

Public Attitudes to Party Funding in Britain

Prepared for the Committee on Standards in Public Life

by Dee Goddard¹

Summary

This evidence, drawn from Wave Seven of the British Election Study survey, suggests that the public perceive resolving the issues surrounding political party funding in the UK to be an important, complex issue. This analysis shows that respondents find the issue of party funding important, and are more likely to answer that the issue is 'of great importance' than in 2011. However, Conservative party voters are almost half as likely to say that the matter of political party funding in Britain is 'of great importance' than Labour supporters.

A substantial majority of respondents believe that large party donations are motivated by hopes for access and influence or special favours from the political party. 79% of those asked identified these as the most common motivations for donors. Furthermore, 90% of respondents believe that MPs 'very often' or 'sometimes' decide what to do based on what their donors want, rather than on what they really believe. Even more responded that politicians 'very often' or 'sometimes' do special favours for their donors. Even 48% of those who register high trust in MPs believe that they 'sometimes' prioritise their donors' interests. The public is also clear in their belief that this behaviour is unacceptable, with 88% responding that it is 'never' or 'very rarely' acceptable for politicians to do special favours for contributors.

This evidence suggests that the public thinks that the issue of party funding is important, and are concerned about the impact of large donations British politics, but they are much less clear about what should be done about this. 42% of those asked said they did not know whether there should be a cap on donations to political parties or at what level it should be set. The most common factor underlying this uncertainty is participant's self-identified political attention score: respondents who say they pay little attention to politics in general are much more likely to say that they do not know what, if any limit, should be set.

There are some partisan differences in support for introducing a legislative donation cap. Conservative supporters are twice as likely as Labour supporters to say there should be 'no limit at all' on donations. Opposition party supporters (except Plaid Cymru) are most likely to support the lowest cap (£7,500) identified in the survey. Response patterns are similar for donations to referendum campaign groups, with Leave and Remain supporters presenting very similar views on the introduction of a donation cap.

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² Data available to download here: <http://www.britishelectionstudy.com/data-objects/panel-study-data/>

³ Note that Northern Ireland is not included in the British Election Study due to differences in the political situation.

⁴ Rose, J. (2011) *Ibid*.

82%

Think party funding is of 'some' or 'great' importance

44% Access and Influence
34% Favours and Special Treatment

Reasons most people believe that donors make large financial contributions to political parties

93%

Believe that politicians 'sometimes' or 'very often' do special favours for donors

40%

Think MPs 'very often' decide what to do based on what their donors want, not their beliefs

88%

Think that it is 'never' or 'very rarely' acceptable for MPs to do special favours for donors

42%

'Don't know' what value any legal cap on donations to parties should be

Conservative

Supporters are twice as likely to say there should be no donation cap

Opposition Party

Supporters most likely to prefer a £7,500 cap on donations

Remain and Leave

Supporters have very similar views on introducing a donation cap for referendum campaign groups

The Survey

In order to investigate public attitudes to party funding in Britain, this report draws on a series of questions asked in Wave 7 of the British Election Study Internet Panel.² These questions were asked on behalf of the Committee on Standards in Public Life, and address public perceptions of the issues surrounding donations to political parties.

This data was collected by YouGov, and is an online survey of members. This survey was undertaken between 14th April 2016 and 4th May 2016, immediately prior to the 2016 local elections. The Committee's questions were answered by a representative sample of 7,761 of the survey's respondents. As the survey over-represents Scottish and Welsh voters,³ data summaries are calculated using importance weightings which help to make the analysis more representative of Britain as whole. Unless specifically addressed, 'don't know' responses are omitted.

This report builds upon the 2011 report by Jonathan Rose and the Research Advisory Board, which discusses the results of several surveys undertaken by the Committee on the issue of the funding of political parties.⁴

Findings

This report identifies three key areas of discussion surrounding public perceptions of party funding: the issue's importance, the motivations of those giving and accepting donations, and solutions to the problem of funding political parties in the UK.

How important an issue is party funding?

While a number of party-funding related scandals have shocked Westminster over recent years, are these matters that concern the public?

The survey asked:

How important is the issue of how political parties are funded in the UK?
Of no importance at all, Of little importance, Of some importance,
Of great importance, Don't know.

