BOOK REVIEW

Friedman, Bobby, *Democracy Ltd. How Money and Donations Corrupted British Politics*, Oneworld Publications, London, 2013; ISBN: 978-1-78074-252-6 (pbk); ISBN: 978-1-78074-253-3 (ebk); £12.99 (pbk) £8.55 (ebk)

Issues relating to money in UK politics frequently attract the attention of the media, with journalists, commentators and leader writers arguing that ‘scandals’ of some form or other indicate that politicians are benefiting financially (and improperly so) from their positions, both individually and collectively (the latter in most cases involving their parties). A sequence of such scandals can lead to a more general condemnation—the entire system is corrupt. And that, of course, makes for a mega-scandal, and arguments for root-and-branch reform.

Friedman is one journalist making such an argument, in what those who have agreed to write ‘puffs’ for his book call a chronicle of ‘a century in which the machinery of democracy has been badly corroded by money’, a ‘must-read for anyone interested in politics and scandal’, and ‘if you want to know why we’re in this mess, read this’.

The book comprises an introduction and 14 chapters, all but one of which chronicles an episode in that century of corrosion. After an illuminating brief exposé of Liberal Democrat fundraising in Hong Kong, it begins with a re-telling of the Lloyd George–Maundy Gregory sale of peerages in the 1920s. It then leaps forwards 60 years to the 1980s, and the issue of large donations to parties, many from overseas sources, and then moves on to the next decade and the ‘cash for questions’ issue that bedevilled John Major. By chapter 4 we have reached New Labour and Lord Levy, and the subsequent nine chapters all deal with events and ‘scandals’ of the last 15 years—Labour’s large donors (the ‘Ecclestone affair’); loopholes in the rules regarding donations; ‘cash for honours’; corporate donors (including the Michael Brown donation to the Liberal Democrats); ‘dodgy donors’ whose identity was hidden by intermediaries; ‘cash for access’; conflicts of interest when parties take money from big donors; trade union money and influence in the Labour Party; and the potential conflicts of interest that MPs face when accepting money for their constituency operations and campaigns.

These are highly readable—even entertaining—presentations. Apart from the coverage of ‘historical’ events they are based on four main sources: media coverage at the time of the events (including websites), Hansard, books by journalists, and interviews with some of the main participants. There is, however, virtually no reference to any scholarly work on the subject. Of the practising academics for whom party finance is a major concern only one—Keith Ewing—gets even a single mention (and he is wrongly described as a political scientist!); indeed, Friedman dismisses their work as ‘numerous wonkish studies’ (p.184). There is no doubt that his chosen sources—and especially the interviews—illuminate some of the events and issues discussed further than more ‘conventional’ sources.
The entire intention of the book is to focus attention on the issue of money in politics—and especially party funding—by showing that the present situation is, in effect, out of control: it builds to a crescendo of belief that UK democracy is being sold to the highest bidders. There is much to agree with in that argument—as events since the book was written have further exemplified (notably the ‘scandals’ uncovered by the House of Commons Public Accounts Committee under the leadership of the redoubtable Margaret Hodge). But there is a danger of being swept away by hyperbole. Yes, it is reprehensible that 6% of people who gave £50,000 or more to a political party over a six-year period received a peerage: but 94% didn’t! And because most of the ‘evidence’ cited is anecdotal, and based on relatively few cases, there are dangers of unjustifiably traducing all politicians (individually and collectively). The chapter on ‘Local troubles’ provides interesting examples of MPs whose constituency offices and campaigns have been supported by (mainly small) corporate donors speaking on their behalf in parliament (in some cases without declaring their personal interest in the matter), but to conclude that the chapter shows that ‘MPs are regularly [my emphasis] acting in a way that some people might see as contravening the Code of Conduct’ goes well beyond the evidence that Friedman’s (unnamed and unacknowledged) researcher has uncovered.

To a large extent, there is little that is new in the first 13 chapters of Friedman’s book: he has obtained further evidence—some of it not brought into public light before—of problems that were generally appreciated, not least within the ‘Westminster village’. And so much depends not on his entertaining exposés but on the proposals in his final chapter—‘The future’. And this is disappointing. Much of the chapter revisits what we already know—that several attempts to reform party funding have failed because politicians agree they should only be introduced when there is a cross-party consensus, and they cannot find one. Friedman’s own position—not argued in great detail or with any great conviction—parallels that of recent reports: limiting the amounts that parties can spend; limiting the size of donations (and perhaps eliminating corporate donations) and thereby ‘forcing’ parties to seek more, small donations from the general public (as Barack Obama did, but is that a viable exemplar for the average UK politician?); and providing public subsidies (i.e., we all pay through the tax system)—oh yes, and ‘there is plenty of scope for the budget for running Parliament to be cut and the savings reallocated to party funding’. And then public trust in politics and politicians would be rebuilt—just as the Tories thought would be the case if they reduced the number of MPs from 650 to 600!

Politics—and conflictual party politics in particular—needs two operating resources: people and money. The number of people prepared to be engaged in politics—especially the unpaid aspects—has declined significantly in recent years, a trend that is unlikely to be substantially reversed, certainly not permanently. And so parties need more money—and understandably have sought it from large donors. Politicians have struggled to find any replacement for that—in part because each party has particular sources it wishes to preserve, and in part because all believe that the public would not accept large-scale funding from taxation and other revenues. And so all we have had is minor changes, each of which has had loopholes that the politicians themselves find (perhaps ensured were part of the legislation?), and then the merry-go-round starts up again.

Will Friedman’s book stimulate a revolution, a comprehensive restructuring of party funding—so much so, perhaps, that public trust in politics and politicians will be rebuilt? No. In its general arguments little of what it contains is new, and most of those involved
know that already. The detail helps to tell an engaging story, but few who were relatively 
unaware of the issues are going to be convinced by reading it, let alone become part of inten-
sive campaigns for change. It will take more than this to bring about a revolution.

NOTE

1. I should declare an interest: with Charles Pattie I have authored one of those wonkish items—
Money and Electoral Politics: Local Parties and Funding at General Elections (Bristol: Policy Press,
2014).

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