In December 2022, President of the European Parliament (EP) Roberta Metsola stated that ‘European democracy is under attack’. She was referring to what has become known colloquially as ‘Qatargate’: a cash-for-influence political scandal involving non-state actors, members of the EP, foreign governments and financial contributions. This event highlighted the prominence of financial donations in the lobbying toolkit, their potential adverse effects on institutional legitimacy and the changing nature of transnational politics. Significantly, it underscored our limited understanding of political financing within international parliamentary institutions (IPIs) such as the EP.

IPIs are parliamentary bodies established within international organizations (IOs). The parliamentarization of IOs and their engagement with non-state actors (NSAs) are considered instrumental in addressing the representative deficits that come with the transfer of policy-making authority to the international level. The IPI–NSA relationship is meant to balance technical efficiency with political legitimacy in global governance. Despite notable research on money in politics, a substantive literature on non-state actors and IOs and growing research on...
IPIs there is little overlap between these fields. This limits our understanding of international affairs for a few reasons.

Scholarship on NSA–IPI engagement highlights information/expertise and influence as the main currencies bartered: political donations are considered to a lesser degree in the literature. Given the rise in events such as the example above, current conceptual models may require an update to bring them closer to the reality on the ground. Assessing the money flowing into IPIs can help bridge that gap. Moreover, financial donations are likened to icebergs with the money trail reflecting wider interactions taking place under the surface. By observing them we can appreciate political trends at the transnational level. Furthermore, donations are a central tool in the lobbying toolkit. By failing to assess their role vis-à-vis IPIs we disregard their significance and potential impact on IOs’ policy-making. This leaves part of the NSA–IPI engagement rather opaque; it also ignores the link between political financing and political corruption within IOs.

This article focuses on the EP as an exploratory case-study of political finance in IPIs. It assesses the financial donations received by political parties recognized by the Authority for European Political Parties and European Political Foundations (henceforth ‘the Authority’). I employ two interlinked questions as a guiding device: 1) who is donating to the EU’s political parties; and 2) which parties receive significant donations, and from whom? To answer these questions the article develops expectations drawing from theories on regional integration, namely: neo-functionalism, liberal intergovernmentalism and postfunctionalism.

Despite key differences in their conceptualization of political interactions, both neo-functional and liberal intergovernmental perspectives provide limited space for transnational political mobilization. In other words, these theoretical approaches see little reason for public support towards transnational political parties. Nevertheless, lobbying in Brussels is complex, competitive and expanding. Simultaneously, EU party agendas are increasingly cohesive and impactful within the EP. This is perhaps nowhere better demonstrated than through political groups’
voting cohesion under roll-call votes. Donations provide a tool to gain access and influence policy-makers.

From this perspective, financial donations to parties in the EP will be made primarily by private organized interests, such as companies. They are more likely to support parties closer to their ideological perspective as a way of influencing policy outcomes. Behaving as rational actors, these private interests will provide donations to the political parties that traditionally hold most seats and the largest share of committee work in the EP.

Conversely, from a postfunctionalist perspective, the rise and persistence of anti-integration grassroots movements across states signifies a new era of transnational mobilization. Donations from individuals and grassroots movements will primarily support contestation parties with nationalist and/or Eurosceptic agendas. In countries where such movements mobilize intensely, financial support towards political parties will be greater.

The article assesses these expectations following the meticulous collection of micro-level donor data through online archival work examining EU-level party budgets. It shows a cleavage between citizens in alliance with Eurosceptic and nationalist parties, and international business donating to pro-integration federalist parties. Significantly, the results demonstrate that parliamentarization of IOs can be a double-edged sword. While meant to increase their political legitimacy through additional representation, IPIs can encourage transnational cleavage formation and support the mobilization of grassroots social movements. However, supporting grassroots organizations can also strengthen movements that oppose the IO. Furthermore, such mobilization can have an asymmetric impact on the institution’s legitimacy.

**IPIs: efficiency, legitimacy, resources**

Globalization has brought about problems related to direct and indirect collective action that are more efficiently addressed through IOs which can manage the necessary transaction costs, discuss and deliberate on agreements, and implement common regulatory standards. On such issues, authority has been transferred

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11 Hooghe and Marks, ‘Grand theories of European integration in the twenty-first century’.

12 The term EU-level party refers to political parties recognized by the Authority. These parties consist of national parties and/or individual members represented in several member states, registered with the Authority. I use the terms NSA and interest group interchangeably.

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from national governments to IOs, which hold the technical authority to discuss, design, monitor and implement such agreements. For example, consider IOs dealing with setting up standards and regulating the internet, finance, banking, trade agreements and emissions. Shifting authority from the national to the international level improves efficiency by offering smaller technical teams substantive authority over specific policy areas. It provides quicker policy-making procedures, efficient outputs, faster response times during crises and better regulatory performance. Nevertheless, significant concerns have been raised about transferring authority away from national constituencies. Given these international organizations’ elite and highly technical nature, their political legitimacy is contested. 14 Limitations to their openness and the inputs they receive, concerns about their inclusiveness towards diverse actors and questions about their policy-making transparency all adversely affect their overall authority. 15 Simply put, IOs need to balance technical and political legitimacy or may risk losing authority.

