

## MONEY IN POLITICS

PSC 376  
Fall 2003, UB  
10 Capen Hall  
3:30-4:50pm Tuesdays & Thursdays

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In a liberal, democratic republic, leaders earn the legitimate power to govern by obtaining the consent of the governed under conditions of political freedom and equality. However, one of those freedoms that citizens possess in a liberal republic is the freedom to use their resources to express their point of view directly or indirectly by supporting others who share their views. In practice, the exercise of this freedom may undermine the principle of political equality. Money may challenge the supposed supremacy of votes in the electoral process. To paraphrase one political pundit: in American politics you don't beat your opponent anymore, you bankrupt him (or her). This is the general subject of this course. Can a democratic republic have both free (allowing campaign financing by private individuals or groups) and fair (open campaigns decided on the merits as the electorate judges them) elections? If so, how? How well does the current system of campaign financing measure up to these standards? How can the system be improved?

This course investigates how political campaigns have been funded and explores the impact of campaign financing on election outcomes and on the behavior of elected officials in making public policy-decisions. How does money affect election results? Does money matter more to the election of challengers than the reelection of incumbents? What candidates raise more money than others and why? Who gives to campaigns and why do they contribute? How do campaign contributions affect the working of the government? Do contributions provide access or influence policy decisions or do they simply help elect those who are already inclined to act the way that the contributor wants? What are the likely effects of the McCain-Feingold Bipartisan Campaign Reform Act (BCRA) on the political process? Are we likely to have more competitive, democratic elections as the result of BCRA?

The course will also consider the effectiveness of campaign financing laws and various alternatives to the current system of campaign financing. In examining various campaign financing systems, the course will examine the tradeoffs in values that each of these systems entail and the constitutional issues that are raised.

### REQUIRED READING

Four texts are required for this course:

- (1.) David B. Magleby (ed.), 2002. *Financing the 2000 Election*. Washington, DC: Brookings Press.
- (2.) Robert K. Goidel, Donald A. Gross, and Todd Shields. 1999. *Money Matters: Consequences of Campaign Finance Reform in House Elections*. Rowman and Littlefield.
- (3.) Bradley A. Smith. 2001. *Unfree Speech: The Folly of Campaign Finance Reform*. Princeton, NJ: Princeton University Press.
- (4.) Michael J. Malbin (ed.). 2003. *Life After Reform: When the Bipartisan Campaign Reform Act Meets Politics*. Rowman and Littlefield.

You are also required to read:

Anthony Corrado, "A History of Federal Campaign Finance Regulation," in *The New Campaign Finance Reform Sourcebook*, edited by Anthony Corrado, Thomas Mann, Daniel Ortiz, and Trevor Potter, (Washington: Brookings, 2003), chapter 1. (58 pages). Available at <http://www.brookings.org/gs/cf/newsourcbk.htm>

Thomas E. Mann and Anthony Corrado, "The Flow of Money in Federal Elections," in *The New Campaign Finance Reform Sourcebook*, (see Corrado reference above), chapter 3. (31 pages).

Thomas E. Mann, "Linking Knowledge and Action: Political Science and Campaign Finance Reform," *Perspectives on Politics*, v.1, n1. (March 2003) pp.69-83.

James E. Campbell, "Is the House Incumbency Advantage Mostly a Campaign Finance Advantage?" revised version of paper presented at the New England Political Science Association in Portland, ME, May 3-4, 2002.

James E. Campbell, "An Alternative Approach to Campaign Finance Reform," Southern Political Science Association, Atlanta, GA, 2001.

Since campaign finance reform is a current issue (the case of *McConnell vs. FEC* is currently before the Supreme Court), there are several websites that we will use as well. Chief among these (with links to other sites) are the Campaign Finance Institute ([www.CFInst.org](http://www.CFInst.org)) and the Brookings Institution's website on campaign finance [http://www.brookings.org/gs/cf/cf\\_hp.htm](http://www.brookings.org/gs/cf/cf_hp.htm)

In this course the readings and the lectures are not strictly synchronized. That is, you will be reading about one aspect of the campaign finance system, while the class lectures may be discussing a different aspect. The course is arranged in this way so that you can follow through the books in their own progression, rather than skipping back and forth between the books.

