

EP&E 391/PLSC 222: Money in Politics

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Instructor: Andy Eggers
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Class Room
Rosenkranz 02
Wed. 3:30–5:20

Office
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Course Preliminaries

This course explores the ambiguous role of money in politics - focusing on vote buying, campaign finance, and lobbying - over time and across political systems.

Requirements and Grades

Students' final grades will be based upon three elements:

- **Response papers and short assignments (20%)**: Every week you will be asked to submit a short response paper or, on a few occasions, a short assignment. These tasks are designed to help you process the readings and help me plan for class discussion.
- **In-class participation/citizenship (20%)**: You are expected to participate actively and constructively in class discussion and to contribute to a productive environment for learning and exchange of ideas.
- **Term research paper (60%)**: Your final paper (15 pages or fewer) can focus on any topic or topics that have arisen during the course.

Policies

We all want to have a productive classroom atmosphere. To that end, we will follow these rules:

- **Laptops**: Everyone is permitted to bring a laptop to class. However, you may only use laptops in class to look up a fact that is a) not in the reading and b) relevant to discussion. When you are not actively looking up such a fact, you will have your laptop screen lowered. This is a way of signaling your respect for and attention to other discussion participants. (This rule also applies to smartphones etc.)
- **Readings**: Consistent with the above, we will not be using our laptops to consult readings. Instead, print out all readings and bring them to class in paper form.

Prospectus and Research Paper: Details

Your final paper will be no longer than 15 pages (double-spaced, 12pt font, 1-inch (or so) margins). It is due Friday, April 30. You can write about whatever you like within the scope of the course, but I ask that you adopt one of two models:

- **Empirical paper, econ- or political science-style:** This kind of paper is focused around an empirical finding, e.g. a regression result or a conclusion drawn from a comparison of cases. Pose a question that is relevant for policymakers and/or of interest to social scientists, review the related literature, explain your data and methods and why they are appropriate for your task, present your analysis, discuss and summarize.
- **Law review article:** This kind of paper usually combines description and prescription around a law or policy question. Present a problem that is relevant for policymakers and/or of interest to legal scholars, introduce your claim, lay out important features of the legal background (e.g. statutes and case law related to the question), provide grounds for your claim.

We will get to the final paper in three steps.

1. A one page summary, in which you introduce the question you seek to answer, explain what is interesting about the topic and how it relates to the themes and readings of the class, and sketch out a plan for addressing the question.
2. A four-page prospectus, in which you provide more detail into the key elements of the paper (question, significance/importance, research strategy). By this time you should also know whether you will be writing an econ/poli sci-style paper or law review-style paper; the prospectus should mention a published paper that provides a model for your own paper, i.e. that addresses a question (perhaps related to your own, perhaps not) in a way that you propose to emulate.
3. Prospectus presentation and review: You will present your prospectus to your classmates during the last two class meetings.

Course Schedule

1 Course Overview (January 12)

2 What's So Bad About Vote Buying? (January 19)

Goals

To understand . . .

- the cases for and against vote buying,
- the subtle nature of the distinction between vote buying and acceptable forms of electioneering.

Reading

Karlan, P. (1994). Not by money but by virtue won? Vote trafficking and the voting rights system. *Virginia Law Review*, 80(7):1455–1475

Buchanan, J. and Tullock, G. (1962). Democratic ethics and economic efficiency. In *The calculus of consent: Logical foundations of constitutional democracy*, chapter 18, pages 265–281. University of Michigan Press

Assignment

Handed out week 1.

Notes and Issues

Under what circumstances does the buying and selling of votes lead to “efficient” outcomes? What about “just” outcomes? What is the distinction between “wholesale” and “retail” vote buying? Do the two readings agree on this point?

3 The Practice of Vote Buying (January 26)

Aims

To understand. . .

- the practical challenges of buying votes
- how political actors attempt to overcome those challenges

Reading

Trollope, A., *Ralph the Heir* (1871), Chapters 25 (“Mr. Griffenbottom”) and 29 (“The Election”)

“The Report,” pp. iii–vi of “The Minutes of Evidence Taken at the Trial of the Beverley Election Petition (1869.)”, *House of Commons Parliamentary Papers*

Stokes, S. (2005). Perverse accountability: A formal model of machine politics with evidence from Argentina. *American Political Science Review*, 99(03):315–325

Nichter, S. (2008). Vote buying or turnout buying? Machine politics and the secret ballot. *American Political Science Review*, 102(01):19–31

Notes and Issues

How did campaign agents obtain votes in the election described in *Ralph the Heir*? What about in the Beverley election of 1868 (upon which Trollope based the election in *Ralph the Heir*)? According to Stokes and Nichter, how do political actors buy votes in a system with a secret ballot? Is turnout buying better than vote buying?

4 US campaign finance: FECA and Buckley to BCRA and McConnell (February 2)

Aims

To understand...

- the major elements of US campaign finance from the 1970’s to the mid-2000’s: PACs, the FEC, “soft money,” public financing, expenditure limits, contribution limits, independent expenditures
- the role of judicial review in US campaign finance legislation

Reading

Corrado, A. (2005). Money and Politics: A History of Federal Campaign Finance Law. In *The New Campaign Finance Sourcebook*, chapter 1, pages 7–47. Brookings Institution Press

Syllabus of *Buckley v. Valeo*; link on course website.

