partisi that have been receiving treasury grant since 2008. Revenues of these parties substantially include treasury grants. This situation, as stated above, uniforms political parties. Hence, basic strategies of political parties are obscured.

Treasury grant to be provided is going to be doubled in March 2014 due to the local election. Therefore; Adalet ve Kalkınma Partisi will be granted 177.130.328 TL; Cumhuriyet Halk Partisi 92.343.259 TL; and Milliyetçi Hareket Partisi 46.233.934 TL. Total treasury grant to be provided for said year will be 315.7 million TL.

V. TRANSPARENCY AND ACCOUNTABILITY AS A SUBSECTION OF GOOD GOVERNANCE IN POLITICAL FINANCE

Political financing associated with corruption will definitely mean undermining the essential elements of governance which are transparency and accountability. Once political parties become ineffective in government and start to be associated with corruption, people's confidence in institution of politics will be considerably diminished. Therefore, it is of great importance to make regulations regarding both revenues and expenses of politics. (Walecki, 2007:76).

It is necessary to raise public awareness in order to manifest Accountability and Transparency in political financing in a broad sense. Contributions of non-governmental organizations and press are of importance for this to achieve. In the event of that adequate political will to establish said concepts is not existant; non-governmental organizations have the potential to remedy such deficiency. In the event of that the instituton in charge of administration of elections is unable to provide adequate information; these organizations will be able to remedy such information deficiency between parties, candidates and society. Cooperation with international institutions on this subject should not be ignored. (Fontana, 2007). Considering the issue in terms of media; it should be ensured that media is able to monitor elections considering it as a public duty or informing voters on the basis on transparency.

Political financing is significant both for development and consolidation of democracy. Thus; a number of countries keep in their agendas ensuring transparency and accountability in political financing.

Submitting required documents related to political finance to the related inspection authority and declaring them to the public would only mean taking a picture of the current situation and sharing it. In other words, it would expose

problems. This situation would not automatically enhance good governance. Importance of Transparency and Accountability in political financing is going to be referred below:

A. TRANSPARENCY IN POLITICAL FINANCING

Money is a vital resource for modern democracies. Without adequate financial resources, it is impossible for political parties to be in competition with their dissidents. The fact that political parties obtain different amounts of resources through public funding, donations or other means restrains healthy functioning of politics. That is because transparency rules do not apply to obtaining resources. Therefore, it is not possible to see the background of resources possessed by political parties. Competition of parties is adversely affected by differences between resources. (Fontana, 2007).

Once electoral period when campaign expenses of political parties increase and period subsequent to said electoral period are compared, it is revealed that campaign periods display minimum level of transparency. Free money entry into the market during campaign periods and the increase in such amount result in a convenient atmosphere for corruption. Once expenses made by candidates and expenses made by parties are compared, it is revealed that there is more information related to parties. Therefore, process of giving information regarding expenses made by candidates must be strengthened. Examining the process of reporting funds used in elections, it is revealed that there is more information available about public funding. However, it is not possible to make the same conclusion for private funds (donations etc.) (Fontana, 2007). This situation substantially complicates traceability of expenses of either parties or candidates and disclosure of their revenue resources.

Declaration of will on the subject of demanding transparency in political financing is important. Nevertheless, in spite of the fact that traceability of money and other opportunities provided due to transparency is important in terms of disclosure of connections, there will be those not wishing for such disclosure. Therefore, groups that provide resources to politics prefer secrecy rather than transparency (Raja, 2006:4).

Ensuring transparency in political financing does not automatically result in emergence of good governance. Nonetheless, it contributes to the revealment of bad governance (Carlson and Walecki, 2006:1). In a number of countries including Turkey, a structure which is non-transparent in political financing; has low-levelled monitoring; does not have serious regulations to prevent rules from being violated is adapted. (Sayarı, 2012:186).