#### COURSE REQUIREMENTS

Course grades will be based of four considerations. These will combined in the following percentages to compute your overall course grade:

(1.) Participation	10%
(2.) Pop Quizzes	12%
(3.) Midterm Examination	38%
(4.) Final Examination	40%

**PARTICIPATION:** Class participation will count for 10% of your course grade. Although the evaluation of your course participation is unavoidably subjective, two factors will affect this component of your grade.

(1.) Attendance counts. You are expected to attend class regularly. You are expected to know and it is your responsibility to be informed about anything said in the class lectures or discussions. Nothing short of a personal or family emergency is as important as this class during its scheduled meeting time. Attendance will be taken at different times in the course on a random basis.

(2.) The quality of your participation counts. Insightful questions and comments will be rewarded in the participation grade. Inattentive and/or distracting behavior will detract *substantially* from your participation grade. In this regard, I must also make a point of classroom behavior. All students attending class are expected to pay attention and attend the entire class meeting, unless arrangements have been made with the professor before the class. Students who are obviously not paying attention (eg. reading newspapers) or who leave class prior to the end of the class meeting will receive a failing class participation grade.

**QUIZZES:** There will be at least two, normally unannounced, quizzes in this course. These will count for a total of 12 percent of your course grade. I will drop the lowest of these quizzes in computing the total quiz grade. There are absolutely no make-up options for these quizzes.

**MIDTERM EXAMINATION:** A midterm is scheduled for Week 8. It will cover the lectures and assigned readings up to and including that covered in Week 7. I reserve the right to push back the

date of the midterm based on the progress of the course, but will inform you of any change at least two class meetings before the test.

**FINAL EXAMINATION:** The final exam will be comprehensive, covering material throughout the course, but will emphasize material covered after the midterm test. The midterm examination will be composed of "objective" questions (true-false, multiple choice, list). The final examination may also include a take-home essay which will be distributed at the last regular class meeting. If a take-home essay is distributed at this time, it is your responsibility to pick one up in class or check with the professor to obtain a copy. Once examinations are distributed to the class, no one will be permitted to leave the room and return to the test. The midterm and the final examination will count 38 and 40 percent of the course grade, respectively.

You are expected to take the exams at the times scheduled for the whole class. Failure to take a test at the specified time will be counted as a zero for that portion of the course. Exceptions to this rule will only be made when the student confronts extreme circumstances and then, only when arrangements have been made with me *prior* to the examination or due date. If you have difficulty getting in touch with me, you can always leave a message for me on my message machine, on my e-mail, or in my mailbox in the departmental office on the fifth floor of Park Hall. But in any case, if you have significant problems you should get in touch with me *as early as possible*.



### COURSE SCHEDULE OF TOPICS

#### **WEEK 1: August 26 & 28**

Introduction

Websites for Campaign Finance

The Basic of Campaign Finances and the Federal System for Regulating Campaign Finance

The Issues of Political Money:

Individual Freedoms of Speech and Association versus Individual Political Rights and the democratic Principle of Majority Rule

The Various Forms of Legal and Illegal Money in Politics:

Bribery, Extortion, "Honest Graft," Patronage, The Revolving Door, Vote-Buying, Influence-Peddling, Soft-Money, "In-Kind" Contributions, and direct Campaign Contributions

Reading: Corrado, "A History of Federal Campaign Finance Regulation."

#### **WEEK 2: September 2 & 4**

A History of the Costs of American Political Campaigns

Campaign Financing and the Law

The Campaign Finance Reforms of the 1970s

Three Targets: Contributions, Reporting, Expenditures

The Federal Election Commission

Reading: Mann and Corrado, "The Flow of Money in Federal Elections."  
Magleby, chapters 1, 2 and 3

#### **WEEK 3: September 9 & 11**

Where does the Money Come From and Where does it Go?

