

Party financing scandals have created the perception that influence can be bought. Reforming the system is unlikely as both parties benefit from the status quo

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*In the wake of the cash-for-access scandal, it is certainly relevant to discuss how political parties are financed in the UK. **Bart Cammaerts** argues that this latest scandal will unlikely lead to reform as both major parties benefit from the status quo, leading to gridlock on the issue.*



Democracy does not come cheap. Parties require ample funding to pay their staff, to do policy research and above all to fight elections, with the latter needing ever-larger war chests given the professionalization of campaigning and the increased need for the prolonged mediation of campaign messages to reach voters.

There has always been a tension between the voracious needs of political parties for resources and the rewards being given for these generous 'gifts'. Because, let's be frank, nobody parts with large sums of money without at least the expectation of getting a return on their investment. As the French anthropologist Marcel Mauss [pointed out](#) almost 90 years ago, a gift-economy is intrinsically linked to reciprocity; the gift always comes with strings attached to it and some are able to give (much) more than others. There is thus also clearly an ideological dimension to the gift-economy of party funding. Those that are able to give more tend to be more right-wing as parties on the right of the political spectrum defend their interests rather than the interests of those that have less or nothing at all.

In many democracies, after a swath of scandals relating to party financing involving blatant corruption, kick backs or at the very least acts verging on the border of corruption, action was taken to restore trust in political parties. In addition to limits on what parties can spend in view of elections, but crucially also outside of election times, these often included public funding for political parties linked to the number of votes they received at the previous election, as well as stringent and very low caps on individual donations.

The UK has a very long tradition of limiting expenditures of parties and individual candidates dating back to the Corrupt and Illegal Practices Prevention Act of 1883. Additional rules and limits were introduced in 1983 with the Representation of the People Act and in 2000 with the Political Parties Elections and Referendums Act. The main problem here, however, is that all these rules only apply from the moment parliament is being dissolved and are thus rather meaningless given the particularly short period of official election campaigning in the UK (about 5 to 6 weeks) and the recent phenomenon of the permanent campaign. As an [impact assessment](#) of electoral spending by the Ministry of Justice pointed out in 2009, all this results in 'damage to public confidence in our electoral system and the perception that it is possible to buy electoral advantage'.

In terms of donations, there are also a few rules, but these mainly focus on who is considered to be a 'permissible donor' or on increasing transparency in terms of donations, not on the amount an individual or organisation can give to any given party, which is in effect unlimited. It is clear that this has arguably resulted in even greater damage to public confidence in democratic politics and the perception that influence can be bought. This was made clear in the cash for questions and the cash for honours scandals that respectively marred John Major's and Tony Blair's premierships, and now in the cash for dinners scandal that has hit the Tory party. However, the current scandal is particularly damaging as it fully caters to the common view, reflected in recent polls, that the Tory party is the party of and for the rich and well off, at a moment when the coalition decided to ease the

tax burden for precisely those that are in a position to give large donations. What goes round comes round.

It is, however, highly unlikely that this new scandal will lead to a thorough debate on party financing. This is mainly because the two main parties attack each other on very different fronts. While quite a few wealthy individuals predominantly fund the Tory party; the Labour party receives the majority of its money from a limited number of unions. Hence, a cap on donations would disproportionately hurt the Labour party much more than the Tory party, which leads to a gridlock in terms of this particular debate.

The only way out of this political gridlock is the state funding of parties coupled with very low caps on individual donations and forbidding the funding of political parties by companies and unions. This would take away the perception that influence is being bought by companies and rich individuals and it would also allow the Labour party to develop policy and take positions without being critiqued for its reliance on union funding.

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