

Housekeeping

- Monday's cancelled class replaced by video lecture
 - Thanks for your flexibility!
- Next week Monday: preparation 1 made available
 - Will be related to what we see today

MPD in the news: Vote-buying in internal election of Uganda's ruling party

The Observer

News Business Technology Education Lifestyle View Point Sports Topics



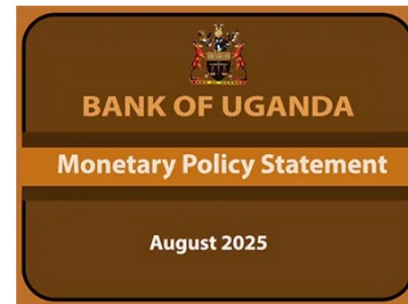
How money politics is tearing NRM apart

by **TALENT ATWINE MUVUNYI**

SEPTEMBER 10, 2025

Facebook

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MPD in the news: Vote-buying in internal election of Uganda's ruling party

NRM PARTY LEADERSHIP ELECTIONS

VICE CHAIRPERSON CENTRAL REGION



52.3%

4,104
votes

Haruna Kyeyune Kasolo



47.7%

3,981
votes

Moses Karangwa

POL1050: Money, Power and Democracy

Class 3: Political Finance (Spending) – 15/9/25

Schedule

This week: Political Finance

- Today: *Campaign spending* (Outputs)
 - Does it matter?
 - Why does it vary accros countries?
- Video lecture: *Funding* (Inputs)
 - Types
 - Corruption
 - Political Finance Regimes (fighting against corruption)

But first: What is money?

- **Political** Finance
- “Money for Electioneering” (Pinto-Duschinsky, 2002)
- “Financial costs of democracy and political competition” (Austin & Tjernstrom, 2003)
 - Organizational vs campaign costs

But: election cycles & permanent campaign? Income?

⇒ *International Institute for Democracy & Electoral Assistance:*

Political finance

The concept encompasses all financial flows to and from political parties and candidates. It includes formal and informal income and expenditure, as well as financial and in-kind contributions. These transactions are not limited to a certain time period.

“Money for electioneering”

- Why do parties and candidates spend money in political campaigns?
 - Votes/office/policy
 - **Power**
 - Is an existential matter!
- What do they spend their money on?