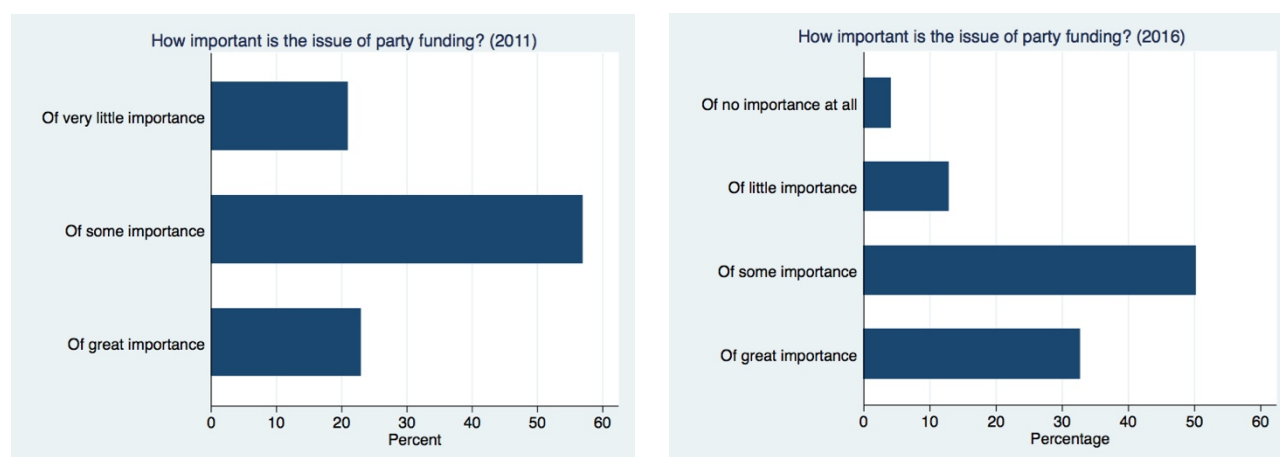
In the 2011 online survey, participants were asked to choose from three categories (very little, some, and of great importance). With this more limited category choice, just 21% of respondents found this issue to be of great importance and 52% of some importance. (73% combined) Whereas, in the 2016 survey, 33% of those questioned thought that this issue was of great importance and 50% of some importance (83% combined).

² Data available to download here: <http://www.britishelectionstudy.com/data-objects/panel-study-data/>

³ Note that Northern Ireland is not included in the British Election Study due to differences in the political situation.

⁴ Rose, J. (2011) *Ibid*.

Graph 1: Importance of Party Funding in 2011 and 2016



Although the percentage of respondents that answered 'of some importance' has declined, this may be due to the introduction of the 'of little importance' category, rather than of changes in attitudes. Further, the combined percentages of 'of no importance at all' and 'of little importance' (17%) is lower than the 2011 value for the comparable 'of very little importance' (21%).

This suggests that the public's perception of the importance of the issue of party funding has increased over the past four years, and therefore that this issue is higher on the political agenda for people in the UK. One factor that may influence the public's increased attention to the issues surrounding political party funding during discussions surrounding the Trade Union Bill,⁵ as well as awareness of these issues immediately prior to the 2016 local and European elections.

Supporters of different political parties also appraise the importance of party funding differently.⁶ As Table 1 shows, supporters of the main opposition parliamentary parties (Labour, Liberal Democrats and the Scottish National Party (SNP)) are all more likely than average to argue that this issue is 'of great importance'. 58% of Conservative supporters also think the issue of party funding is 'of some importance'. Labour supporters are more than twice as likely to argue that this issue is 'of great importance' than Conservative voters. Supporters of the SNP are most likely to respond that the issue of party funding is 'of great importance'. This suggests that partisanship does affect people's attitudes to the current system of political party funding, but that it remains an important issue across the political spectrum.

⁵ The view of the Chair of the Committee on Standards in Public Life on this issue was expressed in Lord P. Bew's *Blog: Party Funding Needs Analysis and Debate* (January 2016). Available at: <https://cspl.blog.gov.uk/2016/01/18/party-funding-needs-analysis-and-debate/>

⁶ For a full breakdown of all parties identified in the British Election Study, see Appendix.

Table 1: Issue Importance of Party Funding by Party Identification

		How important is the issue of how political parties are funded in the UK?				
		Of no importance	Of little importance	Of some importance	Of great importance	Total
Party Identification	Conservative (27.8%)	4.48%	18.11%	57.96%	19.46%	100%
	Labour (33.15%)	1.95%	7.67%	48.67%	41.7%	100%
	Liberal Democrat (10.94)	2.49%	12.6%	46.58%	38.33%	100%
	Scottish National Party (2.97%)	1.76%	13.75%	40.21%	44.28%	100%

The survey demonstrates that the issue of party funding matters to British citizens, and appears to be of increasing importance. This helps to frame the other results from the survey regarding the motivations of donors to political parties.

Motivations of Donors

The perceived motivations of those making donations to political parties may also shape the public's perceptions of the issue of party funding in the UK. The survey asked respondents:

Please order the following reasons for people to make very large donations (say in excess of £100,000) to a political party from most common (first) to least common (last):

- They believe in what that party stands for
- They hope to have more access to and influence over that party
- They hope to be given some favours or special treatment

