

*Democracy for Sale:
Dark Money and Dirty Politics*

Peter Geoghegan

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Colin Challen

Ever since the birth of 'democracy' it has been for sale. Influence pedlars, bribery, blackmail, fraud, honours touting – these are all as common as the ballot box. A whole library has been written about these less savoury approaches to power; and in the modern era a slew of legislation has been enacted to excise such corrupt behaviour. However these measures – stretching from the Representation of the People Act 1832, through e.g. the Honours (Prevention of Abuses) Act 1925 to the Political Parties, Elections and Referendums (PPER) Act 2000 – have failed to stem the continuing saga of 'dark money'. No law has trumped the native law of democracy, which is that money buys influence. Or at least, that's the belief of those who obey it; and, as this book illustrates, they have good reason to believe it.

Geoghegan, a journalist who works for opendemocracy.com, has produced a useful addition to the literature. His book has a heavy focus on the 2016 Brexit referendum and the subsequent exposure of outfits like Cambridge Analytica, the shady background of leave campaign finances and the huge growth in social media political messaging. Geoghegan doesn't offer any particularly new facts or insights beyond what a reasonably attentive follower of serious news outlets may have garnered but his book does put the jigsaw pieces together very adroitly to reveal the overall picture – and it is no less discouraging for being bang up to date.

Many of us older hands in politics may struggle to keep up to speed with the latest techniques employed to convince people to vote; but many voters are, in my opinion, being persuaded to vote against their own best interests. The use of the internet to penetrate and cater for the psychological and emotional urges of voters takes precedence over the concept that it might be more beneficially used for communicating hard facts and policies. Many hard facts and policies cannot of course be communicated in the confines of a tweet. I confess to not doing social

media, and the more I learn about it the less I like it. Social media engenders short attention spans.

The new age of internet defined politics is leading to new kinds of political organisation more akin to private enterprise. Geoghegan spotlights a visit made by Nigel Farage to Italy to see how the Five Star Movement rose to prominence. Essentially, the Five Star Movement is a privately owned 'astroturf' outfit, built on social media and directed by a handful of individuals. On his return, Farage took that one stage further with his Brexit Party, which has no membership – just powerless supporters, and just one proprietor: Nigel Farage. When he told his European parliamentary candidates to stand down in favour of Tories in the Euro elections of 2019, they had no choice. The short-lived Change UK party was also set up as a private company, with an ex-Labour MP as its director.

Social media is an area known to be notoriously difficult to regulate, even if – a big if – the tech-giants actually wanted to police their platforms. The same opaqueness follows through to the financing. The largely unregulated nature of social media means it doesn't work anything like a local printer producing, say, 50,000 physical leaflets for you when you're standing in an election. Those printed leaflets have a legal obligation to include the name and address of both the printer and the candidate. Additionally, the cost of producing the leaflet is officially invoiced from the printer and, by law, you have to settle it within a specified time limit; you then declare it as part of your expenses on which you have a spending limit that is, again, legally specified. The income from an internet/social media based campaign can not easily obey the transparency rules of the PPER Act: who knows where all those little online donations are coming from? The UK (permissible) or abroad (generally impermissible)?

The Electoral Commission, like so many of our modern-day regulators, is underfunded and lacks teeth; and the penalties for not obeying the rules are, in any case, mere peanuts when some parties receive donations measured in millions of pounds. Geoghegan charts the activities of the Leave.EU and Brexit Party funder Arron Banks, whose record £8 million donation to Leave.Eu was the subject of an official investigation by the National Crime Agency (NCA). In spite of the fact that the NCA investigation cleared Banks of any wrongdoing - 'The NCA has found no evidence that any criminal offences have been committed

under PPERA or company law'¹ – he continues to attract much opprobrium and intense scrutiny from those who wish the UK to remain a part of the EU. Another controversial item of campaign funding during the EU referendum campaign was the £425,000 donation to the leave campaign which passed through the hands of the Democratic Unionist Party. This originated from the 'Constitutional Research Council' (CRC), which appeared to exist without a constitution and only one named individual in charge: a failed Tory candidate based in Scotland. The CRC were actually fined £6,000² (which is less than 1.5% of the original sum) for not properly declaring this donation.

