ICYMI: Video Lecture on Loop (link to YT)

Class 4. Political Finance: Funding

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- Slides Class 4
- Hummel et al. (2019) Do Political Finance Reforms Reduce Corruption?
- Casal Bertoa et al. (2014) The world upside down: Delegitimising political finance regulation
- Video Lecture

Preparation 1 is here!

Contents lists available at ScienceDirect

Journal of Public Economics

journal homepage: www.elsevier.com/locate/jpube

ELSEVIER

The heterogeneous price of a vote: Evidence from multiparty systems, 1993–2017 ☆

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A R T I C L E I N F O

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Multiparty electoral data
Heterogeneous effects of campaign spending

A B S T R A C T

What is the impact of campaign spending on votes? Does it vary across election types, political parties or electoral settings? Estimating these effects requires comprehensive data on spending across candidates, parties and elections, as well as identification strategies that handle the endogenous and strategic nature of campaign spending in multiparty systems. This paper provides novel contributions in both of these areas. We build a new comprehensive dataset of all French legislative and UK general elections over the 1993–2017 period. We propose new empirical specifications, including a new instrument that relies on the fact that candidates are differentially affected by regulation on the source of funding on which they depend the most. We find that an increase in spending per voter consistently improves candidates' vote share, both at British and French elections, and that the effect is heterogeneous depending on candidates' party. In particular, we show that spending by radical and extreme parties has much lower returns than spending by mainstream parties, and that this can be partly explained by the social stigma attached to extreme voting. Our findings help reconcile the conflicting results of the existing literature, and improve our understanding of why campaigns matter.

MPD in the News: Brussels’ blow to Big Tech

EU tech regulation + Add to myFT

EU to block Big Tech from new financial data sharing system

Germany argues groups such as Apple and Meta are excluded to protect Europe’s ‘digital sovereignty’

EU member states and the European parliament are hoping to reach a deal on the final text of the regulation this autumn © Reuters

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- Global Economy + Add to myFT
- Digital economy + Add to myFT
- EU tech regulation + Add to myFT
- Big Tech + Add to myFT

Source: Financial Times | 21/9/2025

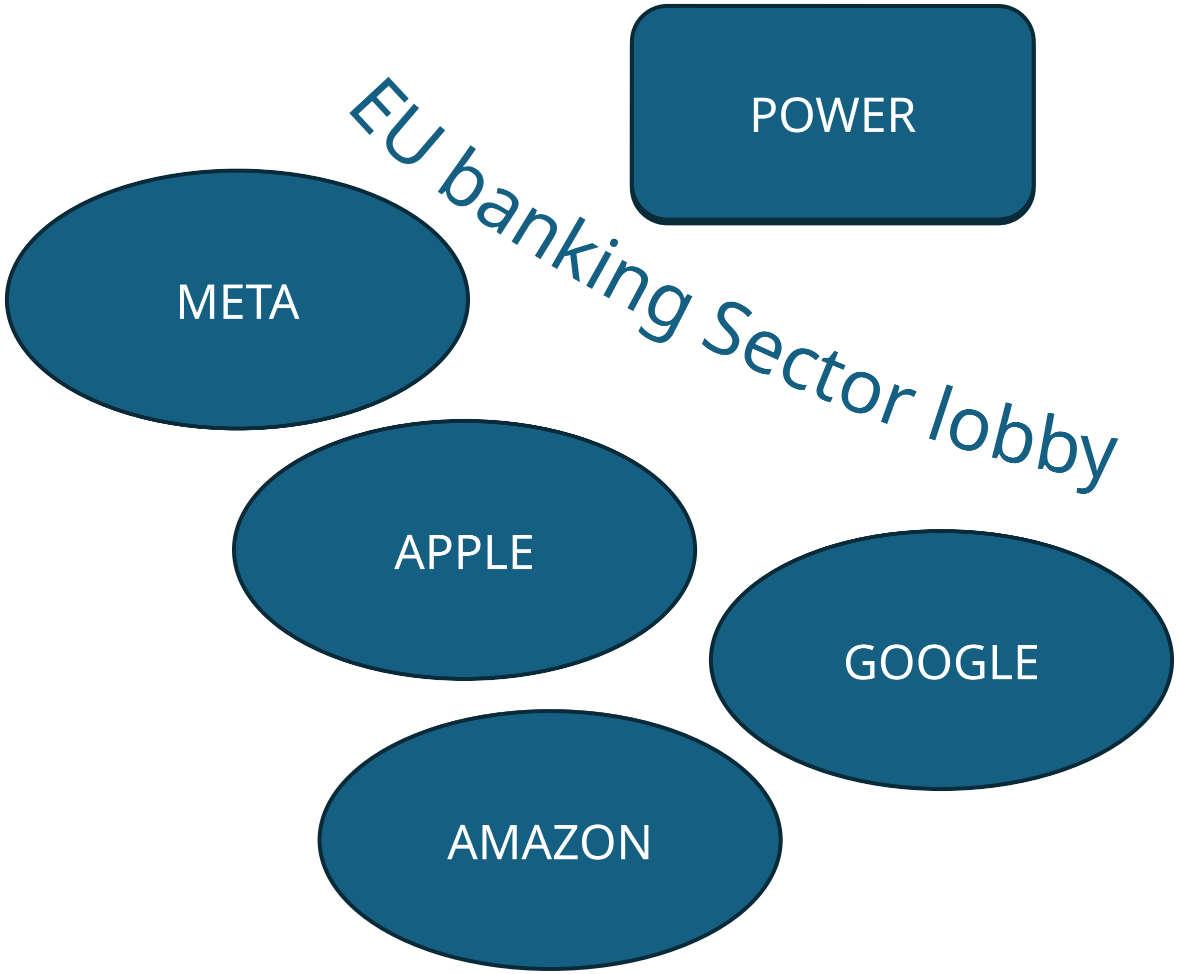
MPD in the News: Brussels' blow to Big Tech

