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Expert Analysis vs. Public Opinion: The Case of Campaign Finance Reform

According to a national poll taken early this year, three quarters of Americans believe that "many public officials make or change policy decisions as a result of money that they receive from major contributors." Most ordinary citizens suspect that wealthy campaign donors exert disproportionate influence; in fact, seven out of ten say that the government is run "for a few big interests looking out for themselves" and not for "the benefit of all the people." Under these circumstances, the high-minded rhetoric of politicians often rings false, since their views on any particular issue may be calculated to maximize campaign funds. Because the current system seems to many Americans to violate basic moral principles of equity and integrity, large majorities support fundamental reform.

Most political scientists who study campaign financing have a strikingly different view of how politics actually works and how a democracy should function. A Task Force of nine leading experts recently found that

campaign contributions do not play as large a role in influencing legislative behavior as many believe. A legislator's principles, his or her constituency, and his or her political party, have consistently been shown to be more influential than are patterns of contributions. Accordingly, we conclude that many reformers, relying on simplistic, unidimensional analyses that fail to consider the numerous factors that influence political behavior, make too much of large contributions.

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The same experts express positive sentiments about private campaign money. For them, political action committees (PACs) and other organized donor groups are helpful actors in civil society, encouraging participation, disseminating information, and increasing competition. Herbert Alexander, the dean of campaign-finance experts and chair of the Task Force, has said, "Political campaign spending should be considered the tuition we pay for our education on the issues."

Until recently, it was difficult to find academic experts who favored significant reforms; several testified against spending limits and lower contribution limits. After the debacle of the 1996 election, no one remains complacent about campaign financing. Members of the Task Force join reform organizations in attacking "soft money" (i.e., unlimited contributions funneled through parties), and they advocate tighter disclosure and enforcement provisions. They also take a "dim view" of independent expenditures (i.e., money spent on communications that expressly advocate a candidate's election or defeat but are not coordinated with any campaign). Soft money, poor enforcement, and independent expenditures developed into major problems during the 1980s. Thus the Task Force essentially advocates a return to the regime of the 1970s—a system funded by "limited and publicly-disclosed" private money—but with *higher* contribution limits for PACs and individuals and unspecified public subsidies to help challengers.

This approach will not satisfy the majority of Americans who want to rebuild the system from the ground up. (Sixty-five percent of voters say they want to ban *all* private contributions to political campaigns.) As Frank Sorauf, a member of the Task Force, has written, "the conviction that money is the root of all evil leads to the wish that reforming the flow of money will materially change the nature of representation and policy-making in American legislatures." But because he and his colleagues doubt that "special interests and large contributors achieve undue influence as a result of their contributions," they reject the claim that even fundamental reform would significantly alter the political process. Moreover, they consider contributions to be a "legitimate form of political participation" that should be increased. These points divide expert from popular opinion and require examination, regardless of what we think about any particular reform proposal.

Empirical Issues

Public dismay at the campaign finance system has been caused, in part, by anecdotes about wealthy lobbyists who appear to wield unseemly power. Reformers often point to the example of Charles H. Keating, Jr., owner of the now-defunct Lincoln

Savings & Loan, who arranged for more than \$1.3 million in contributions and financial benefits to flow to the reelection campaigns of five U.S. senators. These senators summoned the government's chief thrift regulator, Edwin Gray, to a private meeting on Capitol Hill and demanded to know why Lincoln S&L was being investigated. Instead of being sanctioned, Lincoln was granted new federal loans—only to fail, thereby costing taxpayers at least \$2 billion. When Keating was asked whether his contributions had influenced the senators to help him, he responded: "I want to say in the most forceful way I can: I certainly hope so."

Despite such anecdotes, academic experts caution that donors do not hold all the power in their exchanges with elected officials. Firms and organizations may feel compelled to contribute to powerful incumbents. For their part, legislators have so many potential sources of funds that they can choose their positions with considerable freedom. As Representative Barney Frank (D-Mass.) has said, "There's money any way you vote." Most social scientists who have analyzed the statistical data believe that contributors "buy" relatively little influence from elected officials. The Task Force on Campaign Finance Reform cites "a long line of empirical research" that shows how slight an impact special-interest contributions have on "the roll-call behavior of legislators."

The academic literature has indeed concentrated on the relation between money and roll-call votes. But it is precisely the emphasis on voting that has led scholars to underestimate the impact of contributions. Compared to other legislative acts, votes are the easiest to analyze, but also the least susceptible to special-interest pressure. Since they are public, they can be assessed by party leaders, journalists, constituents, and potential challengers. A vote can be counted, categorized, and compared to previous behavior. Inconsistencies can be unmasked; broken promises can be challenged. Thus candidates are heavily constrained when they vote, and they cannot easily do their contributors' bidding.