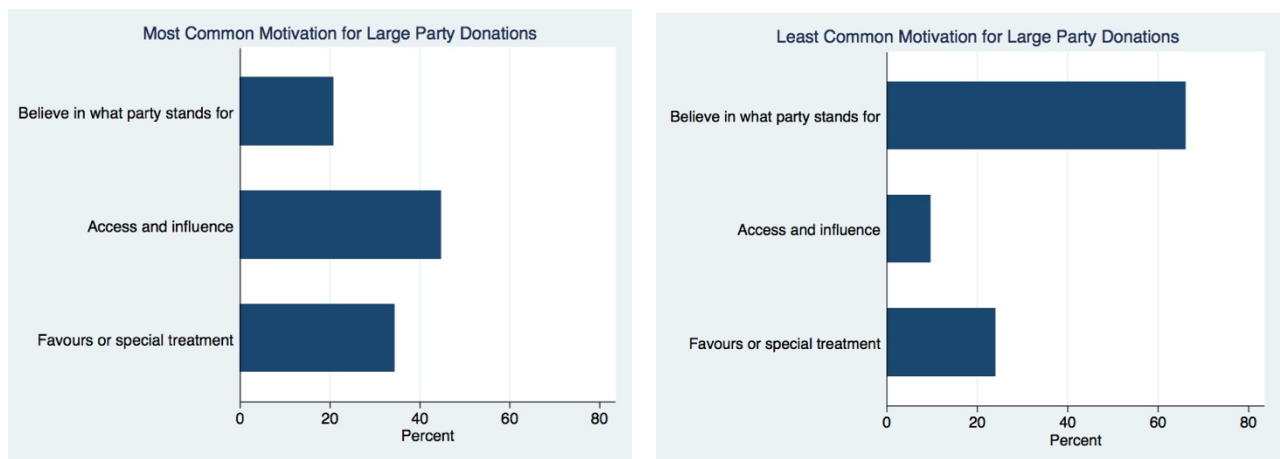
As Graph 2 shows, 66% of respondents thought that 'believing in what the party stood for' was the least common reason for large donations, while just 21% ranked this as the most common reason. The other responses received broadly similar results, with access and influence being slightly most frequently named as the most common motivation for making a large party donation.

This finding is consistent with the 2011 analysis, in which 89% of respondents identified either 'access and influence' or 'favours and special treatment' to be the most common motivation for large party donations. This pattern is also common with other analyses of public attitudes to large individual donors.⁷

This result is striking, as it demonstrates the public's scepticism over the motivations for large individual donations to political parties. Most people in this sample believe that party donors make large donations for the purposes of either access, influence, favours or special treatment.

⁷ <https://yougov.co.uk/news/2012/03/30/donors-political-parties/>

Graph 2: Perceived Motivations for Large Party Donations



Access and Influence

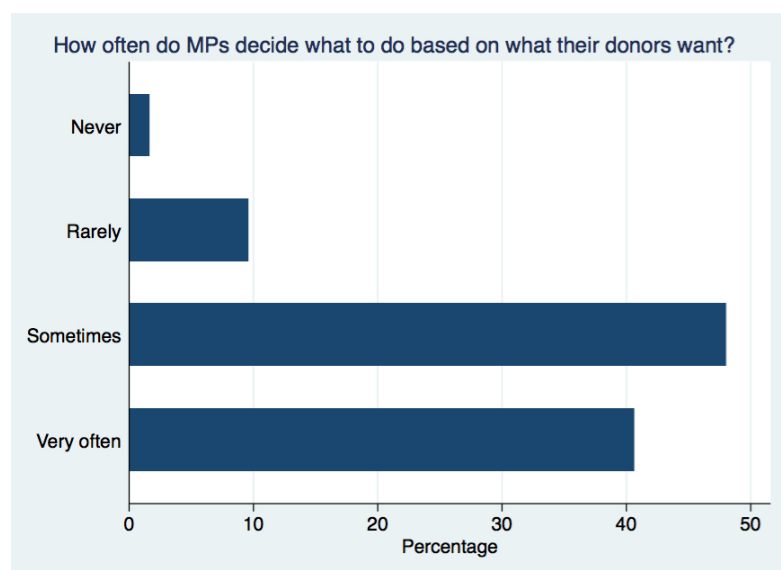
Scepticism over the motivations of individual donors is only one part of public attitudes towards the current system of party funding. To assess public confidence in the current system, it is also important to investigate whether people believe that politicians grant donors the influence or favours they are perceived to expect.

The responses to this survey show that a significant proportion of the public believes that politicians' decisions are influenced by donors' preferences. The survey asked:

How often do you think Members of Parliament decide what to do based on what their financial donors want, rather than on what they really believe:
Never, Rarely, Sometimes, Very Often, Don't Know

Although this question does not specify which donors MPs may be influenced by, the phraseology of 'rather than on what they really believe' frames this as a negative statement, expressing disapproval.

Graph 3: Perceived Influence of Donors on MPs



Over 88% of those surveyed believed that MPs ‘very often’ or ‘sometimes’ decide what to do based on what their donors want, rather than what they really believe. 40% responded that MPs ‘very often’ do what their donors want, this is an increase on the 2011 survey in which 34% of respondents answered ‘very often’. One factor driving this increase could be public attention drawn to these issues in light of the December 2015 ‘Cash for Access’ scandal involving Jack Straw and Sir Malcolm Rifkind.⁸

It is remarkable that almost half (48%) of the survey respondents believed that MPs sometimes do what their donors want rather than acting on their own beliefs. This suggests distrust among the public about the integrity of MPs working within the current system of party funding through donations. To probe these themes further, the results from this question are considered alongside with the respondent’s trust in MPs more broadly.⁹ The same survey asked ‘How much trust do you have in Members of Parliament in general?’. These responses have been grouped into three categories (High, Medium and Low).