After more than two years, negotiations on the Financial Data Access (FiDA) regulation are entering the final stages in coming weeks, with Big Tech groups facing almost certain defeat, according to diplomats.

"This is one file where the Big Tech players are actually losing the lobbying fight," said one EU diplomat.

The reforms aimed to empower third-party service providers to access data from banks and insurers and use them to create new services such as financial advice.

But Europe's financial industry fought a rearguard action to restrict access, claiming it would risk so-called digital gatekeepers "exploiting sensitive data" held by European financial institutions and "strengthen any dominant position".



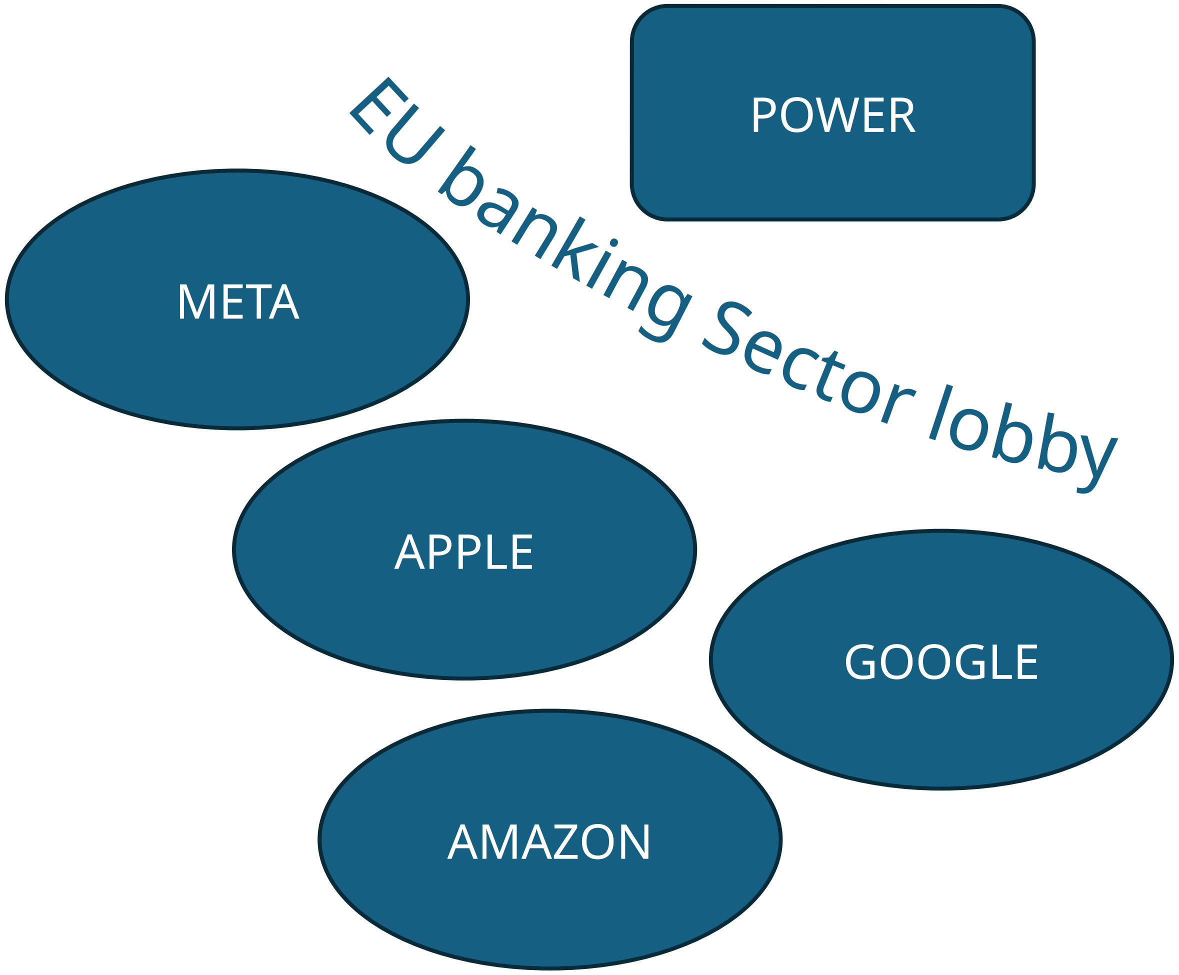
Source: Financial Times | 21/9/2025

MPD in the News: Brussels’ blow to Big Tech

Big Tech lobbying groups are already warning that consumers — not just platforms — will lose out if the current direction holds.