If votes are relatively safe from financial pressures, however, they are also relatively unimportant. In the 101st Congress (1989–90), only 15 percent of the bills that were introduced were even reported to committee; just 4 percent became law—and half of those were non-controversial "commemorative" resolutions. Legislation that failed after being reported to committees almost always died for lack of scheduled hearings: actual defeats on the floor of Congress were rare. Thus powerful representatives who wanted to kill legislation could easily do so without risking a recorded vote. Most votes were formalities that House leaders permitted only once they could predict a satisfactory outcome.

There is a second reason not to overemphasize voting. In 1993–94, Congress passed 7,542 pages of legisla-

tion. Only a handful of members helped to draft or amend each of these pages; hardly anyone else could say what was in them, let alone influence their details. Particularly in the House of Representatives (where floor amendments are generally prohibited), a vote cannot affect the *content* of legislation.

In order for a specific provision to be included in a bill, to reach a committee, to receive hearings, to survive a floor vote, and to pass unscathed through a conference committee, it must have active sponsors who are either exceptionally dedicated and focused or else powerful. In some cases, writes Richard Hall, "a standing committee of reputed legislative specialists reduces to only two or three players, who bargain among themselves with relative impunity on significant (though not necessarily salient) matters of public policy." What lobbyists need, therefore, is the active and careful attention of a few members who are willing to draft language, move bills through the committee process, and conduct negotiations. In addition, they want their potential opponents in Congress not to interfere until the formality of a final vote.

This is why lobbyists give most heavily to well-placed incumbents who are either especially friendly or else deeply hostile to their concerns. As Hall and Frank Wayman put it, donors want to "mobilize legislative support and demobilize opposition, especially at the most important points in the legislative process." And they apparently get what they pay for. Hall and Wayman found that PAC contributions correlated with participation in three major legislative battles of the early 1980s. In general, friendly incumbents who received PAC money attended hearings, offered substitute bills, and negotiated deals. Those opponents who received PAC funds refrained from active participation.

"Screening" and the Limits of Debate

Despite studies showing that money has a weak effect on legislative votes, the journalist Philip M. Stern has produced several charts like the following. This one illustrates the relationship between contributions from the dairy lobby and votes in favor of a dairy subsidy in 1985—a subsidy which (Stern says) cost taxpayers \$1 billion a year and added up to 60 cents to the price of a gallon of milk:

Donations received from the dairy lobby, 1979–1986	Votes for the dairy subsidy in 1985
More than \$30,000	100 percent
\$20,000–\$30,000	97
\$10,000–\$20,000	81
\$2,500–\$10,000	60
\$1–\$2,500	33
zero	23

These raw figures give an obvious impression of corruption. However, Stern does not perform the kind of statistical analysis that the experts on the Task Force recommend; he does not weigh the relative importance of money compared to legislators' ideologies, their party identities, and the composition of their districts. Even the most sophisticated analysis cannot peer into politicians' minds to determine their motivations. But presumably some members of Congress who vote with the dairy industry (and receive its PAC money) support agricultural subsidies as a matter of principle; and some represent districts that depend on dairy farming.

Public officials typically deny that they ever vote based on promises of campaign money—not even when all the donations come from one side. Rather,

Money doesn't influence votes so much as it screens out troublesome politicians, determining who can hold public office in the first place.

they vote their consciences, and then friendly interests reward them financially. Mary Crawford, a spokesperson for the Republican National Committee, explained that donors who paid \$250,000 to sit at a head table with congressional leaders did not hope to buy access or influence; instead, they wanted to support the party's historical principles, especially low taxation.

Lobbyists often say the same thing, even within their own organizations. For instance, according to a private General Electric Company memorandum, GE gave \$93,000 to members of Congress who had *previously* "contributed to the company's success in saving us over \$300 million" in taxes. One representative's efforts to "protect" a \$20 million contract "alone justifies supporting him," the memo said. Likewise, an official at the National Education Association's PAC claimed that representatives "behave as they would anyway, and the money comes after."

Even if this is true, it offers little comfort to ordinary citizens. Those candidates who favor moneyed interests—whether out of a sincere commitment or a desire for campaign funds—generally raise enough money to win reelection; but those who consistently fight special interests are defunded and defeated. Newcomers to politics who lack either personal wealth or affluent friends cannot win office in the first place. In the long run, Congress fills up with members who support the interests of large contributors over the needs of underfinanced or unorganized constituencies. Money doesn't influence votes so much as it screens out troublesome politicians, determining who can hold public office in the first place.



"A very special interest to see you, Senator."

Drawing by Joseph Farris; ©1993
The New Yorker Magazine, Inc.

