PARTIES FOR THE PUBLIC GOOD

RESPECT

Green Party
Real Progress

LIBERAL
DEMOCRATS

Labour

Conservatives

Plaid
Ymlaen
Forward

SNP

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THE YOUNG FOUNDATION

Parties for the Public Good

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Introduction

Political parties still have a monopoly of government power. But by almost every other measure they look like institutions in decline. A generation ago 3.5 million Britons were members of a political party. Today the figure is nearer 500,000. A generation ago nearly half of all electors identified "very strongly" with a political party; today the figure is less than one in six.

It's not hard to find young people who are baffled by why anyone would want to join a political party. According to our new poll a quarter of the British public think we would be better off with no parties at all.

Perhaps it's not surprising that many of the thinkers in and around British politics argue that democracy can only be strengthened by bypassing these lumbering old machines.

We disagree. We argue that political parties play a vital role in advancing citizens' interests. The parties have made serious mistakes in recent years, and many have found it hard to keep up with the pace of social change. But no-one has found a good way to organise democracy without parties. No-one has found credible alternative institutions that can synthesise coherent alternatives for our society, aggregate millions of opinions – and then be held to account for what they deliver.

Our problems today are more the consequences of past mistakes than of inherent failings in political parties. In the late 1970s the Conservative Party adopted a new model through its relationship with Saatchi and Saatchi that was then copied by the Labour Party a decade later. That model combined tight centralisation in the hands of the leadership, with a focus on mass marketing and advertising which increasingly took the lion's share of party resources. To fund the resulting arms race in advertising and spending, the model brought with it ever greater dependence on a small number of wealthy individuals.

This model helped the Tories, and then Labour, win elections and continues to work for some parties around the world. In the UK it also coincided with some genuine moves to empower party members – like direct involvement in electing the party leader. But even these moves towards openness were overshadowed by a much stronger tendency to control, manage and nationalise. This shift in direction ended up leaving first the Conservatives, and then Labour, hollowed out as parties – less able to recruit new members or to renew themselves internally. It also left them dessicated as organisations.

In the decades after 1945 both Labour and the Conservatives had serious research departments run by figures of the calibre of Michael Young and Chris Patten. Today all of that has been squeezed in favour of spending on mass advertising around elections. They used to be rather good at developing the skills of their councillors and candidates. Now training focuses largely on how to win elections. And they used to be dynamic parts not just of civic life, but also of social life - the Young Conservatives, for example, were middle England's most successful dating agency.

Now all of that has gone. Yet as our new Ipsos MORI poll shows the public still sees parties as vital to their lives and vital to democracy. They believe that parties rank above any other set of civic organisations – voluntary organisations, campaign groups, trade

unions – as a way of meeting their long term needs. 49% believe that political parties enable people to have a voice and 45% feel political parties are good for the democratic system.

Yet they are not satisfied with parties as they are. They see them as secretive, closed and no better than single-issue groups as a means of achieving change. 62% see political parties in Britain as not open or transparent and only one in ten could even contemplate joining a party.

Fortunately, however, the public have a very clear prescription for how to improve parties. Of those surveyed, 54% wanted to see more involvement of people in local decision-making. They want parties to listen to the public and to put more effort into explaining their values. In short, the public message is clear: the long trend towards centralisation and top-down control now needs to be reversed.

We believe that the current review of party funding provides an unmatched opportunity to rethink what parties are for, and direct them towards long overdue reforms. We argue that this moment has to be used for a new deal that pushes parties to reinforce those roles that serve the public interest. These include their roles in shaping new policies, developing future local and national leaders and organising consultations and deliberations. These are parties' roles as civic organisations, embedded within society rather than cut off from it.

Specifically, we argue for legal changes that would separate parties' roles as civic organisations from their roles as permanent election campaigns. The first set of roles would be covered by a new public benefit status that would provide tax relief for public donations and a modest subsidy that would reflect levels of membership. We also propose new limits on donations and spending. These measures would incentivise parties to reach outwards to the public and they would help to rebuild their research departments, their roles in training leaders and their local engagement.

However, like the public, we are against any taxpayers' money going to pay for billboard advertisements and unsolicited mailings. Plastering every high street with trite slogans does nothing for democracy – or the public good. For these activities, parties should still be able to raise money but with no incentives or subsidies and with tight caps both on donations and on spending, underpinned by full transparency.

We also argue that political parties themselves need to rebuild their local roots. Parties need to act as collections of able and energetic people who can be mobilised as civic entrepreneurs in their communities, rather than just as transmission belts for head office.

It is true that all parties need to be able to impose discipline, and sometimes to challenge their own unrepresentative membership base. But the relationship between the national and the local has to be a two-way street. That is why we also urge the parties to encourage their highfliers to prove themselves in local government and service to the community – rather than heading straight to Westminster.

What has been learned about trust in public bodies should have sent a very strong message to the parties. Over the last few decades people's trust in the institutions they talk to day-to-day and face-to-face – doctors, post offices, police - has remained strong.

Yet public trust in big, distant organisations – big business, big government, big media – has declined. It's hardly surprising, therefore, that as parties have replaced their conversations on the doorstep with megaphone campaigning, and as some figures at the top of the big parties have appeared contemptuous of the footsoldiers who slog away during elections, trust in parties has ebbed.

Parties are not in terminal decline. They remain the critical channel through which people can exercise their voice. But the trends of recent years are damaging and unsustainable. The one virtue of the scandals over 'cash for honours' is that it may have jolted them out of their complacency and made a new deal possible.

Summary of recommendations for legislation:

- A new status for party organisations that act for the public benefit in the areas of education, leadership development, membership development and involvement, policy and research: these should be eligible for tax incentives for giving analogous to those for charities, and there should be some additional state funding to encourage parties to involve supporters in building their roles as civic organisations. This would match small donations pound for pound and would provide a modest subsidy related to party membership levels. As a safeguard, party organisations wishing to benefit would also need, like charities, to demonstrate that they do not actively oppose other charitable purposes such as the promotion of religious or racial harmony, or equality, and that they meet standards set by the Electoral Commission.
- Election campaigns would be run by subsidiaries which would not have to meet the public benefit test. These would be subject to tight controls, including caps on national and local spending and caps on donations. These would help to reduce the influence of wealthy donors and to prevent mass advertising from dominating parties' activities.
- A shift in the electoral system from the current first-past-the-post majoritarian system, which discourages the formation of new parties and puts a premium on contesting for the attention of a narrow group of swing voters, to one where the outcome more fairly reflects the desires of voters. Electoral reform is not a panacea. But countries with more proportional systems do generally achieve turnouts 3-4% higher than those with first-past-the-post systems.
- Opportunities for citizens to use their democratic power more effectively between elections, with a new role for parliament in enabling citizens to provide support – via online petitions – to MPs to trigger debates and push through private members' bills.