Table 2: Perceived Influence of Donors on MPs by Trust in MPs

		How often do MPs decide what to do based on what their donors want?				
		Never	Rarely	Sometimes	Very Often	Total
Trust in MPs	Low (19.01%)	1.90%	2.65%	25.13%	70.32%	100%
	Medium (75.58%)	1.27%	10.04%	53.71%	34.97%	100%
	High (5.41%)	5.87%	26.79%	48.19%	19.15%	100%

Importantly, 70% of those who have low trust in MPs believe that they ‘very often’ decide what to do based on what their donors want. This may be due to their general mistrust feeding their scepticism regarding MPs’ integrity, or that their general mistrust is a product of the perception that MPs just act in the interest of their donors. Whichever way, this finding clearly demonstrates that those who have low trust in MPs believe that they act in the interest of their financial donors rather than on their own beliefs. Most of those in the modal ‘medium’ category believe that MPs ‘sometimes’ decide that to do based on what their donors want. Perhaps most crucially, in all categories there is a considerable majority expressing concern over MPs being motivated by their donors.

Favours and Special Treatment

Do the public also believe that donors receive access to favours and special treatment in return for very large donations? This question has been phrased differently to that regarding access and influence, as it pertains only to very large contributions and ‘politicians’ more broadly than MPs. As people are generally more likely to trust their local MP than politicians in general, outcomes of this question may be more negative in general than those of the

⁸ <http://www.telegraph.co.uk/news/investigations/jack-straw-and-sir-malcolm-rifkind-did-offer-cash-for-access/>

⁹ The same survey asked ‘How much trust do you have in Members of Parliament in general?’. These responses have been grouped into three categories (High, Medium and Low).

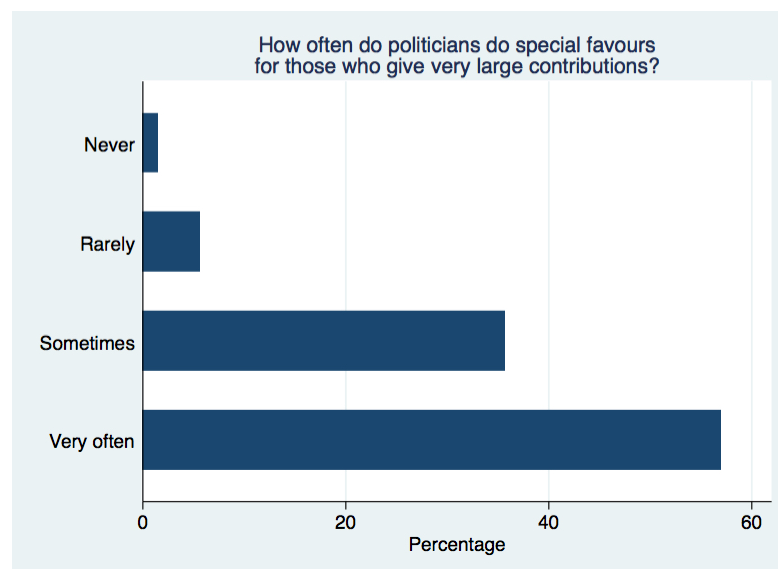
question about access and influence.¹⁰ Further, the term ‘special favours’ has not been defined, and therefore is open to the respondent’s interpretation.

How often do you think politicians do special favours for people and organisations who give very large contributions to their party?

Never, Rarely, Sometimes, Very Often, Don’t Know

An overwhelming majority of respondents believe that politicians ‘sometimes’ or ‘very often’ grant special favours and to those who make very large contributions to political parties. Just under 93% of respondents believe that politicians give distinct privileges to people or organisations making large donations, including individual donors or Trade Unions. This result is largely similar to the result of the 2011 online survey, which suggests that these opinions have remained consistent over time.

Graph 4: Perceived Frequency of Special Favours



Do these negative judgments mean that the people who hold them are disaffected with democratic institutions? Could dissatisfaction with democracy within the UK influence perceptions of donations to political parties?

Table 3 shows these responses disaggregated by to their answers to the question ‘On the whole, how satisfied or dissatisfied are you with the way that democracy works in the UK’. Remarkably, almost 60% of those 7% of respondents who are ‘very satisfied’ with democracy in the UK believe that political parties ‘very often’ do special favours for their donors. This may indicate that voters perceive that individuals and groups receiving special favours in return for their donations does not undermine democracy. On the other hand, 83% of those who are ‘very dissatisfied’ with democracy in the UK believe that special favours are ‘very often’ done for big donors.

Although those who say that politicians ‘very often’ do special favours for donors do not necessarily rate democracy in the UK poorly, those who do rate it poorly are much more likely

¹⁰ <https://www.ipsos-mori.com/researchpublications/researcharchive/3184/Trust-in-MPs-poll.aspx>

to say that donations as buy influence. Those with the more moderate responses to democratic satisfaction are almost equally split on whether politicians ‘sometimes’ or ‘very often’ grant special favours.