“FIDA’s original vision was to give people control over their own data and access to better, more innovative financial services”, said Daniel Friedlaender, head of Computer & Communications Industry Association Europe, whose members include many Big Tech groups. “By bowing to incumbent banks, the EU is going to limit consumer choice and entrench legacy players who already hold ‘gatekeeper’ power over customer data.”

Kay Jebelli from the Chamber of Progress, another tech lobbying group, said: “Big banks are the current gatekeepers here, not the digital platforms. Discriminating against US tech companies would not only deny Europeans new digital services, it would also stoke transatlantic tensions.”



Source: Financial Times | 21/9/2025

POL1050: Money, Power and Democracy

Class 5: Lobbying Inside Out – 22/9/2025

Schedule

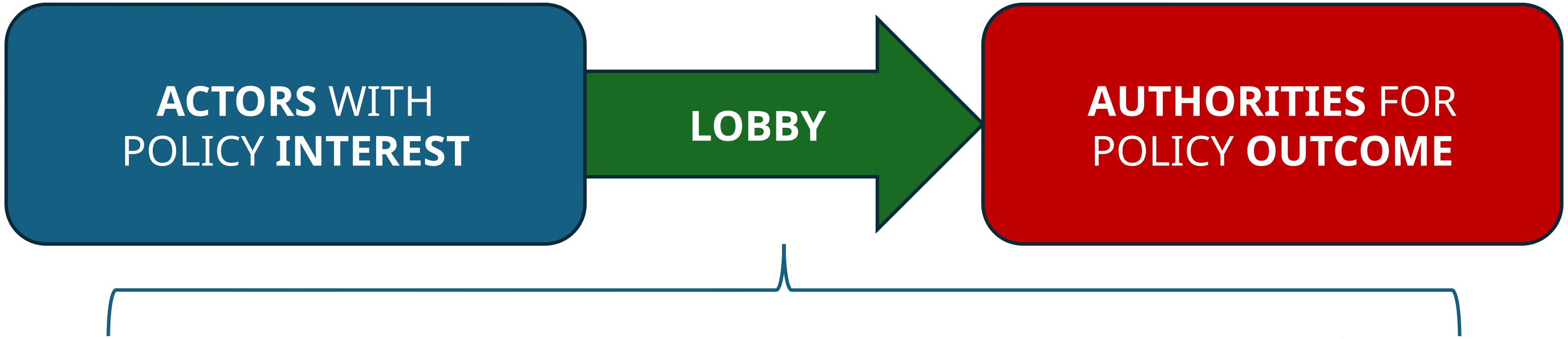
This week: Lobbying

- Today: *Lobbying Inside Out*
  - What is it
  - Who does it?
  - How do you do it?