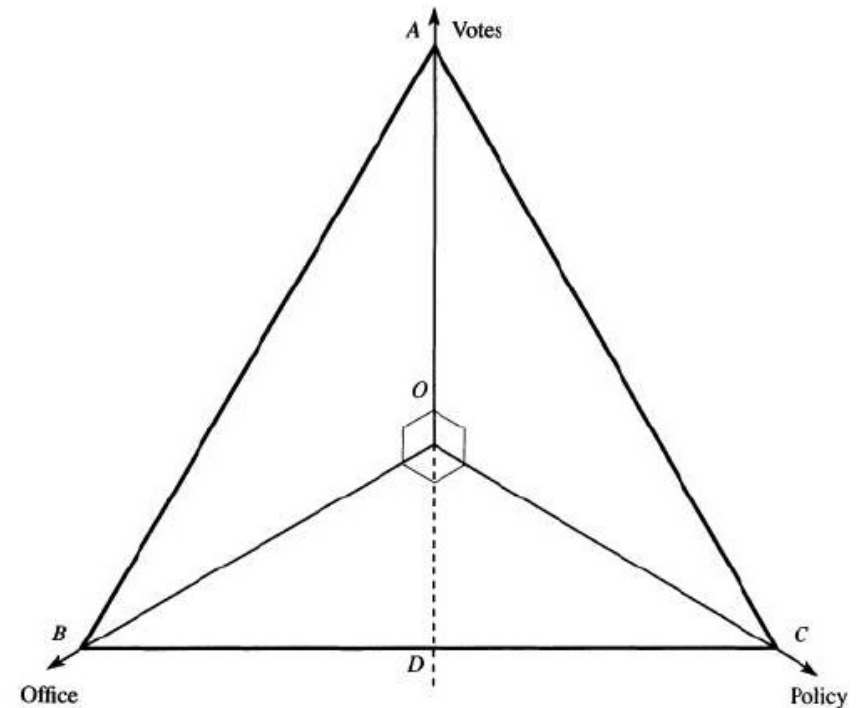
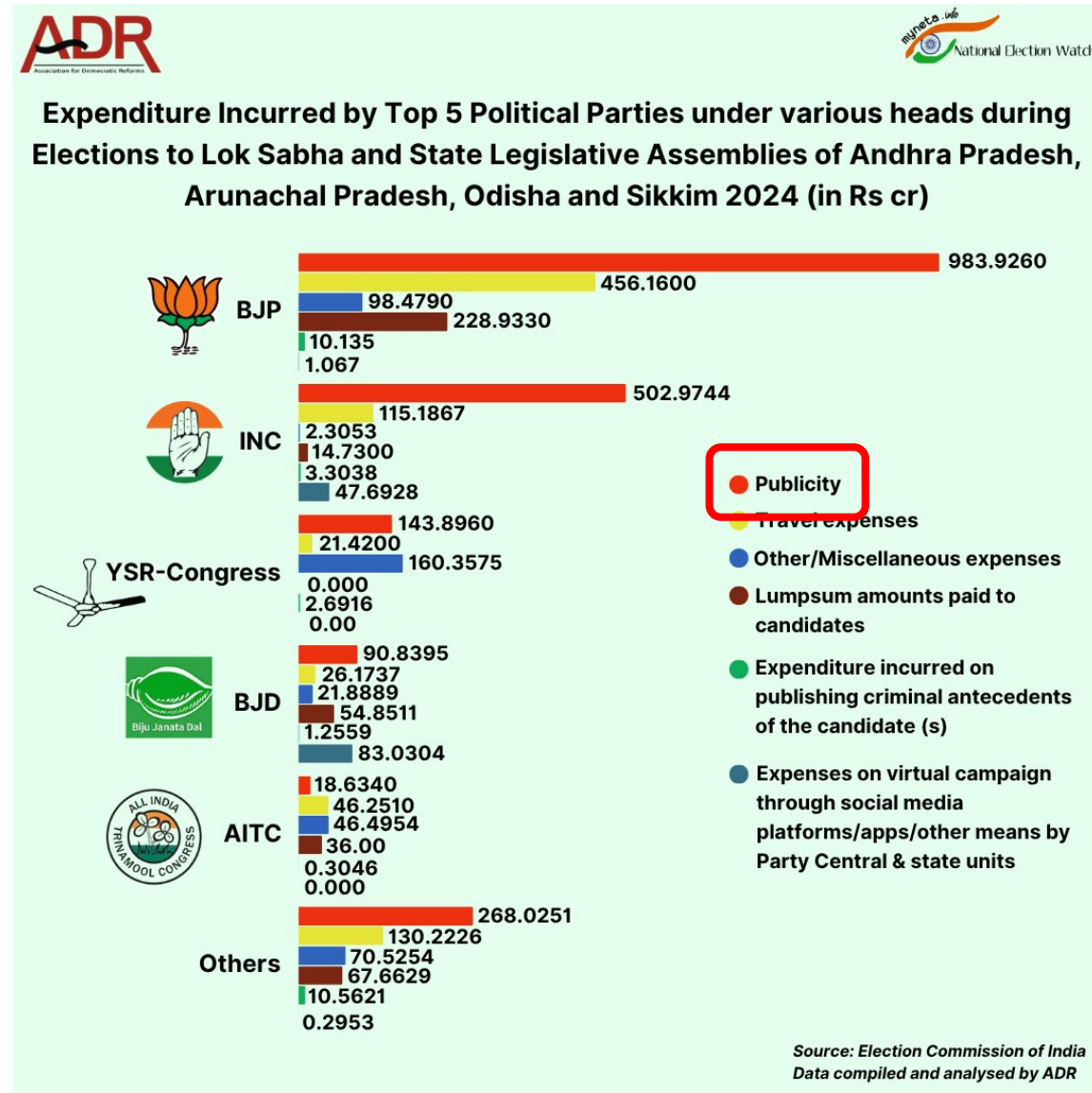


Figure 1. Range of feasible party behaviors.
Source: Strom (1990).

