

# Report on Party Funding Research

Prepared for the Committee on Standards in Public Life  
by Jonathan Rose\* and the Research Advisory Board<sup>†</sup>

2011

## 1 Overview of Research

As part of the Committee's research agenda, a quantitative face-to-face survey was conducted by BMRB at the end of December 2010 and beginning January of 2011. This survey aims to approximate a random sample of all adults in the UK, and as such the answers to the survey should give a good approximation of the views of the population of the UK as a whole.

As part of this survey, questions were asked of respondents about their perceptions and evaluations of the donation element of the present party-finance system. The questions focused primarily upon donors who give very large sums, taken to be over £100,000, with less emphasis upon smaller donations. At a similar time (during November 2010), an ostensibly identical, though online, survey was conducted with YouGov. The primary purpose of this YouGov survey was to evaluate the gains and losses of collecting data from a self-selected sample online, a topic on which work is continuing. These surveys were repeated in a slightly altered form with YouGov during July, 2011<sup>1</sup>. This survey provided an opportunity to consider the stability of the responses to the first surveys and to investigate some other substantive issues that had not been investigated previously.

As one of the surveys uses a different method of interviewing (face-to-face, rather than online), the absolute percentages of responses in any category

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<sup>1</sup>Note that for this survey alone, the sample did not include any cases from Northern Ireland. However, as in a roughly representative sample of the UK there are relatively few cases from Northern Ireland (c.60 in a 2000 respondent sample), this should not cause any particular bias.

may differ between the surveys, purely as a result of the data collection method. For example, people who opt-in to do surveys online may be more engaged than the general population. Moreover, by definition they have access to the internet, and thus are likely to be somewhat younger than average, and have somewhat more disposable income than average. The consequences of these effects are not overwhelming, and do not undermine the utility of any of the surveys; however, precise comparisons between the YouGov and BMRB surveys are made somewhat more complicated. Yet, such an effect would not be expected to alter the general pattern of responses seen; if in one survey responses are generally positive about an issue, it would be expected that they would be generally positive in the other survey. Empirically, the general thrust of the differences are that those people who responded to the YouGov online survey were somewhat more negative about issues concerning party financing.

Whilst directly comparing face-to-face and online surveys can be difficult, the November 2010 and July 2011 surveys were both conducted by YouGov, exclusively online. This makes the two surveys much more easily comparable. No substantively important differences can be seen in the average response to the questions asked over time<sup>2</sup>. This suggests that responses to party funding questions are fairly stable, and not subject to large random variations. To streamline this report, the figures reported are drawn from only the December/January (BMRB) survey and the July 2011 (YouGov) survey. Moreover, the emphasis will be placed upon the December/January survey, which is always discussed first. There are several reasons for this. Firstly, as has been mentioned above, all other things being equal, the December/January survey comes closest to approximating a random sample of all people in the UK. This is especially helpful when we want understand how UK citizens feel about party funding on average. Whilst there are not especially large differences in absolute values, the December/January survey is probably a more accurate reflection of the UK population as a whole. The question concerning attitudes to public funding was asked only in the second YouGov survey.

This report provides a summary of the main findings of these surveys, and begins the attempt to understand citizens' perceptions of party financing in light of the responses<sup>3</sup>.

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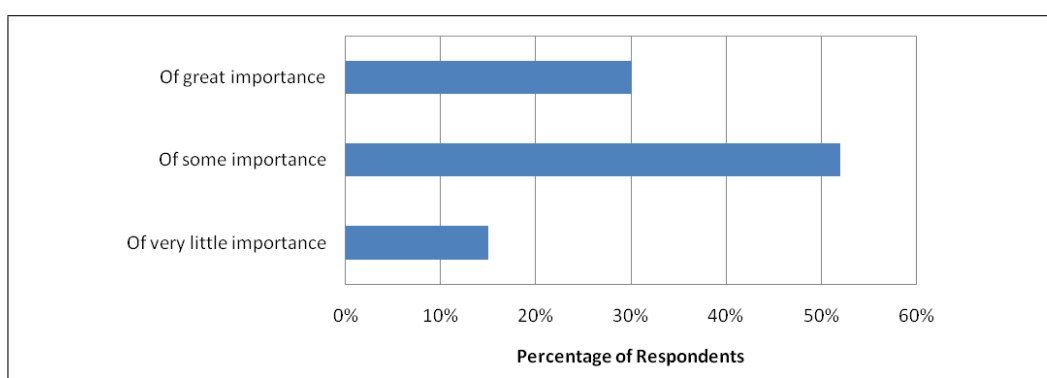
<sup>2</sup>Analysis not shown here.

