# **PSC 300 – Money and Politics**

Instructor

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**Class Information** 

Days: M/W Time: 5:15 - 6:35 pm Classroom: Management 203

# **Course Description**

Money and politics are inextricably linked. Interest groups or wealthy individuals try to use bribes or campaign contributions to influence political decisions. Politicians, in turn, need money to finance election campaigns, or they use their position to enrich themselves. And voters are thought to be more likely to vote for candidates who run expensive campaigns or hand out gifts. In this course, we will look at political science research on money and politics in different countries around the world. We will try to answer the following questions: How much money is there in politics, and how can we measure it? What is the money used for? How much does it influence policy? What are the consequences? And finally, should we try to reduce the influence of money on politics, and if so what ways to do so can be successful?

# **Course Objectives**

- 1. Learn about the interaction of money and politics in a variety of countries around the world.
- 2. Identify different actors that are involved, what motivations they have, what mechanisms of special interest exchange are employed, and what consequences this has for politics.
- 3. Through the lens of money in politics, describe the structure and politics of the international system or countries outside the United States.
- 4. Conduct or evaluate political research, whether quantitative or qualitative in nature, and evaluate the extent to which arguments are well reasoned and/or empirically supported.
- 5. Communicate in written and oral form about politics in a way that demonstrates the ability to organize ideas, create and defend an argument, and use and cite sources properly.

#### **Course Materials**

There is no required textbook for this class. Instead, the readings will be either book chapters or academic articles. The readings are available as PDFs on Blackboard (in the "Readings" tab on the left).

The only thing you need to buy is a *Roaring Springs* composition notebook for your reading journal (see below). They are available for purchase at the SU bookstore (they have set aside enough for everyone in this class in the PSC section of the textbook department).

#### **Assignments and Grading**

Your grade in this class will be based on two exams, a country research paper, and your reading journal.

- Exam 1 (20%): This exam will consist of short answer and essay questions covering the first half of the class. It will be taken in class on **October 9**. The exam is closed book/closed notes.
- Exam 2 (20%): This exam will consist of short answer and essay questions covering the second half of the class (so the exams are not cumulative). It will be taken in class on **December 6**. The exam is closed book/closed notes as well. Note that for both exams, makeup exams will only be given in truly exceptional circumstances, such as illness (with appropriate documentation) or the death of an immediate family member. If you know you will miss an assignment, notify us as soon as possible.
- Country Research Report (40%): Imagine you work for a think tank as a political consultant. Your task is to write a research report of 8-10 pages (double-spaced) on the role money plays in politics in a country of your choice that is *not* your home country (or countries if you have several). The paper should do the following things:
  - Describe how much money plays a role in either the bureaucracy or the political system of the country. Pay careful attention to describing the organization of the bureaucracy or political system in that country.
  - Describe *how* money plays a role: Who are the main actors involved, in what way does money transfer hands, and what consequences does it have?
  - Discuss which efforts there are to limit the effect of money on politics in the country, whether they are likely to be successful or not, and detail policy recommendations you have.

You should use sources from academic journals as well as policy reports and other material. The report is due before the beginning of class on **November 15** via Turnitin.

I *highly* encourage you to start working on the paper early in the semester, as you will have to do substantial research on your own, using sources that go beyond what is assigned in class. If you wait until the last minute, you are unlikely to have the time to read

and absorb enough material and to write a thought-out and well structured report. I also encourage you to discuss paper ideas with me and Matthew during office hours early in the semester. Note that because the research paper is a semester-long effort, its completion should not depend on adverse circumstances the day(s) before it is due. Accordingly, no extensions will be given. For each day the assignment is late, a penalty of one-third of a letter grade will be given.

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- Reading Journal (20%): It is crucial for your success in this class that you do the assigned readings before each class. This will allow you to follow the lecture more easily and to contribute to class discussions. To help you keep up with readings, you are required to keep a research journal. For each reading, you will receive a number of questions designed to help you understand the main points that the reading is making. You should answer them briefly, using your Roaring Springs notebook. We will randomly collect journals at the beginning of each class (so if you get to class after 5:15, we will not accept your journal). Each time your journal is collected, you will get a score from 0 to 3.
  - 0: You are not in class.
  - 1: You are in class, but your journal has no or almost no entries since the last collection
  - 2: Your journal has entries since the last collection, but is only partially complete.
  - 3: Your journal has complete entires since the last collection, showing that you have done the readings.

