

Money Is the Gatekeeper of Politics

By Ray La Raja

One is mistaken to think that corporations dominate the electoral process in the United States is misplaced. The problem is actually deeper: money structures the field of ideas and sets the terms of the debate.

Let me start with a controversial claim: the concern that corporations dominate elections with their political spending is misplaced. The clearest example of this mistaken concern in the US is the obsession of many reform activists with the Supreme Court decision, *Citizens United v. the Federal Election Commission*. Applying not just to corporations, this 2010 ruling, in fact, enables any organization to spend money in elections without limits. To be sure, corporations in aggregate give a lot of money to politicians through their political action committees (PACs), which must abide by contribution limits. But few corporations exploit the unlimited spending granted by *Citizen United* for fear of public retribution by appearing grossly partisan. Instead, the loose regulations on campaign money have benefitted the super-rich ideologues who finance free-spending PACs with opaque names like “Americans for Prosperity.”

Far too much attention in the news media and popular imagination is given to the outsized campaign contributions to politicians. If we are concerned about money in politics, then we must follow the money wherever it goes. Consequently, the distorting effects of money on the democratic political system must be viewed beyond simply defaming corporations or bewailing *Citizens United*. Instead, we must see how the power of wealth shapes democratic processes even beyond elections.

The most critical effect of money is not outsize influence with a particular politician. In fact, the real issue is that money enables the wealthy to dominate the circulation of political ideas and policies, particularly when it comes to shaping politics' *economic dimension*. This domination does include campaign donations. But what's really at stake is that money structures a political agenda that limits the range of voices, attention to issues, and policy options in the political system. Such structuring of the very terms of the debate is manifested less in *quid pro quo* transactions—Person A paying Politician B to act in the interest of Person A—than the *power of gatekeeping*. And gatekeeping effects *everything*: the candidates who run for office, how politicians prioritize problems, and the evidence used to frame and address public policies.¹

This gatekeeping power is not only employed for securing economic outcomes. There is a second dimension of power, which is often ignored, because it involves internal factional battles within the political parties. Wealthy partisans engage in fights over the soul of their respective political parties. Sometimes dubbed the culture wars, these are often conflicts related to morality and lifestyle differences. Leverage comes in the form of vital resources—money and activist volunteers—which make the parties highly dependent on these wealthy partisans. Consequently, money also shapes the *social dimension* of public policies.

To be sure, the social and economic dimensions are intimately related, most especially in the domain of civil rights. But the heavy emphasis on the social and symbolic aspects of politics tends to divert politicians from working on bread-and-butter issues—health care, education and social security—that concern most citizens. And because party representatives feel compelled by wealthy activists to take relatively extreme positions on issues like guns, abortion, and immigration, the parties become more polarized and less capable of finding negotiated solutions to other problems. Money, in this sense, doesn't just buy influence; instead, it exacerbates and intensifies political polarization and democratic strife.

When both moneyed distortions—economic and social—come together,² they often result in stasis and gridlock, despite substantial consensus among Americans on the need for new policies and government action. As such, even if one prefers limited government, the power of wealth undermines basic ideals of representative government. In acting as a gatekeeper to limit who can shape politics, money thus makes the system of democracy and government much less responsive to the aspirations and interests of voters.

¹ My comments focus on the US context but various dynamics may easily extend to other democracies.

² The two moneyed distortions – economic and social -- are potentially in tension. The status quo sought by business elites might be dislodged by the polarizing push of moralizing ideologues. And ideologues might be kept in check by the status quo seekers. But that assumes they are fighting over the same priorities, which is often not the case.

Campaign finance

Let's begin with distortions introduced by campaign contributions. The public understandably fears that political donors buy off politicians. Research shows that this kind of raw transaction is not pervasive, at least not in the sense that politicians change votes for money. The more likely scenario is that donors give to politicians who champion their economic interests. This means that money matters in an entirely different way. In the first instance, it is the purchase of the status quo because economic interests donate overwhelmingly to incumbents. By receiving contributions from business political action committees (PACs), incumbents accumulate war chests to scare off high quality challengers. With fewer competitors the circulation of new policy ideas and alternative political goals are suppressed.

In the second instance, business interests secure the status quo by buying the time of politicians to promote or thwart legislation that threatens donor interests. This behavior comes well before any vote. Politicians who receive money from particular interests may ration their legislative efforts—time, staff and political capital—in ways that indirectly benefit the advancement or death of a bill.³ In other words, money buys *motivation*, a scarce and vital resource from elected officials, which often leads to policy success.