Syllabus of *McConnell v. FEC*; pdf on course website.

Notes and Issues

Why is it that, in the US, there are dollar limits on contributions to candidates and parties, but no limits on what candidates and parties can spend?

5 Theories of campaign finance regulation (February 9)

Aims

To understand Stigler's theory of regulation and how it (and the competing "public interest" theory) can be applied to campaign finance.

Reading

Stigler, G. (1971). The theory of economic regulation. *The Bell journal of economics and management science*, 2(1):3–21

Abrams, B. and Settle, R. (1978). The economic theory of regulation and public financing of presidential elections. *The Journal of Political Economy*, 86(2):245–257

Notes and Issues

Whose interests are served by the different elements of campaign finance (expenditure limits, contribution limits, public financing, etc)?

6 The effect of campaign spending (February 16)

Aims

To understand...

- what empirical research tells us about the effectiveness of campaign spending
- what that suggests about theories discussed in the previous week
- the challenges of empirical work in this area

Reading

Sorauf, F. (1994). *Inside campaign finance: Myths and realities*, chapter 6 ("If It's Not Broken ... Or Is It?"), pages 161–190. Yale Univ Pr

Plus these empirical papers (read two in depth, and get the main idea and research design of the others):

Jacobson, G. (1978). The effects of campaign spending in congressional elections. *The American Political Science Review*, 72(2):469–491

Green, D. and Krasno, J. (1988). Salvation for the spendthrift incumbent: Reestimating the effects of campaign spending in House elections. *American Journal of Political Science*, 32(4):884–907

Levitt, S. (1994). Using repeat challengers to estimate the effect of campaign spending on election outcomes in the US House. *Journal of Political Economy*, 102(4):777–798

Gerber, A. and Green, D. (2000). The effects of canvassing, telephone calls, and direct mail on voter turnout: A field experiment. *American Political Science Review*, 94(3):653–663

Notes and Issues

Why does academic research not agree with conventional wisdom, according to Sorauf? How do the empirical papers differ in their approach to common problems? Do challengers benefit from spending money more than incumbents do?

7 *Citizens United* and independent expenditures (February 23)

We will carry out a debate. You will be assigned to represent the majority or minority viewpoint.

Aims

To understand...

- what the *Citizens United* decision changed
- the constitutional principles at stake in regulating third-party expenditures

Reading

Note: in reading the Supreme Court opinions, skim sections about the proper scope of the case (i.e. whether the Court could have decided on narrower grounds). This is important but not for our class.

Syllabus, majority opinion (Kennedy) and dissenting opinion (Stevens) (links from course website)

Boston Review symposium on *Citizens United* (Sept./Oct. 2010) (link from course website)

Bowman decision, European Court of Human Rights (link from course website)

8 Political Finance in the UK and Canada (March 2)

Aims

To understand...

- key differences between political finance in the US and two closely-related political systems
- how those differences relate to differences between the two political systems

Reading

Grant, A. (2005). Party and election finance in Britain and America: a comparative analysis. *Parliamentary Affairs*, 58(1):71

Feasby, C. (2003). Issue Advocacy and Third Parties in the United Kingdom and Canada. *McGill Law Journal*, 48:11

For reference:

Lijphart, A. (1999). The Westminster Model of Democracy. In *Patterns of Democracy*, chapter 2, pages 9–30. Yale University Press

9 Political Finance in Europe, Japan, and Beyond (March 23)

Aims

To understand...

- how political finance relates to electoral systems
- differences and similarities between campaign finance regulation in the US and the rest of the world

Reading

Blechinger, V. (2000). Cleaning up politics and revitalizing democracy? A European view of the new system of political finance in Japan. *European Review*, 8(04):533–551

Drysch, T. (1993). The New French System of Party Finance. *Campaign and Party Financing in North America and Western Europe*. Boulder: Westview, pages 155–77

Pinto-Duschinsky, M. (2002). Financing politics: A global view. *Journal of Democracy*, 13(4):69–86

March 25: One-pager due, 5pm

10 Lobbying (March 30)

Aims

To understand key theories of lobbying

Reading

Olson, M. (1982). *The rise and decline of nations*, chapter 2 (“The Logic”), pages 17–35. Yale University Press

Hall, R. and Deardorff, A. (2006). Lobbying as legislative subsidy. *American Political Science Review*, 100(01):69–84

Gordon, S. and Hafer, C. (2005). Flexing muscle: Corporate political expenditures as signals to the bureaucracy. *American Political Science Review*, 99(02):245–261

Notes and Issues

Who gets represented by lobbyists, according to Olson’s “logic of collective action”? What’s wrong with the “exchange” theory of lobbying? How could one tell the difference among the theories in practice? Why would we want to?

April 8: Prospectus due, 5pm

11 Disclosure as a remedy (April 6)

Reading

Lessig, Lawrence. "Against Transparency". *The New Republic*, October 9, 2009.

Thomas dissent in *Citizens United*.

Ayres, I. and Bulow, J. (1998). The donation booth: Mandating donor anonymity to disrupt the market for political influence. *Stanford Law Review*, 50(3):837–891

In addition to the readings, please prepare by looking for public information about political finance in the US and (if possible) one other country. Can you find out where a political party gets its financing?

12 Prospectus presentations (April 13 & 20)

Final Papers Due (Friday, April 29, 5pm)