Once we consider transparency from the viewpoint of our country; we see that there is no legal regulation adapted in relation with financing electoral campaigns. Expenses made by candidates during their electoral campaigns are not

recorded; traces of expenses are not tracked likewise; and therefore, the network of connections cannot be exposed. Political Parties Act requires fiscal audit of political parties to be conducted by the Constitutional Court. This regulation cannot prevent parties and candidates from uncontrolled (unrecorded) use of resources. For this reason; the amendment related to conducting fiscal audits of political parties technically was made. Law of Establishment of the Constitutional Court and Rules of Procedures of the Constitutional Court was amended in 2011. Therefore; Turkish Court of Accounts was authorized for conducting said fiscal audit. However, issued reports are subsequently sent to the Constitutional Court for final decision. Fiscal audit capacity related to financing of political parties has been strengthened. Audits conducted either due to heavy work load or inadequate number of qualified staff of the Constitutional Court are superficial and by no means systematic (Progress Report, 2012; Gençkaya, 2008:73-74). Therefore; aforementioned amendment was made aiming to build a structure that functions more efficiently.

B. ACCOUNTABILITY IN POLITICAL FINANCING

Revenues used and expenses made by political parties and candidates in electoral campaigns have reached tremendous numbers at the present time. Said revenues and expenses being audited would lead to a just and equitable atmosphere for political competition (Öztürk, 2006:272-273). This situation would enable functionality of transparency and accountability which are of consequential significance in terms of sustainability of democracy. Thus; internalization of politics and politicians by people would be facilitated.

It is important that resources used for political financing are controlled and accountable. It is required that internal and external aspects of accountability are to function. Accountability has three aspects in this respect (Transparency International, 2008:2): a) Internal Accountability of Political Parties: Parties are required to implement the internal accounting systems relevant to them and inform their party members accordingly b) Accountability towards State: Political parties, candidates and donor are required to report to relevant governmental authorities regarding financial or non-financial transactions made. c) Accountability towards Public: Any kind of information (material or non-material) related to political financing should be expressly explained to public.

Expecting such regulations made on the subject of political financing to yield outcomes in the short term would be a deficient approach. Explanations made will enable civil society, media and other third parties to observe financial or non-financial connections more clearly. People will observe better in the long term whether such actions committed are beneficial. In addition, people's demand for Accountability related to political figures and the elected ones will increase in this process (Carlson ve Walecki, 2006:1-2).

VI. CURRENT CONDITION OF POLITICAL FINANCING IN TURKEY AND ACTION TO BE TAKEN

A. CURRENT CONDITION OF POLITICAL FINANCING

1. There is no adapted law that regulates funding of political parties during electoral campaigns in Turkey. Expenses related to electoral campaigns are submitted to the Constitutional Court as contained in final accounts that are sent to the Constitutional Court. Said accounts do not contain personal donations received or expenses made by parliamentary candidates during electoral periods. High-level donations, either in kind or unrecorded, are granted during such electoral periods. The negative consequence of this fact is that the connections between politics and interest groups remain invisible. (Özhabeş, 2011: 35)

2. In our country, 2/5000 of entire budget revenues are allocated for funding political parties. As a consequence of that this amount gradually increases and such fund is shared by a small number of parties due to the annual increases in budget revenues; large political parties have become stronger. Existence of parties literally depends on public funding. Treasury grants constitute 85-90% of their revenues. On the other hand, a considerable proportion of revenues of political parties is constituted by membership fees in western democracies.

Tax revenues which contain contributions of large taxpayers are granted only to a small number of parties which have managed to pass the election threshold due to the high level of the election threshold of 7% required for treasury grants. In other words, taxes are collected from all citizens, but only a certain number of political parties (those which have passed the election threshold) can benefit from such revenues. Taxpayers, in a sense, end up funding a political opinion which they do not favour. But this rate was discounted to 3 % by new regulation in 2014.

