Candidate spending and success in Israel's party primaries: How far does money go?

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Abstract

The last decade has seen an upswing in and expansion of party primaries as a means of selecting legislative candidates in many parliamentary democracies. Yet, while most democracies around the world regulate the financial aspects of general elections, the same cannot be said for these intraparty contests. The absence of financial regulation in party primaries may explain why the effect of candidate spending on success has received so little attention in the literature. The current study seeks to investigate to what extent candidates' spending affects their success, focusing on Israel's legislative primary elections. Although the Israeli Party Law sets expenditure ceilings with the aim of leveling the playing field, there is considerable variance in the amount of money candidates raise, invest, and spend. This variance allows us to test the relationship between candidates' expenditure and their success. Based on reports by the State Comptroller and on formal results of primary elections, we analyze seven primary contests that were held in three political parties between 2008 and 2015. Candidates' success is measured in two ways: (1) the number of votes each candidate received, and (2) whether the candidate was elected to parliament. Our findings point to a strong positive correlation between the amount of money spent and the number of votes received. However, when factors such as incumbency and public familiarity are considered, the picture is more nuanced.

Introduction

The relationship between money and politics is multifaceted and well documented. Among other things, money—through the intermediation of social class—shapes political views, plays an important role in the corridors of power, and gives an important edge to parties and candidates in election campaigns, thereby shaping electoral outcomes. In order to effectively compete, election contesters in modern democracies are required to invest considerable sums of money. Without the means to pay campaign staff, purchase ads in the media, or hire professional political consultants, one's chances of success are low. Thus, wealthy and resourceful contesters (both political parties and candidates) have a built-in advantage in the electoral competition, a feature that undermines democratic values such as equal opportunity, fairness, and pluralism.

Therefore, it is not surprising that almost all democracies regulate the financial aspects of general elections. This applies especially to political parties, which are the central institutional form through which participation in politics is organized and operated in modern democracies. With the spreading of direct public finance, the long-standing view of parties as voluntary associations that are free of state intervention gave way to an approach that regards parties as semipublic institutions (Katz and Mair, 1995). This

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development allowed the state to step in and regulate certain activities performed by the parties, especially their financing (Karvonen, 2007; Koß, 2010; Nassmacher, 2009; Van Biezen and Kopecký, 2007). With regard to party competition in general elections, financial regulation is enforced, among other ways, by making donations transparent and imposing spending limits. These are justified as measures required for leveling the playing field, moderating the role of money in elections and, in general, promoting political equality and transparency (Nwokora, 2014; Piccio and Van Biezen, 2018).

Remarkably, in opposition to the heavily-regulated financial aspects of general elections, state intervention in intraparty contests is much more relaxed. It appears that with regard to financing intraparty contests in general, and candidate selection procedures in particular, the concept of parties as private membership associations continues to be strong (Von Nostitz and Sandri, 2018: 204). Two notable exceptions to this rule are Canada, which in 2004 passed legislation that included leadership contests in the state's campaign finance regulatory scheme (Cross and Crysler, 2011), and Israel, which imposed a far more detailed financial regulation concerning both leadership and legislative primary elections (Hofnung, 2008).

The absence of financial regulation in intraparty contests may explain why the effect of candidate spending on success has received so little attention in the literature. To the best of our knowledge, no research (beyond the universe of American primaries) to date has looked into the relationship between spending and success in legislative primaries. The current study seeks to do precisely that. Using the legislative primaries in Israel, it examines the effects of candidates' expenses on their intraparty electoral performance. Candidates' success is measured in two ways: (1) the number of votes each candidate received, and (2) whether the candidate was elected to parliament.

The article proceeds as follows: the first section presents an overview of the financial regulation of primary contests and the theoretical approaches regarding the connection between candidates' expenses and their success. It then presents the Israeli institutional setting—the features of its electoral system and the methods through which parties select their candidates to parliament. In this context, we argue that Israel serves as a great case study for investigating the relations between outlay and success in intraparty contests. The final section presents the empirical evidence. We start with a comparison of the differences in spending between incumbents and new candidates and then proceed with a multivariate analysis. Our findings point to the following conclusions: the more candidates spend on primaries, the higher the chances they have of winning one of the top places in the primaries, and hence of being elected to parliament. Even when holding a number of the variables as mediators, the significant effect of campaign spending on candidates' success still remains.

Campaign spending in primary elections

The last decade saw an upswing in the literature that acknowledged and addressed the expansion of party primaries. These inclusive selection methods, once associated almost exclusively with the United States, have become common in political parties in many parliamentary democracies as well. The process of intraparty democratization is especially evident regarding leadership selection (Cross and Blais, 2012; Pilet and Cross, 2014) but was also detected in the selection of legislative candidates. A recent study showed that more than 18 parties in 12 countries employed either open or closed primaries to determine their legislative candidates at the national level (Sandri and Seddone, 2015: 10). Another study cautiously estimated that between a quarter to a third of the more prominent parties in democracies make use of primaries to select their legislative candidates (Cross et al., 2016: 47). So long as legislative candidates were nominated by party leaders or by small committees set up for this purpose, money did not play an important role in the process. The adoption of primaries changed this situation, by forcing prospective candidates to address a widespread, atomistic, largely passive selectorate of party members or supporters. This compelled candidates to invest considerable resources in order to effectively campaign. Primaries require expensive campaigns that are not subsidized by the state, and therefore resourceful candidates enjoy a considerable advantage in such contests. This expansion in the use of primary elections underlines the importance of evaluating the financial implications of such large-scale contests to the individual candidates who seek to win nominations.