<sup>3</sup>Note that throughout this report, the base for analyses is the weighted  $n$  from the respective survey.

## 2 Empirical Findings

### 2.1 The Public Importance of Party-Finance

The findings of the December/January survey clearly indicate that respondents consider the issue of party funding to be important. Only 16% of respondents stated that the issue was of very little importance, 52% stated the issue was of some importance, and slightly over 30% of respondents claimed that the issue was of great importance to the country (see Figure 1).

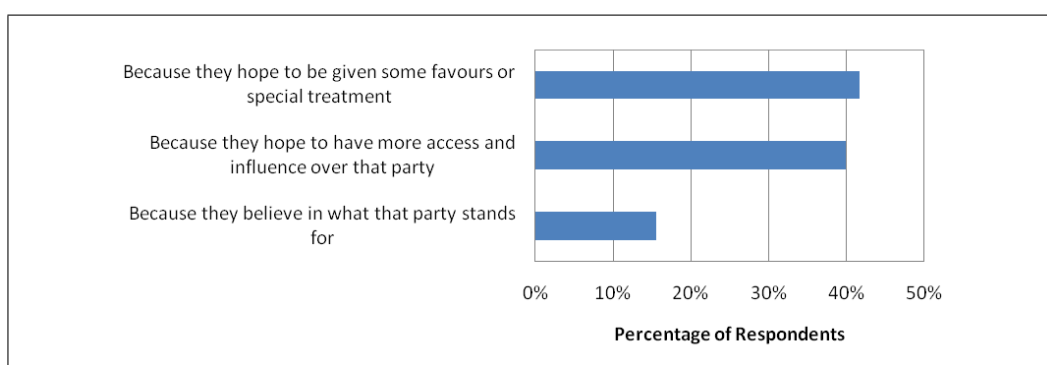


**Figure 1:** Perceived Importance of Party Funding, December/January Survey

In the July 2011 (YouGov) survey, the results did not differ substantially despite the difference in data collection method. Just 21% of respondents considered the issues to be of very little importance, 57% thought that it was an issue of some importance, and 23% considered the issue to be of great importance. Whilst there are some differences between the July and December/January survey, the interpretation is the same: the public consider party financing to be a fairly important issue.

### 2.2 Perceptions of the Motivations of Donors

The public remain highly sceptical of the motivations of those donating to political parties. The vast majority of respondents believe that people make very large donations to political parties (i.e. donations over £100,000) for self-serving reasons. In the December/January survey, as shown in Figure 2, 81% of respondents thought that the most common reasons for very large donations were because of a hope of being given some special favours or special treatment, or because of a hope of having more access and influence. Only 16% of people believed that those giving of large donations did so primarily because they believe in the party and what it stands for.



**Figure 2:** Perceived Most Common Reason for Very Large (over £100,000) Donations to Political Parties, December/January Survey