Recommendations for the parties:

- Parties should encourage young and ambitious politicians to prove themselves in local government and community based action first before heading to Westminster.
- Parties should rebuild their role in cultivating the next generation of leaders – as a prelude to reversing the recent trend for local quangos to exclude people who are involved in political activity.

- Constituency offices should be revitalised so they are open, accessible, and welcoming places that offer help and support, and provide a base for more outreach.
- We propose more local and regional conferences; and more use of conferences for testimonies of experience, showcases of successful political innovations and dialogue with the public.
- Parties should introduce new devices to make it easier for members to organise together – whether for discussions or action – building on models like Pledgebank.
- Parties should learn from globally organised campaign groups, with more visible collaboration with sister parties around the world on big global challenges like climate change.
- Parties should define their fundamental values more explicitly so that voters and potential members are presented with clearer choices.

Where did parties come from?

Parties as we know them are a relatively recent 19th century invention. Democracy in ancient Greece operated without them. Our highly organised national parties are really creatures of the late Victorian era, of mass suffrage and the rise of national media. They took shape out of the looser factions of the 18th and early 19th centuries as ways of connecting the aspirations of the millions of people in Britain's cities who were gaining the vote, with state power in Westminster and local councils. Their job was to represent classes and interests as well as values, and they did that through mass membership, common programmes, public meetings and, in time, the creation of strong tribal loyalties.

In Britain this model reached a high point in the 1950s and 1960s, when millions of people joined the big parties and strongly identified with them. In 1960, 9.4% of the electorate were members of a political party.[1]

Elsewhere this model is still spreading. There are now well over 100 democracies – far more than a generation ago – that not only have elections and parliaments but also political parties of varying degrees of solidity. Indeed, strong and stable parties are seen as so vital to democracy elsewhere that bodies like the European Commission and US Foundations provide generous support to build up emerging parties in the new democracies.

Yet the older democracies present a much less healthy picture. According to one overview, the trends in the data 'are quite unequivocal: total party membership, expressed in both absolute numbers and as a percentage of the electorate, is now markedly in decline.'[2] The only exceptions are the relatively young democracies of Greece and Spain, though there is also some evidence of rises in party membership elsewhere, for example in Finland.

What is happening to them?

Parties still dominate our political system. It is impossible to win state power without a party that can secure a majority in parliament or local councils. But existing parties face serious challenges, including:

Growing competition: although the electoral system discriminates against small parties, the last decades have seen a steady growth in independent parties and independent representatives: Respect, the Scottish Socialist Party, the Green Party, UKIP, Veritas, the Senior Citizens Party, the Legalise Cannabis Alliance, the Protest Vote Party, and the Anti-Party, are all signals that people do not feel adequately represented by existing parties.

Declining allegiance: In 1964, 44% of electors identified "very strongly" with a political party; this had dropped to 14% in 2001. Cross national research shows that party identification has dropped across advanced democracies and particularly in Britain.[3] The chance of someone feeling "strongly attached" to a political party has declined even more steeply than their likelihood of voting. Yet research shows that interest in politics has remained constant at around 60% of the population over the last 30 years.[4]

New ways to express values: People are not more apathetic now than they used to be, but they are disillusioned with the formal political apparatus of parties and elections and as such are finding new ways to express and act upon their interests. The reluctance which modern societies feel to share responsibility and defer gratification provides a fruitful context for a new personal action approach to politics. From 'Make Poverty History' to 'We Are What We Do', there are new mechanisms to feed the demand for 'politics-lite'. People can see that personal actions and boycotts have an impact, and feel rewarded and righteous when they take part in them.

Declining membership: In the 1950s, 3.5 million Britons (almost 1 in 10) were members of a political party. Since then Labour's membership has fallen from almost a million to around 200,000. Tory membership has fallen even faster, from 2.5 million to around 250,000 today, while the Liberals have seen membership fall from around 145,000 in the early 1980s to 72,000 in 2005.[5] All of these declines have coincided with a rise in membership of non-political organisations[6] and healthy civic activity. Home Office research in 2005 found that 50% of British adults volunteer either formally or informally[7] - a very different picture from the USA where the decline in political activism has been associated with a decline in all forms of volunteering. Across Europe, the 2003 anti-war marches mobilised significantly higher numbers than parties could claim as members.[8]

Declining turnout: The 2001 UK election produced the lowest turnout since 1918, at 59.4%. In 2005 it had risen slightly to 61.3%, helped by more widespread postal voting. Labour's third election victory in 2005 was secured with the lowest share of the vote ever by a winning party in a modern British election. According to MORI, in 2006 a quarter of the population (27%) did not think "any of the three main parties have anything for them" - considerably higher than the 19% who thought this in 2001.[9]

Weak trust and confidence: In 2000, the British Social Attitudes Survey found only 16% of the electorate trusted the government to put the needs of the nation above the interests of their own political party. This was down from 39% in 1974. Politicians are amongst the least trusted professionals.[10] A Eurobarometer survey in each of the EU countries found that out of a list of 16 different types of institutions and organisations, political parties are the least trusted (16% trust and 76% do not trust political parties). In the UK the figures were even lower, with only 10% indicating they trusted parties and 78% indicating they did not.[11]

Worsening alienation from the political system: According to the 2004 Audit of political engagement, most of those interviewed described politics as something done by other people or as a system with which they were not engaged. A significant minority of the public (22% in 1996 and 17% in 2002) strongly agreed that 'politics and government are so complicated that a person like me cannot really understand'.[12] They found that many, especially the young and those from ethnic minorities, find the political system, particularly Parliament, impenetrable - because of its specialist language and archaic procedures. More people now campaign negatively – encouraging others to vote against particular parties (37% compared with 19% in 1997) than campaign positively (12% compared with 15% in 1997).[13]

The result: hollowing out

Despite strong public support for the basic role of political parties, the main parties have now become narrower and organised almost wholly around elections. Policy formation has gone to the civil service, universities and think tanks. Culture has almost disappeared: those elements of left culture that remain dynamic, organised around music, small-scale publishing or television, thrive through their independence from party political positions, not from any organic link. They are a far cry from the days of the Clarion movement, or when the Royal Arsenal Cooperative Society could sustain 280 drama and music groups, and the London Labour Party had its own choral union, dramatic federation and symphony orchestra. Red Wedge, the last attempt to redefine a modern politicised culture, ended in mutual incomprehension. The Young Conservatives are a very pale shadow of their former self as the primary dating agency for much of the English middle class, and their traditional role as promoters of youthful sociability is hard in a party where the average age is 62. Perhaps these roles have moved out – to MySpace, book clubs and speed dating. What's certain is that politics has lost some of its association with everyday fun.

Explanations?

There are many explanations for these patterns of decline. They can be attributed to grand historical trends or to mistakes made by the parties themselves, or simply to the growing attractiveness of the parties' main competitors.