Table 3: Perceived Frequency of Special Favours by Satisfaction with Democracy

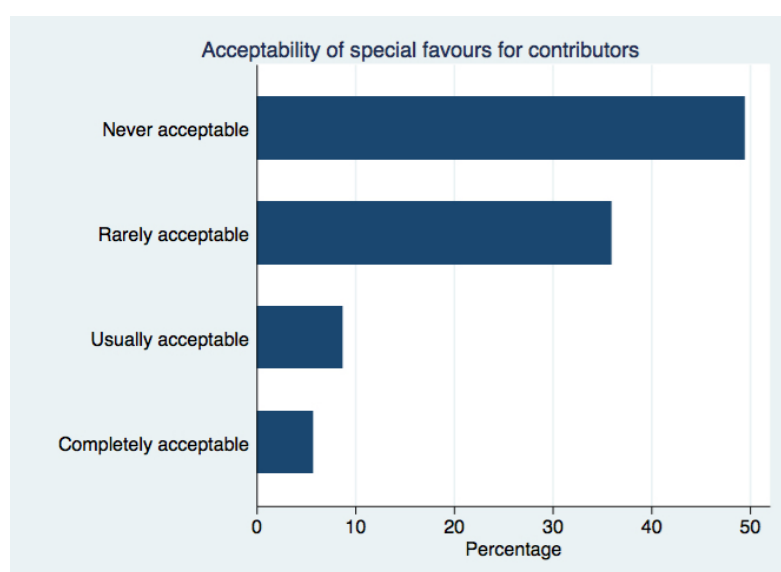
		How often do you think politicians do special favours for people and organisations who give very large contributions to their party?				
		Never	Rarely	Sometimes	Very Often	Total
Satisfaction with democracy in the UK	Very dissatisfied (14.93%)	1.55%	2.94%	12.51%	83.00%	100%
	A little dissatisfied (31.58%)	1.51%	3.24%	47.63%	44.84%	100%
	Fairly satisfied (46.27%)	2.05%	13.86%	41.73%	42.37%	100%
	Very satisfied (7.21%)	9.63%	5.50%	35.72%	57.48%	100%

This analysis suggests that granting ‘special favours’ to donors is perceived largely negatively by the public. This is largely confirmed in the results to a further question about the acceptability of politicians granting special favours to financial donors. Given that the vast majority of those surveyed believe that politicians ‘sometimes’ or ‘very often’ grant special favours to donors, the results from this question will help to inform whether the public perceives those actions to be legitimate.

When politicians do special favours for contributors, do you think that this is:
Never acceptable, Rarely acceptable, Usually acceptable, Completely acceptable

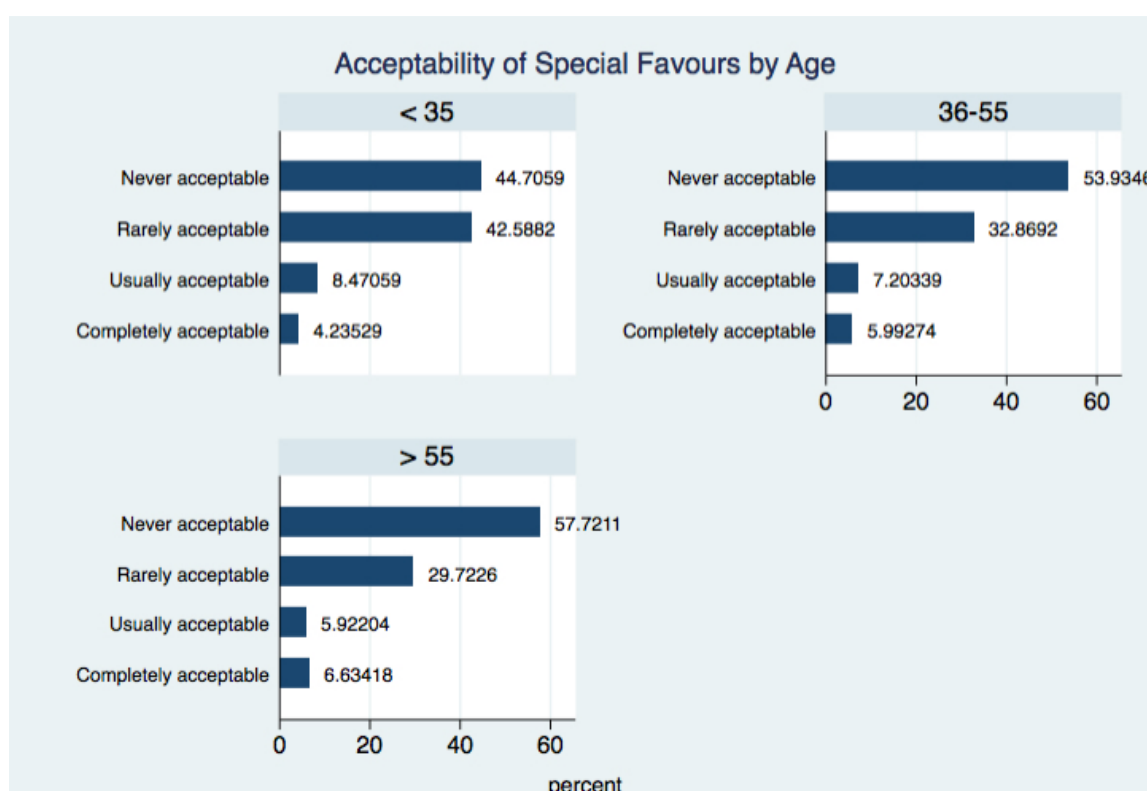
As may be anticipated, Graph 5 shows that the public appear to be very decided on the matter of the acceptability of granting special favours to contributors. Almost 50% of those asked believe that is is ‘never acceptable’ for politicians to do special favours for contributors, and a further 36% believe that these actions are ‘rarely acceptable’. This pattern is consistent with the 2011 online survey, where 52% responded ‘never acceptable’, and 32% responded ‘rarely acceptable’.

