

## **1. Is the IEA a registered charity?**

Yes. The IEA is a charity concerned with the advancement of education for the public benefit. Our charity number is CC/235 351. Our charitable aims and financial reports can be found on the Charity Commission website. All our activities are based around research and the communication of ideas. They include publications, events, educational programmes and media appearances.

## **2. What ideas are you seeking to promote?**

Our mission is to “improve understanding of the fundamental institutions of a free society by analysing and expounding the role of markets in solving economic and social problems.” This means we seek to promote, sustain and increase individual and collective knowledge and understanding of market solutions to social and economic questions through research, discussion and the communication of ideas. Our school of thought is based on broad values, with a sufficiently long history in economic thinking to be uncontroversial, even if individual ideas that are described as free market can be considered radical or novel in a current context. For example, free market solutions to healthcare or aging may seem radical in relation to discussions about the NHS or social care. But they are not so defined in the sweep of either global healthcare provision, or even in the context of their history in the UK.

## **3. What educational work do you do?**

As an educational charity, a major part of the IEA’s mission is to inspire and educate young people. Every year, we host over 200 students in our intern programme, organise sixth form conferences throughout the UK attended by over 4,000 students, and reach tens of thousands more through EA magazine, the UK’s first ever free-market economics publication aimed specifically at the 16-25 age group. The IEA also runs the annual THINK Conference, bringing together top speakers from around the world to discuss key economic and social issues, and attended by around 600 young people. These activities are in addition to our extensive programme of publications and output on social media, which are freely available to all. For example, in a typical year we will:

- Host a website where we post around 300 blog posts and 50 podcasts a year.
- Post IEA content on Twitter and Facebook, with thousands of links, retweets and video views each month.
- Appear on TV around 200 times a year, Radio 800, print 800, and online 4,000 times.
- Provide responses to public inquiries and parliamentary select committee hearings.
- Engage in conferences and events run by third parties
- Host the Hayek Lecture celebrating the contribution of the great thinker to our founding.
- Host the Richard Koch Breakthrough prize, an essay competition on major social challenges.
- Support the Beesley Lectures, a series of some 25 years standing in regulatory economics.

## **4. How do ensure you maintain your educational focus?**

As an educational charity, we take great pride in the fact that many of our contributors include PhDs, Professors and Nobel prize winners, as well as lawyers and trade experts, with an extensive network of external advisors and referees. We publish a wide range of papers, including an

academic journal, [Economic Affairs](#). Having an underlying philosophy is no barrier to producing good research based on evidence and academic knowledge.

The way we present ideas varies by the form of media we use, but all point back to our 60+ year core of research and key texts such as Hayek's Road to Serfdom. We welcome the contrasting of our ideas with those of dissenters and opponents. We consider arguments in relation to evidence and theory. We ensure that where we reach conclusions, they are based on analysis of both.

This rigour is more difficult on modern media platforms, with less space, or time, to convey sometimes difficult concepts. But that is all part of the skill of our educators and it has been since our founding. 'Improving understanding' requires communicating in ways that are understood.

We further will always attempt to underpin even the briefest observation with links to supporting material. Where we err, we correct or remove the material in error. Where new facts come to light that invalidate previous findings, we correct those findings.

We do not hold corporate positions on policy. For example, on Brexit, IEA authors published a range of views, from support for the Norway model to support for global free trade. IEA staff and fellows were divided on the question of Remain or Leave during the referendum. They were divided on questions of Deal versus No Deal, and the pros and cons of various Deal options.

## **5. Does the IEA engage in political activities?**

No.

The IEA is not a political campaign group and charities cannot exist for that purpose. It is however, like any UK charity, [permitted](#) to campaign "for a change in the law, policy or decisions where such change would support the charity's aims", where such a campaign "must not be the continuing and sole activity of the charity".

The IEA has, for example, written papers concerning the benefits of a land value tax. We are, however, not a land value tax campaign, nor do we only focus on land value taxes, even in the narrow fields of local or national tax reform. Political campaigns or parties may use our work to support their policies or statements, but it is without any presumption of endorsement from the IEA.