Academic analyses tend to emphasise the impact of class de-alignment on Britain's class-based parties. By 1999, according to a MORI survey, 65% of the public did not feel they belonged to any one social class and 69% agreed that social class had declined significantly in terms of importance.[14] Yet this better explains the decline of some parties rather than of all of them. Academic work on parties also points to the secular decline in more collective and face-to-face forms of political participation relative to more individualistic and consumerist participation. It also points to declining commitment to voting as a civic duty compared to previous generations. Yet these explanations do not fully explain why mass membership organisations as a whole have continued to grow, or why levels of volunteering in the UK (unlike the USA) are either stable or rising.

A more plausible explanation is the declining differences between the parties. In the 2001 election 43% felt that there was not much difference between the Conservatives and Labour parties, up from 22%.[15] Unsurprisingly, turnout was significantly higher for people

who thought that there was a real difference.[16]   In the 1980s, when Michael Foot and Margaret Thatcher battled it out, elections really did feel like decisive moments. Today, by contrast much of the rhetoric and many policies are interchangeable. New Labour won and retained power in part by occupying ground traditionally associated with the right of politics. The Cameronite Conservatives are now trying equally hard to capture ground on the left.

Another explanation draws on what we know about trust in organisations. Generally, organisations which have proven competent, delivered on their promises and apologised quickly when things go wrong, have retained trust. Those that have been incompetent, and ignored or covered up mistakes have tended to lose trust.   Even more telling for parties is the evidence that those organisations which have maintained a local dimension, with regular dialogue with the public, have generally retained higher levels of trust. Over 70% of people do not trust senior politicians whereas over 80% of people trust doctors, teachers and local police officers.[17]

Those organisations – big government, big parties, big business – which are seen to be distant and to talk through megaphones to a general public have generally lost trust and influence. Many public agencies have learned the lesson and have tried to remake themselves so that they have a more personal relationship with the public: from GPs in health, to personal advisers in welfare or Connexions, or named police officers in neighbourhoods. Some of the more thoughtful politicians have attempted a similar shift, using small-scale local meetings, email and personalised messages to build a stronger and more intimate relationship with the public. Yet overall, parties' relationships with the public remain impersonal and insincere; mass emails purporting to come personally from a party leader exemplify the problem rather than the solution.

Politicians have long been seen as untrustworthy (though interestingly they are still seen as more trustworthy than the tabloid journalists who have often led the attack) but their less ethical actions may be more visible today. Spin doctors have become the most visible employees of parties and are routinely portrayed on television or in print as shameless cynics devoid of values, beliefs or virtues. Two thirds of the British public (64%) believe that it is fair to say that Tony Blair is "all spin, but no substance" according to a MORI poll. Just 28% of the public say that this criticism is unfair.[18]

Another related reason for the decline of parties may be the persistent attack on parties and politicians as inherently suspect, and a worsening perception of their virtues in public culture. Loyal party members are routinely denounced as hacks. Rebels are portrayed as heroes, even on occasions when they have voted against policies set out in their manifesto, the contract through which the voting public can keep politicians to their word. Political systems with strong internal disciplines (such as those provided by whipping for MPs in Britain) allow members of the party to hold each other to account and obtain conformity to policy positions. Systems of this kind are generally more resistant than others to bribery and corruption, and elected members are more likely to be driven by policy than pork barrel politics. But they can appear less responsive to the public. In addition, stage-managed conferences and the use of party members as decorative adornments for leaders' speeches have all made membership look increasingly pointless.

Parties exercising tight control over members are not inherently unpopular. Both the main parties in the 1950s were notorious for their fixes and backroom deals. Europe's

communist parties sustained huge memberships over many decades. But the manoeuvres are more visible now, and in other areas of life the public have come to expect more openness and engagement, thereby putting pressure on political parties to follow suit.

Who Cares?

Some celebrate this decline. Some would argue that political systems can function without political parties, or at least with weak ones. This is a view taken not just in countries like Uganda (where President Museveni, with the active support of western donors, explicitly talked of 'politics without parties') and in Nigeria and Russia (where governments have on several recent occasions invented political parties). The idea that parties are in inevitable decline has almost become a conventional wisdom among some commentators. Parties were, for example, strikingly absent from the recommendations of the Power Inquiry, and generally seen as a problem to be bypassed rather than as vital to a healthy democracy.

Some have argued that it would be healthy for British politics to become more like the USA or Japan, where individuals and factions count for more, and parties are merely loose labels. Yet this comes at a cost. Weaker party structures mean a bigger role for pressure groups and wealthy individuals, and less accountability over time. Others have suggested that NGOs provide a valid alternative to failed parties. The work of Pippa Norris and others shows that levels of civic activism are now higher than in the 1960s and 70s. In the countries Norris surveyed, the percentage of people who had signed a petition had risen from 32% to 60%, those who had attended a demonstration had risen from 7 to 19% and those engaged in consumer boycotts trebled from 5 to 15%.[19] One future sees a continuing growth of these trends towards a politics in which representative democracy is increasingly complemented by initiatives, petitions and referendums.

Some of these trends could provide a healthy reinvigoration of politics. But if they squeeze out traditional politics we risk losing parties' ability to broker deals and to synthesise programmes. Moreover, the newer forms of politics appear to be much more dominated by the relatively educated and wealthy. Paradoxically, a lively civic democracy might also be one which makes large parts of the population feel excluded.

Another possible future lies with the internet and direct democracy. With 61% of households connected to the internet in Britain,[20] the original, classic, direct democracy of Athens is no longer quite so hopelessly utopian as it once seemed. Many have proposed ways to use technology to reengage the public, for example through online fora, referenda and deliberations, and both virtual and face-to-face variants of the jury, in which citizens are chosen by lot to deliberate on behalf of their peers. Those countries that already have elements of direct democracy – notably Switzerland, where the public has the right to veto laws passed in parliament if 50,000 signatures are collected within three months, and California – show how the public could engage much more directly in decision-making. But they also serve as warnings. California in particular has suffered greatly from 'initiative politics', which imposed a clutch of incompatible tasks onto politicians and helped to turn one of the USA's most successful education systems into one of the weakest.

We see strong prospects for some of these methods to become mainstream in politics, and they do have the potential to engage many more people in decision-making. But

more deliberative and open source methods have their own weaknesses and for the foreseeable future are much more likely to complement representative decision-making rather than provide an alternative to it.[21]

What's so special about parties?

The rise of alternatives has helped to focus attention on what it is that parties uniquely provide - on what only they can do. There are two key roles which are unique to political parties:

- Their first is to synthesise coherent strategic alternative directions for the nation, and for cities, towns and counties. More than any other institutions, parties have to take account of the connections between issues and decide on relative priorities. However imperfectly they perform this role, they do at least have unique mechanisms of internal argument and negotiation that have been designed to help frame programmes for government and ensure their implementation.
- Their second unique role is to provide direct accountability to the public for broad strategies as well as detailed actions. It is through parties that politicians are held accountable, and accountability over time provides a constraint on abuses of power. Political systems made up only of individuals and groupings lack this characteristic and end up being less accountable. This is partly because one group of individuals has no need to feel accountable for the actions of their predecessors, partly because loose alliances often cannot deliver and partly because policies are determined through secret deals rather than public argument. The strong ties of party loyalty and discipline enable leaders to deliver the promises they make.