Graph 5: Acceptability of Special Favours for Donors



Looking deeper into the demographic factors might influence people's response to this question, the respondents age appears to be influential.¹¹ Young people are statistically significantly less likely to say that granting special favours is 'completely acceptable', but are also less likely to say that this is 'never acceptable'. Instead most young people adopt the more moderate 'rarely acceptable'. Older generations are more likely to answer that granting special favours in return for donations is 'never acceptable', with 58% of over 55s believing that granting donors special favours is 'never acceptable'.

Graph 6: Acceptability of Special Favours by Age



¹¹ These age demographic features were also considered for the other questions asked about the party funding, however no significant differences were identified which suggest that younger people are less likely to provide more extreme responses.

The public appears to be consistently of the view that politicians do grant special favours to political party donors. Although these favours are undefined, it appears that the public unswervingly considers such motivations for donations to political parties to be unacceptable.

Solutions

This evidence suggests those surveyed have responded that the issue of party funding matters, that they believe donors receive access, influence and special favours for their financial contributions, and that these special favours are unacceptable. So this report now considers how the public seeks to resolve these concerns given the wide-spread disillusion with the *status quo*.

Donation Caps

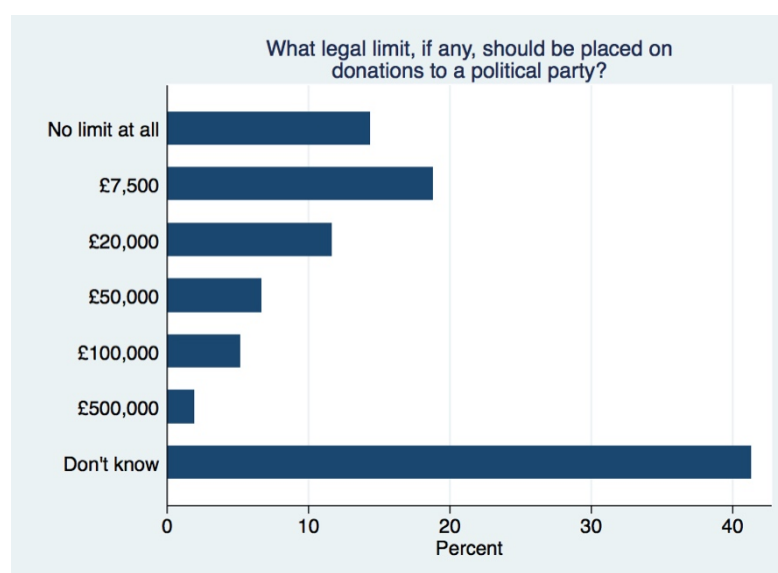
This survey asked fewer questions regarding the best means to resolve the problem of party funding in the UK than the 2011 survey. Rather than focusing on state funding political parties, this survey asked:

What legal limit, if any, should be placed on donations to a political party?
No limit at all, £7,500, £20,000, £50,000, £100,000, £500,000, Don't know

This question enabled respondents to identify whether a legal limit on party donations should be imposed, and which legal threshold would be suitable in the case of new legislation.

However, what is most striking is that by far the greatest response to this question was 'don't know', with 42% of respondents unable to state what limit, if any, should be applied.

Graph 7: Attitudes towards Legal Limits on Party Donations



In order to investigate this further, Appendix 1 shows the distribution of these 'don't know' respondents by demographic groups.¹² This analysis has shown that women with low self-identified attention to politics scores, are most likely to respond 'don't know' to the question

¹² These results were produced through a Classification and regression tree (CART) analysis. Please email rg363@kent.ac.uk for replication code.

of imposing a legal limit on party donations. Men with high self-identified attention to politics scores are least likely to respond 'don't know' to this question. This is consistent with evidence that women are more likely than men to respond 'don't know' in surveys. Following political attention scores and gender, age is seen to contribute the the 'don't know' responses, with older groups being less likely to give a 'don't know' response.

Those who respond 'no limit at all', are significantly more likely than all other groups to rank 'they believe in what the party stands for' as the most common reason for very large donations to political parties. 35% of those who support no limit believe that large donations are have this motivation, whereas just 7% of those who supported a £7,500 cap believed agreeing with the party's platform to be the most common motivation for large donations.

Table 4: Preferred Cap on Donations to Parties by Party Identification

		No limit at all	£7,500	£20,000	£50,000	£100,000	£500,000	Don't know	Total
Party Identification	Conservative (27.85%)	25.18%	11.86%	12.22%	7.46%	7.23%	3.23%	32.82%	100%
	Labour (31.65%)	11.56%	25.53%	14.37%	7.30%	5.12%	1.84%	34.28%	100%
	Liberal Democrat (10.21%)	8.62%	18.94%	15.3%	9.68%	5.36%	1.97%	40.13%	100%
	Scottish National Party (2.81%)	8.44%	25.33%	16.55%	9.72%	8.67%	1.76%	29.54%	100%
	Plaid Cymru (0.49%)	8.64%	27.02%	29.87%	2.14%	2.13%	0%	30.21%	100%
	United Kingdom Independence Party (5.68%)	15.34%	20.3%	11.25%	9.97%	6.01%	1.25%	35.89%	100%
	Green Party (1.76%)	5.21%	36.01%	13.87%	8.31%	8.19%	0%	28.42%	100%

As Table 4 shows, this prevalence of 'don't know' responses is consistent across political parties, highlighting that the difficulties of obtaining cross-party support for an option for party funding reform. The 'don't know' response is most frequently selected for supporters of all political parties, except the Green Party.