This difference is not always understood by critics, but it's normal across the Charity sector. For example, Oxfam has actively campaigned against changes to welfare benefits, Greenpeace (which has split charitable/non-charitable structure) has been highly critical of the government's

environmental policies, and the IPPR (another independent think tank) has advocated tax hikes to help fund the NHS and social care.

We are also proud that politicians and civil servants frequently seek our advice, whether privately or publicly, for example in testimony to parliamentary select committees. Indeed, it would be bizarre if we turned down opportunities to meet them. But we are not affiliated with any political party or group, nor do we take sides in elections or referendums. Our supporters come from all the major parties, and often from none.

## **6. Are you "right wing"?**

No.

The IEA is a free market think tank. Our emphasis on economic freedom, the positive role of markets, and the protection of civil liberties, is consistent with a wide range of political positions, including no position at all.

Free-market ideas have been used by groups who would self-identify as left, centre or right. This becomes less apparent when national politics are particularly polarised, but it does not change the commitment of the IEA to support ideas, not parties.

## **7. Does the IEA publish its accounts?**

Yes.

We publish our trustees reports and audited financial statements on the [Charity Commission website](#) and they are also available via Companies House. Our latest accounts show an income in 2017 of a little over £2 million.

## **8. Who funds you?**

Our income in support of activity in the UK takes the form of donations, subscriptions and other payments in five categories. In 2018 this comprised:

- i. 37% private individuals, entrepreneurs and small family businesses;
- ii. 28% foundations and trusts;
- iii. 17% income from events, competitions and conferences;
- iv. 14% large businesses [defined as listed in FTSE350];
- v. 4% other income from book sales, subscriptions, speakers' fees, interest & dividends;

This spread, in turn based on hundreds of individuals engaging with our work, means that we are not dependent on any one source of funding.

## **9. Do you accept money from overseas?**

Yes.

Most of our income comes from the UK, although we will accept payments from overseas subject to the same strict due diligence that applies to potential donors in the UK. Our most consistent source of income from overseas (usually small sums) has been from the American Friends of the IEA, which is an independent non-profit organisation with US 501(c)(3) [status](#).

## **10. Are you funded by the BBC (or any other media outlet)?**

No.

The IEA receives media fees and/or expenses when its staff appear on programmes made by the BBC, or by other broadcasters. These payments are small and would be made to any organisation or guest as a service fee. They infer no endorsement whatsoever by the media outlet of our ideas or work, nor the IEA's endorsement of any public position of the media outlet. The IEA, for example, has often published [material](#) critical of the licence fee.

## 11. Is any of your funding disclosed?

Yes.

Our policy is to leave it to our funders to decide whether to disclose their support. Many do choose to do so, which we welcome. For example, Jersey Finance contributed towards our programme on offshore financial centres (publicised [here](#)), and our recent work on the NHS has largely been funded by the John Templeton Foundation (publicised [here](#)).

Much of our funding from businesses also takes the form of sponsorship of events or competitions, and payments for attending conferences – activities, open to the public, that are visibly transparent for that reason.

For example, MetroBank has supported our educational programme and awards, and CQS has sponsored our [annual Hayek lecture](#) for many years.

The IEA programme at the 2019 Conservative Party Conference included events sponsored by BP, Aurora, IPSE, RSSB, Tate & Lyle, and the NHBC.

## 12. Why don't you reveal all your funding?

As an educational charity that believes in individual freedom and the right to privacy, we believe if someone wants to keep their donation private, that wish should be respected. This is based on an important point of principle, which is that people should be free to associate with whomever they like and back any cause, without fear or favour. This has been widely recognised as a bedrock of democracy, both in the UK, the EU, and elsewhere. Indeed, attempts to force organisations to reveal their membership lists were a key part of the attack on the civil rights movement in the US.

In our view, the principle of privacy matters as much as the principle of transparency. This is particularly important for the IEA because our staff often take positions on subjects such as the NHS or Brexit with which others strongly disagree. As a result, they have at times been subject to extreme personal abuse, or worse. See [this BBC clip](#) for independent commentary on this.

We have no desire to risk exposing our supporters to similar attacks, including from groups that encourage 'direct action' against companies and individuals of whose activities they disapprove.

