

Book review

La Raja, Raymond J., and Brian F. Schaffner: *Campaign Finance and Political Polarization: When Purists Prevail* (Ann Arbor: University of Michigan Press, 2015).

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DOI 10.1515/for-2016-0042

Raymond J. La Raja and Brian F. Schaffner have made an important contribution to the literature on campaign finance and the state of American political parties in their new book, *Campaign Finance and Political Polarization: When Purists Prevail* (University of Michigan Press 2015). Through a series of logical and empirically supported observations, they make the case that campaign finance reforms have contributed to polarization in American politics while weakening the role that political parties play in financing campaigns. The book is both accessible to a range of readers and backed by analyses on an impressively deep set of state-level data, which combines for a compelling read. This book makes a welcome contribution to courses and scholarly work on parties, polarization, campaign finance, and organized interests – hot topics in today’s politics.

The book begins by providing useful instruction on the complex history of campaign finance regulation, couched in contemporary political science theories about groups and parties. From the outset, the authors make a forceful argument that the existing set of laws that govern campaign finance favor individuals and organized groups over political parties, and that the long term consequences of this arrangement has contributed to political polarization in Congress.

The authors are critical of the traditional categorization of interests as being “insider” or “outsider,” and instead promote the labels of “pragmatist” and “purist.” Consistent with the so-called UCLA school, La Raja and Schaffner see parties are large, decentralized, factional coalitions consisting of formal and informal relationships between various interests (Bawn et al. 2012). Arguing that the old insider/outsider model fails to explain modern politics, they suggest that pragmatists are primarily concerned with achieving or staying in power, while purists are primarily motivated by policy achievements. This bifurcation is advantageous because it capitalizes on this key point of debate in the parties-groups literature about actors’ primary motivations. This typology is similar to others in the literature both old (e.g. work horse and show horse) (Payne 1980; Langbein and Sigelman 1989) and new (group-oriented and ideologues) (Grossmann and Hopkins 2016), but the added value of their typology is that it is intuitive, easy to apply in both institutional and mass-politics settings, and alliterative to boot.

Like good social scientists who seek to contribute to a vast body of existing knowledge, they embed their argument strongly in the extant theory and literature on parties and groups. In sum, their argument is that political parties have a moderating influence in American politics because, as pragmatists, parties have incentives to support challengers, moderates, and other competitors who increase a party's chances of winning and holding seats. Further, they argue that campaign finance laws in recent decades have, perhaps unintentionally, weakened parties' role in financing candidates and strengthened the role played by purists, which come in the form of organized interests or entrepreneurial ideologues. The purists' outsized role in bankrolling campaigns and candidates has contributed to political polarization because it has helped non-moderates to win and hold office.

Many scholars in this field have been plagued by the inferential challenge of demonstrating a causal relationship between changes in laws and their observable implications. Political scientists are often interested in explaining phenomena like election outcomes, candidate behavior, campaign strategy, or attributes of a governing body, but showing a direct relationship between these events and puzzles and the institutions that govern them can be challenging because of the complex nature of the rules, and the likelihood of spurious effects. It is easy to show a correlation between a legal change that requires donor disclosure, for example, and changes in the size and sources of candidates' funds, but it is not easy to demonstrate that such a relationship is not caused by an intervening factor such as changing policy or economic conditions. La Raja and Schaffner overcome this methodological challenge by leveraging variation across the states. Rather than explaining polarization at the national level, in the mass public, or the US Congress, the authors develop a clever research design that uses variation in state legislatures and state campaign finance laws to examine how the laws affect the attributes of the elected.

After nicely motivating their puzzle and the variation in the dependent variables they seek to explain the authors walk the reader through a clear exposition of data, tests, and analyses that ultimately support their main claims. The motivation comes from showing variation across the states in how restricted parties are in raising funds and compare this with limits on individuals and organizations. In states where campaign finance laws have restricted parties' ability to raise and distribute funds, and not restricted this activity for individuals and groups, the latter tend to show greater success in terms of funds raised.

The presentation of evidence begins by showing that the population of donors is highly ideologically polarized, where moderates are less likely to give money than those who identify as liberal or conservative. While donors to parties appear to be just as ideologically polarized as donors to groups, donors also show

preference for ideologically extreme candidates. This effect is more pronounced on the right side of the spectrum than the left. Candidates, therefore, can attract more money by holding more extreme views, especially conservatives. Moreover, laws do not affect the make-up of the donor population, they only affect the size of the donations, the number of donors, and donors' choice about where to give money.

There is a strong policy implication that falls from this research and the authors are not shy about making these explicit. Since parties have much stronger incentives to support moderate candidates, compared to individuals and groups, La Raja and Schaffner see parties as a moderating force in American politics. They therefore suggest that polarization may be reduced by allowing parties to receive and give unlimited donations, while limiting the amount of money that candidates can receive. When incumbents face weak or non-existent competition, they show, that incumbents have incentives to become more attractive to the largest sources of funds – the ideologically extreme donor class. In a world where candidates looked to parties for this support, candidates have incentives to moderate and perhaps cooperate, rather than play to the ideological base.

There is also an important trade-off in the consequences of campaign finance legislation that may not be obvious to policymakers or observers. The tradeoff is in limiting corruption versus reducing political acrimony. This tradeoff happens because campaign finance restrictions were created to thwart corruption by preventing those who seek untoward influence over policymakers from being a sole source of financial support. Fortunately, American government at all levels is not subject, or victim, to the same levels of direct corruption that is seen in some other countries. Quid pro quo relationships just aren't that common. While it is unclear how much of that fortunate circumstance is due to campaign finance restrictions, it is reasonable to expect that these laws contributed to a system with minimal graft. However, the unintended consequence of these regulations, as demonstrated by the evidence in the book, is political polarization. The authors are careful not to make too strong of a case here. They do not intend to argue that campaign finance laws *caused* political polarization. But they make a strong case that these laws have been a contributing factor. Future regulators will be wise to carefully consider these possible tradeoffs.

Contribution limits, one of the most popular forms of campaign finance restriction, does not affect the make-up of the donor network, they show. If one of the goals of these limits is to try to democratize campaign financing so that more people participate, donation limits have not achieved this effect. Rather, they show, that states where parties are not limited in the funds they can receive (and candidates are), the donor network population expands. In this sense,

empowered parties can democratize the campaign finance system, and ultimately lead to slates of candidates who hold moderate views.

While the authors do not eschew the importance of networks, and they recognize that parties, groups, candidates, donors and consultants exist in a complex campaign finance network, there is no network analysis in this book. The book makes significant contributions to our understanding of this topic and one might say that a network analysis is out of scope; however, it seems likely that accounting for the variety of interdependencies in these relationships would provide a sharper view of how they affect one another. Future iterations of this research should include analysis at the relationship, or whole network, level. There are a number of testable implications that come from their findings, such as whether party organizations truly are less central in a network of campaign finance where parties are restricted. Such implications are logical and plausible, but left untested in this work. While the analyses provided are logical, they are not overly sophisticated. A more rigorous set of tests in future research will help to strengthen the many contributions of this book.

Overall, this work is poised to make a real impression in this field of inquiry. The combination of carefully building expectations from extant literature with a clever research design and massive amount of data analysis combine to make a compelling case for strengthening parties to reduce political polarization. The book is accessibly written for researchers, students, policymakers, journalists, and interested observers. I expect it will incite discussions in classrooms, boardrooms, and conference rooms for some time.

References

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