If Money Talks, What Does it Say?

Corruption and Business Financing of Political Parties

IAIN MCMENAMIN

OXFORD UNIVERSITY PRESS
# Contents

*Acknowledgments* viii  
*List of Tables* ix  
*List of Figures* x  

1. Introduction 1  
2. Theory and Research Design 6  
3. Canada: Pragmatism and Centrism 32  
4. Australia: Pragmatism and Ideological Bias 67  
5. Germany: Symbolic Expenditure 101  
6. Widening the Argument 120  
7. Conclusion: Money is Multi-lingual 135

*Appendices* 141  
*References* 146  
*Index* 171
List of Tables

2.1 Classification of turnover strategies 9
2.2 Fundraising events and access 14
2.3 Influences on quality of access 15
2.4 Political criteria applied to transparent and permissive regimes 25
2.5 Characteristics of the samples 28
3.1 Multinomial logit estimates of firm strategy in Canada 46
3.2 Predicted turnover strategies: Canada 47
3.3 Turnover strategies: Canada, 1993 54
4.1 Multinomial logit estimates of firm strategy in Australia 78
4.2 Predicted turnover strategies: Australia 81
4.3 Turnover strategies in South Australia, 2002 87
5.1 Value of payments to firms and parties 113
5.2 Multinomial logit estimates of firm strategy in Germany 114
5.3 Predicted turnover strategies: Germany 115
6.1 Business financing of parties in eight countries 122
6.2 Public and business funding of parties in Australian states 129
A1 Legal transparency and permissiveness of political finance regimes 141
A2–A7 Descriptive statistics 144
List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Surplus of Canadian parties, 1984–2000</td>
<td>41</td>
</tr>
<tr>
<td>3.2</td>
<td>Corporate contributions to Canadian parties, 1984–2000</td>
<td>42</td>
</tr>
<tr>
<td>3.3</td>
<td>Sample firm contributions to Canadian parties, 1984–2000</td>
<td>43</td>
</tr>
<tr>
<td>3.4</td>
<td>Distribution of bias in Canada</td>
<td>44</td>
</tr>
<tr>
<td>3.5</td>
<td>Popularity of the parties in Gallup polls</td>
<td>46</td>
</tr>
<tr>
<td>4.1</td>
<td>Finances of the Australian parties by jurisdiction</td>
<td>74</td>
</tr>
<tr>
<td>4.2</td>
<td>Distribution of bias in Australia</td>
<td>75</td>
</tr>
<tr>
<td>4.3</td>
<td>Popularity of the parties</td>
<td>77</td>
</tr>
<tr>
<td>4.4</td>
<td>Comparison of the size of Canadian and Australian firms’ payments</td>
<td>95</td>
</tr>
<tr>
<td>4.5</td>
<td>Business contributions and party income in Canada and Australia (total payments)</td>
<td>95</td>
</tr>
<tr>
<td>5.1</td>
<td>Annual surplus of German parties, 1992–2005</td>
<td>111</td>
</tr>
<tr>
<td>5.2</td>
<td>German parties’ income from legal persons</td>
<td>112</td>
</tr>
<tr>
<td>5.3</td>
<td>Distribution of bias in Germany</td>
<td>114</td>
</tr>
<tr>
<td>6.1</td>
<td>Bias by Australian jurisdiction</td>
<td>131</td>
</tr>
</tbody>
</table>