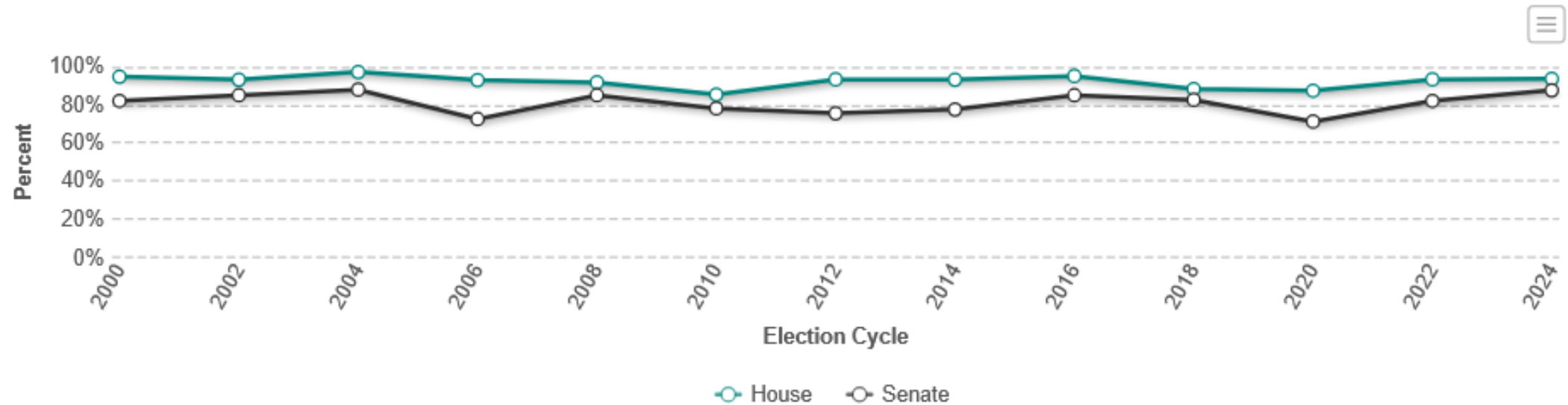
India general election to Lok Sabha (2024)



But does it matter?

- US: yes (mostly)

Percent of Races Won by Top Spending Candidate



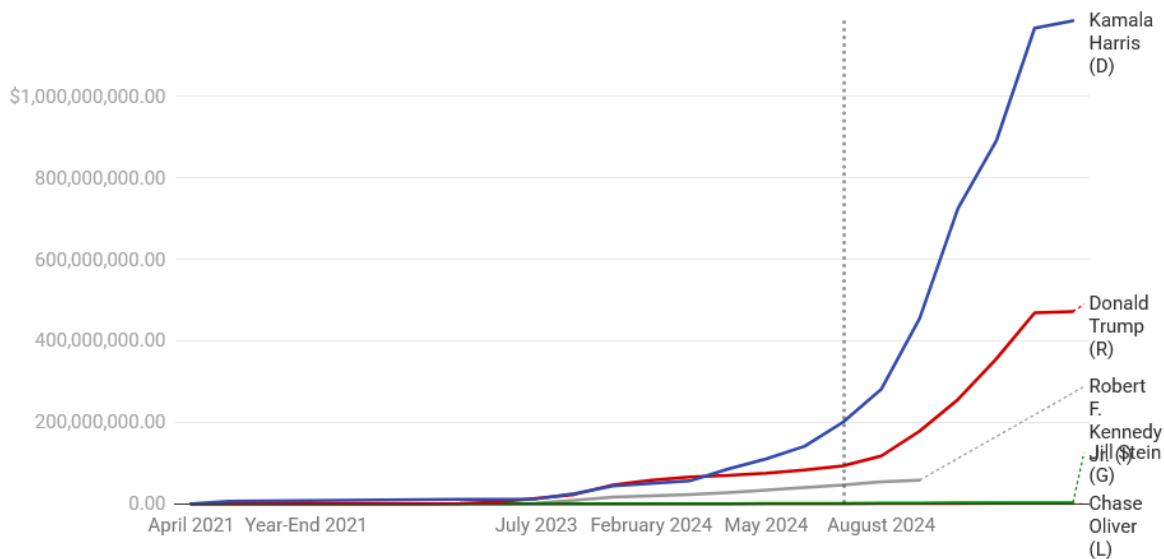
But does it matter?