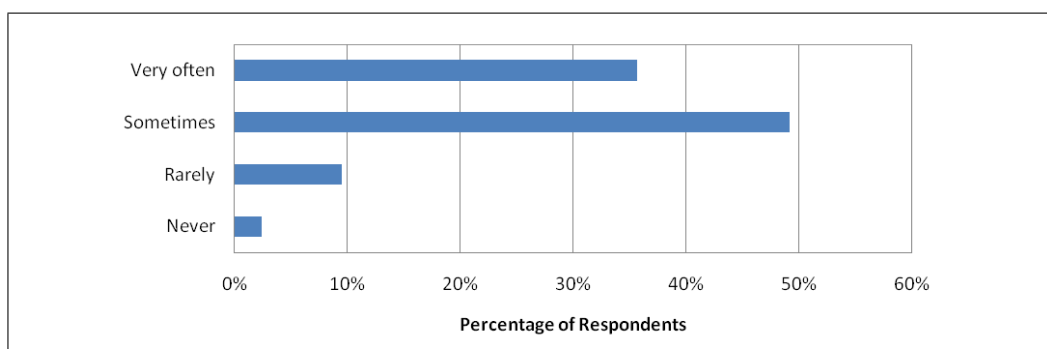
The online surveys tend to have slightly more negative responses than the December/January survey. In accordance with this, 89% of respondents in the July 2011 survey think that the most common reason for people making donations in excess of £100,000 is for self serving reasons (either hoping to be given more access and influence over that party, or to be given some favours or special treatment). Just 11% of respondents considered belief in what the party stands for to be the most common reason to give donations in excess of £100,000. Although absolute percentages change slightly between the two surveys, this does not undermine the conclusion - that the public remains highly sceptical of the motives of donors who make very large donations.

### 2.3 Perceptions of the Responses of Political Parties and Politicians

Public scepticism about the motives of donors is undesirable, yet is less damaging if the public believes that the parties themselves are not influenced by the donations. However, the public remain equally suspicious of the responses of political parties to donors. There exists a wide-spread belief that it is common for special favours to be given to individuals and organisations that make very large donations to political parties. As can be seen in Figure 3, 36% of respondents in the December/January survey thought that this practice occurred 'very often' and 49% thought that it happened 'sometimes'; only 12% thought that the practice was rare or never happened.

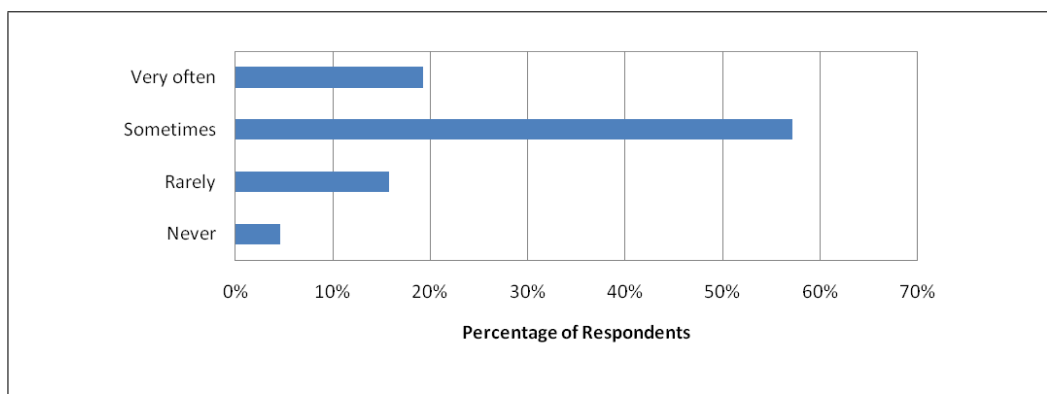
The July 2011 online survey results are again similar but somewhat more negative, 91% of respondents think that politicians 'very often' or 'sometimes' do special favours for those who make very large donations.

There is also a common belief that MPs frequently base their decisions on the wishes of those who give very large donations to their party, rather than



**Figure 3:** Perceptions of how Often Politicians do Special Favours for Donors, December/January Survey

what they actually believe. As Figure 4 shows, in the December/January survey, only 20% of respondents thought that this practice was rare or never occurred; 19% of respondents thought that MPs ‘very often’ based decisions on what donors wished, rather than on their own beliefs. 57% thought that this practice occurred ‘sometimes’.

