

PSC 336

SYRACUSE UNIVERSITY

MONEY AND

POLITICS

WHAT ARE WE TALKING ABOUT?

PART 1

QUESTIONS IN THIS CLASS

- **What are we talking about?**
- **Who is involved in money and politics, why, and how?**
- **What determines money and politics?**
- **What are the consequences of money in politics?**
- **How can we reduce money in politics? Should we?**

COURSE MATERIALS



- Textbook: Ray Fisman and Miriam A. Golden. 2017. *Corruption. What Everyone Needs to Know*. Oxford University Press.
- Online access through the library

COURSE MATERIALS

- **One Composition Notebook**



- **All other readings on Blackboard**

GRADES

- **40%: 2 Exams**
- **35%: Country Research Report**
- **25%: Class Journal and Class Participation**

EXAMS

- **Tentatively on March 7 and April 25**
- **Will post list of essay questions about one week in advance**
- **Will randomly chose some of the questions for exam**
- **You can bring one page of notes (front and back) to exam**

RESEARCH REPORT

- **Imagine you work for a think tank as a political consultant. Your task is to write a research report on *one way* (e.g. bureaucratic corruption, campaign contributions, revolving door) in which money plays a role in politics in a country of your choice.**
 - **March 21: Draft of first part**
 - **Last week of class: Brief presentation (recorded video)**
 - **May 3: Full report**

CLASS JOURNAL

- **Answer questions about each reading (before class)**
- **Composition notebook**
- **Randomly collected and assessed**
 - **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 entries since the last collection, showing that you have done the readings.**
- **We'll start randomly checking them next week**

TEACHING ASSISTANT

- **Ayşenur Değer**
 - **PhD students, Political Science**
 - **Main duties: Grading**
 - **Student Hours: Thursday 11:30-1:00**

STUDENT HOURS

- **Tuesdays 1:00-3:00**
 - **Can chose in person (332 Eggers) or Zoom (info on syllabus)**
 - **Or by appointment (email me)**
 - **Your chance to talk to me about course material, college in general, or just to chat**

TALK TO ME

- **If you experience any hardship that interferes with your academics, *please* get in touch with me**
 - **I'll work with you. I can almost always help in some way (or I know someone who can help)**
 - **You do not have to reveal personal details to me**

TALK TO ME

- ***Please* talk to me as early as possible about any issues or questions**
 - **There's always something that can be done**
 - **Talk to me as early as possible, harder to do something after the fact**
 - **If you ask yourself whether you should talk to me, talk to me**

CLASS WEBSITE

- <http://www.simonweschle.com/psc336>
- The website has the continuously updated class schedule
- Lists all readings, reading questions, assignments etc.
- Please check the page **EVERY WEEK**
- Same information also available on Blackboard, but less convenient

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WHAT ARE WE TALKING ABOUT?

- **What is corruption?**
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- **How do we measure corruption?**
 - **What problems do these measures have?**
- **What are basic patterns of corruption around the world?**

CORRUPTION OR NOT?



- **Eric Cantor**
- **House majority leader**
- **2014: Surprise loss in primary**
- **One month later: Vice Chairman, Executive Director, Member of Board of Directors, Moelis & Company**
- **First year: \$2 million + New York City apartment**

CORRUPTION OR NOT?



- **Gopinath Munde**
- **Former MP in India**

“When I first contested the elections to the **Maharashtra** Assembly in 1980, my expense was Rs. 9,000, of which Rs. 7,000 was borne by the party. But my expenditure in the last elections [2009 Lok Sabha polls] was Rs. 8 crore.” He hoped no Election Commission official was present among the audience. Even if an Election Commission authority was present, he said, only six more months remained for the Lok Sabha polls.

- **8 crore = 80 million**
- **Campaign spending limit: Rs. 2.5 million**

CORRUPTION OR NOT?