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Spending

The following chart displays noteworthy general election presidential candidates' overall spending over time. Note that the chart only displays data for principal campaign committees, not candidate-affiliated PACs or joint fundraising committees. Hover over each line for more specific figures.

Presidential campaign spending, 2021-2024



Coverage through Year-End 2024 filing

Note: Joe Biden's (D) principal campaign committee became Kamala Harris' (D) principal campaign committee on July 21, 2024. The vertical line in the chart above indicates the last filing from Biden's campaign.

Robert F. Kennedy Jr. (I) withdrew from the presidential race on August 23, 2024. Financial data for Kennedy's campaign is displayed through the end of August.

But does it matter

- US: yes (mostly)
- Ireland: no (in 2024)

Of these amounts, the general election campaign is where most of the money was spent, with Fine Gael spending just over €2m during November's race compared to Fianna Fáil's €950,000 and Sinn Féin's €644,000.

During this campaign, Fine Gael won 38 seats (up three), Fianna Fáil won 48 (up ten) and Sinn Féin won 39 (up two).

The second-highest expenditure was for the European parliament elections in June 2024, with Fine Gael and Sinn Féin both spending around €600,000 compared to Fianna Fáil's €320,000.

During this campaign, Fine Gael won four seats (down one), Fianna Fáil won four (up two) and Sinn Féin won two (up one).

The third election last year, June's local elections, also saw Fine Gael spend €512,000, Fianna Fáil €289,000 and Sinn Féin €77,000.

During this campaign, Fine Gael won 245 seats (down 10), Fianna Fáil won 248 (down 31) and Sinn Féin won 102 (up 21).

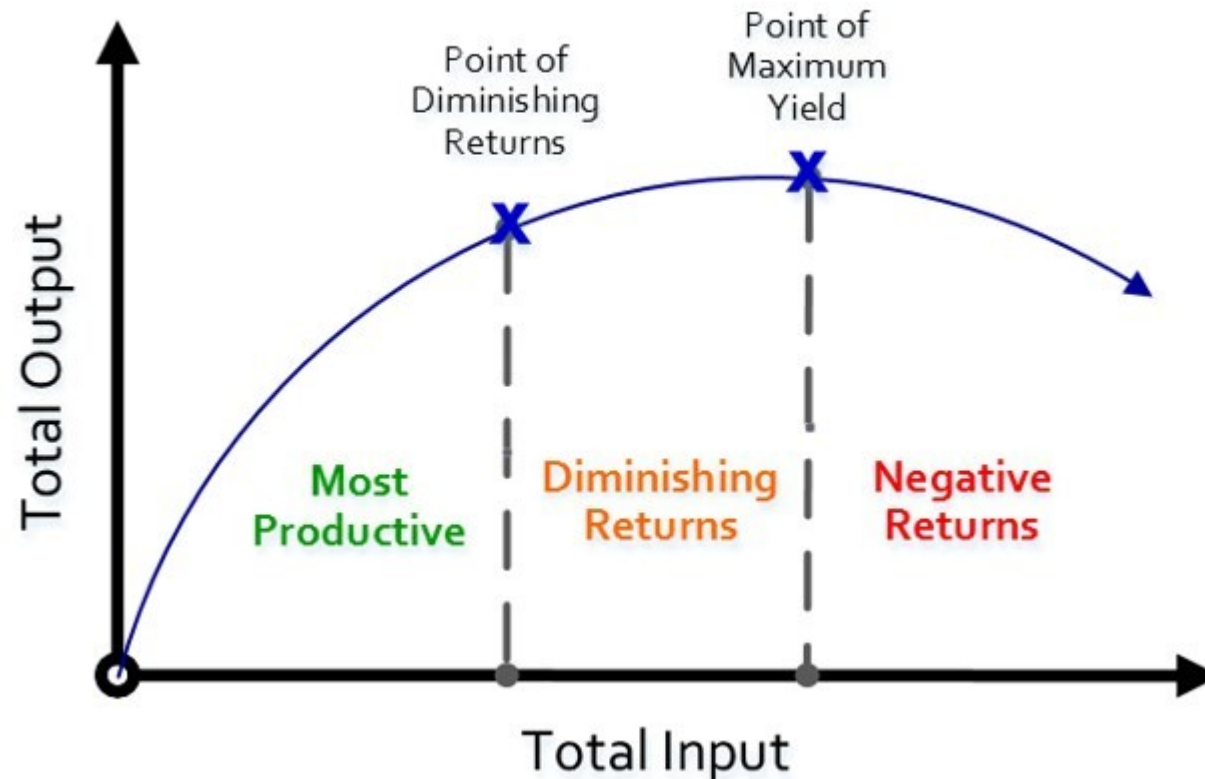
FG election spend nearly twice that of FF and SF