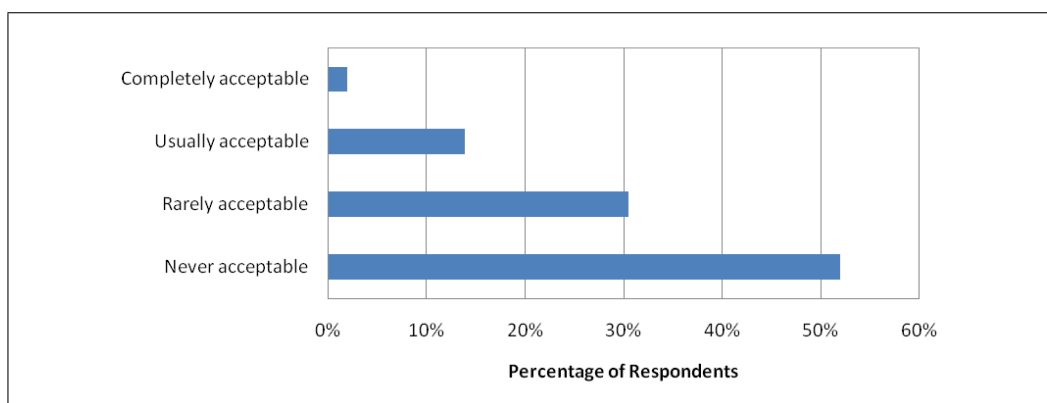


**Figure 4:** Perceptions of how Often Politicians Base their Decisions on the Wishes of Donors, December/January Survey

The July 2011 survey findings were similar - with very high levels of suspicion about politicians basing their decisions on the wishes of donors - although there was a greater emphasis upon the most negative response with 34% of respondents believing that politicians ‘very often’ based their decisions on the wishes of donors; just 15% thought this ‘rarely’ or ‘never’ happened.

These findings are especially troubling when considered in light of other results from the December/January survey. In general, the public were very hostile to politicians placing an emphasis on the concerns of party donors. As can be seen in Figure 5, 52% of respondents considered it ‘never acceptable’

for politicians to do special favours for donors; an additional 30% considered this to be ‘rarely acceptable’. Only 16% of respondents considered this behaviour to be ‘usually’ or ‘completely’ acceptable.



**Figure 5:** Acceptability of Giving Special Favours to Donors, December/January Survey

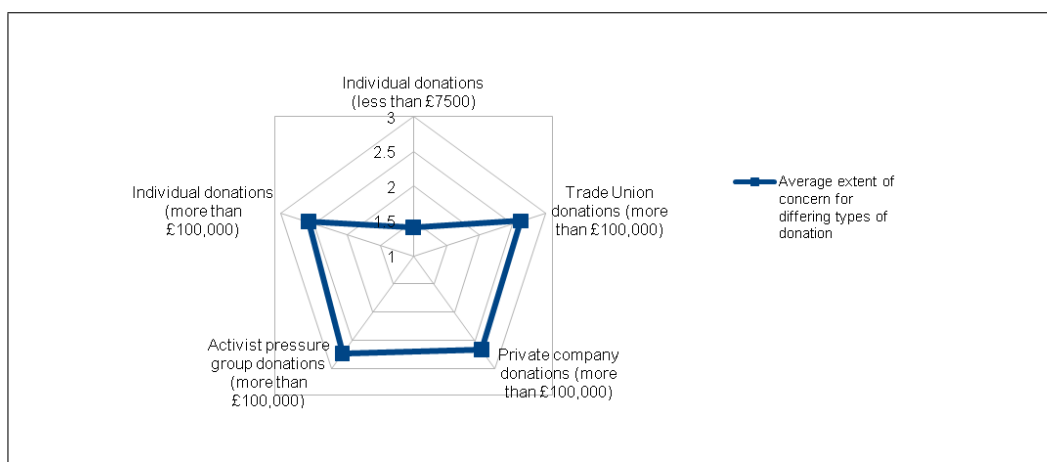
Whilst the July 2011 survey reports attitudes that are noticeably more pessimistic about how often politicians do special favours, there remains essentially no difference in terms of how (un)acceptable they find politicians doing special favours for donors. In both the December/January survey and the July 2011 survey, 52% of respondents considered the practice ‘never acceptable’, and only 16% considered it ‘usually’ or ‘completely’ acceptable.