Parties also have at least three other roles, which are not unique but are still vitally important:

- Parties help to identify new needs, ideas and issues and then promote them, and provide a place for debate and deliberation, for the public as well as experts.
- Parties choose and groom leaders, developing representatives and leaders for local councils, parliament and the Cabinet.
- Parties are ways of achieving change – specialists in mobilising opinion and power, and influencing the apparatus of the state. This role is particularly important for progressive parties, which can challenge incumbent power much more effectively than individuals.

In these other roles parties face direct competition. NGOs and campaigns help to identify new issues; the media provide forums for debate; and campaigning organisations offer themselves as alternative channels for achieving change. There are even competitors in preparing people for leadership – including the very many leadership courses now provided by universities, business schools and charities. But parties remain unique in combining these roles into single institutions which remain open to any member of the public to join.

How can parties be remade?

Old parties have repeatedly reinvented themselves. The Labour Party became New Labour and the Conservatives are now rebranding themselves. Across the channel the preparation for a presidential election has seen a surge of new ways to engage the public - like Nicholas Sarkozy's followers giving out branded condoms on beaches. New parties have also emerged and shown new ways of operating. These range from the very top-down consumerism of Berlusconi's Forza Italia (which increased its membership from 140,000 in 1997 to 313,000 in 2000[22]), to the radical egalitarianism of many Green Parties, and, closer to home, the alternatives offered by Respect and the Scottish Socialists, UKIP and the BNP.

Some parties have filled the spaces left by weak states – like Hizbollah in the Lebanon, which provides welfare and services alongside its military and religious activities. In some countries strong NGOs can be regarded as parallel governments and have moved or attempted to move into party politics – like Evo Morales' Movement for Socialism in Bolivia, and, more recently, Grameen in Bangladesh. Even in the UK, where the electoral system so discourages new parties, 61 new parties were registered in 2004 alone. Half of them represented special interest groups or single issues such as the Croydon Pensions Alliance, Hackney Independent, Save Bristol North Baths Party, Scottish Wind Watch, or the Six Towns Independent Group.[23]

Generally new parties are signals of what's wrong with existing ones, and part of the message from these newcomers is very simple: a strong desire for more local variation and for parties that are closer to the people and less closeted off in Westminster and the TV studios. The BNP's recent local election successes only confirms this point. It relies heavily on door-to-door campaigning in areas where it places candidates. Their recent advances are a sharp reminder to the mainstream parties that an old-fashioned, visible presence within the community is crucial to maintaining strong links between party and supporter.

How should the law, finance and regulation be changed?

In retrospect it is now clear that the 1980s wholesale adoption of the top-down centralised model brought with it heavy costs. Some centralisation may have been needed to bring about change in unrepresentative parties that had ceased to bring in new members. But the top-down model is not up to the tasks parties have to perform. It has left parties hollowed out, and has also reinforced other trends towards centralising power.

In what follows we propose a series of recommendations for national policy and a series of recommendations for the parties themselves which together could start to remake parties as great civic institutions, once again firmly rooted in communities and daily life, rather than being appendages to centralised machines run by small cliques.

National Policy

The debate on funding

Fortunately there is now an ideal opportunity to forge a new future for parties. The repeated scandals over party funding from dubious donors have convinced many that some form of state funding is needed. They have led government to initiate a review of party funding, under the direction of Sir Hayden Phillips. So far the debate over party funding has centred on a limited clutch of issues which matter acutely to party headquarters. They include:

- what additional rules of transparency should be brought in around donations from unincorporated associations (in particular to catch loans) on top of those introduced by the Electoral Administration Act 2006;
- what caps there should be on spending on national election campaigns, particularly in the year before a general election (with suggestions around the £10-20m range);
- what caps there should be on private donations (with the Conservatives proposing £50,000);
- the time periods to be covered by any restrictions on spending (with a strong case that the current rules which cover the year before a general election for national spending, and the period between dissolution of parliament and the election in the case of constituencies, are too short);
- how best to design incentives, so that if there is a gap between the money parties have and their maximum spending they can receive some state support to match private giving;
- how to regulate the parties and what this implies for the future of the Electoral Commission.

The principles for reform

This debate is in many ways long overdue and a reaction to the scandals surrounding secrecy and dubious donors. However, there is a great risk that any conclusions will look like a deal carved out between insiders. And there is another risk: that any conclusions will address the issues that have caused concern recently but miss out on the bigger picture. Certainly, the debate so far has missed out on the two key issues we have emphasised:

First, from the public perspective the top priority is not just to regulate parties and constrain the electoral activities, but also to make parties reconnect with local communities and voters, to act much more in the public interest, and turn back the tide of centralisation. Any deal which fails to do this will be illegitimate in the eyes of the electorate. At worst it could further increase public resentment.

Second, any deal needs to recognise that parties combine activities which are clearly of benefit to the democratic process (from research and policy development to public education and local civic action) with activities which are not, including the megaphone politics of election campaigns and the worlds of spin doctors and media manipulation. There is little prospect of public support for any taxpayers' money going to these latter activities.

In 2005 Labour spent £17,939,617 on its campaigns and the Tories £17,852,241. Mass advertising and unsolicited material sent to electors accounts for the great majority of this turnover.[24] It has squeezed out other areas of spending such as candidate and membership development, and research, which used to be much more important aspects of parties' work. Yet this arms race on spending has left the public more alienated and detached.

A new public benefit status for parties' civic activities

We believe that there is a strong intellectual and policy case for greater support for parties' public benefit activities. At present, organisations which can demonstrate public benefit, and which fulfil one of the categories defined in charity law, can benefit from charitable status. This means that the tax paid on any gift to the charity can be reclaimed by that charity. Any political organisation, however, is excluded from charitable status, even though some of the parties' activities are very similar to the activities covered by charitable status - indeed they are often closer to the public's views on charities than many categories of organisation which do currently benefit from charitable status.

The new charity bill lists charitable purposes, and in addition requires that charities show they carry out these purposes in a manner which benefits the public. Purposes include some which clearly encompass activities carried out by political parties such as: "the advancement of education; the advancement of citizenship or community development including the promotion of civic responsibility, volunteering". Charitable status also covers a wide range of other purposes, such as the prevention of poverty, the advancement of human rights and of health. Much of what parties do might aim to achieve these ends, but their purposes are more narrowly confined, and, as we have shown above, not all of their activities are conducted in a manner that would satisfy the test for charities to act "for the public benefit".