Updated / Thursday, 7 Aug 2025 18:25



Academic evidence is equally mixed

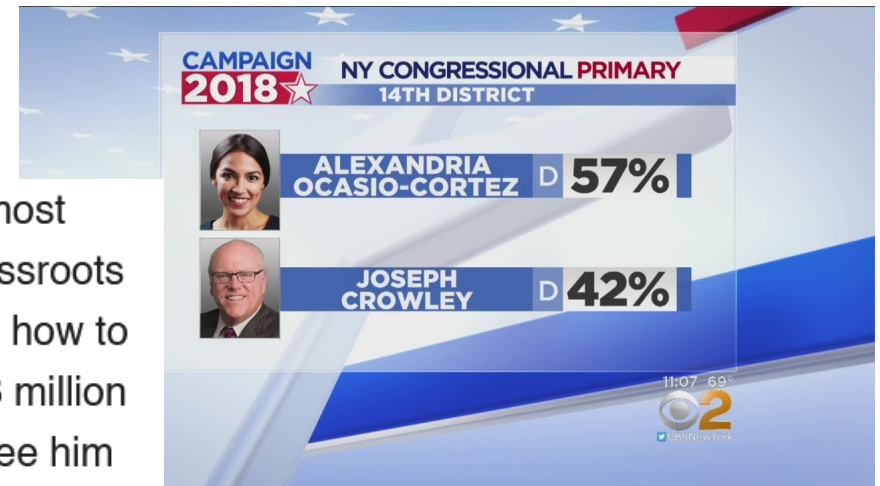
- Multiple positive studies, regardless of types of elections (Rekkas, 2007; Benoit & Marsh, 2008; Schuster, 2020; ...)
- But: dependent on factors ~ **diminishing returns**