- Wednesday: *Lobbying & MPD*

What is lobbying?

~ Advocacy, Public Affairs, Interest Representation, …



Activities undertaken with the **purpose of influencing decisions & policies** adopted by public **authorities**

⇒ **Indirect path to power**

Example: Brussels' blow to Big Tech

FINANCIAL TIMES

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EU tech regulation + Add to myFT

EU to block Big Tech from new financial data sharing system

AUTHORITY

Germany argues groups such as Apple and Meta are excluded to protect Europe's 'digital sovereignty'

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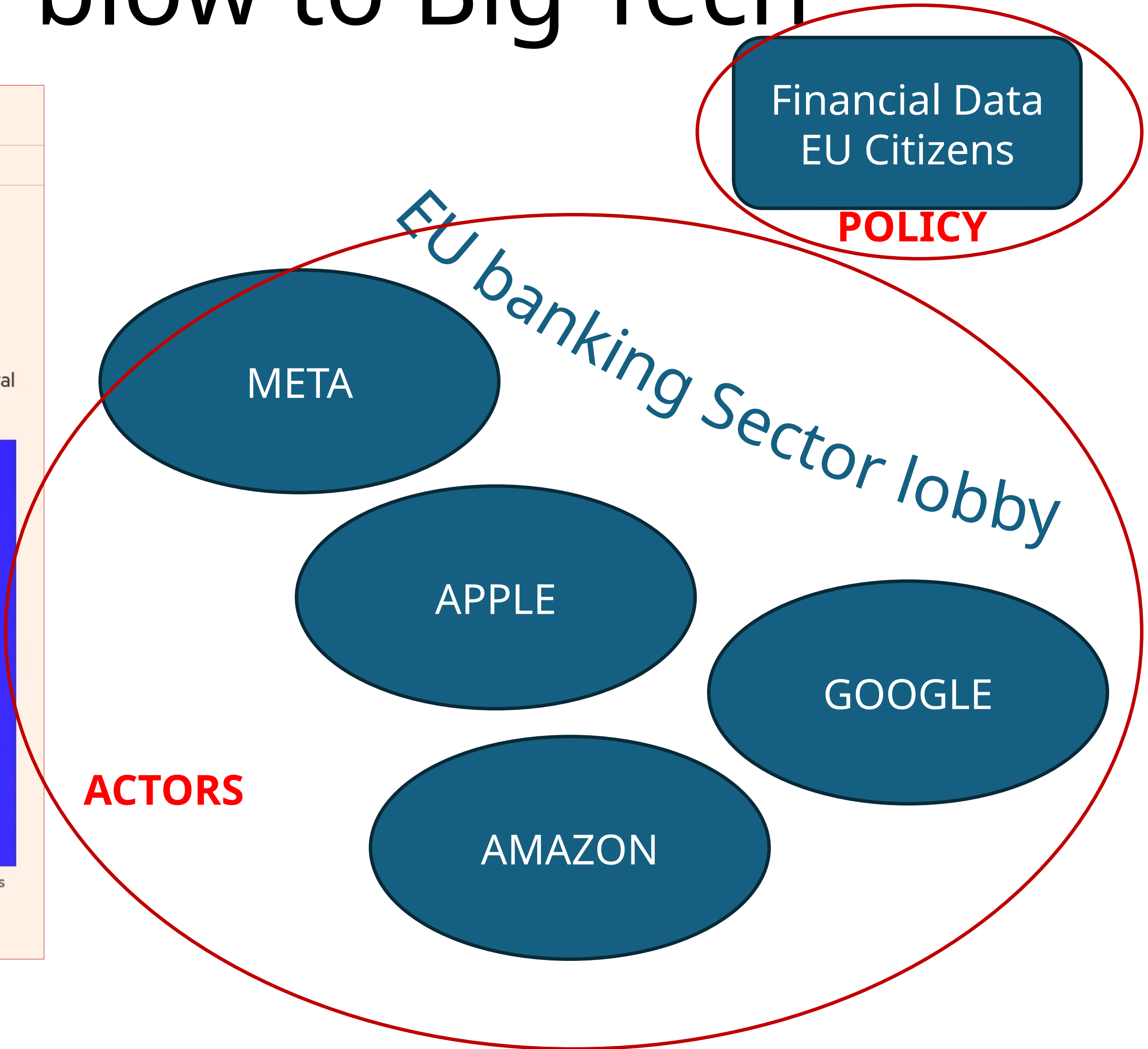
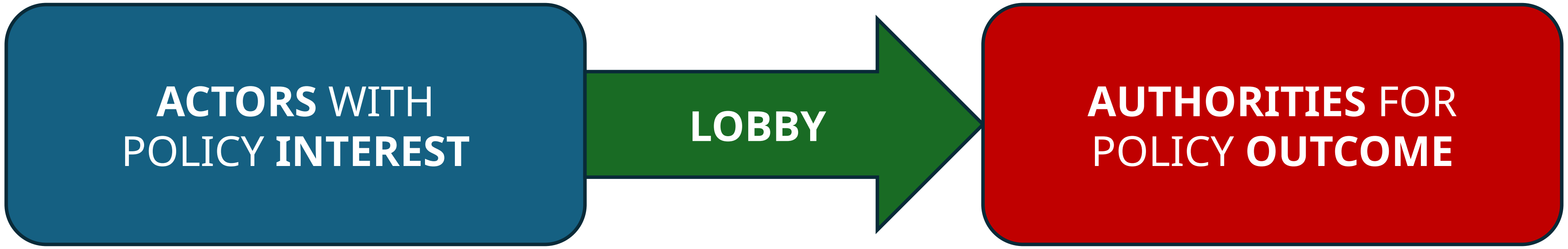
EU member states and the European parliament are hoping to reach a deal on the final text of the regulation this autumn © Reuters