We observe two central responses to this issue. First, IOs encourage NSAs to mobilize within and around their premises. Interest groups such as civil society actors, business, trade/professional associations and non-governmental organizations (NGOs) are welcome to contribute. Encouraging interest group mobilization allows IOs to filter broader perspectives and valuable inputs into their policy-making. As policy-makers face resource constraints, NSAs can improve policy outputs through their expertise. Furthermore, this approach gives IOs the opportunity to include representative organizations into their policy deliberations, thus improving their procedural legitimacy.

Second, IOs have gone through a parliamentarization process. This means adding parliamentary bodies, activities and procedures into their structure, creating what is known as International Parliamentary Institutions (IPIs). While there is variation in different IPIs’ organizational structures, they share some characteristics. IPIs transcend national borders, they elect at least some members directly or indirectly from the public and they deliberate in committees and/or plenary sessions. IPIs therefore offer a permanent political component to IOs’ structures. Significantly, because members are in some form elected they contribute directly to the IO’s political legitimacy from a democratic perspective. Demonstrating IPIs’ prominence, more than 70 have been identified to date and their numbers have been increasing quickly over the past decade.

The literature addressing the IPI–NSA interaction describes it as a resource exchange focused on expertise, legitimacy and influence. The need for this arises because policy-makers within institutions face resource constraints. To


maintain their institutions’ legitimacy they require information/expertise and political support, which they receive from NSAs in exchange for access to policy-making, information leaks and potential influence.\(^{16}\) While we accept that NSAs engage with IPIs for resources, there is little focus on financial donations within the literature. From one perspective, this reflects an assumption that draws on neo-functional and intergovernmental approaches. In this view, IPIs are collections of national constituencies rather than transnational political movements making their financing primarily relevant within the national domain. From another perspective, it is assumed that NSAs focus their financial contributions at the national level, and their technical resources at the international level (see following section for a detailed discussion).

As IPIs gain greater authority over time, whether through treaties or policy spill-over, the need for political legitimacy vis-à-vis their constituencies increases, leading to two notable effects. On the one hand, it solidifies the links between transnational political cleavages within IPIs. On the other hand, it increases the demand for resources dedicated to political mobilization such as campaigns, office headquarters and staff. Examining whether this assumption holds, the article focuses on the EP as an ideal exploratory case-study. The EP is considered an advanced form of IPI. It is directly elected, it can hold to account the EU’s executive, and holds substantial policy-making authority. Simultaneously, while it has received more scholarly attention than any other IPI, the link between political finance and the EP has also been little addressed. This underscores the value in the research question and provides a rich literature to conduct it. Furthermore, the EP reflects the potential trajectory of other IPIs over time: it also started with a much humbler role as an ‘Assembly’ before progressively evolving to its current status.

**Party donations and political support**

This part of the article briefly addresses the motivations behind donating to a political organization. It then contrasts neo-functional and intergovernmental approaches with postfunctional approaches to regional integration to provide a theoretical perspective as to why there has been a limited focus on money and the EP so far, and why more attention should be paid to it. This reflects similar conceptual approaches applied to other IPIs when modelling their interaction with NSAs.

**Donations to political parties**

A financial donation expresses a commitment made by a donor towards a political party and reflects support for a particular agenda. The motivation behind the donation can be placed on a spectrum between two extremes. At one extreme, support towards a political party may be due to partisanship: a strong commit-

ment towards a specific agenda and its ideology. At the other extreme, support may be a strategic choice which goes against and/or is irrelevant to the donor’s ideology. In both cases the donor aims to influence political and policy outcomes through their support. Under a primarily partisan motivation financial donations are provided based on the alignment of political beliefs. Under a primarily rational motivation, financial donations are provided on the premise of maximizing benefits.18

Disaggregating the motivation behind financial donations is complex. Research highlights that donors are more likely to provide support to parties that are closer to their political beliefs and that have the potential to influence policy. Thus, we tend to observe social cleavages reflected through financial donations. Business and elite actors tend to support political parties with pro-market regulatory approaches. Minority groups and middle-class voters tend to support parties with re-distributive agendas. Increasingly, we observe the rise of contestation parties, which receive support from diverse segments of the electorate. Their agenda often combines pro-market regulatory points with re-distributive aspects within a bold frame of nationalist protectionism.22

This dynamic results in an unequal pattern where pro-market parties are almost by default better placed to receive financial support. Parties with a longer tradition and policy-making power are better able to mobilize their networks for financial support. Therefore, for the constituencies that political parties can mobilize and ask for support, two key considerations are important: 1) the party’s potential to affect policy, and 2) the type of policy it can affect (regulatory/re-distributive).

Constraints to party support

There is theoretical reasoning to argue that studying financial donations offers little to aid understanding of IPIs’ political dynamics, and the EP’s in particular. Neo-functionalist and liberal intergovernmentalist approaches sideline the extent to which socio-political cleavages can mobilize across levels and states.