Academic evidence is equally mixed

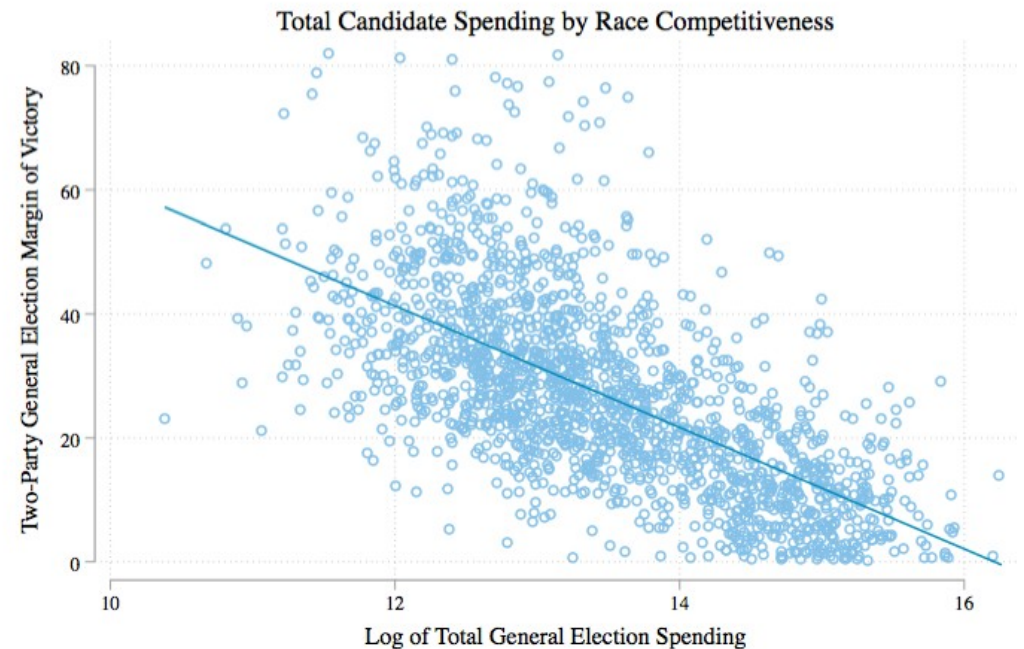
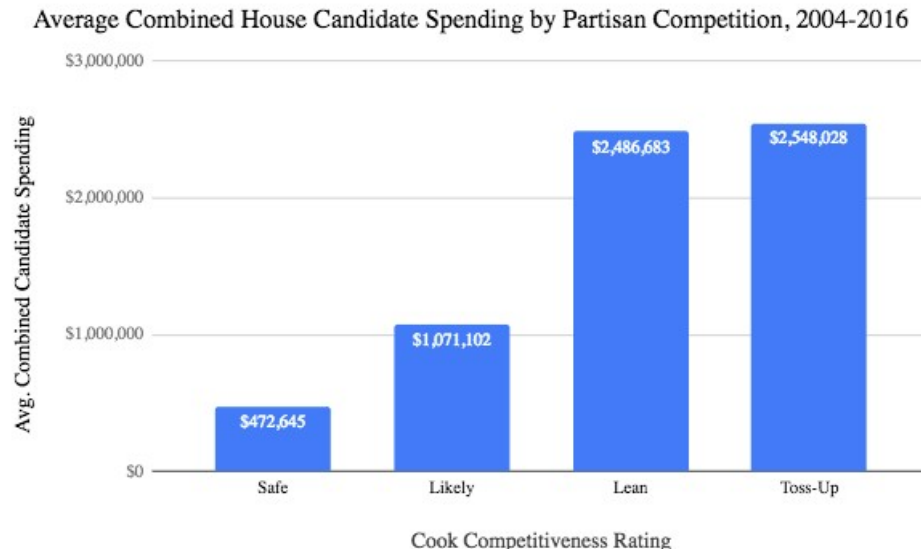
- Multiple positive studies, regardless of types of elections (Rekkas, 2007; Benoit & Marsh, 2008; Schuster, 2020; ...)
- But: dependent on factors ~ **diminishing returns**
 - Challenger vs incumbent

There are plenty of lessons to take away from Ocasio-Cortez's victory, but the most important for the Democratic Party may be the fact that in our current era, a grassroots candidate with an effective political message can trump a candidate who knows how to raise the most cash. Crowley outraised Ocasio-Cortez by 10-to-1, taking in \$3.3 million compared to her roughly \$300,000, which should have been enough to guarantee him an easy victory, according to the prevailing logic of many in the Democratic Party. It didn't, of course. Like the 2016 presidential election, this upset reveals how politically out of touch the Democratic leadership can be.