Who Gives How Much and Why?

How do Candidates Raise their Funds? Do Candidates Go Too Far in Raising Campaign Money?

The Use of Public Offices and Facilities for Fundraising

Reading: Magleby, chapters 4, 5, and 6

**WEEK 4: September 16 & 18**

Political Action Committees  
Labor and Corporate Contribution Strategies  
Redirecting Campaign Finances: Leadership PACs  
Reading: Magleby, chapters 7, 8 and 9

**WEEK 5: September 23 & 25**

Loopholes in the System: Old and New  
Independent Expenditures and Issue Advocacy  
The Candidates' Own Resources: A Democratic Republic or a Plutocracy?  
Can Only the Wealthy Win Office and Does it Make a Difference?  
Reading: Goidel, Gross, and Shields, chapters 1, 2, and 3

**WEEK 6: September 30 & October 2**

In-Kind Contributions  
Soft versus Hard Money: A Distinction without a Difference?  
Reading: Goidel, Gross, and Shields, chapters 4, 5, and 6

**WEEK 7: October 7 & 9**

The Public Financing of Presidential Campaigns  
Matching Public Money During the Nomination Campaign  
Public Financing of the General Election Campaigns  
Reading: Goidel, Gross, and Shields, chapters 7, 8, and 9

**WEEK 8: October 14 & 16**

What Difference Does Money Make to the Effectiveness of Political Campaigns?  
What Difference Does Money Make to Election Results?  
Does Money Buy Elections or Do Strong Candidates who would Have Won Anyway Attract More Money?  
Reading: Campbell, "Is the House Incumbency Advantage Mostly a Campaign Finance Advantage?"

**Midterm Exam: October 16**

**WEEK 9: October 21 & 23**

Do Some Candidates Benefit More from Campaign Money than Others?  
Reactive versus Preemptive Campaign Spending: Keeping Up with the Opponent or Discouraging the Opponent  
Reading: Smith, *Unfree Speech*, chapters 1, 2, & 3

**WEEK 10: October 28 & 30**

Do Campaign Contributions Reward Friends, Buy Access, and/or Buy Influence?  
The Effect of Campaign Financing on Political Parties and Interest Group Influence  
Reading: Smith, *Unfree Speech*, chapters 4, 5, & 6

**WEEK 11: November 4 & 6**

The Effect of Campaign Financing on Political Competition  
Are There Viable Sanctions for Enforcing Campaign Financing Regulations?  
Experience with Campaign Finance Reforms in the States  
Reading: Smith, *Unfree Speech*, chapters 7, 8, 9 & 10

**WEEK 12: November 11 & 13**

Issues of Campaign Finance Reform: The Principles

What are the Criteria for a Good System of Campaign Financing?

Private Interests and Public Interests

Complexity and Simplicity

Three Approaches: Regulation, Taxation and Subsidization

Reading: Magleby, chapter 10

Thomas E. Mann, "Linking Knowledge and Action: Political Science and Campaign Finance Reform."

**WEEK 13: November 18 & 20**

Issues of Campaign Finance Reform: BCRA

Reading: Malbin, chapters 1, 2, 3, and 4

**WEEK 14: November 25**

Issues of Campaign Finance Reform: Some Reform Options

Contribution Limits?

Spending Limits and Restrictions?

Small Contribution Incentives?

The Public Financing Option: Should Taxpayers Foot the Bill for Campaigns?

Reading: Malbin, chapters 5, 6, and 7

**WEEK 15: December 2 & 4**

Issues of Campaign Finance Reform: More Options

Restrictions on Independent Expenditures?

Can or Should Anything be done about Personal Wealth Funding a Campaign?

A Competition Tax on Contributions?

Mandated Media Access for Candidates?

How Should the System Deal with Minor-Party Candidates?

Reading: Malbin, chapters 8, 9, 10, and 11

Campbell, "An Alternative Approach to Campaign Finance Reform."

**Final Examination, TBA**