So what should be done? We do not recommend allowing parties to gain charitable status – which would risk considerable confusion. However we do favour recognising parties' dual nature, as simultaneously civic organisations for linking the public to power, and on the other hand as organisations campaigning for electoral victory. We therefore propose that for those activities which contribute to the public benefit, parties should be able to establish organisations (Public Benefit Party Organisations) that are placed under a regulatory framework similar to the regulatory and fiscal framework of charities. That would mean:

- Public donations to be eligible for tax relief;
- Clear requirements for accountability on income and spending, similar to the SORP (Statement of Recommended Practise) rules which apply to charities, though with substantially lower thresholds than in the case of charities (for which the threshold for professional audits is being raised from £250,000 to £500,000).
- Clear requirements to demonstrate that their activities are in line with public benefit tests (i.e. education, policy, research, civic action, organising public conversation and deliberation, personnel development etc), with regulation by the Electoral Commission.

There are also important differences between parties and charities which need to be recognised – above all because of parties' role in exercising state power. We favour caps

on donations even in these public benefit activities to address the risk that excessive donations from any one source will distort parties' activities, for example through a single donor having excessive influence over policy formulation. A cap for personal donations of around £50,000 would significantly reduce this risk. Where these donations come from mass membership organisations a separate cap should reflect per capita spending (for example £5 per member per year), so that a false equivalence is not made between donations from large civic organisations (such as the RSPB or Unison, both of which have given very large donations to political parties) and donations from wealthy individuals. The same principles should apply to listed companies, where there is clear evidence that shareholders have been explicitly consulted at sufficiently regular intervals (and where, in principle, any limits should reflect numbers of UK or EU citizens who are shareholders, as opposed to institutional shareholders).

There is much less of a case, however, for spending caps on party activities which can demonstrate public benefit, since greater spending in these areas is generally in the interests of democracy.

These new sources of support would come in addition to the significant amounts of public money which the parties already receive in the form of 'Short Money' for the House of Commons, 'Cranbourne Money' for the House of Lords and Policy Development Grants. These today amount to over £8m – all of which goes to the party leaderships, and none to local parties. In addition there is some £20m worth of freepost and not much less in free airtime.[25]

We are not convinced of the case for significant additional grants by the state. However, since our primary argument is that parties need to be encouraged to widen their engagement with the public, there is a case for reforms which would help to reconnect parties with the public. Various proposals have been made for encouraging individual donations and membership.

We favour two quite simple steps:

To further encourage parties to be outward looking and build up their membership, we propose an additional incentive in the form of public funding that would reflect membership levels. An annual subsidy of £10 per member, for example, would provide an additional source of funding for parties' public benefit activities. This would give the bigger parties around £2m extra per year. There would of course need to be clear guidelines from the Electoral Commission to define what counts as membership (which would normally need to include some payment from members of the public) and reliable ways of auditing numbers.

In addition we propose a commitment for public funding to match all individual donations to the public benefit wings of parties up to £100 per person (with a ceiling on the overall income for any one party that could be received in this way).[26] This would provide a very strong additional incentive for parties to increase their membership, while also providing another lever to rebalance the influence of small donors relative to big ones (some have suggested more complex alternatives: we see considerable advantages in keeping any incentives simple). Ideally, any request for funding would give donors a clear choice as to whether their money went to national or local party organisations. This would further ensure that this was a more legitimate alternative to direct funding from the state.[27]

The cost of these measures would be fairly modest: there are no precise figures for donations under £200. However, if we imagine that one in ten members donated £100, the cost of matched funding would be around £2m for each of the main parties. Of course, the more successful these arrangements are in eliciting donations, the more they will cost, but the sums will remain small relative to existing direct and indirect funding provided for the parties.

These two measures would be greatly preferable to direct funding for national leaderships to spend as they wish. They would much more clearly balance the incentives for party leaders with the interests of the wider public.

While national caps on pre-election spending should be more stringent, we favour more generous local caps, significantly above the current level of £11,000, to encourage a rebalancing between national and local campaigning.

New rules for parties' electoral campaigning activities

What then should be done for parties' other activities? In our view these activities – mass marketing, billboards, newspaper advertising and unsolicited communications to the public – provide less direct public benefit (beyond alerting voters to the fact that an election is taking place and to the parties' headline arguments). For these activities, parties should establish subsidiaries which would benefit neither from tax advantages nor from any state support. Private donations or loans up to a cap would be permitted, though with clear requirements for transparency (probably with a similar cap to the one we have already suggested: £50,000 for individuals and £5 per head for membership organisations). Spending at both national and local levels would be tightly capped; we would advocate a cap of £10m in any one year. Although this would reduce income for the advertising industry our guess is that in private the parties would not be sorry to see an end to the futile arms race of billboard advertising that accompanies every election.

To ensure that the parties do retain an outlet for their opinions we recommend a review of the whole system of Party Political Broadcasts, to ensure that there is adequate space in the run-up to elections for parties to air their views directly to the public (rather than through the lens of newspaper columnists, or through the strange trend in television news which means that the public often learn about parties' election-time announcements through one reporter interviewing another).

An obvious objection to our proposals for a new structure for parties is that it would be impossible to regulate transfers of money between different activities. On the margins regulation might be difficult. But there are now many domains in which regulation of precisely this kind is commonplace: for example between charities and trading subsidiaries, or between charities and Community Interest Companies. We propose that the Electoral Commission regulate the boundaries between the two sets of activities, with regularly updated guidelines. For example, at the moment most party activity on the internet would fall under the public benefit category since it provides information, education and opportunities for dialogue. However future uses of the internet for targeted marketing might be deemed ineligible.

Another possible objection is that tax-payers' money might go to parties which act against the public interest – for example extremist parties, or parties that indirectly support

terrorism. To reduce this risk we propose that the Electoral Commission would establish guidelines defining which kinds of parties would be ineligible for public benefit status. These would include parties which are overtly anti-democratic or which do not comply with anti-discrimination laws. Current charity law already requires that charities do not actively oppose other charitable purposes such as the promotion of religious or racial harmony or equality: a similar approach would make sense for parties. Beyond these legal definitions the public benefit test in the charities bill is largely left to the Charity Commission to operate and they are required to consult the public. The Electoral Commission could operate a parallel system, which would ensure that tax advantages – and taxpayers' money in any form – did not go to parties with views that were clearly repellent to the great majority of the public. A party like the BNP, for example, would be likely to be excluded for this reason.

Finally, as part of this package there would need to be some provision for new parties. All democracies have to strike a balance between making it easy for new parties to form – which makes the system more responsive – and designing hurdles for new entrants – which makes it easier to create governing majorities that can be directly accountable to the public. In the British system the balance is clearly too weighted against new entrants. Any deal on party funding which is simply a carve-up between incumbents will not be legitimate. We propose that any new party which could demonstrate over 5% support in national opinion polls over a 12-month period, and which met the other public benefit tests, would be eligible for public benefit status.