20 Bonardi et al., ‘The attractiveness of political markets’; Dorobantu et al., ‘Nonmarket strategy research through the lens of new institutional economics’.
21 See e.g. Gilens et al., ‘Campaign finance regulations and public policy’; McMenamin, ‘If money talks, what does it say?’.
23 See e.g. Iain McMenamin, ‘Party identification, the policy space and business donations to political parties’, Political Studies 68: 2, 2020, pp. 293–310; McMenamin, ‘If money talks, what does it say?’.
Neo-functional models tend to perceive government as a pluralist entity that comprises societal actors, economic interests and political actors who engage in competition over access and influence. This engagement links actors with ordered preferences. Their activity is observed through policy networks or governance structures, which aim to improve social welfare within areas of common interest.

Outside the domestic environment, this implies that cooperation takes place through structures that link interests horizontally either at the regional and/or international level. Improvements in social welfare and policy spill-over reinforce cooperation and integration across sub-structures. In cases where improvements or agreement are not possible, then cooperation is paused. Significantly, political confrontation remains within the policy field or network.

Liberal intergovernmentalist models perceive international cooperation as an activity that is conducted by states. States collect and aggregate key economic and societal actors’ interests at the domestic level, which they take to the international/supranational level for discussion. Thus, cleavages are grouped first vertically at the domestic level before discussions can proceed to the next level. States which are less in need of cooperation stand to benefit more from these engagements. The process then moves forward by focusing on efficiency improvements. In other words, the relationship is not a zero-sum game; it is a mutually reinforcing negotiation. Political confrontation takes place domestically or between states, again minimizing the need for transnational politics. Thus, a common characteristic across neo-functional and intergovernmental approaches is the limited space for transnational political party mobilization. These theories focus on the role of formal and informal procedures that take place within international institutions.

Conversely, political parties are rarely mentioned. Any political mobilization may reflect differences between states and/or levels of governance, and it is expressed within networks. As such, socio-economic cleavages tend to be isolated within levels (e.g. domestic, regional). Political confrontation is relatively limited within the European Parliament, and falls along two dimensions: 1) pro- or anti-integration, and 2) left or right. By implication, political parties have a limited role to play outside an international parliamentary arena. Moreover, anti-integration as a policy option resembles a pause; disintegration is not a real option on the table whether within networks or within the parliament.

In addition, there are structural arguments suggesting that socio-economic cleavages across borders are unlikely to take place or mobilize across levels. The EU’s ‘upside down’ authority over policy places regulatory responsibility in

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Brussels; EU regulatory policy is complex, technical and less politically sensitive. It leaves (re)distributive policy in the national domain where political confrontation or support can be better expressed. 27 National political organizations will find it difficult to co-operate with colleagues across borders and within Brussels, the implication being that political parties at the EU level are fundamentally different than those at the national level. Furthermore, despite the Lisbon Treaty and its emphasis on representative democracy, the EP remains a weak political institution. 28 It is unable to gather sufficient public support for its parties, reflected in low electoral participation. There is little incentive to support parties at the EU level either due to their limited policy-making powers and/or due to their distance from issues that citizens care about. Therefore, any support from citizens and interest groups is likely to stay within the domestic arena. These arguments can be found in discussions surrounding IPIs. 29

Similar to other regional integration projects, EU integration does not support multi-level transnational political party mobilization. Transnational political agendas are expressed and realized through EU-level associations and interests within governance networks. There is little incentive to engage with EU-level political parties or support them. In terms of financial donations, these approaches towards European integration suggest that: 1) EU parties will receive little support from the wider public; 2) pro-integration interests (and primarily business) may offer some support, relatively greater compared to other types of interest groups; 3) contestation parties (anti-integration) will observe limited support.

Motivation for party support

Changes observed in political attitudes towards globalization and regional integration have introduced postfunctionalist approaches that offer an alternative perspective. These approaches are also relevant to the EU. To begin with, the claim that authority over policy in the EU is ‘upside down’ seems like more of a catalyst contributing to political conflict and mobilization across borders, not a suppressor. 30 EU policy has been growing ever more complex and spills over across layers of interconnected and integrated policy areas. In turn, even strictly regulatory decisions have significant re-distributive effects at the national level. 31 These effects lead to losers and winners, not only between states but also within

27 Simon Hix and Stefano Bartolini, ‘Politics: the right or the wrong sort of medicine for the EU?’, Notre Europe Policy Paper, 2006/19, Robert Schuman Centre for Advanced Studies, European University Institute, https://cadmus.eui.eu/handle/1814/6436.
30 See Hix, ‘Towards a partisan theory of EU politics’;

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them. In turn, this leads to common political conflicts across social groups, across countries and across levels of government.

Moreover, the underlying assumption that national citizens are not interested in regulatory policy is an oversimplification of parties’ role as constituency representatives. Whereas European publics may be less interested in the technicalities of international level policies, parties can still aggregate preferences. EU parties represent diverse constituencies, which seek support from organizations and citizens with similar ideas at the national level. For example, Green Party supporters across member states might not be nuclear physicists or live in the same member state. Nevertheless, they expect the party to understand the technicalities of de-nuclearization and renewable energy and to represent their preferences in Brussels.