Conservative party voters are most likely to respond that there should be 'no limit at all' on donations to political parties, the most popular option for Labour voters is the lowest specified cap of £7,500. This cap was also the preferred option for supporters of the smaller Liberal Democrat, SNP, UKIP and Green Parties. For all of these five parties except UKIP supporters, the second most preferred option is a £20,000 cap. In juxtaposition, the second most-preferred option of UKIP supporters is 'no limit at all'.

Donations to Referendum Campaigns

Given that this survey took place in the months prior to the 2016 European Union membership referendum, this survey posed another question to respondents on donation caps for referendum campaign groups.

And what legal limit, if any, should be placed on donations to groups campaigning in referendums?
No limit at all, £7,500, £20,000, £50,000, £100,000, £500,000, Don't know

As Graph 8 shows, attitudes amongst the public towards legal limits on donations to referendum campaigns are very similar to responses to the question of party donations. Indeed, only 23% (1,615) of the respondents in the weighted survey provided a different answer to the questions pertaining to caps on party donations and referendum donations.

Marginally more survey participants responded ‘don’t know’ to this question, and 89% of those who responded ‘don’t know’ to the question on party funding also responded ‘don’t know’ regarding caps on donations to referendum campaigns. 68% of those who responded that there should be no limit at all on party funding donations also said there should be no limit on referendum campaign donations. While few respondents thought that the cap on referendum donations should be higher than the cap on party donations, 404 respondents thought that the cap on referendum campaign donations should be lower than the cap for party donations.

Graph 8: Attitudes towards Legal Limits on Donations to Referendum Campaigns

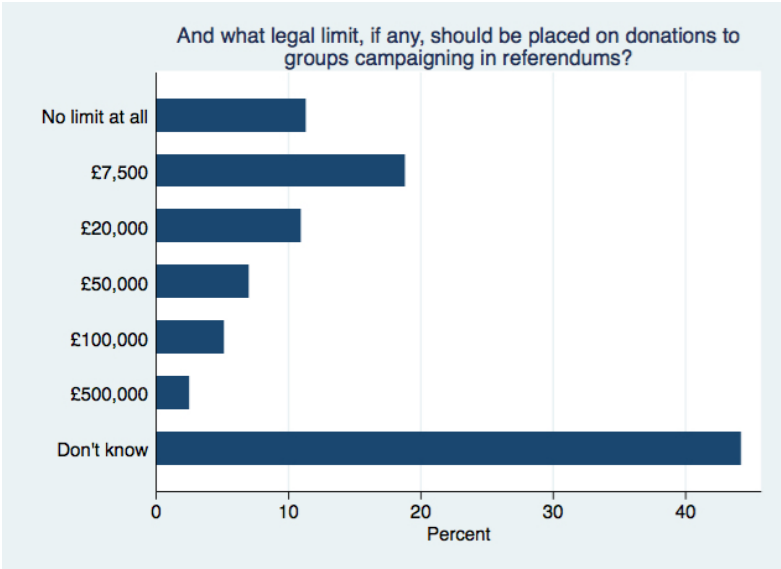


Table 5, perhaps surprisingly, reveals a remarkably small difference between supporters of the remain camp and the leave camp. Again, these results indicate a propensity for the ‘don’t know’ response across both groups, with the £7,500 limit is the second most-preferred option for both groups. Leave supporters are marginally more likely to say that the limit should be £100,000, £500,000 or ‘no limit at all’.

Table 5: Preferred Cap on Donations to Referendum Campaigns by EU Referendum Voting Intention

		And what legal limit, if any, should be placed on donations to groups campaigning in referendums?							
		No limit at all	£7,500	£20,000	£50,000	£100,000	£500,000	Don't know	Total
EU Referendum Vote Intention	Stay/remain in the EU (46.76%)	11.27%	20.82%	12.55%	9.15%	5.63%	2.60%	37.97%	100%
	Leave the EU (44.78%)	13.28%	20.47%	12.62%	6.9%	6.25%	3.07%	37.40%	100%
	I would/will not vote (1.02%)	4.82%	11.39%	6.33%	6.93%	2.27%	1.90%	66.36%	100%
	Don't know (7.44%)	8.55%	20.67%	6.94%	4.33%	2.48%	0.68%	56.35%	100%

The results of this survey indicate that a large group of voters do not know what a suitable donation cap would be for either party funding or referendum campaigns. Supporters for opposition parties who do have a preferred cap are most likely to opt for the lowest option provided (£7,500), but Conservative supporters are most likely to believe that there should be no donation cap. Leave and Remain supporters are surprisingly similar in their attitudes towards imposing a spending cap on donations to referendum campaigns.

