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Summary

- Following on from research published by the IEA between 2012 and 2014, this discussion paper revisits the issue of state-funded activism in the UK and EU. It starts with the hypothesis that there has been a decline in taxpayers' money given to political advocacy groups because (1) budget cuts under 'austerity' have made less money available to non-governmental bodies, (2) new grant standards introduced in 2016 explicitly forbid grant funds being used for advocacy, lobbying and campaigning.
- Evidence from the charity sector suggests that overt campaigning with money from central government has declined. Several of the organisations mentioned in the previous reports are no longer in receipt of departmental grants. A few have closed. Others have successfully diversified their funding base. International development charities have tended to see their statutory funding increase, but there is no evidence that the money is used for political advocacy.
- State-funded activism continues to be endemic at the EU level. Most
 of the organisations mentioned in the IEA's 2013 report Euro Puppets
 receive more money from EU bodies than they did in 2011 and most
 of them rely on the EU for the majority of their income.
- In the environmental field, most of the big 'green' NGOs have seen their EU funding increase and a multitude of likeminded groups receive grants from a €20 million EU programme.

- In the 'nanny state' field, statutory funding of pressure groups remains common in the EU and the devolved governments of the UK. The picture is mixed in local government with some groups being dissolved while others are formed. In England, funding has tended to move away from overt pressure groups and towards activist-academics and umbrella groups. The critical new dynamic has been the creation of Public Health England, a quango which acts as a funder of activist groups and an advocacy organisation in its own right.
- Activist groups appear to be receiving less money from Whitehall than
 they did five years ago. It is difficult to ascertain whether this is because
 of budget cuts or because of the new grant standards. Whatever the
 reason, the use of public money to oppose the free market has become
 less blatant in England while remaining common in Scotland, Wales
 and the EU.

Introduction

Between 2012 and 2014, the IEA produced three discussion papers looking at the issue of state-funded activism - the use of taxpayers' money by non-governmental bodies to fund lobbying, campaigning and advocacy. Applying insights from public choice theory, the research showed significant flows of money from various branches of government towards groups which support greater government intervention in the market.

This 'sock puppet' behaviour can take many forms, such as special interest groups using taxpayers' money to campaign for new legislation, Local Enterprise Partnerships hiring firms to lobby for public money and EU-funded campaign groups promoting EU initiatives. In some cases, state-funding accounted for 100 per cent of the organisation's income. State-funded activism was particularly common in the areas of environmental and 'public health' lobbying, and was endemic in the EU's 'civil society' sector.

We were not the first to comment on this growing phenomenon in the UK and EU (Seddon 2007; Rotherham and Mullally 2008; Boin and Marchesetti 2010; Sinclair 2011). Concerns about public funds being used by local councils to hire lobbyists and engage in political campaigning were raised by the Department for Communities and Local Government (DCLG) in 2012. In 2014, Owen Paterson MP described the 'mutually supportive network of environmental pressure groups' that worked with the renewable energy industry and 'some public officials' as 'the Green blob' (Paterson 2014). When he was Secretary of State for Communities and Local Government in 2015, Eric Pickles explained the problem (Hansard 2015):

Under the last Administration, there was an endemic practice of government bodies hiring lobbyists to lobby the government and political parties... In 2010, I instructed all our arms' length bodies

to cancel such contracts. Reflecting commitments made by the Conservative Party in Opposition, the Cabinet Office also subsequently published clear guidance to non-departmental public bodies to stop payments being made to lobby. This includes firms and consultants engaged in the enthusiasms of 'political consultancy', 'stakeholder management', 'strategic communications', 'public affairs', 'policy tracking', 'advocacy', 'strategic counsel' and 'engagement with public policy makers and opinion formers'.

Having identified the problem, Pickles introduced a 'no-lobbying clause in all grant agreements' at DCLG (2012) which said:

The following costs are not eligible expenditure: payments that support activity intended to influence or attempt to influence Parliament, government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action.¹

The clause applies to all grants and contracts issued by DCLG to private organisations. A similar 'anti-sockpuppet' clause for the whole of central government was proposed in February 2016 (Cabinet Office 2016a). However, this was amended after concerns were raised that it could have the unintended consequence of preventing academic researchers from discussing their findings with lawmakers. In December 2016, new grant standards were put in place for all central government contracts which took account of these concerns (Cabinet Office 2016b: 3-4).

Consequently, since 2017 all grants issued from Whitehall explicitly prohibit money being used for the following activities:

- paid for lobbying, which means using grant funds to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, Government or political activity; or attempting to influence legislative or regulatory action;
- using grant funds to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;

¹ https://www.gov.uk/govern ment/news/eric-pickles-cracks-down-wasteful-spending-of-government-lobbying-government

- using grant funding to petition for additional funding;
- expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy

Several exemptions were created for activities that were seen as essential to the purpose of the grant or constituted *de minimis* expenditure. Organisations are permitted to use grant funds for the following:

- giving evidence to Select Committees;
- attending meetings with Ministers or officials to discuss the progress of a taxpayer funded grant scheme;
- responding to public consultations, where the topic is relevant to the objectives of the grant scheme. This does not include spending government grant funds on lobbying other people to respond to the consultation (unless explicitly permitted in grant agreement);
- providing independent, evidence based policy recommendations
 to local government, departments or Ministers, where that is the
 objective of a taxpayer funded grant scheme, for example, 'What
 Works Centres'; and providing independent evidence based advice
 to local or national government as part of the general policy debate,
 where that is in line with the objectives of the grant scheme.