Kevin McCarthy Representative (R - CA)

Minority Leader

FIRST ELECTION
2006

NEXT ELECTION
2022

TOP INDUSTRY 2021 - 2022

Retired
\$7,370,457

TOP CONTRIBUTOR 2021 - 2022

American Israel Public Affair...
\$108,350

Campaign Committee Fundraising, 2021 - 2022

Leadership PAC: **Majority Cmte PAC**



LAST REPORT: 12/31/2022

Top Contributors, 2021 - 2022

Contributor	Total	Individuals	PACs
American Israel Public Affairs Cmte	\$108,350	\$100,450	\$7,900
Enterprise Products Partners	\$72,400	\$72,400	\$0
DISH Network	\$43,700	\$38,700	\$5,000
Comcast Corp	\$37,185	\$27,185	\$10,000
ConocoPhillips	\$32,400	\$22,400	\$10,000

CORRUPTION OR NOT?



CORRUPTION OR NOT?

- **What is corruption?**

CORRUPTION

- **Abuse of public office for private (or political) gain**

CORRUPTION

- **Abuse of public office for private (or political) gain**

ABUSE

- **Abuse** of public office for private (or political) gain

ABUSE

- **Abuse** of public office for private (or political) gain
 - Public interest
 - Public opinion
 - Law

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VIOLETION OF PUBLIC INTEREST?



VIOLETION OF PUBLIC INTEREST?



- **A. Raja**
- **Former Indian cabinet minister for Communication and Information Technology**
- **Irregularities in allocation of cellphone spectrum licenses**
- **Accused of accepting bribes in excess of \$500 million**

VIOLATION OF PUBLIC INTEREST?



- **Gerhard Schröder**
- **Former German chancellor**
- **September 2005: Signs agreement to build controversial gas pipeline between Russia and Germany**
- **November 2005: Resigns as chancellor**
- **17 days later: Accepts position as board chairman of the consortium building the pipeline**

PUBLIC INTEREST

- **A lot of the times it is not clear what the “public interest” is**

PUBLIC OPINION

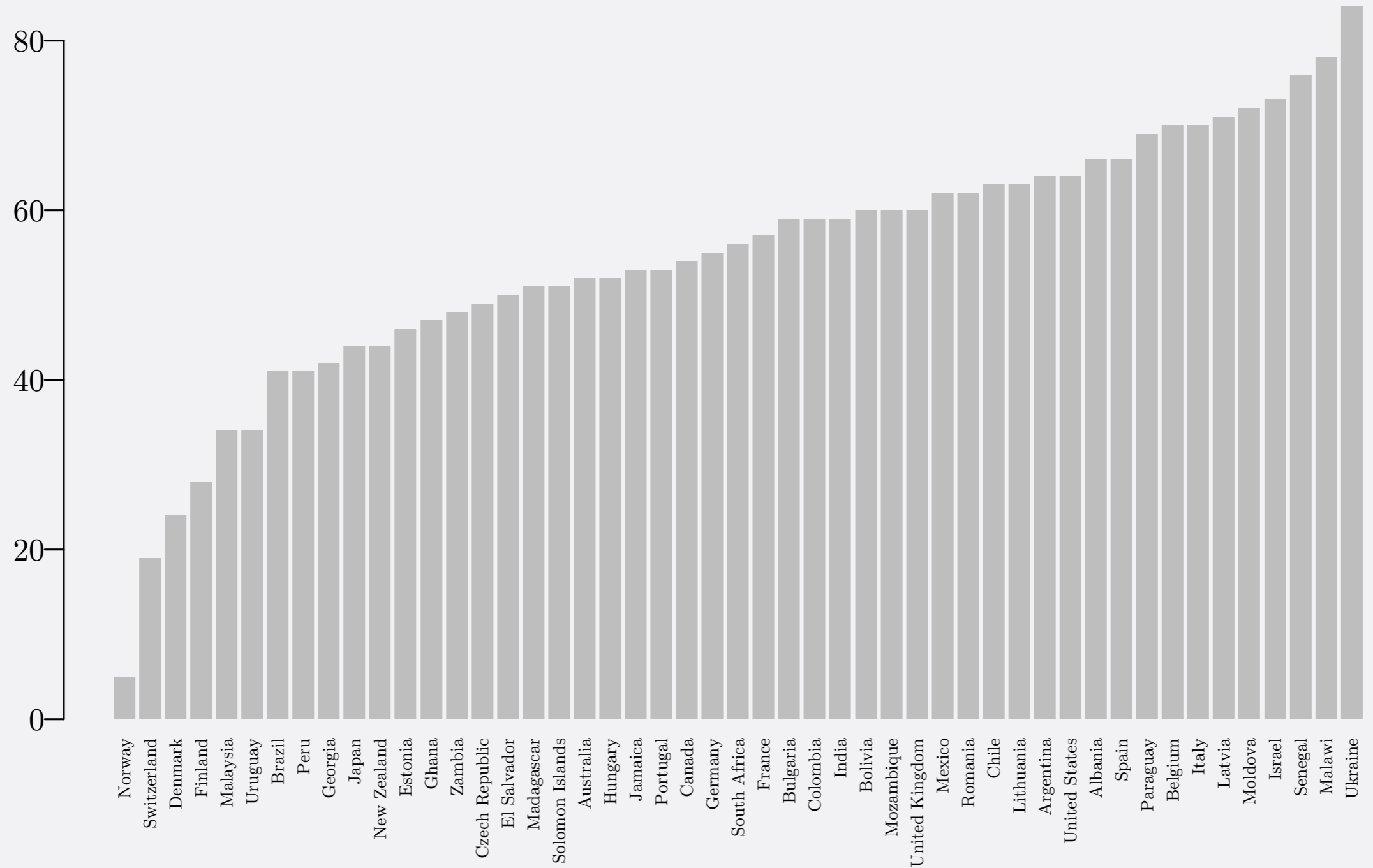
- **Abuse** of public office for private (or political) gain
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PUBLIC OPINION