Of course, you are not allowed to copy you entries from someone else (see the Academic Integrity section below). For the final grade, I will drop the lowest score.

Your final grade will be assigned based on the following scale: A (93-100), A-(90-92), B+ (87-89), B (83-86), B-(80-82), C+ (77-79), C (73-76), C-(70-72), D (60-69), and F (0-59). There are no +/-grades in the D or F range.

#### **Important Dates to Remember**

• Oct 9: Exam # 1

• Nov 15: Country Research Report due

• Dec 6: Exam # 2

#### **Electronic Devices Policy**

All electronic devices (tablet, laptop, phone) must be turned off for the duration of the class meeting time. Electronic devices can be distracting to people around the user as well as to the users themselves. If you don't believe me, believe science: A number of studies have now shown that students who were allowed to use a laptop in class scored lower than students who were forbidden from using one. So by instituting this policy, I am improving your final grade.

## **Email Policy**

Email is the best way to reach me; of course, students are welcome to drop by during office hours as well or make an appointment. I will usually respond to email within 48 hours. I will **NOT** respond to questions that are answered in the syllabus. Students are expected to check their email accounts regularly, as I will be using email to provide announcements and updates about the course. See Syracuse's email policy at http://supolicies.syr.edu/it/email. htm.

# **Religious Observances**

SU's religious observances policy, at http://supolicies.syr.edu/emp\_ben/religious\_observance.htm, is intended to recognize the diversity of faiths represented among the campus community and protect the rights of students (as well as faculty and staff) to observe religious holy days according to their tradition. Under the policy, students are provided an opportunity to make up any examination, study, or work requirements that may be missed due to a religious observance - provided they notify their instructors no later than the end of the second week of classes.

#### **Accommodations for Students with Disabilities**

I am committed to supporting Section 504 of the Rehabilitation Act of 1973 as amended and the Americans with Disabilities Act of 1990. This means that in general no individual who is otherwise qualified shall be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity, solely by reason of having a disability.

If you believe that you need accommodations for a disability, please contact the Office of Disability Services (ODS) located at 804 University Avenue, third floor or go to the ODS website at disabilityservices.syr.edu and click current students tab to register on-line. You may also call 315.443.4498 to speak to someone regarding specific access needs. ODS is responsible for coordinating disability-related accommodations and will issue 'Accommodation Letters' to students as appropriate. Since accommodations may require early planning and are not provided retroactively, please contact ODS as soon as possible.

# **Academic Integrity**

Syracuse University's Academic Integrity Policy is intended to hold students accountable for the integrity of the work they submit. Students should be familiar with the policy and know that

it is their responsibility to learn about course-specific expectations, as well as about university policy. The university policy governs appropriate citation and use of sources, the integrity of work submitted in exams and assignments, and the veracity of signatures on attendance sheets and other verification of participation in class activities.

The policy also prohibits students from submitting the same written work in more than one class without receiving written authorization in advance from both instructors. The presumptive penalty for a first offense by an undergraduate student is course failure, accompanied by a transcript notation indicating that the failure resulted from a violation of Academic Integrity Policy. The standard sanction for a first offense by a graduate student is suspension or expulsion. For more information and the complete policy, see http://academicintegrity.syr.edu.

# **Privacy and Student Records**

The Family Educational Rights and Privacy Act (FERPA) sets forth requirements regarding the privacy of student records. FERPA governs both the access to and release of those records, known as education records, and the information they contain. Under FERPA, faculty have a legal responsibility to protect the confidentiality of student records. For additional information about FERPA and SU's FERPA policy, see: http://www.syr.edu/registrar/staff/ferpa.