The rules were thus designed to prevent proactive lobbying but to allow for practical consultation. As with the exemptions for higher education institutions, the exemptions for organisations appearing before select committees and responding to public consultations does not affect the purpose of the rules which is, as the guidance notes state, 'that paid for lobbying - unless a requirement of the grant - and attempting to exert undue influence using taxpayer funding, will always be prevented' (ibid.: 4).

Welcomed by third sector advocacy groups such as the National Council for Voluntary Organisations and the Association of Chief Executives of Voluntary Organisations (NCVO 2016), the new grant standards have now been in place for two years, seemingly without problem. Organisations applying to be beneficiaries of the £15 million Tampon Tax Fund, for example, are explicitly told that grants will not fund 'advocacy' or 'campaigning'.

Assuming that these rules are being enforced, we might expect to see less state funding for politically-active organisations. The original sock puppet reports discussed dozens of such bodies. This report revisits them to see what, if anything, has changed.

Whitehall

In addition to the new 'anti-sockpuppet' grant agreements, there is another reason to expect less state-funded activism today than in the recent past. Many government budgets have been cut in the era of 'austerity', potentially leaving less money for third parties. Evidence of belt-tightening comes from the charity sector where state-funding rose by 60 per cent between 2000/01 and 2009/10, from £10.1 billion to £16 billion (in 2015/16 prices), before falling. State funding for charities never dropped below £14.3 billion, however, and the most recent figures show it at £15.3 billion in 2015/16 (NCVO 2018).

£15.3 billion represents 32 per cent of the sector's £47.8 billion annual income, down from a high of 37 per cent in 2009/10. Although there has been a reduction in the amount of money given to charities by the state since the financial crisis, real terms statutory funding is no lower than it was in 2006/07 and is only four per cent lower than its 2009/10 peak. Happily, the reduction has been more than offset by a sharp rise in voluntary donations which have gone from £18.3 billion in 2009/10 to £22.3 billion in 2015/16 (in 2015/16 prices). As a result, since 2009/10 the sector's total income has risen by twelve per cent in real terms (ibid.).

Our focus in this paper is on the statutory funding. A few of the campaigning charities mentioned in *Sock Puppets* (Snowdon 2012), such as the Fawcett Society and the Green Alliance Trust, no longer receive taxpayers' money. Advocacy in Action has been wound up, as has the similarly named Action for Advocacy. Children England, a charity committed to 'policy and campaigning activity' whose many campaigns include a recent attempt to get the government to give third sector organisations more grants (rather

than contracts)², lost its own grant from the Department for Education in 2013/14. This core funding was worth £1.2 million the previous year. The charity now relies on private donations and funding from local councils.

The Children's Food Trust, set up with a £15 million government grant in 2005, campaigned for the sugar tax and other diet-related causes but received its last cheque from central government in 2013 (£683,000 from DfE), after which it became mostly dependent on the lottery. It closed in 2017 after failing to attract sufficient funds to continue.

Alcohol Concern, which lobbies for minimum pricing and other neotemperance policies, has historically been funded by the Department of Health but this arrangement ended in 2011/12 after which it received payments from the Department of Education. When this funding ended, Alcohol Concern Wales, which had traditionally been a junior partner, became the main breadwinner thanks to grants of over £200,000 per annum from the Welsh Assembly. In April 2017, following a failed attempt to keep itself afloat with voluntary donations, Alcohol Concern merged with Alcohol Research UK and the two groups became Alcohol Change UK. Alcohol Research UK has a unique funding model in that it exists on the proceeds of an investment fund established over a century ago to compensate publicans who were put out of business by the 1904 Licensing Act. This stock of money lay dormant until 1981 when half of it was used to set up the Alcohol Education and Research Council. This organisation was closed down in 2011 and replaced by Alcohol Research UK which continues to live off the capital. In 2016/17, it had earnings of £500,000 from reserves of £15 million. As its name suggests, Alcohol Research UK has traditionally focused on research. The merger with Alcohol Concern suggests that it intends to move in a more activist direction.

An interesting case is Keep Britain Tidy, which has become far less dependent on statutory funding in recent years. In 2010/11, most of its income came from a £4.8 million grant from the Department for the Environment, Food and Rural Affairs. Since this grant ceased in 2015, the charity has successfully diversified its funding base, contracting services out to local authorities and raising most of its income in voluntary donations. I described Keep Britain Tidy as 'politically inactive' in my 2012 report, but its newfound independence has coincided with an increase in political campaigning, most recently on the plastic bag tax and cigarette litter. It

seems that the charity has been liberated by becoming less reliant on statutory funding. The charity Relate, once known as the Marriage Guidance Council, has gone in a similar direction. It no longer receives a grant from the Department of Education and instead sells its services to the government on a contractual basis.

Of the 23 campaigning charities listed in the appendix of *The Sock Doctrine* (Snowdon 2014: 39-54), all but three are still receiving money from the state in some form, but only fourteen of them get it directly from central government. Several have seen significant reductions in the amount received. The left-wing charity War on Want did not receive a grant from the European Commission in 2016/17 although it continued to receive funds from the national lottery (£110,861). The National Council for Voluntary Organisations (NCVO) has seen its funding from central government, which amounted to £3.4 million in 2011/12, disappear although it also continues to get lottery funding (£215,000 in 2016/17).

The Association of Chief Executives of Voluntary Organisations (ACEVO) and the Fatherhood Institute no longer receive taxpayers' money. ACEVO was receiving half a million pounds from the state in 2013, including a grant from the Department of Health for 'policy and advocacy', but this came to end in 2014. The Fatherhood Institute, which describes itself as 'the UK's fatherhood think-and-do tank', relied on the Department of Education for 83 per cent of its £908,524 income in 2011/12. It now earns most of its money from consultancy work.