3. As specified in the 3rd evaluation report of GRECO in March 2010, certain part of financial resources is not provided on behalf of the party. For this reason, they are not registered in concerning party's account; they are individually obtained and spent. In conclusion, accounts of the political parties in Turkey do not comprehensively reflect the financing of political activities conducted (Özhabeş, 2011: 35).

4. Politics being funded in return for secured tenders and manipulating politics in this way results in politics being directed by a small group of people. Those who secure related tenders make donations to the parties; substandard actions taken are ignored. It is quite interesting that the Tender Act has been changed multiple times, but never encountered any sound opposition. What is wasted in the meanwhile are public resources due to the low-quality public buildings constructed and innocent lives when they collapse. Once politicians need resources for their increasing expenses and contractors need tenders; think hard on projects, enhancing the quality of labour employed, importing advanced

technology and acting as per free competition rules become nothing but details for businessmen.

5. Having regard to the number of taxpayers and the number of voters in our country, the significantly high difference between these numbers stands before us as a serious problem. In other words, taxpayers will attach importance to whether transparency and accountability principles function in public expenses; whether performance is audited in addition to compliance while expenditures are audited; and financing of election expenditures.

6. It is stated in the report issued by GRECO that the penal, administrative and legal sanctions contained in the Political Parties Act are majorly adequate. What is of higher importance is the non-performance of audits related to the unregistered revenues obtained and expenses made during electoral campaigns. (Erdem, 2011: 8). Electoral periods are periods in which political parties make great efforts to win. Political parties would try so hard to prove themselves before voters with all the power they have, and even more. Therefore, audits on campaign periods are of considerable importance.

7. In spite of the provision of the final paragraph of the Article 69 of the 1982 Constitution of Turkey, a separate legal regulation related to auditing expenses of parties and candidates (through limitation of expenses made and making explanations) has not been made. Declaration of revenues and expenses particularly during elections periods would improve politicians' reliability in eyes of public and reduce the pressure of donors on politicians. Therefore; this situation would have contributed in conducting elections on the basis of principles of justice and equality (TEPAV, 2006:70; Gençkaya, 2000a:193-194). It would literally lead to a thorough renewal of politics and displacement of politics to a transparent and accountability-based ground.

8. There is no special tax regulation applicable to those who make donations or pay membership fees to the political parties in Turkey. Donations made or membership fees paid to the political parties cannot be deducted from the tax base; which means they are subject to taxation and do not constitute subject for tax return.

9. Turkish Court of Accounts and the Constitutional Court routinely conduct compliance audits (for finalization of the reports issued) during election process as they do all other times. It should not be ignored that electoral periods are literally periods when political parties prove their existence with the helps of campaigns conducted (due to the high level of periodically-provided undocumented donations and aids in kind). It is hereby seen in this sense that electoral period expenditures, which we may define as the largest black hole in political financing, are only audited in terms of compliance. This audit should include not only cash supports, but also aids in kind.

10. It is not possible to find healthy political financing records regarding from which sources expenditures of local organizations (provincial, district and town organizations) of political parties are funded. Procurement of resources to fund expenditures of said organizations (rents, telephone bills etc.) are shaped by provincial or district heads or a few members of related executive boards. Health records accessed at local organizations are the amounts from treasury grants if provided.

11. Fiscal Audit, which had been performed by the Constitutional Court but subsequently decided to be performed by the Turkish Court of Accounts and completed by being sent to the Constitutional Court for final judgement, is concluded late and cannot function effectively due to non-allocation of adequate number of experts and deficient resources. Financial values contained in decisions made in this process depreciate in their real values.

12. Media's duty in financing of political parties, particularly on the basis of establishment of Transparency and Accountability, is incontrovertably important. In order to duly perform said duty, media is required to be active only in printed and visual areas. Nonetheless, it is a known fact that media has been active in areas that remain outside printed and visual areas (e.g. trade activities). That is due to the fact that media, for the sake of maintaining good relations with those in power, merely neglects its public duty. Therefore; media addresses subjects related to corruption in accordance with its benefits.