The relationship between campaign spending and electoral success received attention in the academic literature. However, most studies have focused on general elections, rather than on primary elections.

There is a considerable debate among scholars considering the direct effect spending have on success. Those questioning the effect of spending on success distinguish between new candidates and incumbents and present evidence, mainly from the American experience, that campaign spending has marginal effect on election outcomes. It is widely known that in American congressional election incumbents are routinely reelected. The common explanation for these high reelection rates is the large campaign spending advantage enjoyed by incumbents. One of the central findings in this literature was that challengers spending has much greater marginal returns than incumbents spending does. Challengers are generally unknown and so benefit greatly from campaign exposure. Several studies verified consistently that incumbent spending is less effective than challenger spending (Abramowitz, 1988; Gerber, 1998; Jacobson, 1990). Jacobson (1978) provides the main theoretical explanation for the relative ineffectiveness of incumbent spending: Since incumbents begin with

built-in advantages in organization, familiarity, expertise, and staff, any spending is just an addition to the already high levels of campaign activity. The incumbent is well known to the voters, even before he needs to spend the first dollar.

Additional works focused mainly on single-member district (SMD) systems such as the United States, United Kingdom, Canada, and France. Fewer studies were conducted in countries with PR electoral systems. Exceptions include Samuels (2001) who focused on the impact of campaign spending on incumbents' and challengers' vote shares in elections to the Brazilian Chamber of Deputies. He found that incumbents spending was just as effective as challengers spending in yielding electoral gains: every 1% of a candidate's campaign spending will add around half a percent to his or her vote (Samuels, 2001: 580). Benoit and Marsh (2010) investigated incumbent–challenger differences in spending effects under the single transferable vote used in Ireland. Examining the 2002 elections, they found a positive and statistically significant relationship between spending and votes and concluded that candidates who spend more win more votes. Furthermore, spending more also directly increases a candidate's chance of winning a seat. Johnson (2013) demonstrates that spending benefits incumbents as much as challengers in the congressional elections of three separate countries—Brazil, Ireland, and Finland.

As mentioned above, these studies address the effect of campaign spending in general elections. Much fewer studies focused the role spending plays in intraparty contests. The scant studies that have addressed the subject beyond the United States focused on leadership contests (e.g. Avril, 2015; Cross and Crysler, 2011; Scarrow, 2013:156–157) and not on the selection of candidates to parliaments. This lack of literature can be attributed to difficulties in data collection or even the absence of an official mandatory requirement for candidates to disclose their campaign costs. The absence of state financial regulation (except for a very few cases) is probably also responsible for the fact that we know so little about the subject.

The overlooking of funding in the intraparty procedures that select legislative candidates is somewhat surprising. Since political parties almost monopolize the recruitment of political elites, these procedures have a de facto screening effect, determining who, in the first place, will have a chance to be elected to parliament. Thus, the scope of the individual right to be elected is not constrained only by the rules framing the (general) elections, but also by the primary stage of candidate selection. Because the state or the party seldom fund candidates' campaigns in these selection procedures (Hofnung, 2006; Von Nostitz and Sandri, 2018: 206), it is the candidates themselves who have to underwrite the contests, either drawing on their own wealth or by raising money through donations. Considering that these procedures are expensive, such a model of self-funding

threatens financial equality between candidates by giving a considerable edge to the more resourceful ones. This might produce some negative democratic results, such as reducing the representativeness of candidates and shifting their responsiveness from the voters to specific groups and individuals that financially support their campaigns (Hazan, 2014).

The cost of intraparty campaigns is affected by several objective factors. An obvious one is the number of eligible voters in the contests (the selectorate), which dictates the amount of money candidates should spend to effectively campaign. The larger the selectorate, the higher the cost needed to be invested by candidates. Geography is also a factor that has a bearing on expenses, in particular when the voters are geographically dispersed. The larger the territory of the intraparty contest, the higher the expenses for traveling, communication, campaign teams, management, and so on. And competitiveness itself, by nature, has an impact on the time and resources that candidates spend on securing a nomination. In tighter contests, spending is expected to be higher. The length of the campaign too plays a role; shorter contests tend to be cheaper (Scarrow, 2013: 154–155).

To these factors[1] we can add several other distinctive elements that derive from the candidates' profiles, and that are assumed to affect their expenses in intraparty contests. Here, the underlying assumptions are that (1) higher campaign expenses boost the electoral performance of the individual candidate; and (2) a candidate's political behavior is rational, instrumental, and self-interested. From this we speculate that candidates will spend as much as they are allowed to in order to maximize their performance. Yet, the numbers tell of a variance in spending: some candidates spend much more than others. The straightforward reason for this variance lies in the fact that candidates differ from each other in their ability to raise money. Since most candidates will find it hard to self-fund their campaigns (and in the absence of public funding), fund-raising is crucial. As the probability of success increases, it is easier for a candidate to raise money. We can therefore assume that incumbents, candidates with public familiarity and candidates who hold prominent political positions (ministers, for example), would find it easier to raise money than new, unfamiliar candidates.