By contrast, some of the charities in the list have seen their state-funding increase. The income from government bodies to the LGBT campaign group Stonewall has risen sixfold since 2011/12 and stood at over £650,000 in 2016/17. Recent years have been particularly kind to the large foreign aid charities. Save the Children's grant income from central government has risen from £54 million to £139 million since 2011/12. When payments from the UN, World Bank, European Commission, and other national governments are included, it received £234 million from taxpayers in 2016/17 (57 per cent of its income). Save the Children says it spent £25,503,000 on 'campaigning and awareness' in 2016 (Save the Children 2016: 47). Similarly, Oxfam has seen its funding from the UK government rise significantly, from £24 million in 2011/12 to £32 million in 2016/17. ActionAid, which says it spends seven per cent of its income 'campaigning for change' has seen its state funding double to £9.8 million over the same period, and the Catholic Agency for Overseas Aid, which spends £2,590,000

on 'advocacy and campaigning', received £10.7 million in government grants in 2016/17, up from £9 million in 2011/12.

Other charities involved in foreign aid, including Forum for the Future and Health Limited (better known as Health Poverty Action), have also seen significant increases in statutory funding. This probably reflects increased spending on overseas development since 2010 as a result of the government's commitment to spend 0.7 per cent of GDP on foreign aid. All of these charities receive substantial donations from the public and there is no suggestion that they use their grants for political campaigning.

Most of Britain's major think tanks remain independent of the state, but several receive state funding.3 Perhaps surprisingly, after years of Conservative government, the left-of-centre New Economics Foundation received £57,952 from the Department for Communities and Local Government, £182,058 from NHS England and £25,220 from the Office for National Statistics in 2016/17.4 Chatham House received more than £500,000 from the Department for International Development in 2017/18. in addition to significant funding from the Foreign and Commonwealth Office, Cabinet Office, Ministry of Defence and European Commission.5 The Institute for Fiscal Studies (IFS) received a total of £49,472 from government departments in 2016 as well as £22,302 from the European Commission, £704,657 from the European Research Council and more than £3 million from the state-funded Economic and Social Research Council.⁶ The world's oldest think tank, the Royal United Services Institute for Defence and Security Studies, not only receives a great deal of funding from the EU (see Rotherham 2018: 27-30) but notes in its 2017/18 accounts that a 'critical factor' of Brexit as far as it is concerned is 'the continuation of its ability to access funding for its research from EU sources.'7

A handful of other think tanks receive taxpayers' money via local authorities and/or the EU, including the Tax Justice Network, the Institute for Public Policy Research and ResPublica.

³ The Institute of Economic Affairs refuses to accept money from governments and has never done so.

⁴ https://neweconomics.org/who-funds-us/

⁵ https://www.chathamhouse.org/about/our-funding/donors-chatham-house

⁶ https://www.ifs.org.uk/about/finance

⁷ http://apps.charitycommission.gov.uk/Accounts/Ends39/0000210639_ AC_20180331_E_C.pdf

Devolved governments and local authorities

If statutory funding for campaign groups has declined in England, it is flourishing in local government and the devolved administrations. The Women's Environmental Network, which campaigns against 'synthetic chemicals' and 'mass food production', no longer receives funding from central government and now gets most of its money from local councils and the lottery. The Child Poverty Action Group is no longer funded from Whitehall but it received £375,000 from the Scottish Government in 2016/17. Stonewall received £116,202 from the Welsh government in the same year, along with £97,500 from the Scottish Government. The Scottish Fair Trade Forum depends on the Scottish Government for 92 per cent of its income and, in contrast to England's National Council for Voluntary Organisations (see above), the Scottish Government of £925,000.

The Scottish Government continues to be the primary funder of Alcohol Focus Scotland, with an unrestricted grant of £472,000 in 2017/18. Scottish Health Action on Alcohol Problems which, like Alcohol Focus Scotland, campaigns to limit the marketing, availability and affordability of alcohol, depended on government funding for 100 per cent of its €200,000 budget in 2015/16, according to the EU Transparency Register. Both organisations lobbied heavily for one of the Scottish National Party's flagship policies - minimum unit pricing for alcohol - which was introduced in May 2018. When Alcohol Focus Scotland co-hosted the Global Alcohol Policy Conference in Edinburgh in 2015 - an event sponsored by the Scottish Government and NHS Scotland - SNP leader Nicola Sturgeon gave the opening speech and the organisers paid tribute to her 'political courage' (Alderson 2015).

A similar arrangement developed in the Republic of Ireland where Alcohol Action Ireland, which relied on the state for 97.5 per cent of its income in 2015, not only lobbied for minimum pricing but set up another group, the Alcohol Health Alliance, specifically 'to support the Public Health (Alcohol) Bill' of which minimum pricing was the cornerstone.⁸ In addition to writing submissions to government as 'an independent voice for advocacy and policy change' and promoting the legislation in the media, Alcohol Action Ireland set up a webpage which enabled its supporters to lobby their parliamentary representative with a standardised e-mail ('I urge you to please support the implementation of the Public Health (Alcohol) Bill, in full' etc.). In 2016, Ireland's Department of Health gave Alcohol Action Ireland an additional €75,000 'to engage with the EU to build support for the Public Health (Alcohol) Bill' (Tighe 2016).⁹ The law was passed in October 2018.