Furthermore, political parties receive support due to citizens’ commitment to an idea or movement. On the one hand, this ideological position may be better addressed at the international level, due to the character of the issue, e.g. environmental protection, financial regulation, migration or energy. In this case, policy is a significant and authoritative political instrument. On the other hand, by gaining access to Brussels’ democratic institution, actors can politicize and advance discussions that interest them in the national domain, in effect using transnational partisanship as a politicization slingshot, as has been done with the issues of e.g. (anti-) migration or Brexit.

In relation to this point, extensive analyses of voting patterns in national elections across European states over time show the progressive formation of a common electoral basis. This formation may be due to endogenous crises, exogenous threats and/or transnational movements. Nevertheless, Europeans share common ideas which they support and discuss in similar tones and across similar political lines. Moreover, these common interests and ideas are the result of bottom-up and top-down changes to political agendas. As such, there is evidence to support the argument that EU-level political parties are held to account by and represent a European electorate. Finally, arguments on the EP’s limited authority are overstated. The EP’s policy-making powers grew significantly through the Lisbon Treaty, as well as following changes in EU processes and structures during the recent crises.

From this perspective we can expect that European cleavages will also be observed in political parties’ finances. This supports discussions arguing that the authority of parties at the EU level is increasing within the context of transnational European politics. Importantly, it accepts that ‘anti-integration’ is a political point that can become policy-making practice. Drawing from a postfunctionalist understanding of European integration, we should expect that donations towards

political parties are: 1) likely to take place; 2) reflect contestation; and 3) observe public support towards smaller political organizations.

These different theoretical approaches about the role of political parties in European policy-making and political representation can explain why we have not looked, but potentially should be looking, at money in Brussels’ politics. Table 1 illustrates in a succinct format the expectations that different theoretical approaches generate.

Table 1: Expectations about financial donations and EU-level political parties based on different theories of European integration

<table>
<thead>
<tr>
<th>Neo-functional view</th>
<th>Intergovernmental view</th>
<th>Postfunctional view</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donors reflect a diverse set of organized interests</td>
<td>Donations reflect business associations at the national level</td>
<td>Donations represent diverse national interests, including citizens</td>
</tr>
<tr>
<td>across levels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations are directed towards parties with</td>
<td>Donations are directed towards pro-market parties</td>
<td>Donations are directed towards parties with contestation agendas</td>
</tr>
<tr>
<td>pro-integration agendas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations are directed towards established larger parties</td>
<td>Donations are directed towards established larger parties</td>
<td>Donations can be directed towards smaller, less established parties</td>
</tr>
</tbody>
</table>

Exploring financial donations and the EP

Approach and case selection

This study aims to observe the link between IPIs and political donations from NSAs to understand the relationship, to inform conceptual frameworks on IPI–NSA engagement, and to assess whether further research in this area would be meaningful. Case-studies allow us to observe phenomena in depth by focusing on one individual case or a few limited cases. The theoretical framework they are situated within can be directly informed by the analysis’ conclusions. Moreover, when attempting to develop an initial understanding of a phenomenon an exploratory case-study allows us to test and assess the potential paths to researching a particular subject.

To the best of my knowledge, this is one of the first studies to investigate the link between financial donations, NSAs and IPIs. An exploratory approach was therefore selected since the primary aim is to employ current theories as a guiding device that sets up expectations, and to descriptively assess them in detail through empirical means. Across the literature on IPIs, and especially in work conducting comparative assessments of IPIs, the EP is considered an illustrative case. From

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34 Robert Yin, Case study research: design and methods (Thousand Oaks: SAGE, 2014).
some perspectives it represents a peak-level IPI: it has significant policy-making authority over a wide spectrum of policy fields; the EP can hold the EU’s executive institutions to account; all of its members are directly elected; and it has multiple forms of deliberative procedures. The EP’s incremental evolution over the past four decades constitutes an example of an ideal trajectory for an IPI, which also makes it easier to assess the theoretical expectations: a less developed or clear case of an IPI would make it harder to infer conceptual implications. The EP as a case-study allows for applying distinct generalizations to the wider theory. If the assumptions are disconfirmed by an exploratory case of a well-developed IPI, then further research into other IPIs might be futile.

Furthermore, the EP has received significant research attention in comparison to other IPIs which allows us to develop a better-informed theoretical framework vis-à-vis financial donations. Given the relatively limited work on IPIs and financial donations, the literature on the EP provides a substantial theoretical and empirical foundation to base this study on. Based on the above, the EP was selected as an exploratory case-study on IPIs and political donations. To explore the expectations outlined, this study collects data on EU-level political parties’ finances; it conducts a descriptive assessment of the donations. This information was collected through a two-step process which consisted of a systematic data collection and categorization of financial donations received by the EP.

Assessing expectations

To assess the expectations outlined above, the article is interested in the characteristics of both donors and recipients. It places each donor and recipient party into categories following an inductive approach, based on a systematic assessment of the available data. This process is discussed below. First, the budgets of all EU political parties made available by the Authority from 2008 onwards were examined. Each donation was systematically logged, creating an original dataset with information on: 1) the donor’s registered name; 2) the donation amount; 3) the donor’s registered address; and 4) the receiving party’s name.