The built-in advantage incumbent candidates hold over new ones in the electoral competition was documented in several studies (e.g. Cox and Katz, 1996; Erikson, 1971; Levitt and Wolfram, 1997; Somit et al., 1994). This advantage stems from various factors. First, incumbents enjoy a political power base they acquired in their position and have the means to maintain it by responding to their constituents. Second, incumbents are news generators, which grants them access to media exposure that leads to enhanced public familiarity (name recognition). Third, incumbents enjoy better access to resources such as office services and administration staff and also benefit from a

working place which allows a flexible and convenient schedule. Lastly, as already noted, incumbents have better access to campaign finances. Potential donors find their way more easily to these powerful public figures, and often also find it in their best interest to invest in sitting politicians rather than banking on new candidates.

In the American context, studies showed that when new candidates spend more, they typically earn more votes in state legislative primaries (Breaux and Gierzynski, 1991; Sparks, 2018); that incumbent fund-raising plays a role in deterring strong challengers to compete in congressional primaries (Epstein and Zemsky, 1995); and that spending in general has a positive effect on vote shares in gubernatorial primaries (Bardwell, 2002). On the other hand, looking at British and Canadian party leadership contests, Scarrow (2013: 158) argued that "successful fundraising does not guarantee success."

Gender is another factor to be considered. Much attention has been paid to the underrepresentation of women in general elections and in candidate selection procedures (Caul, 1999; Rahat, 2011). Common wisdom has it that large inclusive (and hence expensive) selectorates undermine the representation of women in parliament. In this context we assume the party leadership seeks to present a list of candidates which is reasonably representative. In a more exclusive selectorate, the leadership has a decisive influence on the composition of the list; on the other hand, under more inclusive candidate selection methods the party leadership loses its influence, and cannot guarantee the representation of women. In other words, the more inclusive the selectorate, the harder it becomes for the party leadership to neutralize the advantage male candidates have in this process (as in other political contests). For this reason, and in order to cope with the barriers and the underrepresentation, some parties adopt corrective mechanisms, such as quotas, to ensure suitable representation of women (Dahlerup, 2006; Krook, 2007).

Accordingly, we can assume the following hypotheses concerning large-scale inclusive intraparty contests: A positive correlation is to be found between expenditure and success—the more money spent on the campaign, the higher the electoral benefits (**H1**). Incumbents and well-known politicians with political experience, public recognition, or who hold prominent political positions have an advantage over unfamiliar candidates (**H2**). Male candidates have an advantage over female candidates (**H3**). Lastly, we expect to find that incumbency, public recognition, term length, and gender have a mediation effect on the connection between spending and success (**H4**).

Primaries in Israel

Israel uses a PR-closed list electoral system to elect its unicameral parliament, known as the Knesset. Moreover, all 120 Members of Knesset (MKs) are elected in a single nationwide district. Each party must compose a ranked list of candidates and present it to the Central Elections Committee about 45 days before a general election.[2] On election day, voters cast a ballot for one party list and by doing so endorse its entire list of candidates. The candidates' names are not included on the ballot paper and are in fact pretty much obscured to most voters. This means that to a large extent, one's chance of being elected is predetermined by the intraparty candidate selection procedures: the higher up a candidate is on the list, the better his or her chances of occupying a seat in the Knesset.

As in most democracies, the Israeli law does not intervene in the candidate selection methods, leaving each party to decide the method through which its list of candidates will be determined. These selection methods have gone through a gradual democratization over time. Until the mid-1970s, small nomination committees usually drew up the candidate lists. Later, several parties adopted more inclusive selectorates composed of delegates and, most recently, in the 1990s the largest parties adopted closed primaries, allowing rank-and-file members to elect the list of candidates to the Knesset (Rahat, 2002). While the Labor Party has continuously used primaries since 1992 to choose its legislative candidates, Likud has used both primaries (in 1996 and since 2008) and selection by delegates (1999–2006). A few other parties have also experimented with primaries, but despite this democratization, the current political system still includes parties whose candidates are appointed rather than elected.

Legislative primaries in Israel are rather short, about 4–6 weeks at most. Each voter typically selects 8–12 candidates and the default rule is that candidates are ranked according to their vote totals. A candidate with the highest number of votes will appear in the second place on the list (right after the party leader, who is elected separately), a candidate who came second will be in the third place and so on. The only exception to this default rule concerns the correction mechanisms which parties have adopted to ensure proper representation for various social groups and sectors, such as women, ethnic minorities, new immigrants, and young people (Cross et al., 2016; Rahat, 2011). These mechanisms may create a situation in which a certain candidate will eventually appear in a higher position on the list than a fellow candidate who received more votes.[3] Because the top positions on the party lists are selected in a nationwide district, almost all candidates competing in primaries for legislative seats need to address a fairly large selectorate (the eligible voters in each party).