State-funded lobbying does not get much more blatant than this, although the similarly named Obesity Action Scotland comes close. Founded in 2015 and wholly funded by a grant from the Scottish Government, it campaigns for a 9pm watershed on advertising for food that is high in fat, salt or sugar (HFSS), bans on price promotions such as buy-one-get-one-free and 'regulations to control portion size'. It says that all this - plus food reformulation and the sugar tax - 'will only be the start' of restrictions on the free market in the name of obesity prevention. ¹⁰ All of these policies were included in a consultation document put forward by the Scottish Government in October 2017. Obesity Action Scotland publicly welcomed the proposals and drafted an encouraging consultation response (its only complaint was that some of the measures did not go far enough). In July 2018, Scotland's Diet and Healthy Weight Delivery Plan was published with all of Obesity Action Scotland's demands met.

This kind of activity is relatively new in the area of food, but has long been practised in the field of tobacco. Today, both the Scottish and Welsh governments fund their branches of Action on Smoking and Health (ASH) more heavily than Whitehall funds the English branch. ASH Scotland received £604,798 directly from the Scottish Government in 2016/17 (77 per cent of its total income) while receiving just £3,126 in voluntary donations. ASH Wales received £207,872 from the Welsh Government in 2016/17 in addition to £136,247 from the EU's Erasmus+ project. In total,

⁸ http://alcoholireland.ie/alcohol-health-alliance-to-support-public-health-alcohol-bill/

⁹ Certain aspects of the bill, including minimum pricing and mandatory labelling, are legally contentious at the EU.

¹⁰ http://www.obesityactionscotland.org/Make-the-Healthy-Choice-the-Easy-Choice/

ASH Wales depended on government grants for 69 per cent of its income. with just £3,570 coming from individual donations and legacies.

In the regions, a variety of anti-smoking groups funded by local authorities come and go. In the northeast, Fresh continues to be funded through local public health grants, but similar organisations in the northwest and southwest have been wound down since the campaign for plain packaging was won. Smokefree Southwest broadened its remit in 2015 by changing its name to Public Health Action but lost its funding in June 2016 and is now little more than a Twitter account. Smokefree Northwest attempted a similar transformation by becoming Healthier Futures in 2016 but ceased trading in March 2017. Various local 'Tobacco Control Alliances' exist in such places as Rotherham. Camden and Durham but are now mainly focused on helping smokers to quit with cessation services and e-cigarettes rather than campaigning for legislative change. A new project called History Makers in Greater Manchester, funded by northwest local authorities, has expressed interest in such policies as banning smoking outdoors, licensing tobacco retailers and banning smoking on TV, but has not yet begun active campaigning.

The lack of overt political activity by these groups since plain packaging was introduced in 2016 probably reflects a dearth of new policies to lobby for and the government's stated intention not to pass further anti-smoking legislation in this Parliament. The same cannot be said for Balance Northeast, an anti-alcohol group which shares an office with Fresh and, like Fresh, is 100 per cent funded by twelve local authorities. It has been campaigning for minimum unit pricing, warning labels on alcoholic drinks and advertising restrictions for nearly a decade. Its campaign for higher taxes is always more intense before the Budget (see Figure 1).

Local authorities also fund pressure groups involved in food and soft drink regulation. Sustain for Life received £45.000 from the Greater London Authority and Royal Borough of Greenwich in 2016/17 in addition to lottery funding of £85,068 and £146,647 from the European Commission. This organisation funds the Children's Food Campaign and runs SugarSmart, both of which were heavily involved in the campaign for the sugar tax and now lobby for a ban on 'junk food marketing'. Sustain also set up and funded the Children's Health Fund (with the help of Jamie Oliver) in 2015 to lobby for the sugar tax but this group was wound down once the tax was introduced in April 2018, with the group announcing that it was 'passing the baton on to Government'.11

Figure 1: Tweets from Balance Northeast before the 2018 Budget



The Birmingham Food Council, created in 2014 and funded by grants from Birmingham City Council, claims that sugar and high-fructose corn syrup are 'psychoactive substances' and that even sparkling water causes 'dental decay and contributes to other health problems' (Birmingham Food Council 2015: 4). These dubious scientific claims accompanied a briefing paper urging Birmingham City Council to reject partnerships with Coca-Cola and to 'avoid future commercial relationships with food and drinks companies whose products carry standard rate VAT'12 (ibid.: 7). This came in the wake of Coca-Cola giving £20 million to three local authorities to fund free activities in public parks, such as karate, Zumba and yoga. The Birmingham Food Council describes Coca-Cola as a "food drug" corporation' and calls for the sugar tax to be extended to all fizzy drinks even if they do not contain sugar. Its pronouncements on social media include 'Shame we can't ban sugar in public places'.

¹² Birmingham Food Council believes, wrongly, that VAT is only charged on food if it has 'zero or little nutritional value'. https://www.birminghamfoodcouncil. org/2016/07/19/7917/

¹³ https://twitter.com/BhamFoodCouncil/status/1040146738131226625

One of the more curious examples is Heart of Mersey which trades as the Health Equalities Group (HEG). It used to receive NHS funding but this dried up in 2013 and it is now spending its bank reserves. Between 2013 and 2017 it had an income of £1,770,555 but spent £2,471,081. Its most recent accounts for 2016/17 show an income of £74.088 and an expenditure of £239,974. Describing itself as 'primarily an advocacy organisation' (Heart of Mersey 2017: 1), it lobbies for a ban on vaping indoors¹⁴ and smoking outdoors. 15 It owns a small but vocal network of campaign groups. including Food Active and the European Healthy Stadia Network. Food Active has campaigned for the Coca-Cola truck to be banned from visiting towns at Christmas, while the Healthy Stadia Network campaigns against vaping at sports grounds and sponsorship of sports teams by gambling. alcohol and HFSS food brands. Food Active is 'currently funded by the North West Directors of Public Health' while Healthy Stadia is funded by the European Commission. Food Active also owns Give Up Loving Pop (GULP), a campaign group formed in February 2015 to lobby for the sugar tax which has recently been giving its support to government proposals to ban the sale of energy drinks to under-18s.