Who lobbies?

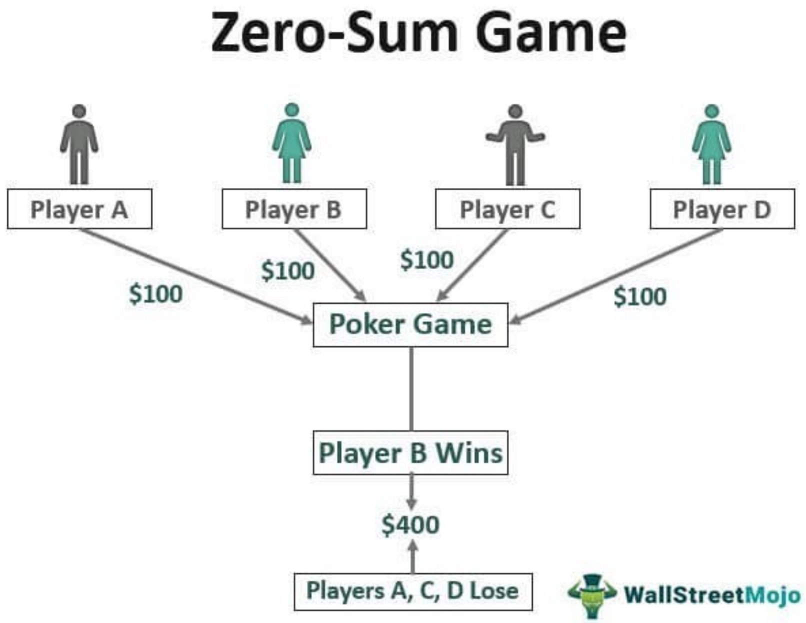
- Technically anyone -> **Individual Representation**
  - Often through the use of professional lobby firms



But power relationship creates **zero-sum game**!