The Israeli electoral system allows for parties only to compete in national elections. Candidates are recognized as individual competitors and may run their own campaigns only in intraparty races (such as primaries) that select among contestants competing for a top spot on the party's electoral list. As mentioned, Israel is exceptional (Hofnung, 2008) in the heavy regulation the state imposes on

Table 1. Features of the seven legislative primary contests in Israel.*

	Eligible voters	Actual (valid) votes	Expenditure ceiling	Exp. Min.	Exp. Max.	Mean (SD)	Median	N
Kadima 2008	79,658	35,125	346,543	10,000	434,632	85,910 (98,464)	45,907	74
Labor 2008	59,124	59,025	290,091	9,283	320,731	136,401 (109,713)	109,254	18
Labor 2012	60,392	35,000	310,578	10,000	312,703	97,277 (89,395)	61,724	79
Labor 2015	48,900	28,742	284,785	10,900	297,187	130,787 (102,096)	97,139	36
Likud 2008	98,811	48,469	399,230	10,000	444,450	128,492 (134,256)	74,935	63
Likud 2012	123,343	73,073	496,096	10,000	499,293	197,350 (184,991)	126,741	57
Likud 2014	96,543	45,000	415,803	7,000	430,640	164,307 (158,882)	56,144	38

Note: SD: standard deviation.
*All expenditures values are in NIS.

candidates in intraparty contests, mainly pertaining to candidate selection and party leaders' selection. The Party Law not only includes disclosure requirements and donation limits but also imposes spending limits and penalties for violations. These spending limits are in proportion to the size of the selectorate. For example, candidates in the Likud primary before the 2015 elections were allowed to raise and spend up to NIS 415,803 (about €88,000), reflecting a selectorate of about 96,000 eligible party members. Candidates in the Labor Party primary for the same elections could raise and spend up to NIS 284,785 (about €60,000), reflecting a selectorate of about 49,000 eligible party members. Table 1 shows summary statistics for the main spending variable used in the empirical analysis.

Initially, the law entrusted the parties themselves with monitoring and enforcing this financial regulation of internal contests. However, given the fact that candidate selection takes place just before general elections, the desire to avoid public scandals disincentivized the parties to strictly enforce and oversee the regulation. This situation was changed in 2005 (first as a temporary order and 3 years later as an amendment to the law) by transferring the task of regulating primary campaigning finance to the State Comptroller.[4]

There are several reasons that make Israel an excellent case study for testing the impact of candidates' campaign expenses on their success. First, because candidate selection in Israel occurs in the most centralized electoral arrangement one can think of. To clarify this point, in countries with plurality SMDs there is not a single "primary" election in each party but rather multiple separated contests: each district may hold primaries, with various sizes of selectorates and sometimes even with different rules. The devolved nature of the candidate selection process applies also, albeit to a lesser extent, in PR systems that have electoral districts. In Israel, on the other hand, the electoral system constrains the parties to select a single list, and those holding an internal election do it in the form of a single nationwide contest. All candidates are therefore selected by the same joint selectorate.[5]

Second, because in candidate selection in Israel we can speak of multiple "winners." Bear in mind that in candidate selection in SMDs there is only one successful winner, and in small-magnitude multimember districts there are a few winners at the most. In Israel, by contrast, even if a candidate in one of the large parties comes in at 12th place, there is still a good chance that he or she will be elected to Knesset, and therefore may be regarded as a "winner."

Third, since most candidates are elected on a nationwide list, and the higher a candidate is on the list the better the chances of getting elected, there is a strong incentive to invest in the primary contests. In fact, for the single candidate the primary is much more important than the general elections: successful primary candidates who are placed high on the list are almost certain to be elected and therefore can pretty much reduce their activity for the rest of the campaign. Therefore, candidates work hard and are actually "forced" to raise and invest considerable sums of money in their personal primary campaign. The impact of spending is especially crucial in the case of new candidates who lack the name recognition and resource access that incumbents enjoy. Without heavy spending, the chances of such candidates succeeding are slim (Hofnung, 2006; Rahat and Sher-Hadar, 1999).

Data and methodology

The research population includes all the candidates who competed for a place in the list of candidates in the three parties that held primary elections prior to the three Knesset elections held in 2009, 2013, and 2015. Kadima did not hold primaries before the 2013 elections and was later disbanded. Another party, the Jewish Home, also held primaries before the 2013 and 2015 general elections but was excluded from the analysis for two reasons. First, because the number of its candidates elected to the Knesset was very small; and second, due to the junior status it occupies within the Israeli political system. Labor, Likud, and Kadima have all been governing parties while Jewish Home is only considered as a coalition partner. As mentioned before, all these contests were in the form of closed

primaries, meaning that only due-paying party members could participate.

Independent variables

The main independent variable is *candidate expenses*, reflecting the sums of money (in NIS) each candidate spent in the primary campaign. Data were collected from the State Comptroller reports (2009–2015). As noted earlier, this institution has been responsible since 2005 for monitoring the financial aspects of intraparty elections, including primaries for a place on the list to the Knesset. Candidates are obliged to submit a detailed report of their fund-raising and campaign expenses, and the State Comptroller may adjust their initial reports in cases he finds are incomplete. This provided us with a systematic and reliable source as a base.[6]

The range of potential expenses is quite wide—from the minimum sum of the entry fee a candidate is required to pay to be included in primary contests (typically NIS 7000–10,000) and up to the expenditure ceiling. In some cases, there were candidates who exceeded these spending limits and were fined. Because expenditure vary from one contest to another (see Table 1 above), we standardized the sums by calculating for each candidate the logarithm of campaign spending totals. Hence, values for the main independent variable range from slightly above 3.8 to 5.7.[7]

In addition, we use five background indicators for each candidate: *gender* (1 = female); *Term length in office* (measured in years, 0 for new candidates); and three dummy variables accounting for public familiarity: *previous ministerial position* (1 = yes); *incumbent* (1 = yes); new candidates with *public familiarity* (1 = yes).[8]

Finally, we also used control variable to account for the competitiveness (or "strength") of the primary field. Considering the factor of competition is important because it might affect the motivation of candidates to expend. When competition is high (strong candidates compete for limited number of places) the incentive to invest increases. To evaluate the level of competition we created an index reflecting the share of incumbent candidates that were reelected. For example, in Likud's 2008 primaries, all the 13 incumbent candidates were reelected (and hence the index = 0). On the other hand, in Likud's 2012 primaries, only 18 out of the 27 incumbent candidates were reelected and competition was higher (and hence the index = 33%). However, when we made calculations with and without this control variable, results were almost identical. Hence, we decided to exclude the index from the analysis presented here.