## 2.4 Concerns about Donations By Donor

Respondents distinguished between the value of donations to a far greater degree than they distinguished between the source of the donation, when expressing the amount of concern which they felt about the donations. Figure 6 shows the varying levels of concern attached to different donations in the December/January survey<sup>4</sup>. The main finding is the low levels of concern expressed about small donations (less than £7500) from individuals. For most people (54%), this type of donation elicited ‘no concern’. This contrasts heavily with all other forms of donation which respondents were questioned about. Importantly, the distinction drawn by respondents here is not about the donors themselves, per se, but more a distinction about the amount

<sup>4</sup>The averages used in this report are interpolated medians. This shows the response from the ‘middle’ respondent, corrected to provide information about the distribution above and below the median value. Thus the median can be ‘pushed’ up or down by the responses from respondents who are not in the exact middle. This provides somewhat more detailed information about the responses in general than would be attained otherwise.

of money given. Large donations (more than £100,000) all drew far more concern; regardless of whether the source was an individual, a trade union, an activist group, or a private company. Moreover, only small variations can be seen between different donors when each is giving more than £100,000. This strongly suggests that, in general, the public are not much more concerned about donation from activists, or trade unions, or private companies than they are from individuals. The main distinction is simply based upon the amount given.



**Figure 6:** Average Level of Concern Expressed about Different Types of Donation. A Score of 1 Represents No Concern, 2 Represents Minor Concerns, and 3 Represents Major Concerns, December/January Survey

The two surveys report exactly the same pattern: relatively small donations (less than £7500) raised few concerns (indeed ‘no concern’ to a majority of respondents (53%)). All other donations raised ‘major concerns’ from the majority of respondents.

## 2.5 Attitudes to State Funding

Respondents are clearly hostile towards very large donations (greater than £100,000) to political parties regardless of the source. Moreover, clear majorities of people think that donors ‘very often’ or ‘sometimes’ base their decisions on the wishes of donors, and a similarly large group think that politicians ‘very often’ or ‘sometimes’ do special favours for donors. Presently, little information is available to suggest how respondents would rather see party funding managed. As a follow up to the findings in the December/January survey, the July 2011 survey asked the following question:

To avoid large donors being able to get favours or influence decisions by Members of Parliament, political parties could be banned from accepting large donations and receive some funding from the state to make sure they could still operate. If state funding replaced donations larger than £10,000, this would amount to a subsidy of approximately 64p a year for every registered voter, which would add up to about £29 million for all parties together. To what extent would you agree or disagree with such funding in principle?

In general, there was a mixed, yet broadly positive, response to this question. More people agreed with the suggestion to replace donations over £10,000 with state funding than disagreed, although there remained sizable numbers of people who were not sure. The breakdown of responses is shown in Table 1. As this question was asked only in the July 2011 survey, the data are from an online survey. Thus, the differences we have noted between the face-to-face and online surveys may also be in effect here. In general, the online surveys produce somewhat more negative responses to private donations, and thus *may* also produce responses that are more favourable to increased state funding (although this suggestion cannot be tested with the available data). However, the relatively small magnitude of increases in negativity from the online survey means that we have insufficient grounds for rejecting the conclusion that more people are in favour of increased state funding than are against it.

Table 1: Reactions to Proposed Increased State Funding of Political Parties, July 2011 Survey

Agreement and Disagreement			
Completely Agree	12.5%	Total Agree	40%
Agree	27.5%		
Neither Agree Nor Disagree	17.2%	Neither Agree Nor Disagree	17.2%
Disagree	14.7%	Total Disagree	29.8%
Completely Disagree	15.1%		
Don't Know	13%	Don't Know	13%