36 Based on regulation no. 1141/2014, EU-level political parties recognized by the Authority are required to have their annual budgets assessed and approved by an independent accountant. Then budgets are submitted to the Authority, which conducts a final check before uploading them to its website. Budgets are available online with a one- to three-year lag. Financial donations can reflect up to 10% of a party’s annual budget. Each donation greater than 3,000 euros must be reported in the party’s budget, specifically it must report the donor’s name, address and amount donated. A donor cannot donate more than 12,000 euros per year to a specific political party. Individuals and organizations outside the EU are not permitted to donate to parties recognized by the Authority.
38 Through this process three points became clear. The information is provided in a non-systematic way with information missing at times (e.g. donor’s address or full name), while the tables are not standardized or placed in the same location within the budgets. As a result, automated data collection processes to scrape the data are unreliable. Moreover, not all registered parties have received financial donations. On a smaller note, almost all donations are made in euros. The very limited number of donations made in different currencies was converted into euros taking the average exchange rate of that year for the specific currency.
The dataset was then coded to produce meaningful categories which can be operationalized and analysed. Based on the available information and the outlined expectations, three dimensions were assessed further and coded: 1) the donor type; 2) the donation’s origin; and 3) the political party’s agenda. For each dimension, categories were set up through an iterative process meant to create meaningful groupings. The donors were categorized by type, taking into consideration their organizational incentives and purpose. Each donor was placed in a category by cross-referencing their name with their address, the EU’s Joint Transparency Register, and the organizations’ webpages and social media profiles. This created four donor categories: 1) business (e.g. companies); 2) individual; 3) political organization (e.g. local party); 4) other (e.g. other interest groups). Similarly, based on the address each donation was nominally placed under a country. To produce a meaningful analysis, in cases where the organization held multiple offices the donation was re-coded based on the location of the organization’s main headquarters. For example, if an American or Chinese company had donated to a party through its EU-based government affairs office, then the donation was re-coded taking that into account.

Individual donors may be linked to companies or other interests. Unfortunately, the data is provided in a format that does not allow us to validly and reliably link individuals to e.g. a company board or multiple companies. Moreover, as mentioned earlier, without further qualitative information it is difficult to infer with certainty for all individual donors the reason they donated to the party. Thus, to maintain internal validity and reliability of the analysis all individual donors are treated as such. However, this is not to say that interesting cases were not observed. For example, one individual donor identified has been found guilty of Russian espionage. Overall, this underscores some issues with the regulation of political financing in IPIs that I discuss at the end of the article.

Next, based on their origin, donations were placed under four categories. These categories reflect larger groupings of donors within geographical areas that share common historical–political characteristics. As mentioned earlier, the categories were created inductively based on the empirical data available. These four categories are: 1) central eastern Europe (CEU); 2) western Europe (WEU) 3) United Kingdom (UK); 4) International (INT). Please note, that under regulation no. 1141/2014 foreign (non-EU) organizations are not allowed donate to EU parties. However, at least some non-EU-based organizations seem to have been able to donate to EU parties through their European-based government affairs offices. As an example, a well-known Chinese tech company donated to an EU party through its German government affairs office. This donation, and other similar donations, were classified taking into account the company’s headquarters; again, this points to issues with the current regulation.

The distinction between CEU and WEU considers differences in the countries’ EU membership (old versus new), their political history, potential differences towards European political participation, and where the actual donations
are originating from. Older members are expected to have better-established networks within Brussels than newer members, which might affect the amount of donations.

Donations from the UK are treated as a unique category for analytic and methodological reasons. The UK has arguably one of the most well-developed party financing structures in Europe.\(^{40}\) Moreover, the vast majority of all UK donations are geared towards a specific political party, the European Conservatives and Reformists (ECR). The combination of these factors suggests significant endogeneity between the location of the donations and the parties receiving them. In addition, the UK’s exit from the EU places UK donors, at least for part of the analysis, in a limbo between EU and International. Thus, to ensure a clear description of the donations’ patterns, donations from the UK are considered on their own.

Political parties were placed under categories based on their political agenda. Focusing on the parties that did receive donations (left-leaning parties reported no financial donations received), each party was placed under one of four categories based on their political agenda, drawn from an existing coding scheme:\(^{41}\) 1) Christian-democratic (primarily the Christian Democrat party); 2) federalist (primarily pro-integration and pro-business from the Alliance of Liberals and Democrats for Europe); 3) Eurosceptic (primarily the European Reformists and Conservatives); 4) nationalist (primarily Europhobic parties).

To assess the expectations outlined earlier and to observe the relationship between donors and parties, the article next conducts a breakdown and cross-tabulation of donations and variables. These analyses paint a rich image of donations and how they interact with the donor type, party agenda and origin.

**Results: political donations in the EP**

I begin with a bird’s-eye view assessment of the distribution of donations across parties and foundations (table 2). There are some immediate and notable observations which I discuss below: 1) donations are highly unequally distributed; 2) business is not the largest donor; rather, individuals are the largest donors; 3) most donations originate from central and eastern Europe; 4) Eurosceptic and nationalist parties benefit the most; 5) overall, the political parties within the EP are definitely receiving financial support from non-state actors.