13. There is a certain limitation for donations specified in concerning law and it is increased in the valuation ratio annually. In comparison with developed democratic countries, non-declaration of donors constitutes a significant deficiency.

14. Achieving final targets such as transparency, accountability, fair and equitable competition, releasing politics from the influence of money are demanded by countries. Having regard to Turkey's experiences in realization of said targets, we see that expenditures of electoral campaigns are limited and expenses made are shared with public. Details of such expenses shared with public are limited to the brief information submitted to the Constitutional Court by the political parties being published in the Official Gazette. It is clear that there is no limitation applicable to expenditures of candidates (Kırbaş, 2012: 204 - 205).

In the event of that unaudited money used in political financing (e.g. unregistered donations) reaches very high amounts resulted in relevant regulations to be made both in European countries and in the USA: Such regulations cover revenues (aids in kind, aids in cash and donations) and expenditures (campaign expenses). Within this framework, revenues and expenses of political parties during electoral periods were limited by means of making relevant legal regulations in Sweden and Denmark in 1996, Germany in 1967, Finland in 1969, Italy and the USA in 1974, Belgium and Spain in 1985 and France in 1988. Having

regard to Turkey, there are limitations applicable to revenues. However, there is no limitation or regulation particularly related to electoral period expenditures (Yüksel, 2010: 316-317).

B. ACTIONS TO BE TAKEN IN THE FIELD OF POLITICAL FINANCING

1. Conditions required for giving political stage a healthy structure in terms of finance should be ensured. In a sense, field-related substructural arrangements should be performed. Political parties that attend an election should be initially provided with a minimal level of grant and subsequently in ratio of such party's vote rate. Expenses made should be audited subsequent to the election; thus unfair superiority of certain parties should be prevented. Election are times when political parties wish to be successful by using all the power they have. Therefore, electoral periods should be strictly audited in terms of transparency.

2. Significance of public pressure for a financially-regulated political stage should not be ignored. Once such pressure remains alive, it cannot be ignored in politics.

3. GRECO recommends cash flow to be made through banking sector and a limitation (upper limit) to be imposed in order to prevent excessive expenses made in electoral periods but not reflected in political parties' accounts (Erdem, 2011:5). Moreover, treasury grant provided to a political party should be proportionate to donations and aids collected by such party. As it is in Germany; membership fees, aids and donations obtained by political parties should constitute a scale for grants to be provided by state.

4. Code of Conduct should be developed as a guidance tool in political financing. Thus, it should be attempted to prevent politicians from corruption with their self-control (Gençkaya, 2000: 27).

5. It is essential for an effective explanation transparency that political parties and candidates make regular declarations to the public regarding donations they have collected. Donations over a certain amount should be declared with such donation's nature, value and donor's identity (Erdem, 2011:7).

6. Financing of electoral campaigns constitute subject for the Constitutional Court's audit in the following year in terms of revenues and expenditures. Instead of this; they should be audited during or immediately after such election (Erdem, 2011: 7). With the amendment made in the Constitution, Turkish Court of Accounts has been authorized for such audit. However, reports issued for final judgement are subsequently sent to the Constitutional Court.

7. Regulations should be made with relation to political parties' utilization from cognitive technologies for collecting donations (e.g. collectin donations or membership fees via SMS). As a matter of fact, the method of collection donations

via SMS was used by USA President Barack Obama by means of a special software when he was first elected.

8. Considering current constraints regarding auditing political financing, an organization apart from Turkish Court of Accounts and the Constitutional Court should be formed. In other words, an independent committee to audit political financing should be organized. Such committee to be organized should be autonomous; have adequate budget; and be employing adequate number of expert staff. Due to the heavy workload of Turkish Court of Accounts and the Constitutional Court, the audit in relation with political parties is conducted in very general terms and unable to pass beyond being a compliance audit. Such audit should be enhanced in terms of both scope and content. Fiscal audits of political parties and announcement of their results are take time; therefore, real benefit to outcome vanishes. Another issue is the necessity of a specific audit related to electoral period expenses. Thus; electoral periods in which political parties struggle for existence will be declared in details in terms of revenues and expenditures.