The occasional scandal, such as the exposure of Cambridge Analytica, will not stymie the culture of secrecy which envelops political campaigning. Geoghegan quotes transparency campaigner Gavin Sheridan:

'The issue isn't what did Cambridge Analytica do and did it work. It isn't even what did Russia do and did it work. It's the entire ecosystem within which these campaigns take place. Facebook ads, social media memes, bots and all the other tactics create a worldview in which it becomes increasingly difficult for voters to know what is believable and what isn't. And politicians don't want to seriously ask what's going on, because they don't think it's in their interests to know – *or worse, they want to use those techniques themselves.*' (p. 218 emphasis added)

There is, in other words, an arms race, and that's what our political ecosystem dictates. In the memorable instruction from *Hill Street Blues*, 'let's do it to them before they do it to us.' This has always been the self-enforced rule, although sometimes the parties will use legislation to try to get one over on the other side. When the PPER Act was made law, Labour strategists thought it likely to do more harm to the Tories than Labour. This could be seen as retaliation for the Tories' legislation which forced trade unions to ballot their members on political funding, which had the obvious intent of damaging Labour. Loopholes are always quickly

¹ 'Public statement on NCA investigation into suspected EU referendum offences', 24 September 2019 <<https://tinyurl.com/y6atlthw>> or <<https://nationalcrimeagency.gov.uk/news/public-statement-on-nca-investigation-into-suspected-eu-referendum-offences>>.

² 'CRC Brexit donation to DUP not reported to watchdog' <<https://www.bbc.com/news/uk-northern-ireland-46607265>>

found to get round the rules: e.g. in Labour's case, taking loans instead of donations. This eventually caused considerable embarrassment and was part of the reason behind the departure of party general secretary Peter Watt, who argued, in a self-exculpatory memoir, that he was being used as a fall guy by Gordon Brown.³ The giving of peerages and other honours to party donors continues without interruption. Only one prosecution has ever taken place under the Honours (Prevention of Abuses) Act 1925, and that was in the 1930s case of the honours tout Maundy Gregory, for whose detriment it could be argued the act was written. Who, without a loud guffaw, would assert that no honours had been 'sold' in the last 80-odd years?

The trouble is, a mirage of transparency obscures our political ecosystem, and whilst few people actually believe that the system is 'clean' it is extraordinarily difficult to prove that it is criminal.

Tackling the problem seems almost as impossible as asking a fish to swim out of the sea, for the people who could solve it are the very people who benefit from it. No victorious party is going to prioritise reform unless they can see a partisan advantage in it. Tightening up the rules on donations, massively increasing fines (or imposing prison sentences), clamping down on social media abuse – there is much talk but little action. As I write, no better illustration of this can be seen than the submission by the Conservative Party to the Committee on Standards in Public Life's review of electoral arrangements.⁴ Reports of this submission suggest a weakening rather than a strengthening of oversight. 'A Conservative spokesman said that if the [Electoral] commission were abolished, its functions should be transferred to other bodies, such as the police and Companies House.'⁵ Were this to pass, there would be no single body charged with monitoring, still less policing British 'democracy.' It is interesting that the Conservatives should suggest that Companies House could have a bigger role, as Geoghegan's book makes plain how the Tories have benefitted from the largesse of *unincorporated* associations over which Companies House has no jurisdiction. And the police are notoriously shy of investigating political issues, riddled as they

³ Peter Watt with Isabel Oakeshott, *Inside Out: my story of betrayal and cowardice at the heart of New Labour*, (London: Biteback, 2010)

⁴ <<https://tinyurl.com/y3nblbxb>> or <<https://www.gov.uk/government/news/committee-on-standards-in-public-life-announces-review-of-electoral-regulation>>

⁵ 'Changes to election watchdog "harmful" says Labour,' *Guardian*, 1 September 2020

are with partisan interests. After the Metropolitan Police got nowhere with their 2007 inquiries into the Tony Blair/Lord Levy affair – following up accusations of honours being sold for party funding – there is no appetite for devoting time to extremely opaque matters. Money may change hands for honours, but there'll never be a paper trail. A gentleman's word and all that.

Thankfully, Geoghegan's book is not one of those which is subtitled 'and how to fix it.' I can honestly say that our mutant democracy is beyond fixing, if by fixing one means repairing.

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