## **Course Schedule and Assigned Readings**

#### I. Overview

- Aug 28 Introduction to the Course
- Aug 30 What Is Corruption?
  - Fisman, Ray, and Miriam A. Golden. 2017. "What Is Corruption?" In: *Corruption. What Everyone Needs to Know.* New York: Oxford University Press. Ch. 2.
- Sep 4 No Class: Labor Day
- Sep 6 How Much Corruption Is There?
  - Olken, Benjamin A. and Rohini Pande. 2012. "Corruption in Developing Countries" *Annual Review of Economics* 4: 479-509. *Sections 1 and 2.1*.
  - Transparency International. 2015. "Corruption Perception Index 2015."
  - Transparency International. 2016. "Corruption Perception Index 2016: Short Methodology Note"

## II. Money and Political Bureaucracy

- Sep 11 Bribe Takers
  - Olken, Benjamin A. and Rohini Pande. 2012. "Corruption in Developing Countries"
     Annual Review of Economics 4: 479-509. Section 3.
  - Di Tella, Rafael and Ernesto Schargrodsky. 2003. "The Role of Wages and Auditing during a Crackdown on Corruption in the City of Buenos Aires" *Journal of Law and Economics* 46(1): 269-292.
- Sep 13 Bribe Payers
  - Mocan, Naci. 2008. "What Determines Corruption? International Evidence from Microdata" *Economic Inquiry* 46(4): 493-510.
  - Svensson, Jakob. 2001. "The Cost of Doing Business: Firms' Experience with Corruption" In: Reinikka, Ritva, and Paul Collier (Eds.) *Uganda's Recovery. The Role of Farms, Firms, and Government.* Ch. 10.
- Sep 18 The Consequences of Bureaucratic Corruption
  - Olken, Benjamin A. and Rohini Pande. 2012. "Corruption in Developing Countries" Annual Review of Economics 4: 479-509. Section 2.2.

Bertrand, Marianne, Simeon Djankov, Rema Hanna, and Sendhil Mullainathan.
 2007. "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption." *Quarterly Journal of Economics* 122(4): 1639-1676.

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#### III. Special Interest Groups and Money in Politics

- Sep 20 Who Tries to Influence Politics?
  - Olson, Mancur. 1965. The Logic of Collective Action. Cambridge: Harvard University Press. Excerpts: Ch. 1 (Sections A, B, nontechnical summary of D), Ch. 6 (Sections D and H).
- Sep 25 The Returns to Spending Money on Politics
  - Stratmann, Thomas. 2005. "Some Talk: Money in Politics. A (Partial) Review of the Literature." *Public Choice* 124: 135-156. *Section 4*.
  - Kalla, Joshua L. and David E. Broockman. 2016. "Campaign Contributions Facilitate Access to Congressional Officials: A Randomized Field Experiment" *American Journal of Political Science* 60(3): 545-558.
- Sep 27 Why is Influencing Politics so Cheap?
  - Video: Marginal Revolution University, "Tullock Paradox", https://goo.gl/1Cu7TY.
  - Ansolabehere, Stephen, John M. de Figueiredo, and James M. Jr. Snyder. 2003.
     "Why Is There so Little Money in U.S. Politics?" *Journal of Economic Perspectives* 17(1): 105-130.
- Oct 2 Businessmen as Politicians
  - Gehlbach, Scott, Konstantin Sonin, and Ekaterina Zhuravskaya. 2010. "Businessman Candidates." American Journal of Political Science 54(3): 718-736. You do \*not\* have to read the section "A Simple Model of Businessman Candidacy".
  - Szakonyi, David. 2016. "Businesspeople in Elected Office: Identifying Private Benefits from Firm-Level Returns." *Working Paper*.
- Oct 4 Review Session
- Oct 9 Exam # 1

# IV. Politicians and Money in Politics

• Oct 11 – Personal Enrichment while Holding Office

Fisman, Raymond and Edward Miguel. 2009. "Suharto, Inc." In: *Economic Gangsters. Corruption, Violence, and the Poverty of Nations*. Princeton and Oxford: Princeton University Press. Ch. 2.