9. The reason for implementation of an upper limit in electoral expenditures is to eliminate the efforts of large parties, which have the potential to make higher amounts of expenditures and obtain higher amounts of revenues, to remove parties which do not have adequate resources out of the competition. Therefore, contribution will have been made to the ensurance of equal opportunity principle, which is of consequential importance for elections. Political parties in certain countries prefer to bring solution to this issue through negotiations; and by means of legal regulations in some other countries. The political parties that are members of Bundestag in Germany have made protocols for restricting electoral expenditures. In England, instead of restricting revenue resources and their amounts, an upper limit is determined for electoral expenses and a certain amount is added to such upper limit as per related number of voters (Tacar, 1997: 33). In Turkey, as specified also in GRECO's reports, there is no upper limit imposed on electoral expenditures made by candidates.

10. Treasury grants provided to political parties should not be entirely provided to the general headquarters of these political parties. Such grants should be divided between relevant political party's general headquarters, field organization, women's branches, youth branches, and research and development unit as per predetermined ratios. This division may be considered as an extreme interference in grants. However, with a view to the practice, problems experienced by the units except for the general headquarters make one think that such a division would be beneficial.

11. Aids in kind granted to political parties and candidates should also be included in the declarations issued in terms of finance. Financial values of aids in kind should be calculated and declared. Another issue encountered in this subject is

how voluntarily-provided campaign services with a financial value will be evaluated. Canada attempted to solve this problem by categorizing services according to their nature. For instance; a lawyer distribution brochures related to a political activity is considered a voluntary activity with no financial value. On the other hand, in case of a lawyer providing free legal counselling service (to give advice on a certain subject) for a political party or candidate, its financial value should be calculated and registered as donation (Yüksel, 2010: 239). Once aids in kind are registered, their financial values are declared. With regards to transparency, people are naturally entitled to know about such aids in kind.

12. It should be ensured that expenditures of political parties made during electoral periods or in other times are announced in daily newspapers. Revenues and expenditures that reveal to have been illegally obtained as a result of the audits conducted should also be stated therein (Yüksel, 2010:253-254). This will be beneficial for establishment of transparency. For example, it is obligatory for accounts of the political parties to be announced in national daily newspapers in Greece. Likewise, accounts of the political parties are announced in daily newspapers in Italy. (Tacar, 1997: 33-34).

CONCLUSION

The close relationship between money and politics has become one of the most significant problems encountered by democratic governments. Political financing is essential in terms of both development and consolidation of democracy , as long as they are not made transparent and accountable, processes related to political financing will continue to constitute a problem both for Turkey and other countries unless they are made.

Increasing need for expenditures against restricted resources results in increasing political corruption. Reduction in propaganda expenses which constitute one of the most significant spending items should be preferred. In this respect, considering increasing revenues as a solution would be a superficial approach.

Electoral periods are periods in which political parties make great efforts to win. Political parties would try so hard to prove themselves before voters with all the power they have, and even more. Therefore, audits on campaign periods are of considerable importance.

Submitting required documents related to political finance to the related inspection authority and declaring them to the public would only mean taking a picture of the current situation and sharing it. In other words, it would expose problems.

Considering current constraints regarding auditing political financing, an organization apart from Turkish Court of Accounts and the Constitutional Court

should be formed. In other words, an independent committee to audit political financing should be organized. Such committee to be organized should be autonomous; have adequate budget; and be employing adequate number of expert staff. Due to the heavy workload of Turkish Court of Accounts and the Constitutional Court, the audit in relation with political parties is conducted in very general terms and unable to pass beyond being a compliance audit. Such audit should be enhanced in terms of both scope and content. Fiscal audits of political parties and announcement of their results take time; therefore, real benefit to outcome vanishes.

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