Conclusion

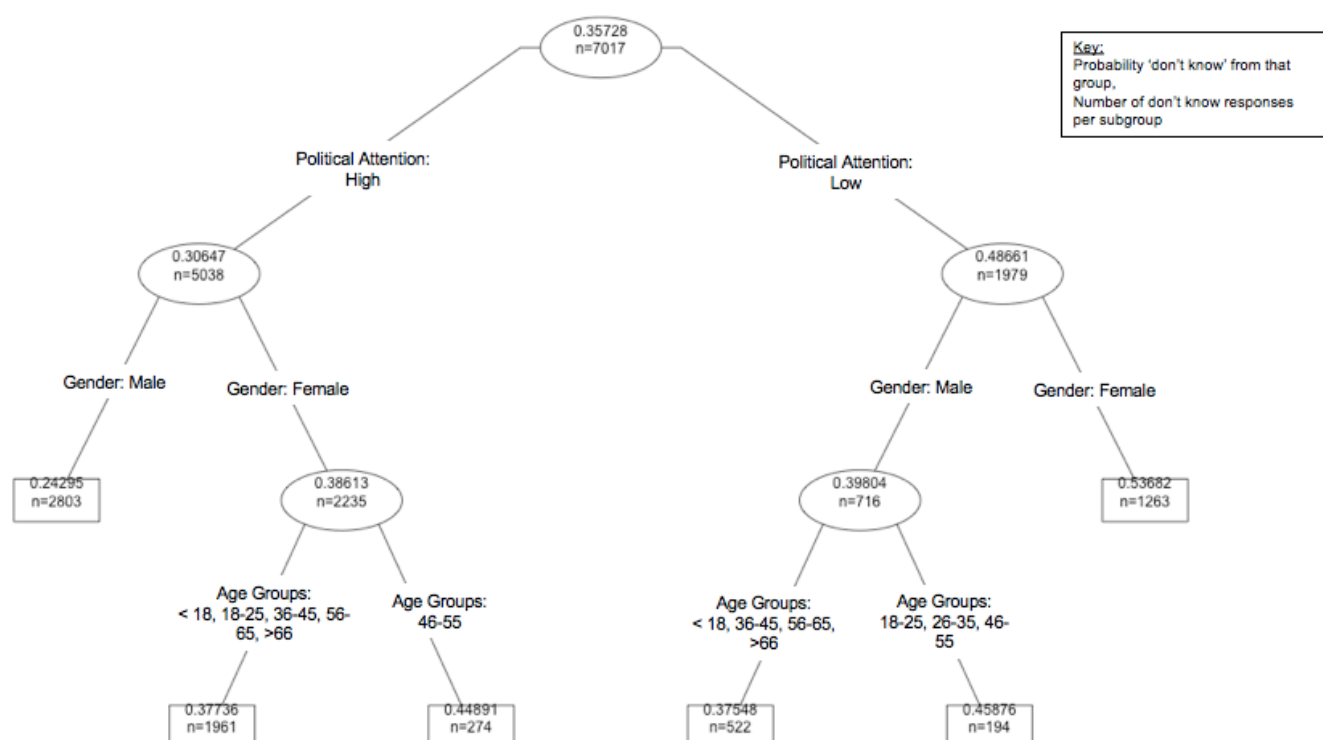
The results of this survey show that the public finds the issue of party funding to be an important one, and the perception of the issue's importance appears to have increased since 2011.

Voters have concerns about funding political parties through large donations; both regarding the motivations of those who make large donations to political parties, and the integrity of the politicians receiving these donations. Furthermore, this scepticism regarding the motivations for giving and receiving donations is consistent with the evidence provided to the Committee five years ago. This suggests that the issue of the public's doubts about the current system of party funding are consistent over time.

However, those surveyed are uncertain about a legislative cap on donations, with 42% of voters unsure about what a suitable cap on donations to political parties would be. While Conservative supporters were most likely to support no limit at all, those who opted for a cap were most likely to select the smallest cap option provided (£7,500).

This survey of public opinion reflects the importance and complexity of the matter of party funding in the Britain. While unsatisfied with the *status quo*, reaching a mutually accepted solution can be a matter of great complexity.

Appendix 1: CART Analysis



Appendix 2: Survey Methodology

Internet surveys have a variety of advantages and disadvantages which must be borne in mind when considering the survey responses.¹³ Internet surveys can help to reduce the social desirability bias which can be present in face-to-face interviews, as respondents may be more inclined to respond frankly to questions asked online. However, there are some issues surrounding the survey sample for online panel surveys, for which respondents agree to be contacted for research. Further, by their very nature online surveys cannot contact respondents who are not internet users, including older or more remote populations. These sampling issues also occur in traditional telephone surveys, and to a lesser extent face-to-face survey methods.

With respect to this analysis, it is important to note that online survey respondents are more likely to be politically active,¹⁴ and some evidence suggests that online survey respondents are likely to give less moderate responses to questions than when asked face-to-face.¹⁵

¹³ Duffy, B., K. Smith, G. Terhanian, and J. Bremer (2005) 'Comparing data from online and face-to-face surveys', International Journal of Market Research 47/6:615-639.

¹⁴ Baker, K., Curtice, J. & Sparrow, N. (2003) *Internet Poll Trial: Research Report*. ICM

¹⁵ Rose, J. and The Research Advisory Board (2011) *Report on Party Funding Research*. Available at: http://webarchive.nationalarchives.gov.uk/20140430123801/http://www.public-standards.gov.uk/wp-content/uploads/2012/11/Jonathan_Rose_Party_Funding_Report_final.pdf