There are, of course, exceptions: candidates who win without generous donors. For the most part, however, these are either politicians with personal fortunes; incumbents who were first elected decades ago and have remained popular; or representatives from politically uncompetitive districts in which churches and unions are springboards to public office. These exceptions account for just a few percent of the total membership of Congress. All the other legislators have survived "screening" by the campaign finance system, which partially explains why our major parties are so similar and so reliably pro-corporate.

Sometimes, wealthy contributors are able to buy specific action or inaction with their political donations. More frequently—and, in a way, more insidiously—special-interest money alters the nature of the political debate. The need to raise campaign funds (and to prevent one's opponent from doing so effectively) discourages politicians from broaching controversial questions on the campaign trail in ways that might offend well-funded interests. Most candidates are willing to run afoul of some special-interest groups whose views they oppose on principle. But when *any* policy idea that a politician articulates carries a risk of offending a well-funded lobby, there is a powerful incentive not to deal concretely and specifically with most issues. And if many issues are ignored in campaigns, then members of Congress arrive in Washington without a mandate or a clear sense of the public's wishes.

It is difficult for candidates who disagree with certain high-profile groups, such as the National Rifle Association (NRA), to avoid tangling with them: the NRA often forces politicians to support or oppose gun control publicly, and attacks those with whom it disagrees. Other groups operate more discreetly, yet provide at least as much money to candidates. Organizations such as the National Association of Realtors sometimes contribute to as many as 540 congressional candidates in a single year. Most of these candidates do not take strong public stands in support of the realtors, but neither do they adopt positions that would harm their donors' interests. It is true that the PACs for realtors, developers, builders, and construction workers have conflicting interests, and all give widely. Thus, when these groups find themselves divided on an issue, their money may not carry the day. But there is no PAC for homeowners, renters, or the homeless. Thus candidates have good reason not to invoke *their* interests in any specific and binding way.

Regulation of savings-and-loans is an example of an issue that was ignored until it became a disaster. During the 1980s, Congress quietly deregulated the troubled industry without reducing federal insurance liabilities or creating an adequate insurance fund. By 1988, insiders knew that a huge bailout would be necessary. The Democratic presidential nominee, Michael Dukakis, had good reasons to make this scandal a campaign issue. However, his running mate, Lloyd Bentsen, Democratic Speaker Jim Wright, and House

Banking Committee Chair Fernand J. St. Germain (D-R.I.) had all received savings-and-loan money and had voted to deregulate the industry. Between 1981 and 1990, S&L PACs and owners gave nearly \$12 million to members of Congress, funding all but two of the 71 senators and representatives who sat on banking committees. Early in the eighties, the U.S. League of Savings Institutions had spent more than \$2,000 a month on meals, entertainment, and travel for St. Germain, who co-wrote the main deregulation act. Bentsen and Wright told Dukakis to drop the issue, and St. Germain silenced most of the House Democrats. As a result, the 1988 campaign dealt with flag burning and the ACLU, the death penalty and Willie Horton, but not with an economic issue of vast public importance.

John Barry, the author of a highly sympathetic book about Speaker Wright, has argued that Wright only helped Texas savings-and-loans in their dealings with regulators because he did not understand the nature of the crisis. If this account is accurate, then Wright was less venal than some of the other key players, notably St. Germain. But Barry concedes that Wright's information about S&Ls came almost exclusively from thrift owners and lobbyists, which must have distorted his perspective considerably. Here, then, is a final explanation for the influence of money on politics. As well as preventing dissident politicians from winning office, affecting who participates behind the scenes, and keeping certain issues out of the public debate, campaign contributions also distort the flow of information to political insiders.

Moral Issues

I have argued that the data on campaign finance show evidence of widespread corruption. But perhaps I have overstated the power of contributors compared to that of politicians and other political players. Any issue that involves scores of reciprocally linked variables is open to reinterpretation, and in any case the balance of power must shift from year to year. As Sorauf writes, the campaign finance system

is not a simple case of paying the piper and calling the tune. American campaigns are funded by a series of varied and complex exchanges in which different actors seek different goals in different modes of rationality. One cannot easily identify aggressors or exploiters in such a marketplace, for the relationships between contributors and candidates are bilateral and unstable, dependent always on very specific but shifting calculations of cost and benefit.

Nevertheless, I think that the public is right to hold the campaign finance regime in contempt, and that the scholars' more sanguine view illustrates a degraded ideal of democratic politics. It is reasonable for citizens to despise a political "marketplace" in which campaign contributions can purchase even modest

amounts of influence. The public should not have to await the results of scholars' multivariate analyses to be reassured that the influence of money in a given area happens to be tolerably small. Nor should citizens ever have to worry that politicians' statements are mere rationalizations of their money-seeking behavior.