Dependent variables

The dependent variable is defined as success in the primary contest. This will be measured hereafter in two ways: the first looks at the number of votes each candidate received. Data were gathered from official primary election results published by the parties. Once again, because the number of voters in each contest varies, we standardized the number of votes by calculating for each candidate the share of support in proportion to the number of votes given to the candidates who came first (i.e. received the highest number of votes). Hence, values range from 0 to 1.

The second measurement looks at whether eventually the candidate was elected to the Knesset (1) or was left out (0). This alternative measurement provides a somewhat different aspect of "success," because, as we have seen, various correction mechanisms (such as gender quotas) mean that sometimes candidate A's final position on the list will be higher than that of candidate B, despite the fact that the latter received more votes. These mechanisms increase the representation of several social groups, women in particular (Shapira et al., 2016). For this measurement, we applied the value of (1) only to candidates who were elected to the Knesset immediately following the general election, excluding changes occurring during the course of the legislative term, due to resignations or deaths of MKs.

In the first stage, descriptive analyses were performed to analyze the characteristics of the candidates. In the second stage, an independent sample *t*-test was performed to examine the differences in expenditures between incumbent and new candidates. Finally, linear regression and logistic regression analyses were performed to examine the factors that best explain candidates' success in primaries. In order to evaluate the contribution of each variable to the outcome variable (and to examine the existence of mediation), the independent variables were entered in three steps: first, the expenditure variable; next, incumbency; and finally, the remaining independent variables.

Descriptive analysis

Table 2 below presents the descriptive statistics of the candidates per contest. Age was relatively the same in all contests, with means ranging from 50 to 55. In all contests the vast majority of the candidates were males. The share of women candidates was lower than 30% in six of the seven contests, with the single exception of the Labor 2008 contest that included 39% women candidates. The share of women candidates that was eventually elected to the Knesset at the conclusion of these seven contests is even lower—only 23%.

Table 2 also shows the distribution of candidates according to their public familiarity: those with previous ministerial positions, incumbent MKs, new candidates with public familiarity, and new candidates (for each contest these figures sum into 100%). In Labor 2008 contest, around 60% of the candidates were previous ministers or incumbent MKs, but lower figures were found for the latest contests, reflecting the party's decrease in its legislative

Table 2. Descriptive statistics of the study variables.

	2008	2012	2014–2015	Total
Labor				
Number of candidates	18	79	36	133
Success rate	0.56	0.17	0.44	
Age—M (SD)	55.2 (10.7)	50.4 (11.9)	51.8 (10.6)	
Gender (proportion of males)	0.61	0.73	0.72	
Minister	0.39	0.06	0.06	
Incumbent MK	0.22	0.04	0.25	
New candidates with public familiarity	0.06	0.11	0.17	
New candidates	0.33	0.79	0.53	
Likud				
Number of candidates	63	57	38	158
Success rate	0.32	0.33	0.53	
Age—M (SD)	53.2 (10.7)	51.4 (12.8)	51.6 (10.8)	
Gender (proportion of males)	0.71	0.72	0.76	
Minister	0.13	0.23	0.21	
Incumbent MK	0.08	0.23	0.24	
New candidates with public familiarity	0.32	0.07	0.05	
New candidates	0.48	0.47	0.50	
Kadima				
Number of candidates	74			74
Success rate	0.35			
Age—M (SD)	53.1 (10.7)			
Gender (proportion of males)	0.78			
Minister	0.15			
Incumbent MK	0.16			
New candidates with public familiarity	0.08			
New candidates	0.61			

Note: M: mean; SD: standard deviation; MK: Member of Knesset.

power (i.e. 39% of the candidates were previous ministers in the 2008 contest, but Labor has not been part of the governing coalition since 2011 and only 6% of candidates previously held ministerial positions before the 2013 and 2015 contests). In Kadima's sole contest, 31% of candidates previously held ministerial positions or were incumbent MKs. In Likud, the ruling party from 2009, around 20% of the candidates in the 2008 contest were previous ministers or incumbents, but higher shares (around 45%) were found in the 2012 and 2014–2015 contests (more than 20% held ministerial positions before the 2012 and 2014 contests). Either way, in all three Likud contests, about 50% of candidates were new candidates with no public familiarity. This factor was variant in Labor, with proportions ranging from 33% in 2008 to 79% in 2012.