Together these moves would make parties stronger – both existing ones and new ones. They would strongly encourage the parties to revitalise their local civic roles relative to their roles as national campaigners and encourage more dialogue and less didacticism. They would also help parties to rebuild trust, reflecting the evidence cited that organisations which engage in direct dialogue with the public - the retail politics of knocking on doors and constituency surgeries – are more trusted than those which remain remote. We believe that these activities should become more integral to parties, rather than being pushed out to bodies outside the cut and thrust of politics. This is why we are sceptical of proposals for new publicly funded bodies such as a Foundation for Democracy to engage the public in politics.[28]

Our proposals are clearly in line with public opinion, as demonstrated in our opinion poll. The public recognises the crucial role that parties play in our democracy. But they want them once again to be civic organisations, rooted in the daily life of communities. They do not mind some role for advertising and marketing – but they do not want these to be all-consuming and to replace dialogue with monologue. And they want parties to have a broad base of financial support, in place of reliance on a handful of elusive tycoons.

Electoral Reform

These measures would help to strengthen existing parties. But we also believe that old parties would benefit from more intensive competition from newer ones. That is why we favour limited reform of the electoral system to enable new entrants, with a move away from a first-past-the-post majoritarian system, which discourages the formation of new parties and puts a premium on contesting for the attention of a narrow group of swing voters, to one where the outcome more fairly reflects the desires of voters. Electoral reform is not a panacea. But countries with more proportional systems do generally

achieve turnouts 3-4% higher than those with first-past-the-post systems; they enable voters to feel a more direct connection with the exercise of power; and they do encourage parties to define their boundaries more clearly.

A Parliamentary Public Engagement Office

These moves to encourage parties to re-engage with the public need to be matched with new ways for the public to engage in decision-making through the parties. There has been much discussion of the greater use of US style primaries, which have some virtues but risk diminishing the attractiveness of joining a party. More open hustings might also help.

However, we believe that a key reform which would re-engage the public more than these other options would be through party politicians in parliament. Parliament should be the place where the nation's great debates take place. Yet too often in recent years it has appeared simply as the vehicle for delivering the leader's wishes, with the big debates taking place elsewhere, mainly in the media.

We believe that party politicians need to be given a chance to restore their role as the campaigners and brokers of new ideas and arguments. This is why we favour a new role for parliament between elections, providing a means for individual MPs to campaign for, and collect support from, members of the public in the form of petitions to prompt debates on the floor of the house and to support Private Members' Bills (PMBs). Petitioning would be directed through a new office (the Parliamentary Public Engagement Office) attached to the Speakers Office in the House of Commons. Every citizen would be able to back up to two issues each year. Those MPs who gathered sufficient support – (e.g. over half a million petitioners) – would be able to initiate debates on the floor of the house and move up the queue for PMBs.

This role would complement parliament's day-to-day role of legislating and holding government to account. It would particularly help parties to keep focused on the big issues that are on the horizon – just as PMBs already tend to prepare the way for government legislation, rather than compete with it. Our proposal would provide a vital additional role for political leadership alongside the formal leadership of ministerial office. To take just one example, if it had been in place two years ago it would have provided a much more powerful engine for parliamentary expression of support for Jamie Oliver's campaign for school meals than was able to be orchestrated by Mary Creagh's Childrens' Food Bill. Jamie Oliver collected 250,000 signatures for his Downing Street petition, while Mary Creagh collected 140 signatures from organisations and 12,500 from individuals using online petitions.

In a healthy democracy public activism in favour of one position on a particularly emotive subject – such as abortion or capital punishment – would precipitate activism by the other side. With a more open parliament the rise of civic activism that has occurred over the last 30 years would be reconnected with parliamentary democracy, and MPs' roles as representatives would be remade for a modern era, enabling them to represent well beyond the boundaries of their constituency. Yet parliament would still retain its role as a forum for deliberation as well as retaining its primacy within Britain's largely unwritten constitution.

What can the parties do?

These reforms at the national level need to be matched by changes on the part of the parties themselves. Our argument – and the results of our poll – show very clearly that the public want to re-localise politics and parties, and re-establish them as civic organisations.

Decades of government centralisation are one key reason why parties have become so hollowed out. That's why the Young Foundation has elsewhere advocated double devolution, with a substantial transfer of powers both to local government and from local government to the very local level of neighbourhoods. We believe that nothing would do more to reengage people with practical politics and to cultivate a new generation of activists. As Stephen Coleman points out: 'Citizens of democracy…want to see an authentic relationship between speaking and being heard, input and output, touching the lever and seeing the wheel turn.'[29] That is bound to be easiest at the very local level.

For the parties this poses both a threat and an opportunity. The threat is that the newer forms of democracy and engagement will bypass formally elected representatives in the parties. But the opportunity is that parties could help to lead this process of public reengagement. Interestingly, this has been the experience in other parts of the world. For example, the famous participatory budgeting experiments in Brazil were very much tied to the Workers Party. In India, the Communist Party in Kerala introduced more participative planning processes based on ward assemblies, in part to embed its own political base.[30]

For parties to make the most of re-localisation they will need to change much of their style. One of the authors of this report proposed nearly 15 years ago that Labour needed to remake itself as a party of social entrepreneurs, engaged in practical change in local areas, and making the most of the talents of members, rather than simply serving as a transmission mechanism from national headquarters.[31] That means taking members seriously – and not viewing them as an inconvenience. In a professionalized world, a volunteer movement of party member is a precious resource, given their willingness to act as advocates - speaking and listening to local people. Party activists can be, and enjoy being, persuaders. For example, in Slough, Labour Party members "canvass" (not always for elections) all year round, knocking on doors and talking to people about their views and whether they might support the Labour party. These visits are usually welcomed; party members are generally much more welcome than religious advocates because they are there to listen. People like to have an opportunity to air their views about political issues and to describe any problems they and their families face; they particularly like to do this outside the intimidating setting of a public gathering. Where people express a concern, these are acted on, and reported to local public services by the MP, and when residents receive a response from those agencies, they know that a political party is raising the issues which they care about. This high level of voter contact has been translated into relatively high turnouts in local elections where there has been a contest, and means that people expect to see their political representatives and can relate to local activists.

We also suggest a few other simple reforms to revitalise the local dimension of political parties:

Local first, national second: If all highfliers were encouraged – or even required - by their party to prove themselves first in local government or in practical, community-based action on the ground before going to Westminster, our system would benefit in many ways: a deeper understanding of how the country works; greater understanding of frontline public services;and more talent directed to solving problems, rather than often fruitless activity in Westminster. Within the national civil service the last few years have brought a much stronger emphasis on delivery and implementation – it is becoming increasingly hard to get to the top without a spell on the frontline. Similarly, in the French civil service all high fliers spend a time in local governance.