At the aggregate level, donations have a highly unequal distribution. Four political parties hold 84 per cent of the total amount of donations received; just

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two of those hold 57 per cent. Similarly, one foundation has received more than half of the total amount donations received in the past decade. Parties with four broad agendas receive financial political commitment: Eurosceptic (which are also pro-market), federalist (and pro-market), Christian-democratic, and nationalist (Europhobic). Conversely, left, centre left and socialist parties do not receive support in the form of financial donations. Moreover, political parties that usually hold most of the EP’s seats, such as the European People’s Party and the Socialist & Democrats, have received no donations at all, or extremely small amounts.

Different factors may explain this. EU-level parties represent amalgamations of multiple national parties, which often represent broad national constituencies. Larger EU-level parties have even broader agendas, making it harder for donors to identify and support them. It is considered a safer commitment to support these parties via the national route. Moreover, since EU parties receive financing based on the number of MEPs they elect; larger political parties receive notable budgetary support from the EP. In addition, they have stable political party members that can contribute to their overall budget. This reduces their need to search for external private funding at the EU level. Moreover, potential competition over donations at the EU level may lead to unwanted friction between party factions. Parties at that level are more likely to guide donor support to the national level where EU elections take place than risk engaging in bitter re-distributive debates. While this dynamic may change in the future considering rising political competition in Brussels, currently the main EU-level political parties linked to central political groups in the EP are not seeking external financing in Brussels.

Conversely, relatively smaller parties that are Eurosceptic and/or nationalist have greater incentive to seek financial support from donors as a way of maintaining an expansive campaign. That is to say, these parties have greater incentive to seek financial support at the European level to survive and implement aggressive expansionary campaigns.

Finally, larger and centre-left parties may still be receiving support from interest groups and citizens, but due to their party structure this takes different routes. That is to say, money is likely to be entering the EP through different streams. On the one hand, this suggests that the link between the EP and political financing is an interesting topic requiring further exploration. On the other hand, it indicates that additional information about the financing of national political parties that are members of the EP needs to be made available. It is not clear how national political parties receive donations at the national level and then re-distribute them transnationally. The same applies to potential donations given to members of EU parties, whether at the domestic or EU level.
Table 2: Top political parties and foundations receiving financial donations, absolute amount in euros and percentage of total.

<table>
<thead>
<tr>
<th>Party</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance of European Conservatives and Reformists</td>
<td>951,674.4</td>
<td>30.86</td>
</tr>
<tr>
<td>Alliance of Liberals and Democrats for Europe Party</td>
<td>806,894.5</td>
<td>26.16</td>
</tr>
<tr>
<td>European Christian Political Movement</td>
<td>518,453.7</td>
<td>16.81</td>
</tr>
<tr>
<td>Alliance of European National Movements</td>
<td>325,200.9</td>
<td>10.54</td>
</tr>
<tr>
<td>Europeans United for Democracy</td>
<td>294,581.1</td>
<td>9.55</td>
</tr>
<tr>
<td>European Alliance for Freedom</td>
<td>58,885.0</td>
<td>1.91</td>
</tr>
<tr>
<td>European Democratic Party</td>
<td>43,090.0</td>
<td>1.40</td>
</tr>
<tr>
<td>European Free Alliance</td>
<td>33,427.5</td>
<td>1.08</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Direction—Foundation for European Reform</td>
<td>1,843,775.9</td>
<td>51.31</td>
</tr>
<tr>
<td>Institute for Direct Democracy in Europe</td>
<td>2,758,725.3</td>
<td>7.68</td>
</tr>
<tr>
<td>European Foundation for Freedom</td>
<td>268,227.00</td>
<td>7.46</td>
</tr>
<tr>
<td>Christian Political Foundation for Europe</td>
<td>243,052.94</td>
<td>6.76</td>
</tr>
<tr>
<td>Transform Europe</td>
<td>212,328.07</td>
<td>5.91</td>
</tr>
<tr>
<td>European Identity &amp; Traditions</td>
<td>101,146.35</td>
<td>5.32</td>
</tr>
<tr>
<td>European Liberal Forum</td>
<td>131,744.10</td>
<td>3.67</td>
</tr>
<tr>
<td>Fondation pour une Europe des Nations et des Libertés</td>
<td>114,500.00</td>
<td>3.19</td>
</tr>
</tbody>
</table>

Note: Recipients placed from largest to smallest; smaller recipients not included.

Donor and origin

The figures below show the donations received by parties with different political agendas (four categories) in relation to: 1) the type of donor; 2) their origin. Specifically, figure 1 shows what percentage different donor-type categories constitute of the total amount of donations received by parties representing a specific political agenda. The figure demonstrates a distinct cleavage. Eurosceptic and nationalist political parties receive nearly half of their donations from individuals (39.2 per cent and 43.8 per cent respectively), and approximately a quarter (21.5 per cent and 24.7 per cent) from business. Conversely, federalist parties receive nearly half of their donations from business (45.4 per cent) and the remaining from other interest groups. Christian-democratic parties receive most of their donations (57.3 per cent) from ‘other’ interest groups (primarily civil society and religious groups). In simpler terms, individuals seem more likely to donate to Eurosceptic and nationalist parties, while business is likelier to donate to federalist parties.
Figure 1: Donations received by parties representing a specific political agenda from donors with different organizational characteristics (amounts in euros).