¹⁴ http://www.hegroup.org.uk/the-heg-blog/172-new-restrictions-on-e-cigarettes-in-wales-welcomed-by-health-equalities-group

¹⁵ http://www.hegroup.org.uk/commissioned-projects/smoking/play-smokefree

European Union

As Whitehall moves away from funding activist groups directly, sock-puppetry continues to be rife at the EU level. The IEA's 2013 report *Euro Puppets* showed that state-funding was the norm for the European Commission's favoured 'civil society' organisations. The six umbrella groups in the EU's Civil Society Contact Group were heavily funded by the taxpayer when I reviewed their accounts in 2013. As Table 1 shows, this continues to be the case, with most of the groups seeing their grants increase.

Table 1: EU funding of the Civil Society Contact Group

	EU funding in 2011	Latest EU funding reported (2016 or 2017)	Public funding as % of total budget
CONCORD Europe	€691,345	€900,000	58%
Culture Action Europe	€110,500	€266,806	63%
EUCIS-LLL	€200,000	€244,139	81%
European Public Health Alliance	€681,536	€746,617	58%
European Women's Lobby	€911,677	€882,738	74%
Social Platform	€654,289	€600,000	85%

Table 2 shows the public funding of Social Platform members for whom there is financial information (an asterisk denotes funding solely from the EU, ie. no national government funding).

Table 2: Government funding of Social Platform members

	Public funding (2016 or 2017)	Public funding as % of total budget
AGE Platform Europe	€967,153*	83%
Caritas Europe	€742,632*	32%
CECOP-CICOPA Europe	€11,693	3%
CEDAG	€0	0%
COFACE	€429,455*	80%
Eurochild AISBL	€874,711*	61%
Eurodiaconia	€499,939*	75%
European Anti Poverty Network	€1,226,669	98%
European Association of Service Providers for Persons with Disabilities	€858,562*	69%
European Consumer Debt Network	€0	0%
European Disability Forum	€1,050,000*	58%
European Federation of Parents and Carers at Home	€0	0%
European Network Against Racism	€899,523*	80%
European Organisation for Rare Diseases	€1,326,983*	24%
European Parents' Association	€24,548*	18%
European Public Health Alliance	€746,617*	58%

European Social Action Network	€24,000	46%
European Women's Lobby	€942,738	79%
European Youth Forum	€2,889,904	93%
FEANTSA	€1,094,873	91%
Housing Europe (CECODHAS)	€190,329*	27%
International Federation of Social Workers Europe	€0	0%
International Lesbian, Gay, Bisexual, Trans and Intersex Association	€1,497,231	60%
International Union of Tenants	€20,922*	15%
Platform for International Cooperation on Undocumented Migrants	€637,359*	64%
Santé Mentale Europe	€300,000*	79%
Solidar	€638,186*	50%
Transgender Europe	€454,335	56%
Volunteurope	€225,951	99%
World Association of Girl Guides and Girl Scouts (Europe Region)	€79,145*	10%

The handful of Social Platform members that receive no public funding are all very small. CEDAG has a budget of €5,000, the European Consumer Debt Network has a budget of €12,000 and the European Federation of Parents and Carers at Home has a budget of €6,000. Without EU funding, many of the other organisations would also be rather small. Ten of the 30 organisations listed above rely on taxpayers' money for at least three quarters of their income.

A similar picture emerges if we look at the civil society groups that were members of the European Year of Citizens Alliance in 2013. As I showed in *Euro Puppets*, the majority were in receipt of taxpayers' money. As Table 3 shows, they still are.

Table 3: Government funding of groups that were in the European Year of Citizens Alliance

	Public funding (2016 or 2017)	Public funding as % of total budget
Age Platform	€967,153 83%	
Association des Etats Généraux des Etudiants de l'Europe	€173,100 71%	
Association Européenne pour la défense des droits de l'Homme	€91,254	69%
Association Internationale de la Mutualité	€0	0%
ATD Quart Monde	€14,130	1%
Balkan Civil Society Development Network	€164,742	61%
CEDAG	€0	0%
Civilscape	€0	0%
CONCORD	€900,000	58%
Confederation of European Senior Expert Services	€0	0%
Confederation of Family Organisations in the European Union	€429,455	80%
Culture Action Europe	€266,806	63%
Erasmus Student Network	€640,000	66%
Euclid Network	€714,953	90%
Eurochild AISBL	€874,711	61%
Europa Nostra	€500,000	45%

European Alternatives Limited	€300,000	60%
European Anti Poverty Network	€1,226,669	98%
European Association for Local Democracy	€3,730,569	80%
European Association of Service Providers for Persons with Disabilities	€858,562	69%
European Citizen Action Service	€2,218,944	98%
European Civic Forum	€249,813	58%
European Disability Forum	€1,050,000	58%
European Federation of National Organisations working with the Homeless	€1,094,873	91%
European Federation of Older People	€0	0%
European Forum of Muslim Women	€0	0%
European Foundation Centre	€0	0%
European Movement International	€350,000	53%
European Network for Education and Training	€200,000	60%
European Non- Governmental Sports Organisation	€195,159	56%
European Public Health Alliance	€746,617	58%
European Volunteer Centre (CEV)	€135,802	51%
European Youth Forum	€2,889,904	93%
Inclusion Europe	€400,000	40%
International Sport and Culture Association	€1,202,876	68%