Success rate was diverse in all parties. For example, in Labor, 10 out of the 18 candidates who competed in 2008 contest were elected (56%) and from those elected 8 were previous ministers or incumbent MKs (and thus, competitiveness index was 80%). Success rate in Labor ranged between 17% (the 2012 contest) and 56% (the 2008 contest), and competitiveness index between 39% (the 2012 contest) and 80% (2008 contest). In Kadima, about 35% of all candidates were elected to the Knesset, and competitiveness index was 77%. Finally, of all Likud candidates running for a position (in the nationwide lists), about a third were eventually elected to the Knesset in the 2009 and 2013 general elections and 53% in the 2015 elections. This significant increase was due to two factors: the higher number of seats won by Likud in these elections, as well as the smaller number of candidates competing in the primary contest.

Figure 1 compares the mean expenditure of the 365 candidates by party and contest.[9] The figure clearly shows that in Likud the mean expenditure of incumbent candidates increased (from 62% of the ceiling in 2008 to 77% in 2014) while the mean expenditure of new candidates decreased (from 24% in 2008 to 9% in 2014). The differences between the groups (incumbents vs. new) in each of the contests are statistically significant ($p < 0.001$). In summary, Likud incumbents spent on average 51% more than new candidates.

With regard to Labor, the findings are less conclusive. In the 2008 contest, incumbents indeed spent more than new candidates but the gap (15%) was not statistically significant. Nevertheless, in the next contest, in 2012, the gap between incumbent and new candidates increased to 39%, which was statistically significant ($p < 0.001$). In 2015, a gap of 26% was observed (significant at $p < 0.05$). In summary, incumbents in Labor spent on average 30% more than new candidates in these three primary contests.
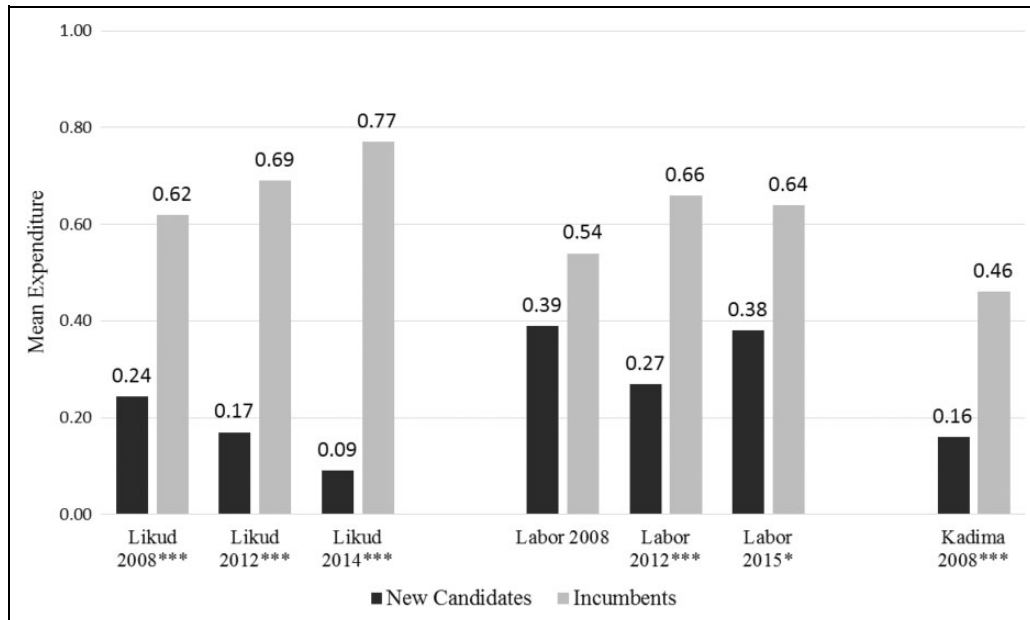
Figure 1. Campaign spending of incumbent versus new candidates. Mean expenditures are expressed as the percentage of the top expenditure ceiling in the relevant contest. *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$.

Table 3. Linear regression for predicting success in intraparty contests.

	Model 1	Model 2	Model 3
Expenditure (log)	0.36*** (0.02)	0.20*** (0.02)	0.17*** (0.02)
Minister		0.40*** (0.03)	0.44*** (0.04)
Incumbent		0.29*** (0.02)	0.32*** (0.03)
New candidate with public familiarity			0.11*** (0.03)
Term in office			0.00 (0.00)
Gender			−0.01 (0.02)
Constant	−1.42*** (0.10)	−0.76*** (0.08)	−0.64*** (0.09)
R^2	0.47	0.72	0.73
N	365	365	365

Note: The dependent variable is the share of votes a candidate received in the intraparty contest. Standard errors are in parentheses.
*$p < 0.05$; **$p < 0.01$; ***$p < 0.001$.

Finally, in the sole Kadima contest in 2008 a significant gap of 30% between the expenditures of incumbent and new candidates was also observed. These findings in the seven contests mark the significant financial advantage incumbent candidates have over new candidates.