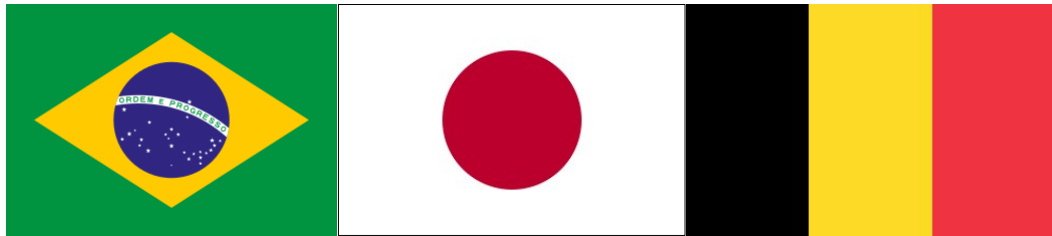
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 - Challenger vs. Incumbent
 - Competitiveness



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 - Challenger vs. Incumbent
 - Competitiveness
 - FPTP vs Proportional vs STV



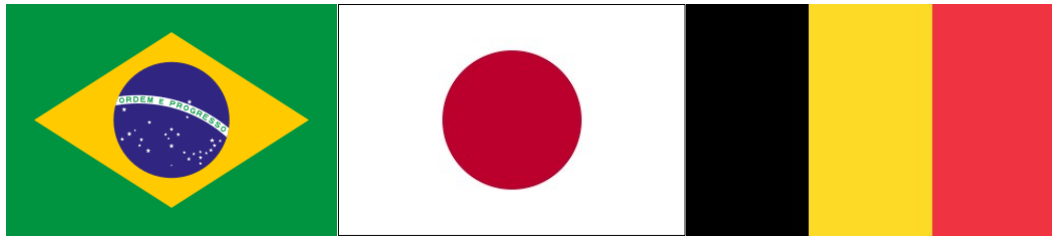
Proportional => no challenger effect
(Samuels, 2001; Maddens et al. 2006; Cox & Thies, 2000)



Proportional + STV => **challenger effect** (Benoit & Marsh, 2008)

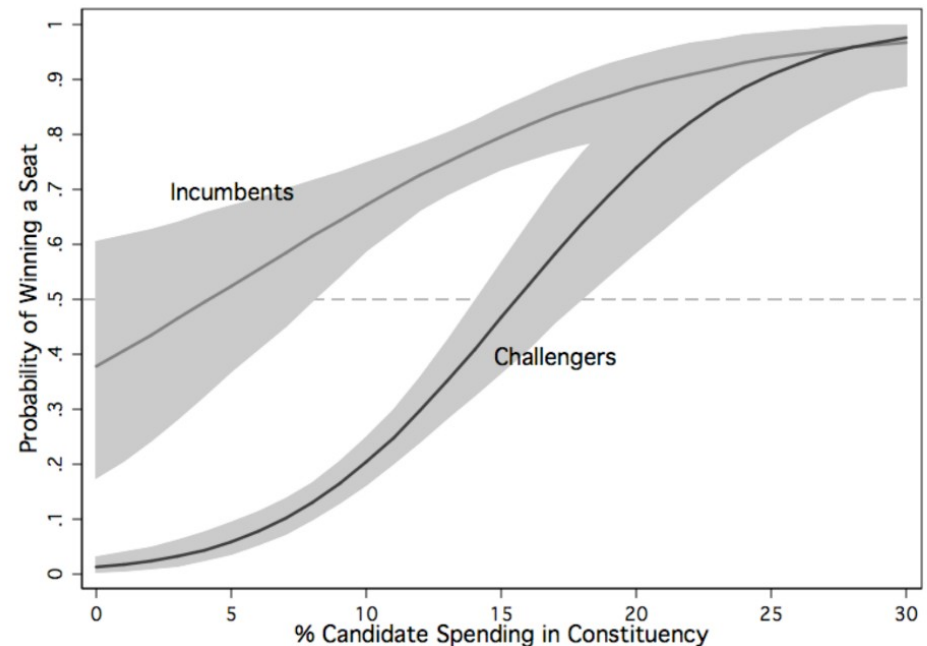
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Proportional => no challenger effect
(Samuels, 2001; Maddens et al. 2006; Cox & Thies, 2000)

Figure 2. Effect of spending on probability of winning a seat, comparing Challengers and Incumbents. Dashed lines indicates two standard errors. Predicted probabilities and standard errors estimated using CLARIFY, based on probit regression in Table 4.