€214,172	80%
€300,000	79%
€600,000	85%
€638,186	50%
€225,951	99%
€79,145	10%
€118,279	41%
€115,000	69%
	€300,000 €600,000 €638,186 €225,951 €79,145

Of the 43 organisations in this list, 36 are EU funded and 31 rely on the EU for at least 50 per cent of their income. The members of the European Year of Citizens Alliance may not be representative of civil society in the EU as a whole, nor are they all involved in political advocacy, but the figures above give a glimpse into the breadth and depth of European Commission funding of third parties.

The EU continues to be the major benefactor of a range of partisan political pressure groups and pro-EU think tanks, including the Robert Schuman Foundation (€1,326,927: 70 per cent of income), Institut für Europäische Politik (€1,379,579: 82 per cent of income), Friends of Europe (€1,085,907: 39 per cent of income) and Socialist Educational International (€102,233: 42 per cent of income). The European Movement is mostly funded by the European Commission (€350,000 of its €659,186 budget came from the EU in 2016), as is European Alternatives (€300,000 of its €500,000 budget). Both groups oppose Brexit and supported the October 2018 People's Vote march calling for a second referendum (see Figure 2).

Figure 2: Tweet from European Alternatives before the 2018 march for a 'People's Vote'



Another Europe, DiEM25 London, Make Europe Great for All and 3 others

The green blob

In Euro Puppets, I discussed the 'Green 10', an umbrella group which describes itself as 'a coalition of ten of the largest environmental organisations and networks active on the European level... most receive core funding from the European Commission.'16 Only one of the ten (Greenpeace) does not receive EU funding. Table 4 below shows the scale of EU funding for the other nine. Note that most of them also receive funding from national governments.

Table 4: EU funding of the Green 10

	EU funding 2016	EU funding as % of income	Change in EU funding since 2010/11
Birdlife Europe	€377,245	26%	Increased by 14%
CEE Bankwatch Network	€2,074,159	79%.	Increased by 148%
Climate Action Network Europe	€262,762	21%	Declined by 11%
European Environmental Bureau	€899,491	28%	No change
European Federation for Transport and Environment	€488,680	14%	Increased by 77%

	EU funding 2016	EU funding as % of income	Change in EU funding since 2010/11
Health & Environment Alliance	€379,699	42%	Increased by 55%
Friends of the Earth Europe	€2,468,218	53%	Increased by 106%
Naturefriends International	€18,523	5%	Declined by 95%
WWF European Policy Programme	€816,770	16%	Increased by 36%
Green 10 total	€7,785,547	34%	Increased by 51%

The figures shown in *Euro Puppets* reflected funding at the start of this decade. Overall funding for the Green 10 has since increased by half in nominal terms and by 36 per cent in real terms.

This only scratches the surface of the European Commission's funding of NGOs that can be broadly described as 'environmental'. The EU's LIFE+ programme funded 32 NGOs with more than €20,000,000 between 2016 and 2017.¹¹ Beneficiaries of this programme include all of the Green 10 except Naturefriends International and Greenpeace. Most of the organisations are heavily, if not exclusively, involved in lobbying and 'raising awareness', including the European Federation of Transport and Environment which, it says, has 'already contributed to a number of high-profile EU policy changes'. Similarly, the WWF European Policy Office says: 'The principal purpose of the office is to secure the strengthening of European legislation and policies'. WWF's lobbying costs have risen from €500,000 in 2011 to over €2 million in 2016. It now employs 21 full-time lobbyists and had 102 meetings with the European Commission in 2016.¹¹8

Organic farming groups do particularly well out of the EU despite the lack of evidence that organically grown food has any additional health benefits

¹⁷ http://ec.europa.eu/environment/life/funding/ngos/documents/NGOs_funded_2016-2017.pdf

¹⁸ https://lobbyfacts.eu/representative/5109e720cbb14d76abbbe2c02f21f549/wwf-european-policy-programme

and the serious questions over whether it could feed the world's vast and growing population. The International Federation of Organic Agriculture Movements (IFOAM) had a budget of €428,950 in 2017, of which €239,142 came from an EU grant. The Research Institute of Organic Agriculture received €1.2 million from the EU in 2017 to go alongside the €13.9 million it got from national governments. The International Natural and Organic Cosmetic Association is wholly funded by the EU. The Italian Federation of Organic and Biodynamic Agriculture received €1,611,065 in 2017. Organic Denmark is wholly funded by the EU with a budget of €3,300,000 in 2017. The Progressive Farming Trust, a British think tank, received €394,276 from the EU in 2015/16 plus €130,486 from the UK government; in total, it received 79 per cent of its income from the state.

The issue here is not whether the causes advocated by such groups are right or wrong, but whether the European Commission should be using taxpayers' money to tip the balance in favour of one side of a controversial argument, particularly when it then turns to those same organisations for policy recommendations.

It is not a good look for the EU to be funding groups that are anti-growth, anti-trade and anti-science. A large number of EU-funded NGOs successfully campaigned against the TTIP trade agreement with the USA despite the deal having majority support among MEPs and the public (Frantescu 2016). Many of the same groups also opposed the EU-Canada trade deal (CETA) on partisan grounds.