Campaign finance is also related to the second, social dimension of power. Politicians rely heavily on political spending from a narrow set of partisan-aligned interest groups and wealthy individuals that feel passionately about issues, especially regarding guns, abortion, religion and immigration. To win the party nomination candidates need the financial support of activist donors and partisan interest groups. Unless a potential candidate hews to positions on certain social issues, they will have a hard time getting the resources to run for office. And once in office politicians will be reluctant to compromise, fearing these militants will champion a challenger in the primary. In this way, advocacy donors shape the direction of the party by doing what party bosses used to do: they *gatekeep* who runs for office and stays in.

Some point to the rise of small donors as a counterweight to the power of large donors. Certainly, the Internet has reduced the transaction costs of mobilizing small donors who are not inside players in Washington. Research indicates, however, that small donors are as polarizing as large donors and that they are not necessarily representative of rank-and-file partisans in other ways, being older, wealthier, and whiter.

³ Richard L. Hall and Frank W. Wayman. "Buying Time: Moneyed Interests and the Mobilization of Bias in Congressional Committees." *The American Political Science Review* 84, no. 3 (1990): 797-820.

Lobbying & Think Tanks

Money distorts the policymaking process more directly through lobbying and think tanks, most especially on the economic dimension. In 2018 lobbying expenditures in the US totaled \$3.5 billion, nearly *five times* as much as interest groups contributed to campaigns.⁴ Not surprisingly business interests dominate lobbying, spending 85% of the total. While such groups do not always win, the fact that they typically seek the status quo gives them a built-in advantage: since, in this democratic system, there are multiple veto points by which even marginal changes are easily halted.

The power of lobbying is not the tawdry transactions over steak and martinis. What matters critically is the information that lobbyists provide to elected officials.⁵ Legislators are busy, they are generalists, and they have limited staff resources, so they tend to rely on information provided by lobbyists to inform their policymaking. By furnishing packets of policy evidence and forging coalitions, the lobbyist makes a lawmaker's life easier. This "legislative subsidy" increases the likelihood that the legislator will focus on the policy goals of the lobbyist rather than other constituents. Since resources to hire lobbyists are not distributed evenly in the polity, policies gets distorted toward those with the money to hire such advocates.

Well-resourced lobbyists have additional advantages. They glean their policy proposals from a host of think tanks supported financially by allied interest groups and wealthy individual donors. In the US think tanks have mushroomed to roughly 2000 across a range of issue areas. The purpose of many is not to apply expertise to address problems but to package policy ideas that align with political goals.

Consider the Heritage Foundation, one of the most powerful think tanks in the US. Despite a veneer of intellectual rigor, Heritage is a partisan marketing operation that propagates ideological sound bites, frames policy narratives, and drafts legislation. Moreover, Heritage is largely sponsored by corporations and wealthy conservative activists like the industrialist Charles Koch. Emphasizing its insider playbook, Heritage proudly calls itself a "full service" think tank. Their affiliate, Heritage Action, is a political operation that organizes activists (called "Sentinels") in congressional districts to push local officeholders to support their legislation.

⁴ Center for Responsive Politics, website accessed January 6, 2020 at <https://www.opensecrets.org/federal-lobbying/summary> ; <https://www.opensecrets.org/overview/index.php?display=T&type=A&cycle=2018>

⁵ Richard L. Hall and Alan V. Deardorff. "Lobbying as Legislative Subsidy." *American Political Science Review* 100, no. 1 (2006): 69–84.

Beyond simply funding the production and dissemination of policies, such think tanks even fully “service” the furthering of specific policies with their paid organizing affiliates. Only the wealthiest can afford to pay so much to advance their interests.

Media

Money affects media gatekeeping as well. Such gatekeeping is driven primarily by revenue-seeking goals of media firms, which are frequently at odds with the provision of public goods. Most egregiously, local and national broadcasters charge hefty fees to allow politicians to air campaign ads—a public good that informs and mobilizes citizens.

TV-based ads remain the chief expense in US federal elections, despite greater use of social media. Most advanced democracies, by contrast, require broadcasters to run campaign ads for free. The exorbitant cost of TV ads is a major reason why politicians spend so much time raising money from wealthy interests.⁶ And this cost limits the kind of candidates who can run for office, while ensuring that politicians spend more time in the living rooms of the wealthy rather than the lunch rooms of workers.