- Paulo Maluf
- Mayor of São Paulo (1993-1997)
- "No one can go a kilometer in São Paulo without running into one of my projects."
- On Interpol list, wanted for corruption
- "He steals, but he gets things done"
- Member of Brazil's parliament, 2007-2017

PUBLIC OPINION



- **% who believe that government in their country is run by special interests**

PUBLIC OPINION

- **Abuse** of public office for private (or political) gain
 - Public interest
 - Public opinion
 - Law

LAWS IN THE PAST

The sale of public offices was a common practice in settings as diverse as France, England, the Ottoman Empire, and China (Swart 1980). In the case of Spain, the sale of colonial governorships started under the reign of the Hapsburg Charles II and entailed the appointment to serve⁶ in a given office in exchange for money. Although office-selling by the Spanish Crown was used in the early 16th century to allocate minor posts and nobility titles, it only became an important mechanism to select colonial governors in the late 17th century (Parry 1953).

- **Source: Guardado (2017)**

LAWS TODAY

- Rob Blagojevich
- "I mean, I've got this thing and it's f***** golden. And I'm just not giving it up for f***** nothing."

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LAWS HERE

- **“The government may regulate corporate political speech through disclaimer and disclosure requirements, but it may not suppress that speech altogether”**
- **U.S. Supreme Court, Citizens United vs. FEC**

LAWS THERE

Spending limits

Expenditure by parties and candidates is restricted during a general election campaign period. The campaign proper began on 30 March, but there is also a “long campaign” period of up to a year during which campaign spending is regulated as well. For political parties, this regulated period began on 23 May 2014; for non-party campaigners, it began on 19 September 2014; and for candidates began on 19 December 2014.

Candidates were allowed to spend up to £30,700 during the long campaign (plus 9p per elector for county constituencies and 6p per elector in borough constituencies). For the short campaign, a separate limit applies: £8,700 (plus 9p or 6p per elector).

- **United Kingdom. Source: <http://www.independent.co.uk>**

CORRUPTION

- Abuse of **public office** for private (or political) gain

PUBLIC OFFICE

- **Bureaucrats**
 - **Petty corruption**
- **Politicians**
 - **Grand corruption**

PUBLIC OFFICE

- **Abuse of public office for bureaucrats**
 - Bureaucrats have a set of rules to follow
 - Abuse is clear: violation of rule
- **Abuse of public office for politicians**
 - Politicians *create* rules
 - Abuse is less clear
 - If a politician often votes in favor of the oil industry, and receives a lot of campaign contributions from the oil industry, is that an abuse?

CORRUPTION

- **Abuse of public office for private (or political) gain**
 - **Grey areas**
 - **“Pragmatic definition”**

MONEY IN POLITICS

- **Alternative definition of what we are interested in:**
- **Transactions where “without the special consideration of [money], the public official could not have made the same decision” (Scott 1972)**

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