Environmental lobbyists such as the Pesticide Action Network, which received €115,551 from the European Commission in 2017 (38 per cent of its income), came close to getting the herbicide glyphosate banned in 2018. This was despite broad agreement in the scientific community that it does not cause cancer in humans under realistic conditions (Andreotti et al. 2018). The power of the green blob became chillingly visible in 2014 after the EU's Chief Scientific Adviser, the distinguished biology professor Anne Glover, openly supported the scientific consensus that genetically-modified food is safe. Nine NGOs - including the Pesticide Action Network - wrote a letter to the European Commission demanding that she not only be sacked but that her role be abolished altogether. They recommended that instead of employing a Chief Scientific Adviser, the Commission should 'take its advice from a variety of independent, multi-disciplinary sources, with a focus on the public interest' (Muilerman et al. 2014). Sure enough, the role of Chief Scientific Adviser was scrapped six months later.

The nanny state blob

Taxpayer funding of 'nanny state' groups has not declined in recent years but it has evolved. In the debate about food, tobacco and alcohol, there are relatively few dedicated activist groups directly funded by central government. The demise of Alcohol Concern has been discussed above. Its counter-part in tobacco control, the English branch of Action on Smoking and Health (ASH), has been funded by the Department of Health since its inception in 1971 and received a DH grant of £159,999 in 2016/17. ASH insists that this money is not used for advocacy or lobbying but is used to 'support the Tobacco Control Plan for England'. It is not clear what this means in practice and its grant applications in the past have explicitly listed 'media advocacy and lobbying' as a deliverable. Like Alcohol Concern, ASH has never provided health, cessation or rehabilitation services.

The records appear to reveal no other pressure group focused solely on food, tobacco or alcohol that receives funding from Whitehall, although there are several state-funded organisations with a broader 'public health' remit which lobby for lifestyle regulation. The UK Health Forum received £216,306 from the Department of Health in 2016/17 in addition to £680,000 from Public Health England and an unrestricted grant of £371,660 from the European Commission. Of a total budget of £1,597,619, state funding amounted to £1,470,626 (92 per cent). It lobbies for a familiar assortment of paternalistic anti-market interventions in lifestyle choices: tax rises, bans, advertising restrictions, minimum pricing, mandatory food reformulation, etc.

Public Health England (PHE) is the new critical dynamic in the politics of the nanny state. Created in 2013, PHE has changed the face of state-funded activism in the field of lifestyle regulation in two ways. Firstly, it has a colossal budget of £4.5 billion, most of which is distributed to local

authorities where dozens of Directors of Public Health lobby councillors for policies which restrict personal freedom and disrupt the market, such as outdoor smoking bans and tighter licensing restrictions for bars and off licences. As a semi-autonomous quango with a large pot of money, Public Health England can also grant funds to third parties without ministerial sign-off. For example, when the CEOs of several 'public health' organisations decided that they needed to create another umbrella group for their profession, Public Health England handed them £57,200 to create the UK Public Health Network.¹⁹

Secondly, PHE is itself effectively a pressure group. Through its publications and public pronouncements it has lobbied for such policies as minimum pricing for alcohol, outdoor smoking bans, plain packaging and bans on 'junk food' advertising. Every other 'sock puppet' group is a minnow by comparison. Public Health England has not made the smaller groups obsolete - the 'swarm effect' requires different voices to demand the same policies (Arnott and Willmore 2006) - but it is now the mothership around which the activist groups orbit. It is also the citadel to which several activists have departed. Martin Dockrell, formerly of ASH, is now the Tobacco Control Programme Lead at PHE, and various prominent anti-alcohol campaigners, including Ian Gilmore of the Alcohol Health Alliance, have been appointed to PHE's Alcohol Leadership Board.

Public Health England is a more overtly political entity than the public health organisations, such as the Health Education Council, which preceded it. A similar drift towards activism can be seen in other state-funded 'public health' groups, up to and including the World Health Organization. Even organisations that were not set up to preach lifestyle change have got involved, including the Local Government Association, the Food Standards Agency and Food Standards Scotland. Some of the activities of the latter, which received £15.8 million from the Scotlish Government in 2017/18, are indistinguishable from those of Obesity Action Scotland as it campaigns for smaller food portions and congratulates the government on its obesity strategy. In 2018, one of its advisors even suggested that the government should put graphic warnings on red meat (McArdle 2018).

Other sources of taxpayers' money are available to activist-academics in the nanny state blob via the National Institute of Health Research (NIHR) and the Economic and Social Research Council (ESRC). Although higher educational institutes are exempt from the anti-sockpuppet rules, the gap between research and advocacy can be narrow to the point of invisibility. The UK Centre for Tobacco and Alcohol Studies (UKCTAS), which has academics from fourteen British universities, says that it is not a 'lobbying group, but we do have close links with advocacy organisations and will assist them where appropriate.'20 Between 2013 and 2017 it attracted £45 million in grant income from public and private sources, including the Scottish Government, Public Health England, the Medical Research Council, NICE, the NHS, the Medicines and Healthcare products Regulatory Agency, the European Commission, NIHR, ESRC, the Department of Health and the EU's Smoke Free Partnership (Britton et al. 2017: 4). As a result of UKCTAS's 'meaningful and sustained collaborative relationships with advocacy organisations' (ibid.: 20), it is able to list the following political victories (ibid.: 4-13):

We performed new analyses for the Scottish Government on the comparative effectiveness of Minimum Unit Pricing and alcohol taxation, and this work formed a key part of their successful defence of Minimum Unit Pricing in the Scottish courts... Academics from UKCTAS worked with Scottish groups including Alcohol Focus Scotland and Scottish Health Action on Alcohol Problems to advocate for a reduction in the 'drink-drive limit' in Scotland... Legislation prohibiting smoking in cars carrying children in England and Wales came into force in October 2015. UKCTAS played a leading role in bringing this legislation into place... Legislation to introduce standardised packaging for tobacco was passed in the UK parliament in the spring of 2015 and will be fully implemented from May 2017. This covers all parts of the UK. UKCTAS research played a key role in this decision.