Profit-seeking media companies introduce two additional distortions to the democratic process. In broadcasting and cable TV, there has been a wave of consolidations and local station purchases by a handful of media companies such as Sinclair Broadcast Group and Nexstar.⁷ These owners cut costs by reducing local staff, and focusing on national stories that can be placed more cheaply in markets across the nation at the expense of local and state news.⁸ At the local level, the market-driven logic of media consolidation robs viewers of vital information about politics at the grassroots, while dipping them more deeply into the highly partisan disputes roiling national politics.⁹

The airing of such disputes are the stock-in-trade of partisan news organizations such as Fox News and MSNBC News seeking to profit from contentious politics delivered as entertainment. But this type of programming tends to turn off Americans for whom politics is not a passion, and fuels an agenda focused on symbolic issues and antagonisms while crowding

⁶ Since 2004, the five biggest local TV companies have more than doubled their broadcasting revenues, while their political advertising revenues have tripled. See Katerina Eva Matsa, “Buying Spree brings more local TV stations to fewer big companies” Pew Research Center, May 11, 2017. Accessed March 30, 2020 at <https://www.pewresearch.org/fact-tank/2017/05/11/buying-spree-brings-more-local-tv-stations-to-fewer-big-companies/>

⁷ Matsa, “Buying Spree brings more local TV stations to fewer big companies”

⁸ Gregory J. Martin and Joshua McCrain, “Local News and National Politics,” *American Political Science Review* 113, no. 2 (May 2019): 372–84, <https://doi.org/10.1017/S0003055418000965>.

⁹ Research shows an increasingly rightward shift in the ideological slant of coverage by these media firms, which has implications for mass polarization. See Martin and McCrain (2019).

out public discourse on major economic and social issues affecting the well-being of Americans, especially the poor.

What is to be done?

Money distorts in obvious and subtle ways. Its force goes well beyond the hefty campaign contributions to politicians and parties, to shaping our choice of leaders, policy agendas and the kind of information we get from the media. Its distortions do not only reflect economic interests but well-resourced ideologues with controversial social agendas. The first sustains a status quo protective of concentrated wealth while the second polarizes the party system. Both dimensions yield a political system that appears unresponsive to the concerns of citizens, a dynamic that undermines representative democracy and feeds populism.

So, if money distorts, what can be done? Restricting the use of money in US politics is more challenging than in other democracies due to absolutist judicial interpretations of the First Amendment, which links all forms of political spending to free speech. But even with additional constraints, many of the most influential groups have the means to circumvent them.

I recommend a different pathway. Conceptually, we should promote strategies that generate counterweights to the influence of wealthy interests.¹⁰ These will require public subsidies of some form or other. Rather than working to take money out of politics, instead, we should inject more money into politics: but money in the service of the public good and the broader electorate, not private and narrow interests.

With respect to campaign finance, one focus should be on strengthening institutions that have incentives to reach those who are least represented in politics. These include political parties, labor unions, churches and other non-profits serving marginalized citizens. For example, subsidies might be designed to incentivize political parties to register and mobilize voters in all parts of the nation, rather than only competitive districts. Political parties might receive a few dollars from public funds for each additional voter they register. Second, the government should partially finance campaigns of political parties and candidates.

Regarding lobbying, an effective counterweight to the legislative subsidy provided by corporations is to increase public investments in legislatures. That implies increases in professional legislative staff and building their analytical capability so legislators do not have to rely so heavily on the information proffered by lobbyists and think tanks. Investments should

¹⁰ See Dorie Apollonio, Bruce E. Cain, and Lee Drutman, "Access and Lobbying: Looking beyond the Corruption Paradigm," *Hastings Constitutional Law Quarterly* 36, no. 1 (2009 2008): 13–50.

include higher pay for staff to support lengthy careers in the legislature and make it less likely they will quit and join lobbying organizations to make more money.

A more innovative idea is to stimulate the emergence of lobbyists who might represent constituencies with minimal organizational representation, either by creating public lobbyists (like public defenders in criminal proceedings) or by funding research consultants who provide assistance to legislators at formative stages of the decision-making process.¹¹

Regarding media, both government and foundations should develop policies to bolster independent local news coverage in America's communities. The trend toward conglomerate ownership of local news outlets in combination with the rise of massive media corporations such as Facebook and Google have imperiled independent local newspapers that focus on local news and politicians. With these media transformations, citizens have lost important civic information to hold politicians accountable. The media landscape is heavily tilted toward national news and the concerns of extreme and wealthy partisans. To promote diverse sources of independent news reporting, particularly local news, both private philanthropy and public institutions (via the taxcode) should enhance support for news organizations committed to public affairs and accountability reporting.

The purpose of this strategy of public investment and subsidies is not to thwart moneyed interests – that would be naïve and costly to civil liberties -- but to ensure that those with wealth do not become the de facto gatekeepers of politics and policy. Diminishing distortion requires public subsidies to stimulate the growth of new representative organizations, which might increase the circulation of ideas to broaden, deepen the public agenda and diminish the influence the wealthy in picking officeholders. Policymakers and intellectuals need to spend time thinking about how to make this work in ways that minimize cooptation by wealthy interests, and diversify the range of voices in the political system.

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¹¹ These ideas have been suggested in different forms by Bruce Cain, Heather Gerken and Alex Tausanovitch. See Election Law Blog, February 10, 2011, accessed January 6, 2020 <http://electionlawblog.org/archives/018736.html>.