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- Oct 16 Campaign Contributions
  - Stratmann, Thomas. 2005. "Some Talk: Money in Politics. A (Partial) Review of the Literature." *Public Choice* 124: 135-156. *Sections* 1 and 2.
  - Hall, Andrew B. 2016. "Systemic Effects of Campaign Spending: Evidence From Corporate Campaign Contribution Bans in State Legislatures." *Political Science Research and Methods* 4(2): 343-359.
- Oct 18 Lobbying
  - de Figueiredo, John M. and Brian Kelleher Richter. 2014. "Advancing the Empirical Research on Lobbying." Annual Review of Political Science 17(1): 163-185. You do \*not\* have to read the section "Empirical Approaches to Studying Lobbying".
- Oct 23 The Revolving Door
  - Palmer, Maxwell and Benjamin Schneer. 2016. "Capitol Gains: The Returns to Elected Office from Corporate Board Directorships." *Journal of Politics* 78(1): 181-196.

# V. Voters and Money in Politics

- Oct 25 Citizens-Politics Linkages
  - Kitschelt, Herbert and Steven I. Wilkinson. 2007. "Citizen-Politician Linkages: An Introduction" In: Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition. Cambridge: Cambridge University Press. Ch. 1.
- Oct 30 Campaign Spending in Clientelistic Countries
  - Hicken, Allen. 2011. "Clientelism." Annual Review of Political Science 14: 289-310.
- Nov 1 Campaign Spending in Programmatic Countries
  - Gerber, Alan S. and Donald P. Green. 2017. "Field Experiments on Voter Mobilization: An Overview of a Burgeoning Literature". In: Banerjee, Abhijit and Esther Duflo (Eds.) Handbook of Economic Field Experiments, Volume 1. Ch. 9. You do \*not\* have to read Sections 2 and 4.

Gerber, Alan S., James G. Gimpel, Donald P. Green, and Daron R. Shaw. 2011.
 "How Large and Long-lasting Are the Persuasive Effects of Televised Campaign Ads? Results from a Randomized Field Experiment". American Political Science Review 105(1): 135-150. You do \*not\* have to read the Sections "Gauging the Effects of Broadcast Television and Radio".

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- Nov 6 Corruption Voting
  - De Vries, Catherine E. and Hector Solaz. 2017. "The Electoral Consequences of Corruption." *Annual Review of Political Science* 20: 391-408.

# VI. The Consequences of Money in Politics

- Nov 8 Government Service Delivery
  - Ferraz, Claudio, Frederico Finan, and Diana B. Moreira. 2012. "Corrupting Learning: Evidence from Missing Federal Education Funds in Brazil." *Journal of Public Economics* 96(9-10): 712-726.
- Nov 13 Government Policy
  - Gilens, Martin and Benjamin I. Page. 2014. "Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens." *Perspectives on Politics* 12(3): 564-581.
  - Matthews, Dylan. 2016. "Remember that study saying America is an oligarchy? 3 rebuttals say it's wrong." https://www.vox.com/2016/5/9/11502464/gilens-page-oligarchy-study.
- Nov 15 Political Competitiveness and Democratic Accountability
  - Avis, Eric, Claudio Ferraz, Frederico Finan, and Carlos Varjão. 2017. "Money and Politics: The Effects of Campaign Spending Limits on Political Competition and Incumbency Advantage." Working Paper.

#### Country Research Report due in class.

• Nov 20 & Nov 22 – No Class: Thanksgiving Break

## VII. Limiting Money in Politics

- Nov 27 Monitoring and Anti-Corruption Agencies
  - Brunetti, Aymo and Beatrice Weder. 2003. "A Free Press is Bad News for Corruption." *Journal of Public Economics* 87(7): 1801-1824.

- Meagher, Patrick. 2005. "Anti-Corruption Agencies: Rhetoric Versus Reality." *Journal of Policy Reform* 8(1): 69-103.

- Nov 29 Political Institutions
  - Ferraz, Claudio and Frederico Finan. 2011. "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments." *American Economic Review* 101(4): 1274-1311. You do \*not\* have to read Section I.
- Dec 1 Technology
  - Bertot, John C., Paul T. Jaeger, and Justin M. Grimes. 2010. "Using ICTs to Create a Culture of Transparency: E-Government and Social Media as Openness and Anti-Corruption Tools for Societies." Government Information Quarterly 27(3): 264-271.
  - Bussell, Jennifer. 2012. "E-Governance and Corruption in the States. Can Technology Serve the Aam Aadmi?" *Economic and Political Weekly* 47(25): 77-85.
- Dec 4 Review Session
- Dec 6 Exam # 2