Similar advocacy-oriented academic organisations have emerged in recent years, including the Tobacco Control Research Group, whose funders include NIHR, ESRC, the NHS, the European Council and the Department of Health.²¹ In 2017, the ESRC - which is funded to the tune of £212 million by the Department for Business, Energy and Industrial Strategy - announced the creation of the UK Prevention Research Partnership, a £50 million project aimed at developing 'robust new knowledge which contributes to demonstrable changes in policy and practice' by 'working closely with

²⁰ http://ukctas.net/index.html

²¹ www.bath.ac.uk/health/documents/tcrg_grants_may18.pdf

policy makers' (UKPRP 2017: 3-6). The same year saw the Department of Health announce that it would be setting up a new Obesity Policy Research Unit with £5 million of taxpayers' money.²²

The Obesity Policy Research Unit will be run by Russell Viner, the president of the Royal College of Paediatrics and Child Health, who has been a regular fixture in the newspapers for years making emotive calls for sugar taxes, advertising bans and restrictions on fast food outlets. He accuses fast food chains of 'enticing young people and their pocket money' (Keate and Joiner 2018) and claims that only by banning advertisements for food that is high in fat, salt or sugar 'can children reclaim their childhood' (Gallagher 2018). It seems unlikely that the £5 million unit will produce any research that challenges these prior beliefs.

Clearly there is no shortage of money available to activist-academics who wish to tax and ban in the name of 'public health', but what is most striking is the extent of their activism and the narrowness of the clique to which they belong. Anna Gilmore, for example, was a board member of Action on Smoking and Health before joining UKCTAS and becoming the director of the Tobacco Control Research Group. She also sat on the Steering Committee and Programme Board of Smokefree Southwest until it closed in 2016. During this period, Smokefree Southwest granted £135,000 to Gilmore's Tobacco Control Research Group and NHS Southwest gave the Tobacco Control Research Group £165,284 for 'research and evaluation support' for Smokefree Southwest (Tobacco Control Research Group 2018: 2).

Linda Bauld is the Deputy Director of UKCTAS and is on Public Health England's tobacco control implementation board. She has also 'been closely involved in the development of the UKPRP and is a member of the steering group for this new initiative' (Britton et al. 2017: 21). Meanwhile, ASH Scotland's CEO Sheila Duffy is on the Scottish Government's Ministerial Working Group on Tobacco Control and, more surprisingly for an anti-smoking campaigner, also on the steering committee of Obesity Action Scotland.

As we have seen, direct sock puppet funding continues to flourish in local authorities and devolved governments, and is endemic at the EU level.

²² https://www.gov.uk/government/news/5-million-investment-for-new-obesity-policyresearch-unit

EU-funded organisations lobbying for lifestyle regulation include the European Network for Smoking and Tobacco Prevention (€314,039: 52 per cent of income), the Smoke Free Partnership (€400,749: 60 per cent of income), the TackSHS Project (€620,050: 100 per cent of income), EuroHealthNet (€901,000: 80 per cent of income), the World Obesity Federation (€444,672: 33 per cent of income), the European Public Health Alliance (€623,368: 80 per cent of income), Active — Sobriety, Friendship and Peace (€145,188: 63 per cent of income) and the European Public Health Association (€53,571: 19 per cent of income). Several likeminded pressure groups, such as the International Order of Good Templars and the Norwegian Policy Network on Alcohol and Drugs, are not EU-funded but are active in EU policy debates thanks to large grants from national governments.

Conclusion

I argued in 2012 that the defining feature of the sock puppet state is the creation and maintenance of quango-style pressure groups to lobby for policies favoured by politicians and/or civil servants (Snowdon 2012). There is some evidence that this arrangement has declined at the Whitehall level, with several organisations being defunded and very few new activist groups receiving grants from central government. This can be explained by several factors: the new grant standards which largely prohibit statefunded campaigning, budgetary belt-tightening in the era of 'austerity', the Conservative government moving away from groups that were favoured by the previous Labour government, and - in the case of lifestyle regulation - the creation of Public Health England and its associated regional Directors of Public Health who advocate for the same causes.

But it would be wrong to suggest that state-funded activism is in decline. It seems to have grown in Scotland and Wales, and continues to thrive in the EU. Despite bearing the brunt of budget cuts in recent years, many local councils are still able to find money for like-minded pressure groups. In England, the kind of political activity described in *Sock Puppets*, in which state-funded charities and NGOs masquerade as citizens' action groups, seems to have waned even if the total pot of money available for the nanny state blob has grown.

The tendency now is for activists to go from putative outsiders to overt insiders by joining wholly state-funded organisations such as Public Health England, the Obesity Policy Research Unit or the Tobacco Control Research Group which nobody could mistake for grass-roots organisations. Whilst this is an improvement of sorts, mutual back-scratching remains, notably in the green and nanny state blobs, which serves to exclude the most important stakeholder: the consumer.

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