Explaining the advantages: A multivariate analysis

Table 3 presents the regression analysis of the factors explaining candidates' success using the share of votes each candidate received in the primary contests. To begin,

we apply the simplest possible regression model, focusing solely on the bivariate association between a candidate's expenditures (logged) and his or her vote shares.[10] The second column in Table 3 (model 1) shows that expenditures were positively significant in explaining 47% of the variance in the dependent variable. This suggests that a candidate who spends 10,000 NIS will gain 2% of the votes, and on the other hand, a candidate who spends 100,000 NIS will gain 38% of the votes. Model 2 further shows that with the adding of previous ministerial position and incumbency to the regression, all three variables were positively significant, and they together explain 72% of the variance in the dependent variable. Following our previous example, a new candidate who spends 100,000 NIS will gain 24% of the votes, an incumbent who spends the same amount of money will gain 53% of the votes, while a candidate with previous ministerial position will gain 64% of the votes.[11]

Finally, model 3 examines all the independent variables considered to be connected to candidates' success. This model provides further evidence that ministers, incumbent MKs, and even new candidates with public familiarity and who spent more enjoyed a considerably higher share of votes than new candidates with no public familiarity and no ministerial background. Nevertheless, two independent variables were not statistically significant: gender, term in office, implying mediation with the other covariates since they were correlated with the share of votes. ($r = −0.124$, $p < 0.05$; $r = 0.61$, $p < 0.001$, respectively). Either way, all told, the variables included in the equation explained 73% of the variance of candidates' success.

Table 4. Logistic regression for predicting success in winning.

Variable	Model 1			Model 2			Model 3		
	B	SE	Exp. (B)	B	SE	Exp. (B)	B	SE	Exp. (B)
Expenditure	3.05	0.033	21.05***	2.15	0.37	8.57***	1.88	0.41	6.52***
Minister				3.19	0.51	24.26***	3.41	0.76	30.28***
Incumbent				2.15	0.39	8.60***	2.65	0.53	14.10***
New candidate with public familiarity							2.03	0.45	7.58***
Term in office							0.07	0.05	1.07
Gender							0.79	0.40	2.20*
Constant	−15.76	1.68	0.00***	−12.18	1.82	0.00***	−12.24	2.25	0.00***
LL		334.28			263.77			234.69	
Nagelkerke R		0.42			0.59			0.65	
N		365			365			365	

Note: The dependent variable is whether the candidate was elected to the Knesset (1) or not (0). SE: standard error.
*$p < 0.05$; **$p < 0.01$; ***$p < 0.001$.

Turning to the second measurement of candidates' success, Table 4 presents the logistic regression analysis of the factors explaining electability to the Knesset. The findings show that in the first step (model 1), expenditures were significant in explaining the gain of a legislative seat and that this variable explains 42% of the variance of success. In the next step (model 2), the incumbency and ministerial position variables were added, and it emerges that they were both significant in explaining a candidate's election to the Knesset. This suggests that ministerial position and incumbency makes a significant contribution to reelection, and that the three variables explain 59% of the variance in the outcome variable. Finally, in the third step, new candidates with public familiarity, term in office, gender, and competitiveness were added. The covariates that were found to be significant were as expected: expenditures (logged), ministerial position, incumbency, and new candidates with public familiarity—all explained 65% of the variance in the outcome variable.

Discussion

This study has investigated the role money plays in intra-party elections. Using seven legislative primary contests in Israel, we sought to shed some light on the impact campaign spending has on candidates' success. The results of our research have theoretical, empirical, and methodological implications. While this topic was studied within the context of American elections (with its SMD electoral system), it was relatively neglected in other countries, especially with PR-list electoral systems. More specifically, this research offers an insight regarding the effect of campaign spending in contests with multiple "winners." The dynamics of such contests may be quite different from those where only one candidate "takes it all" and the other candidates lose. For example, availability of more winning positions may persuade candidates to spend more since prospects to succeed are higher. Moreover, competing in

a large field of candidates for the votes of tens of thousands party members creates a strong incentive for higher campaign expenses. In this respect, this study offers significant contribution, especially considering the increase in the use of legislative primaries in countries using multimember districts.

Our findings point to a strong positive correlation between candidates' expenditures and their success, whether it is measured by the number of votes won or simply by being elected to the Knesset. Even after considering the incumbency factor, our results show a positive relationship between campaign spending and electoral outcome. This contrasts with studies arguing that the spending of incumbents is less effective than those of challengers (Gerber, 1998; Jacobson, 1978) and similar to the conclusions of Benoit and Marsh (2010) and Johnson (2013). The relationship between expenditure and success can be interpreted in two ways. The first, straightforward, explanation would suggest that the more a candidate spends, the more he or she succeeds. The second explanation indicates that whoever is expected to succeed to begin with will find it easier to raise money and will spend larger sums.

However, it is evident that the relationship between spending and success is partially mediated by incumbency, which prompts a question regarding the direction of a causal explanation. In other words, does spending serve as the explanatory variable, or perhaps incumbency does instead? This question is important because the findings also show that incumbents raise and spend much more money than do new candidates. Donations seem to find their way much more readily and more effectively to incumbents, who are more visible and, more importantly, already occupy power positions in politics. This applies in particular to incumbent candidates from a governing party—including ministers, deputy ministers, and various senior parliamentary position holders.