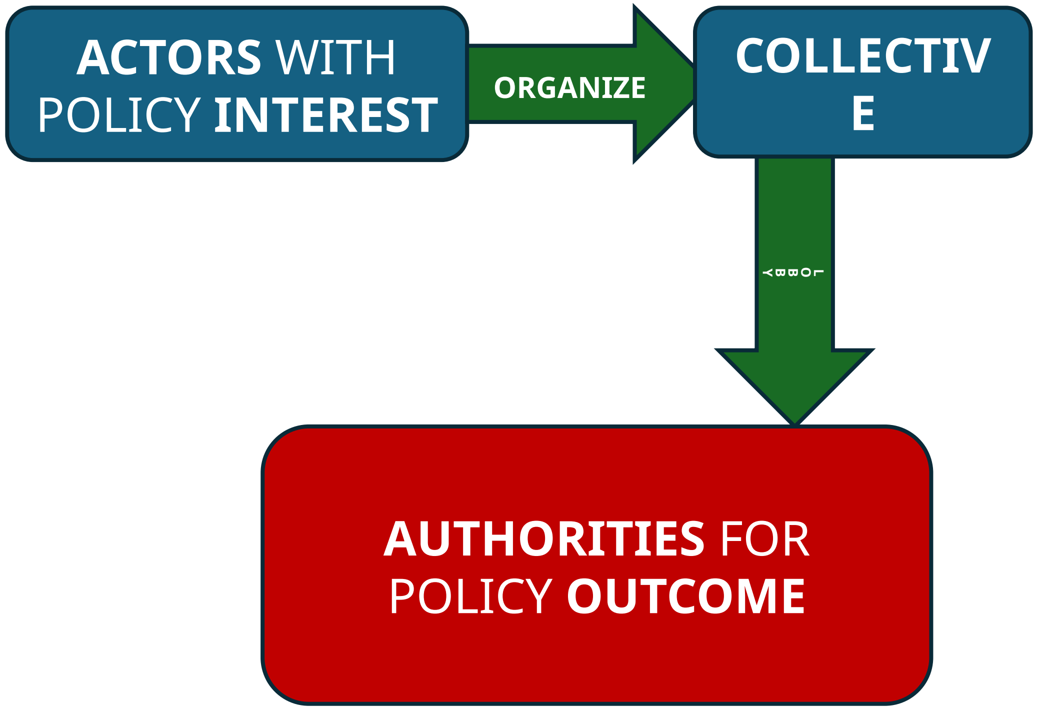
Recap: What is power?

- Resource approaches (Weber, Parsons, Mann, Giddens):
  - Probability of pushing through own will in the face of another's resistance, regardless of basis of probability (*Weber*)
  - **Zero-sum game (distributive power)**



Who lobbies?

- Technically anyone -> **Individual Representation**
  - But in struggle for power leads to zero-sum game!
  - Instead: collective power!



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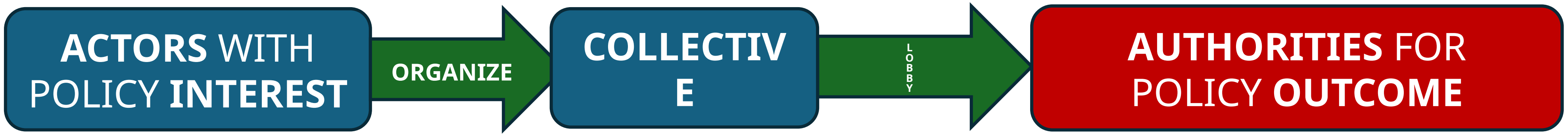
Who lobbies?

- Technically anyone -> **Individual Representation**
- But often in form of **Collective** representation
  - Many different terms:
    - Interest associations
    - Pressure groups
    - Civil society organisations
    - Organized interests
    - Citizen Groups
    - Public interest groups
    - NGOs
    - Social movement organisations
    - Civil society organisations
    - …
  - Most common: **Interest Groups**

What is an interest group?



Central idea **(Beyers et al. 2008)**:

- Represent collective interests
- Engage in collective political advocacy
- Without competing in elections (see class on Wednesday)…
- but rather by interacting with political decision-makers in the form of lobbying

Examples?

Ireland: over 2000 groups (Crepaz & Chari 2022)