<table>
<thead>
<tr>
<th></th>
<th>Eurosceptic</th>
<th>Nationalist</th>
<th>Federalist</th>
<th>Christian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>862,172</td>
<td>684,855</td>
<td>96,115</td>
<td>68,553</td>
</tr>
<tr>
<td>Other</td>
<td>640,323</td>
<td>74,485</td>
<td>248,766</td>
<td>371,648</td>
</tr>
<tr>
<td>Business</td>
<td>473,043</td>
<td>386,325</td>
<td>368,098</td>
<td>43,415</td>
</tr>
<tr>
<td>Pol. org.</td>
<td>225,858</td>
<td>416,382</td>
<td>97,482</td>
<td>165,040</td>
</tr>
</tbody>
</table>

Figure 2: Percentage of total donations received by parties representing a specific political agenda, from donors with different geographical origin (absolute amounts in euros).

Figure 2 shows what percentage different donor-origin categories constitute of the total amount of donations received by parties representing a specific political agenda. The results presented in this figure point to a different aspect of the cleavage. In particular, Eurosceptic and nationalist parties receive most of their donations from central and eastern Europe (53.1 per cent and 46.4 per cent).

Figure 2: Percentage of total donations received by parties representing a specific political agenda, from donors with different geographical origin (absolute amounts in euros).
Interestingly, donors from western Europe also donate significant amounts to nationalist parties, 40.2 per cent of the total donations they receive. Conversely, federalist parties receive most of their financial donations from international donors, 53.7 per cent). This further reinforces a divide between international business and European citizens.

Figure 3 shows the average donation amount received by political parties representing different ideological categories, by type of donor and the region the donation originates from. First, it becomes clearer that while business does not donate more than other types of donors, its donations are significantly more focused and greater on average. That is to say, business donates less overall, but more per donation. This becomes particularly noticeable when targeting federalist parties (average donation €8,978) as well as nationalist parties (average donation €8,398). In line with discussions on constituency preferences, federalist parties receive on average larger donations across all types of donors. This also applies when considering the donations from different regions, with the exception of UK donors who provide on average larger donations to nationalist parties.

Figure 3: Average donation received by parties by type of donor and region of origin (absolute amounts in euros).
These results highlight two dimensions. From an NSA perspective, business interests aiming to gain access into the EP donate to parties that are closer to their interests. Hence business actors donate mostly to federalist parties with a pro-market focus and most donations received by these parties come from business. But when comparing anti-integration agendas, business actors have a different approach. Eurosceptic parties receive donations from non-international business actors representing national industries interested in protecting their operations from the competition that comes with the single market. They may also represent specific businesses led by individuals that support their cause.

Individual donors seem to be acting in a similar fashion, donating mostly to nationalists and Eurosceptics. It is worth noting once more that because of the way donations are reported, it is not possible to draw further evidence about the potential link between citizens and other organizations (e.g. companies). Put simply, there is insufficient information to link the names of individuals or other interests (e.g. consultancies) with specific organizations (e.g. a company). The ‘other’ category includes different types of interest group organizations, a notable proportion of which are NGOs representing religious interests. Similar to foreign companies, organizations with such interests located in non-EU countries seem to be using EU-based offices to donate to political parties. This highlights the diverse attention that EU politics is receiving, and the need for financing regulations where information collection per donation allows for their tracing in a more accurate manner.

From a party perspective, Eurosceptics seem to have a stronger support network across member states (and beyond) to mobilize. While nationalist parties at the EU level are much smaller in size and operate across tighter networks, they are dependent on individuals and political organizations in the national domain. Significantly, the observed division between Eurosceptic and nationalist versus federalist parties and their primary donors (European individuals versus international business) lends support to discussions on postfunctional politics in Europe. We observe anti-integration agendas garnering mobilization and partisan commitment at the grassroots level in a stronger fashion than pro-integration agendas. Simultaneously, it also indicates the Europeanization of anti-integration agendas, as these movements receive support in Brussels.42

42 See e.g. Caramani, *The nationalization of politics* and Caramani, ‘The Europeanization of electoral politics’.
International parliamentary institutions and political donations

Analysis: political donations and IPIs

From an IPI perspective the results offer some interesting insights. The results show that the EP receives financial support from NSAs, and that donations reflect socio-political cleavages. Moreover, postfunctional approaches are better able to explain these patterns than neo-functional or intergovernmental models. This is not to overestimate the implications of the results. Neo-functional and liberal intergovernmentalist approaches support the mechanics behind some observations, such as business donations to pro-market parties. From a theoretical perspective this is significant on two accounts.