There is also a presumption in the question that think tanks should be regulated differently to other charities, perhaps more like active participants in elections or agency lobbyists. But we are neither. We are explicitly prohibited from expressing support for individuals or parties in elections. Our donations and any campaigning are regulated to common standards across the charitable sector.

## 13. Does the IEA lobby for corporate interests?

No.

The IEA has often criticised corporatism and crony capitalism where big business have worked against free markets. There is a huge difference between being pro-market and being pro-corporate, let alone promoting the interests of any business group. The IEA typically recommends policies that put consumers first, liberalise markets, and encourage more competition, rather than protecting existing firms through more regulations or subsidies.

This has sometimes put us at odds with individual corporate donors. But it is important. A central critique of capitalism is that it tends to corporatism through an overly cosy relationship between government and the most powerful vested interests. In the long run this serves neither the interests of consumers, nor the corporations themselves, nor good government. Short-term rent-seeking

through lobbying creates inefficiencies and market distortions that undermine competitiveness. When aggregated across an economy it can lead to lower growth, increased debt, lower trust in Government and institutions, stagnation and decline.

In 2018, in response to false allegations by Greenpeace Unearthed of unlawful lobbying (commercial lobbyists must register, the IEA is not a commercial lobbying organisation) the Office of the Registrar of Consultant Lobbyists (ORCL) investigated the claims. They found [no merit](#) to them and nor did the Charity Commission who regulate issues pertaining to the reputation of charities.

14. Can donors direct the outcome of IEA research or define our conclusions?

No.

As an educational charity we value the independence of our research. Anybody can suggest topics for us to research, including the content that a report might cover. Funders can also support a programme of work, such as the output of our Brexit Unit. However, funders are not permitted to influence the conclusions of our analysis, neither across a programme, nor within a single publication or communication about it. We have strict rules to protect our independence, including clear guidance to potential donors, and a system of peer review.

To be crystal clear, we do not want bodies to approach us to 'buy research'. The answer will be no. The question itself represents a fundamental misunderstanding of both the IEA and the sector. The value of think tanks is in increasing public understanding of important concepts through wellresearched ideas, and their compelling explanation. That goal requires respect for our independence and expertise.

This issue has arisen recently in the context of climate change. Regardless as to who funds us, the IEA approaches the topic from the perspective of whether free markets or other institutions of a free society can provide better solutions to tackling the issue than state interventions. This means our authors have, for example both supported and disputed carbon taxes, attacked subsidy schemes as poor value for money, and challenged rent-seeking collusion between low carbon corporations and the Government at the expense of the public. We do not take a position on the science of climate change, only noting where there is a range of opinion relevant to the aspect of the debate we are exploring in our research or comment pieces.

15. Why are you the target of 'no platform' campaigns?

The IEA's views often conflict with popular or mainstream opinion. These views can be particularly unpopular with those who hold views opposed to free markets and individual liberty. The IEA is also renowned for the quality of our communications, or rather our ability to explain difficult or challenging ideas well, which tends to make us a high-profile target for these groups.

No platforming is the process by which some activist groups attempt to delegitimise people, ideas and thoughts of which they do not approve, such that they are hidden from view. It is the opposite approach to that encouraged by civil libertarians who tend to believe in competition or the 'battle of ideas' as the best of way of encouraging better thinking and thus informed outcomes.

These campaigns can involve lobbying media companies to deny us freedom of expression, pejorative labels, smearing our motives, impugning the integrity of those who work for us, or our donors and repeating false allegations about all of the above as though facts.

The Who Funds You campaign has been used in this way. There is a serious and genuine debate in the think tank sector about where the line lies on funding transparency. No one believes in either

full disclosure, or absolute opacity, there are however a range of views in between. Some, for example, believe think tanks should be regulated like campaigners during elections, some believe the current balance, where we are treated like university departments or private colleges is about right.

Sadly, the expression 'who funds you' is almost never deployed by people wishing to debate these issues, but as an attempt to delegitimise the other ideas being debated such as whether people should be free to eat crisps on the Underground. It should not surprise anyone that liberals and libertarians tend to think that they should, regardless as to whether they work for, or are funded by, a salted potato snack manufacturer.