Revitalised constituency offices: Like some of the banks, parties have effectively closed down their local branches and relied on advertising and call centres. But, as has happened with the banks, some of the efficiency gains from such moves have proven illusory. That is why parties need to re-think their local offices, which are one of the 'few pieces of physical and local infrastructure our political system affords to maintaining this connection (between politicians and the citizens they represent)'.[32] In 1997 a survey of the new intake by House Magazine[33] found that 86% ranked 'being a good constituency member' as the most important role of an MP as opposed to the 13% who ranked 'checking the executive' as of prime importance. Yet maximum expenditure on local constituency offices (not including staff) is only £20,440 a year,[34] leaving little scope for MPs to do much more than the bare minimum. Many offices are drab and unwelcoming. Constituency offices should be open, easily accessible places (preferably close to other civic institutions like the town hall and the library) where people could go to find answers or to input opinions. and the best should also be bases for outreach; roving surgeries, meetings and discussion.

Revitalised party conferences: The annual party conferences are the great occasions when political parties put themselves on display. At times in the past they have displayed an ugly face of division, intolerance and discontent. Today they present instead a rather sanitised picture of central control and heavy-handed treatment of dissent. Parties fail to use the strength of their members in debating and formulating policies. Andy McSmith, a political correspondent who has attended many party conferences, bemoans the fact that when hospital cleaners or miners contribute to debates they are more likely to speak about the economy and NHS finance than the things they know about from direct experience. Part of the problem is that the purpose of conferences is less clear than in the past. Are they there to make decisions; for parties to deliberate; or to serve as showcases? A few simple reforms might at least make them more lively and watchable, and signal that the parties' role is not just to fight elections but also to advance their values. Local and regional conferences, being cheaper and easier for members to access, could play a much more visible role in preparing the way for national conferences: gathering testimonies of experiences and live issues; reflecting on successful local innovations; showcasing the most innovative and energetic campaigners, thinkers, doers and political entrepreneurs; and engaging in conversation with the wider society rather than simply putting on a show for it.

Internationalising party politics: Pressing public concerns such as the environment can only be tackled by organisations with international influence. Parties have a lot to learn from globally organised campaign groups such as Greenpeace, or federated international organisations such as Oxfam.[35] The more individual citizens believe that an organisation has the capacity to tackle issues of interest, the more attractive that organisation becomes

as a body worth committing time and effort to. Like-minded political parties could do more to campaign together – both in government and in opposition - on issues like climate change, human rights or humanitarian intervention. Although international bodies already exist – like the Socialist International and the party groupings in the European Parliament – these have never acted visibly to promote issues, and few are even aware of their existence.

Developing leaders: One of the parties' most important roles in the past was to develop successive generations of leaders, providing them with the skills and confidence to campaign and govern. Many people learned more through party activism than they did from formal education, particularly if they left school at 14, 15 or 16. In recent years this role has atrophied, leaving the party leaderships rather less representative, particularly of low-income groups. At the same time many local boards and committees that used to be channels for party politicians have become increasingly apolitical. According to the latest figures, only some 13.3% of local quango appointees declare political affiliations. On the application forms political activity comes just after a criminal record as something you are asked to confess to. Given the shrunken nature of many local parties this is understandable. However, along with the various Nolan rules, it has left most local quangos much more dominated by the professional middle class. Judgement and life experience have been downgraded relative to paper qualifications and professionalism. A much better alternative would be for parties to invest more in developing new leaders from all backgrounds, and then for local bodies to include both independents and party appointees, as an alternative to a wholly non-elected and unaccountable magistocracy that tends to be dominated by the relatively affluent and educated.

Forums for argument: Parties that suppress debate suppress themselves as well. Like nations, they are best understood as continuities of arguments rather than as continuities of positions. So they need to organise that space with care. Labour's Big Conversation was the right general idea, even if the party machine was not so good at the execution. As Tony Blair admitted at the Progress conference on 9 September 2006, it is not enough to create a policy forum with some tame participants: "The lesson of politics is to face outwards." This requires hard work – for example to ensure that policy ideas are scrutinised by the people most likely to be affected. It can also be greatly assisted by the internet, which provides a good vehicle whereby party members can petition online to put issues on their governing committees' agendas, and to form discussion groups or campaigns. The Pledgebank website, for example, provides a tool which could be adapted to make it easier for members to organise themselves: 'I will start a discussion group on improving public health in Middlesborough if 15 other people will as well; I will help to clean up the local waste land next month if 10 others will join me … etc'.

Clearer values: Finally, we think that the parties should try harder to clarify their distinctive values and ideas. This would not only help to engage the public. It might also help the parties themselves. Recent academic work by Rabinowitz and Macdonald challenges the idea that parties do best in the centre, and that people vote for the parties closest to them on the political map. Instead they show that voters have a certain tendency or direction on issues where there are rival alternatives such as the recent fox-hunting bill, the issue of nuclear power or the Iraq war. The successful parties are those that advocate successfully for or against alternatives with varying degrees of intensity, or emphasise the importance of new alternatives and agendas.[36] Blandly indistinguishable parties are bound to disappoint. So although British history is ambiguous about the precise virtues of sitting

nearer or further away from the centre, the general point is clear: a political system that does not offer genuine choices is bound to risk failing to engage the public.

These are just a few of the things which could be done by parties themselves. They would be encouraged by changes of national policy that reinforced parties' activities for the public good relative to their roles as mass marketing machines.

Conclusion

In recent years the decline of parties has sometimes seemed inevitable. Yet all institutions can revive themselves. Our argument has emphasised that only the combination of new arrangements at a national level – renewed infrastructures of democracy – combined with new behaviour by the parties at the local level, can turn around that historic decline. And we have highlighted how challenging it would be to sustain a healthy democracy without healthy parties.

The idea that political parties can be for the public good may seem strange in an anti-political era. But a democracy based on robust competition – and occasional cooperation – between political parties remains the best guarantee that we get governments that serve us, rather than the other way around.

Annex: Young Foundation Ipsos MORI Poll

Topline Findings

Ipsos MORI interviewed 973 adults aged 15+ across Great Britain

Interviews were conducted face-to-face between 31 August and 7 September 2006.

Data are weighted to match the profile of the population.

The base for all questions is 973 British adults

Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of "don't know" categories, or multiple answers

Throughout the volume, an asterisk (*) denotes any value of less than half a per cent.

Q1   Which two or three of the following organisations or groups do you think have the most impact on meeting the long-term needs of people in this country? You may choose responses other than those on the list.

	%
Government	50
Public services (e.g. NHS)	30
Political Parties	26
Trade Unions	21
Local Councils	19
The media / newspapers	15
Charity organisations	13
Businesses and multi-national corporations	10
Religious institutions	8
Campaign Groups (e.g. Greenpeace, Amnesty)	8
Sporting organisations	3
Other	0
Don't know	8
None of these	5

Q2   Which, if any, of the following do you think are the most effective ways for people to have an impact on decisions about how the country is run? Please choose up to three responses.