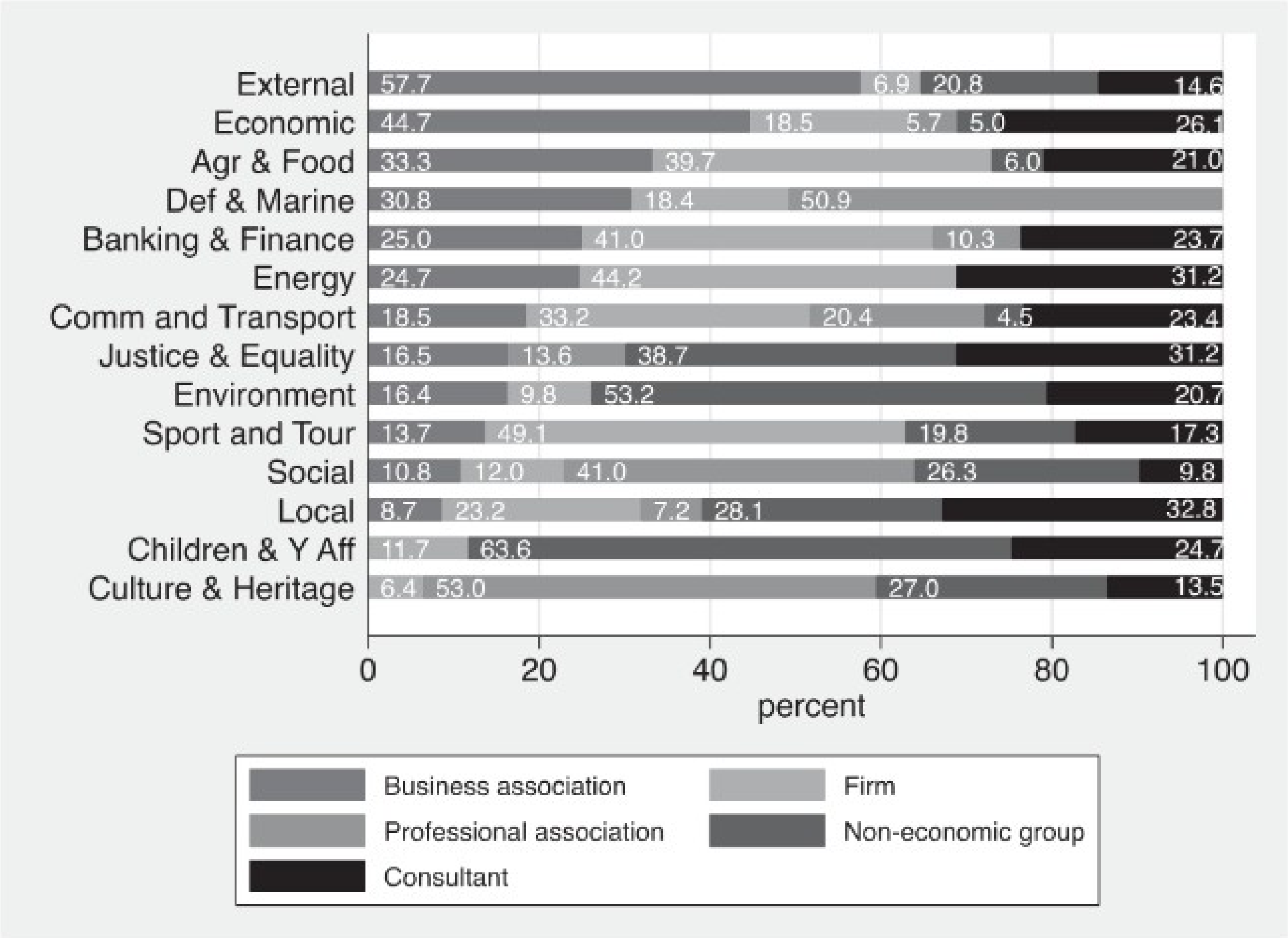


Figure 1. Percentage of organisations by group type for each of the 14 policy issues.

Exercise: Lobbying for Open Book Exam

In an unexpected turn of events, the exam for the module “Money, Power and Democracy” has been switched from open book to closed book. This means that you will be required to actually study the boring material covered during the lectures for the exam.

Naturally, you all want to avoid this.

How would you go about lobbying the school/university for this? What actions would you undertake? Come up with multiple strategies!

Exercise: Lobbying for Open Book Exam

- Petitions
- Spam emails
- Walkouts
- Student unions -> partnership
- Strike at exam day
- Bargaining: easier questions + tips on the exam
- Mass tranfer to other module
- Meeting with course coordinator

Inside Lobbying

- Face-to-face meetings
- Emails, letters, advocacy papers
- Drafting amendments
- Consultations, open hearings
- Events
- …