First, the parliamentarization of IOs is aimed at generating political legitimacy by providing a necessary balance against the technical authority they extract from the national level. Conceptualizations of IPIs’ political component are primarily linked to their policy-making capacity, i.e. limited within the IPIs’ premises. Second, IPIs are not perceived as institutions that connect to transnational grassroots socio-political movements based at different levels. As such they permit, at best, the formation of such transnational constituencies within the institution or engage with NSAs at their level. Based on the results, we should update these models taking into account that IPIs can (and do) serve as vehicles for partisan activity; which links socio-political movements across borders and levels with the policy-makers within the institution. The linkage carries clear expressions of support towards a specific agenda.

Global governance and IOs’ corresponding demand for political legitimacy can be a determinant extending transnational political mobilization across levels. That is to say, as IOs seek legitimacy through IPIs, they also encourage transnational political movements to mobilize internationally. Simultaneously, as the relevance of IPIs grows stronger the more likely it becomes that they have transnational constituencies to which they need to demonstrate their representative authority. As IPIs attempt to underscore their authority and highlight their relevance, they create a reinforcing spiral that moves political mobilization and debates closer to the international level. In turn, additional political activity generates further demand for legitimacy. The article’s case-study is an ideal example in this regard. Rather than hollow out transnational political movements at the domestic level, IPIs’ demand for support from such movements may reinforce their structure within the national domain and across borders. However, this implication does not apply across the board and should be treated with nuance.

Nevertheless, the mobilization generated underscores a paradox: active citizens supporting a political cause (anti-integration) on a European level, opposed primarily by international private interests supporting the opposite cause (pro-market). While this image may change in the future, currently it highlights the partisan capacity that anti-integration agendas have and the support they can draw at the IPI level. Respectively, normative expectations that assume IPIs will generate growing political commitment towards an IO because of rational expectations linking technical efficiency with public support may be optimistic. As
indicated by the figures in the previous section, the EU’s democratic legitimacy seems less supported through political financing meant to support party mobilization. We observe strong support for parties on the opposite side of the aisle; the same may apply to other IPIs and the IOs they are a part of.

From a research perspective, assessing further political donations received by IPIs seems warranted. While this article focuses on direct financial donations to political parties there are other forms of financial support given to actors and groups within IPIs depending on the IO, such as hosting or sponsoring events, donations to political parties’ sub-structures (such as think tanks) and supporting specific members. Whereas the EP serves as an ideal exploratory case to study political donations within IPIs, it underscores the potential for further research in this area, especially more comparative work on IPIs.

**Conclusions**

Despite substantive research on political finance, a growing body of work on IPIs and a notable literature on NSAs and IOs there is little overlap between these three research areas. Cash-for-influence scandals such as ‘Qatargate’ highlights how little we know about IPIs’ political financing by NSAs. Overall, this limits our understanding of the IPI–NSA interaction, the role of political financing within IPIs, and its theoretical implications. Addressing this gap, the article focused on the political donations received by IPIs using the EP as an exploratory case-study. It asked two interlinked questions as a guiding device, namely: who is donating to the EU’s political parties? Which parties receive significant donations, and from whom?

I developed competing expectations about the sources and direction of donations, drawing on neo-functionalism, liberal intergovernmentalism and postfunctionalism. I argued that in line with postfunctional models, given the EP’s increasing authority—similar to other IPIs—there is reason to assume that EU-level political parties representing transnational constituencies will receive financial support needed for mobilization. Moreover, these donations will reflect socio-political cleavages connecting ideological movements within the institution with transnational partisans across levels. Assessing the donations received by political parties at the micro-level from 2009 onwards, the results paint a rich and insightful picture.

We observe socio-political cleavages that bring together anti-integration movements with individual citizens, and pro-integration parties receiving donations from international business. The results carry some significant implications. First, IPIs’ conceptualizations need to be updated. Whereas they promote

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International parliamentary institutions and political donations

IOs' political legitimacy owing to their parliamentary qualities, these are not limited to their premises. IPIs can also strengthen transnational cleavages across levels leading to political support and mobilization. Therefore, IPIs should be examined and theorized beyond their policy-making environment, while political financing should also be considered when modelling their interaction with NSAs.

Second, the parliamentarization of IOs is due to their search for political legitimacy. In this process, they may also support ideological movements from extreme ends of the spectrum that oppose the IO in principle. Such support creates a paradox where the IPI may risk eroding the political legitimacy their IO seeks. In turn this requires a nuanced theorization of different forms of political legitimacy, considering their direction, intensity and form of expression. Third, NSAs lobbying activities can have an asymmetric destabilizing effect on IOs. Relatively small amounts of support can block or negatively affect central policy stages leading to significant impact. This can risk the organization’s entire legitimacy whether through biased policy and/or political scandal. Thus, further work into political donations received by IPIs also serves a policy purpose for improving the regulatory structure of NSA–IPI engagement.

The results presented in this article provide a positive indication that this area offers fruitful research paths. Comparative assessments with other IPIs and political financing forms can offer a better understanding of the link between IPI structure and NSA lobbying strategies. Moreover, appreciating the policy impact of political donations is necessary in order to understand the connection between partisan support and policy-making in IPIs. Furthermore, we need to better understand and conceptualize the different forms of political legitimacy that IPIs generate across levels. A better understanding of elite and public attitudes towards IOs, including IPIs and political organizations, would add substantial nuance to the equation.