	%
Vote at an election	59
Contacting ministers and MPs to present your views	24
Sign a petition	18
Take part in party meetings/conferences	15
Join a political party	13
Join an organisation with a social or political agenda, such as Amnesty, Countryside Alliance, or PETA	13
Participate in public events/protest marches e.g. Anti-war marches etc	13
Write letters to newspapers	11
Donate money to a charity or campaigning group	8
Direct Action (e.g. boycotts and violent protest)	7
Donate money to a political party	6
Other	2
None of these	5
Don't know	8

Q3   Do you believe that political parties are good for a democratic system, bad for a democratic system or make no difference?

	%
Good for a democratic system	45
Make no difference	36
Bad for a democratic system	6
Don't know	12

Q4 Please state whether you agree or disagree with each of the following statements:
a-d

		Strongly agree %	Tend to agree %	Neither/ nor %	Tend to disagree %	Strongly disagree %	Don't know %
4a	Political parties in Britain are open and transparent	6	16	18	25	37	8
4b	Political parties in Britain enable the people to have a voice	15	34	17	18	11	5
4c	Political parties in Britain are a hindrance to democracy	7	17	26	24	17	10
4d	Britain would be better off if political parties did not exist, and all politicians were independent	8	17	20	24	24	8

Q5 Which two or three of the following changes to political parties would help to make political parties more appealing to you?

	%
Involving people more in local decision-making	54
Parties would listen more to the public	48
Taking the time to talk to people about their organisation and explaining their values	26
Drawing party candidates from a wider cross-section of society	22
Leading more campaigns around local issues	20
Allowing interested people to influence policy more	16
Acting more as social organisations	9
Working more with single-issue organisations	5
Making constituency offices more inviting and interesting places to visit	4
Making better use of the internet and information technology	4
Other	*
None of these	4
Don't know	7

About the Young Foundation

The Young Foundation is a centre for social innovation based in London – combining practical projects, the creation of new enterprises, research and publishing. The Foundation was launched in 2005, but builds on a long history. Our predecessor organisations under Michael Young were responsible for far-reaching innovations ranging from the creation of the Open University and Which? to the School for Social Entrepreneurs, as well as pioneering research on changing patterns of community and family life. Since 2005 a new team has been brought together from NGOs, government, business and academia. Our main goal is to speed up society's ability to respond to changing needs through innovating and replicating new methods and models. Our work programme has three main strands: Launchpad, action research and research.

For more information visit **youngfoundation.org**

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Fiona Mactaggart has been Labour MP for Slough since May 1997. She is currently a member of the Education and Skills Select Committee. Between 2003 and May 2006, she was a Home Office Minister. From 2003-5, her responsibilities included race equality, community policy and civil renewal.From 2005-6, her responsibilities included the criminal justice system including race, victims and witnesses, inspection and IT, criminal law, National Offender Management Service casework and restorative justice, criminal injuries compensation, Criminal Cases Review Commission and prostitution. From December 1997 to April 2001, she was Parliamentary Private Secretary to Chris Smith, Secretary of State for Culture, Media and Sport. Before entering Parliament, she held various positions including director of the Joint Council for the Welfare of Immigrants and press officer for the National Council for Voluntary Organisations. She has also worked as an inner London primary school teacher and university lecturer as well as for a private company. She has held various elected offices in the NUS and on Wandsworth Council (where she was leader of the Labour Group between 1988 and 1990). She has also been a Chair of Liberty.

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26 Various approaches for matched funding of small donations have been suggested by New Local Government Network and the Institute for Policy Research. We have ended up favouring the simplest possible approach.

27 Matched funding would substitute for tax relief on donations up to £100.

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30 Hilder, P (2005) Open Parties? A map of 21st century democracy http://www.opendemocracy.net/democracy-open_politics/article_2312.jsp

31 Geoff Mulgan 'Creating an enabling party', Renewal 1992. The piece argued for Labour to respond to decline by reviving its local activism: 'This might mean something very simple - like organising a Sunday afternoon when a piece of waste ground or an old railway track is cleared. But it could also mean going much further - providing a network of advice and support for people in the local community wanting to achieve change; to set up a community centre; a housing estate wanting to become a coop; a campaign for child care facilities; a community crime prevention scheme; a new idea for health awareness; the takeover of a local firm or factory threatened with closure. It could mean organising local schools to do an audit of the social needs and unused resources of the area. In an era of high unemployment it could mean acting as an agency to develop ideas for useful work. What is it after all that the party has in abundance? It is not money or resources but rather 200,000 motivated people including tens of thousands with specialised skills and spare time. The party's current problem is that it cannot direct their time and energy to useful ends, only to time-consuming meetings. But if instead of spending time discussing decisions that will be taken by others, time was instead invested in decisions which could have a practical effect the whole culture of the party would change. It would become activist in the best meaning of the word; it would become oriented to solutions rather than problems; and it would begin that long process of intellectual rejuvenation which it so desperately needs. Within a few years the aim should be that when someone in the local community has a problem they can ring the local constituency chair and expect real help and not just a resolution being passed telling someone else to solve the problem. Carried through, the effect would be electric.'

32 MacLeod, P (2005) 'The Low Road To Democratic Reform: Constituency Offices, Public Service Provision and Citizen Engagement', A report to the Democratic Reform Secretariat of the Privy Council Office of Canada, The Planning Desk www.theplanningdesk.com

33 13th November 1997

34 http://www.parliament.uk/about_commons/hocallowances/hocallowances05.cfm

35 For example the Service Employees International Union is taking action against Group 4 Securicor

36 Rabinowitz G; Macdonald S (1989) 'A Directional Theory of Issue Voting' in The American Political Science Review Vol.83, No.1, American Political Science Association pp. 93-121

 (1991) 'Issue and Party Support in Multiparty Systems' in The American Political Science Review Vol.85, No.4, American Political Science Association pp.1107-1131

Parties for the Public Good

Over the last 20-30 years political parties have lost members, voters and trust. Some celebrate parties' decline. This report argues that parties continue to have a vital role to play in making democracy work – and that neither voluntary organisations nor the media can adequately fulfil these roles. It shows that the big parties took a wrong turn in the 1980s and 1990s by adopting a model that is more centralised, more centred on marketing and advertising, and more dependent on a small number of very wealthy donors. And it unveils a major new survey of public opinion which shows that the public continue to see parties as vital channels for shaping the future.

To reconnect parties and the public the report sets out a new deal that could help the parties grow once again – including changes to their legal status and their funding, as well as recommendations on how the parties could rebuild themselves as strong civic institutions, rooted in local communities.

The idea that political parties can be for the public good may seem strange in an anti-political era. But a democracy based on robust competition – and occasional cooperation – between strong political parties remains the best guarantee that we get governments that serve us, rather than the other way around.

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