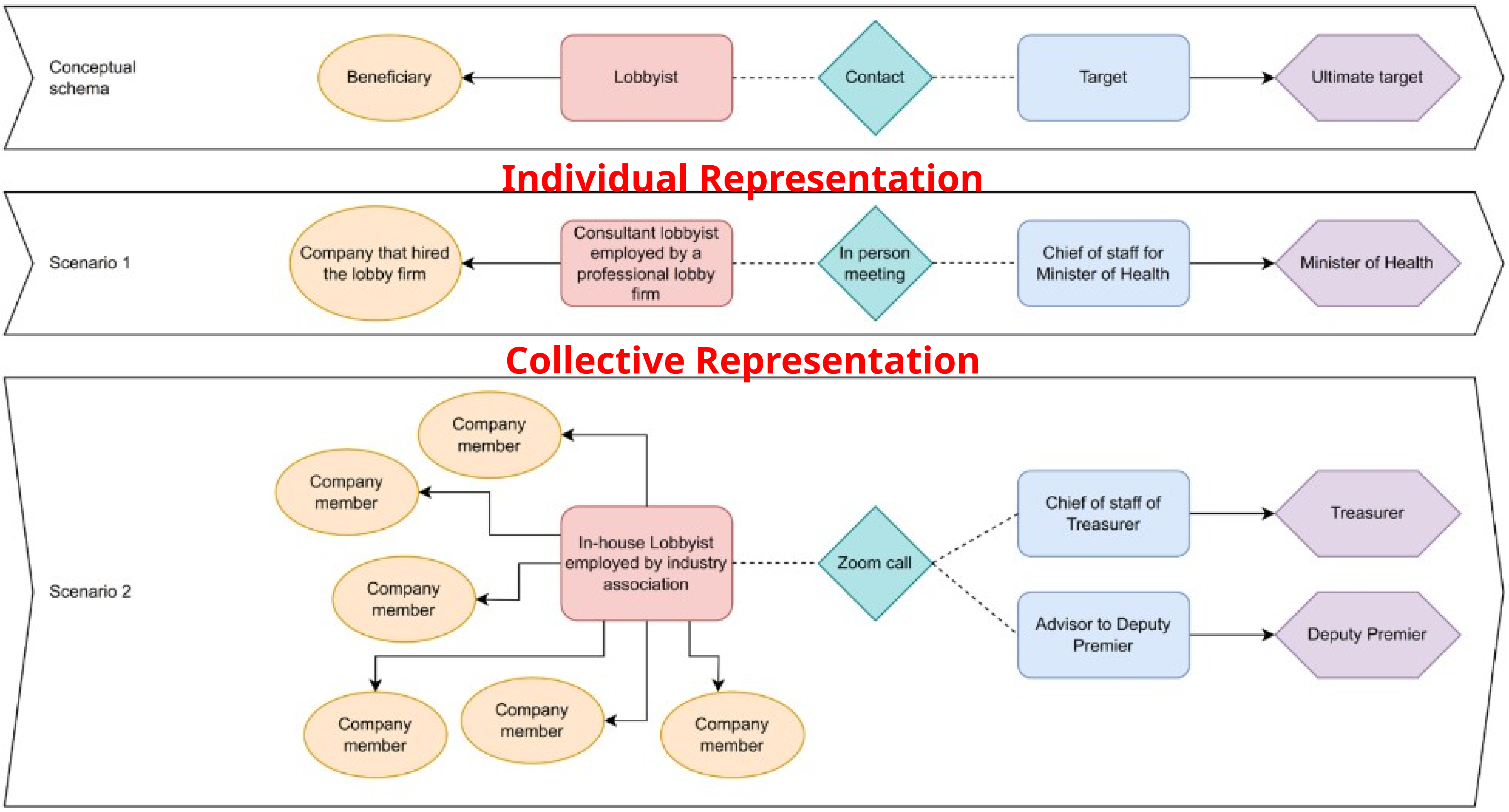


Figure 2. The Dynamics of Lobbying – a Conceptual Schema.

Nichols et al. 2024. Lobbying in the Sunlight: A Scoping Review of Frameworks to Measure the Accessibility of Lobbying Disclosures. DOI:10.34172/ijhpm.8497

Outside Lobbying

- Press/media engagements
- Campaigns, petitions
- Grassroots mobilization
- Demonstrations
- …

But for interest groups: lobbying success vs organizational survival **(Beyers et al. 2008)**

Conclusion

- Lobbying = activities by those with policy interests to convince officials of policy outcomes
- Can be done in multiple ways:
  - Individually
  - Collectively (Interest Groups)
  - Inside
  - Outside
- Next class:
  - What determines success?
  - What is role of money?
  - What is effect on democracy?
  - And what about corruption?