Senator Mitch McConnell (R-Ky.) is an opponent of reform who often cites academic experts. He has written, "The campaign finance reform debate . . . is advanced on the premise that special interest influence is pervasive, corrosive, and must be abated at all costs. But the cost of the alleged reforms in terms of constitutional freedoms for all Americans is high. And the special interest premise is deeply flawed." The phrase "special interest," McConnell argues, is just a pejorative way to describe groups that exercise their right to petition government.

The Task Force on Campaign Finance also depicts organized donors as legitimate participants in civil society. "We do not share the animus to PACs that is commonplace among reformers," the members write.

Rather than rejecting PACs as tools of 'special interests,' we view them in the context of the larger stream of American political life which, as Alexis de Toqueville [sic] observed in the 1830s, has often witnessed the creation of new forms of association to further people's interests and goals. We take the view that such activity inevitably comes with a vibrant democracy. PACs represent an aspect of American pluralist democracy which we must accept, and not solely because the rights of association and speech are protected by the First Amendment.

When these scholars describe—and endorse—a political marketplace of organized factions, they epitomize what Theodor Lowi has called "interest-group liberalism." Lowi coined that phrase almost thirty

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years ago, before the statistical study of campaign financing began. He used it to describe both the ideology of mainstream political scientists and the reality of political life—the former justifying the latter.

According to Lowi, interest-group liberalism assumes that interests are "homogeneous and easy to define. Any duly elected representative of any interest is taken as an accurate representative of each and every member." Groups are presumed to maximize private goals by bargaining; they are immune to moral persuasion, but willing to negotiate whenever their rational self-interest demands it. (This is precisely true of corporate PACs, which *must* pursue their companies' financial interests.) Finally, it is assumed that all

interests are represented by organizations, and that public policy results from an equilibrium among these groups. If a group is unrepresented, it will "naturally" organize itself and become a countervailing force. (In Sorauf's words, "the countervailing controls of American pluralism constrain even the most determined PACs"—at least when their issues have high visibility.) On this theory, equilibrium is not only a permanent reality, but also a moral ideal.

According to Lowi, interest-group liberalism ignores what Madison called "the permanent and aggregate interests of the community." At first glance, this does not seem true of the Task Force members. "For our part," they write, "we believe that most public officials are genuinely committed to advancing the public good—as they see it." But the scholars' account of the public good is very thin. Some of their models, for example, take the ideological consistency of politicians' roll-call votes as a proxy for public-spiritedness. Statistics show that many politicians maintain consistent records despite financial pressures. But legislators who genuinely pursue the national interest might *change* their minds in response to evidence and arguments. Besides, politicians' subjective commitments do not guarantee that the public good is actually realized.

It is instructive to compare elaborate multivariate models of political behavior with the blunter approach used by Common Cause, *Mother Jones*, and many editorial writers. These reformers declare specific bills to be "corporate welfare" or a "giveaway to special interests." They conclude that anyone who took money

from the beneficiaries of such legislation and voted for it has abandoned the public good. They may not always be right in their assessment of particular bills. But if wealthy donors support legislation that is patently unfair or harmful—and it passes—then we have reason to suspect corruption, especially if the statute in question also lacks popular support.

The academic experts are proud that they consider more variables than the reformers do. But their analysis omits the most morally salient factors, such as whether each bill has merit or a public mandate; whether good arguments count in Congress; and whether ordinary people have satisfying opportunities to participate in politics. They proclaim that most politicians believe in the public good. But in order to incorporate a concrete notion of the public good in their models, they would have to abandon value neutrality. According to Lowi, neutrality is a hallmark of interest-group liberals, who not only seek impartiality themselves, but also assume that the government should be a neutral referee, helping interests to settle their mutual disagreements through peaceful bargaining.

Lowi concedes that interest-group bargaining often results in equilibrium. But it does not necessarily achieve an "acceptable level of legitimacy, or access, or equality, or innovation, or any other valued political commodity." The current system of campaign financing conspicuously lacks each of these values. In Lowi's words, pluralism's "zeal . . . for the group and its belief in a natural harmony of group competition [has] tended to break down the very ethic of government by reducing the essential conception of government to nothing more than another set of mere interest groups."

If we wanted to describe a unique ethic of government, we would need phrases such as "legitimacy," "deliberation," "national interest," "equal rights," "principle," "participation," and "rule of law." The statistical literature on campaign finance ignores these issues, perhaps because they elude quantification. Meanwhile, reformers tell us that congressional procedures and outcomes fail to meet ethical standards—sometimes spectacularly. No statistical model can refute these accusations.

Lowi writes of mainstream political science that its "focus on realism, equilibrium, and the paraphernalia of political process is at bottom apologetic. . . . The political scientist is not necessarily a defender of the status quo, but the result is too often the same, because those who are trying to describe reality tend to reaffirm it." This is an abstract complaint, but the field of campaign finance offers a concrete example: political scientists who use their expert authority to dampen the movement for reform.

—Peter Levine

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