

Hans Herbert von Amin and Martin Schurig, *The European Party Financing Regulation* (Münster: LIT Verlag, 2004) 132 pp., ISBN 3 8258 8097 4, pbk € 9.90.

This short work examines the impact of a particular piece of EU legislation, the European Party Financing Regulation (No. 2004/2003, OJ L 297/1), upon the current constitutional developments of the EU and the influence of democracy in both principle and practice. The authors contend that even though the Regulation may be viewed as only a marginal sub-topic of the EU constitution it directly impinges upon basic democratic principles that are supposedly underpinning the EU project.

The Regulation deals with the funding of 'political parties at the European level'. However, as the authors explain, since there is yet to develop any true European polity or party consciousness beyond the national level, the Regulation works to undermine democratic principles. The main source of concern is the fact that the Regulation will directly benefit the existing alliances of political parties that have emerged in the European Parliament. These party alliances are based on existing national parties with little room for sub-national political groups or even individuals to participate directly in the political party system at the European level. The authors identify a number of concerns with the Regulation as its impact will influence directly how economic power, through the result of political donations, may be translated into political power.

They feel it is important to establish some distance between political parties and the interests of 'big money', but at the same time, too much public funding can lead to a weakening of the links between a party and its electorate. They also point out that too much public financing of political parties can place an undue burden on taxpayers and create disillusionment with political parties among citizens. The authors emphasise the current lack of connection between political party activity at the European level and the people of Europe. A problem exacerbated by the fact the decisions about party financing at the European level will be taken by the European Parliament.

Aside from the potential abuse resulting from European political parties working for their own self-serving interests, the authors identify a number of further problems with the Regulation. They detail how, prior to the Regulation, the financing of European political parties by the EU faced a good deal of negative scrutiny from the European Court of Justice and the Court of Auditors. They also discuss how the Regulation fails to meet the standards set out by the Council of Europe in Recommendation 1516 (2001) 'Financing of Political Parties'. Implicit in the work is a view that the Regulation works against the democratic principles that supposedly are at the foundation of the EU project.

In the work the authors go through each section of the Regulation and apply intense critical scrutiny. They also assess the impact the Regulation will have with regard to national political party activity, mainly drawing on lessons from Germany.

Their general conclusions are clear – the Regulation fails to promote, and even inhibits, a direct link between political parties and citizens, and also fails to ensure openness and fairness in political competition. With the Regulation coming at the same time as the new EU Constitution these conclusions, while limited to a small, but crucial, aspect of democratic participation, do raise legitimate concerns about the democratic nature of the EU. It appears that the rhetorical statements about the importance of democracy are not leading to practical measures based on the same ideals.

In addition to the commentary the text contains a copy of the Regulation, and a number of annexes that deal with the structure and organisation of the European party alliances, the voting systems of the Member States and financing regulations in the Member States. Even though this work is limited in its focus it does raise serious issues related to the democratic nature of the ongoing constitutional developments of the EU. For this reason it will be of interest to anyone who has concerns about democracy and the EU.

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