The built-in advantage the big spenders (who are often the incumbents) enjoy in these contests bears significant
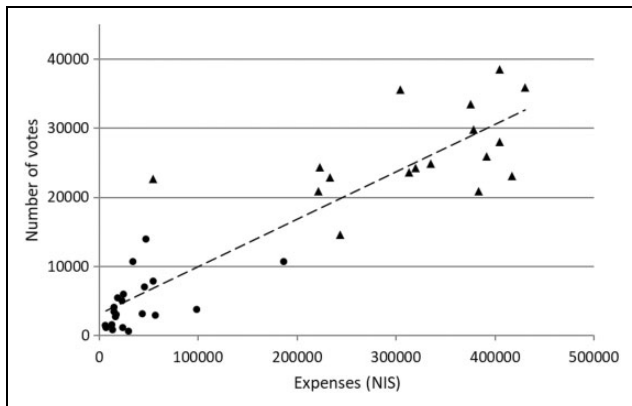
Figure 2. Candidates' expenses and votes in Likud 2014 legislative primary (incumbents are marked in triangles).

consequences in politics. It creates a clear bias against new candidates, especially less familiar and less resourceful ones who find it difficult to raise money for their personal primary campaigns. Thus, even if interparty competition survives quite well, intraparty competition between candidates is undermined. Furthermore, as Figure 2 suggests, even if competition is to be found in the intraparty contest, it occurs within two distinct groups: the incumbents (marked in triangles) are also the big spenders, except for a single outlier, and the big vote-getters. New candidates (marked in circles) spend much less and ultimately compete for the scraps.

In this context, this article cannot be concluded without a brief reference to a recent amendment of the Israeli Party Law, approved in January 2018. Aimed at cutting the unhealthy ties between wealthy donors and politicians, the amendment prohibits incumbent candidates from raising money for their primary campaigns. Instead, it provides them with public funding. New candidates, on the other hand, do not enjoy this privilege. They may use their own resources, raise money, or take state loans that will be reimbursed only if they are elected to the Knesset. This new legislation has spawned two categories of candidates. Even if the intentions of the legislators were good, the end result further amplifies the considerable advantage incumbents hold in primary contests.

The evidence of a strong positive relationship between spending and success in legislative primaries we presented here has profound implications for parliaments in democracies. Legislative primaries today, especially in closed-list systems, operate as a de facto filter, determining which candidates will have a chance to be elected to parliament to begin with. Such a bias inherently favors resourceful, connected, or incumbent candidates. This situation can potentially raise the thresholds for candidates from weaker social groups, deterring them from competing at all and, in turn, creating a parliament less representative of society. It is not surprising, therefore, that all parties that use

primaries for selecting their list of candidates voluntarily adopted gender quotas to cope with the underrepresentation of women. Our findings in the multivariate analysis show that gender is not associated with success, presumably due to the moderating effect of these quotas.

Having said that, it is also important to acknowledge the limitations of our study. For a start, we used seven primary contests covering only three political parties in one country. Hopefully, future studies that will test the impact of spending on candidates' success in more case studies will be able to refine our findings and offer new insights. Additional factors worth considering might also contribute more nuanced results. For example, it would be interesting to test whether district magnitude (M) matters: would we find that smaller selectorates reduce the effect of money on success? Likewise, it would be interesting to evaluate what impact correction mechanisms such as gender quotas have on the prospects of candidates to be elected. In the Israeli context, quotas have a moderating effect on the strong relationship between campaign spending and success, allowing women who spent little and received relatively little support to nevertheless be elected to the Knesset. Despite these limitations, and given the scant academic work undertaken on this topic to date, this study broadens our understanding of the relationship between spending and success in legislative primaries beyond the prominent US context.

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Funding

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Notes

1. We did not include these factors in our analysis below since most of them are considered as constant variables in the Israeli case.
2. While several parties hand in a maximal 120-name list of candidates, this is by no means mandatory. Medium- and small-size parties often hand in lists with fewer candidates.
3. These mechanisms vary from one case to another. For example: in Likud's 2015 primary contest, two places for women candidates were secured until the 25th place in the list, while in Labor's 2015 primary contest, two places for women candidates were secured in each group of 10 (1–10, 11–20).
4. The Israeli State Comptroller is an established institution with constitutional status, resources, and expertise. It regularly inspects the activities of public authorities and one of its main functions is monitoring issues concerning party finance.

5. Several positions on the list were sometimes reserved for candidates representing geographical regions. Those candidates were selected by smaller selectorates comprised of party members residing in these regions. These cases were excluded from our analysis.

6. Admittedly, the State Comptroller might miss several fundraising and spending violations by candidates. For instance, some candidates may have engaged in under-the-radar fundraising and spending, exploiting loopholes in the law (Cross et al., 2016: 168–171; Hofnung, 2006). But all in all, the reports are regarded as highly-standard accounts of the financial aspects of primaries.

7. This treatment follows Jacobson (1990), Gerber (1998), and other studies who accounted for logarithmically transforming campaign spending totals to reflect diminishing returns. We also standardized the sums by calculating the share of expenses of each candidate from the spending limit (top expenditure ceilings). Both measurements produced almost identical results. These results are available upon request from the authors.

8. Let us note that each candidate received only one value in each of the three dummy variables. New candidates with no public familiarity received zero in all three variables. Thirteen percent of the case observed (48 out of 365) were new candidates with public familiarity. These mainly included famous media figures and high-ranked officers in the Israel Defense Forces (IDF) or in other security forces.

9. We utilized *t*-tests to analyze differences in means between incumbents and new candidates.

10. We used Cook's Distance to see if there are extreme cases that might have affect the results, and indeed one case was observed. However, the effect on the multivariate analysis was marginal, and therefore we decided not to omit the case from the analysis.

11. The expenditure variable slightly weakened (from $B = 0.36$ to $B = 0.20$), which indicates a partial mediation. A Sobel test for assessing the significance of a mediation effect was conducted.

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