Academic evidence is equally mixed

- Multiple positive studies, regardless of types of elections
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- But: dependent on factors ~ **diminishing returns**
 - Challenger vs. Incumbent
 - Competitiveness
 - FPTP vs Proportional vs STV
- Limited evidence on social media shows a limited effect
(Vanden Eynde & Maddens, 2024)
- Referendums: Similar story - positive effect & similar factors
(Jaquet et al., 2022; de Figueiredo et al., 2011)

Importance of Spending Limits?

Case studies & natural experiments

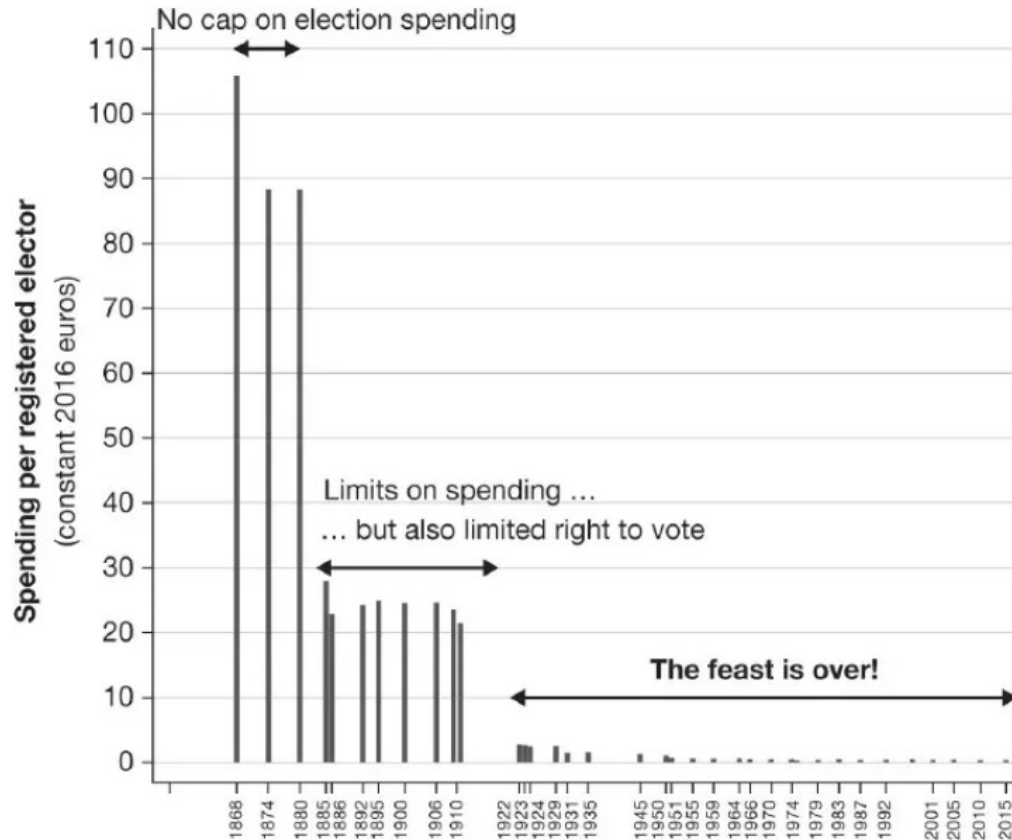
- *Brazil local elections* (Avis et al., 2022)
- *Canadian Federal Elections* (Milligan & Rekkas, 2008)
- *UK general elections* (Fournaiés, 2020)

⇒ Higher spending limits > less political competitive, less re-election

- *US State elections* (La Raja & Schaffner, 2014)
 - **Corporate** spending bans have little effect

What explains cross-national variation in (campaign) spending?

- Spending limits

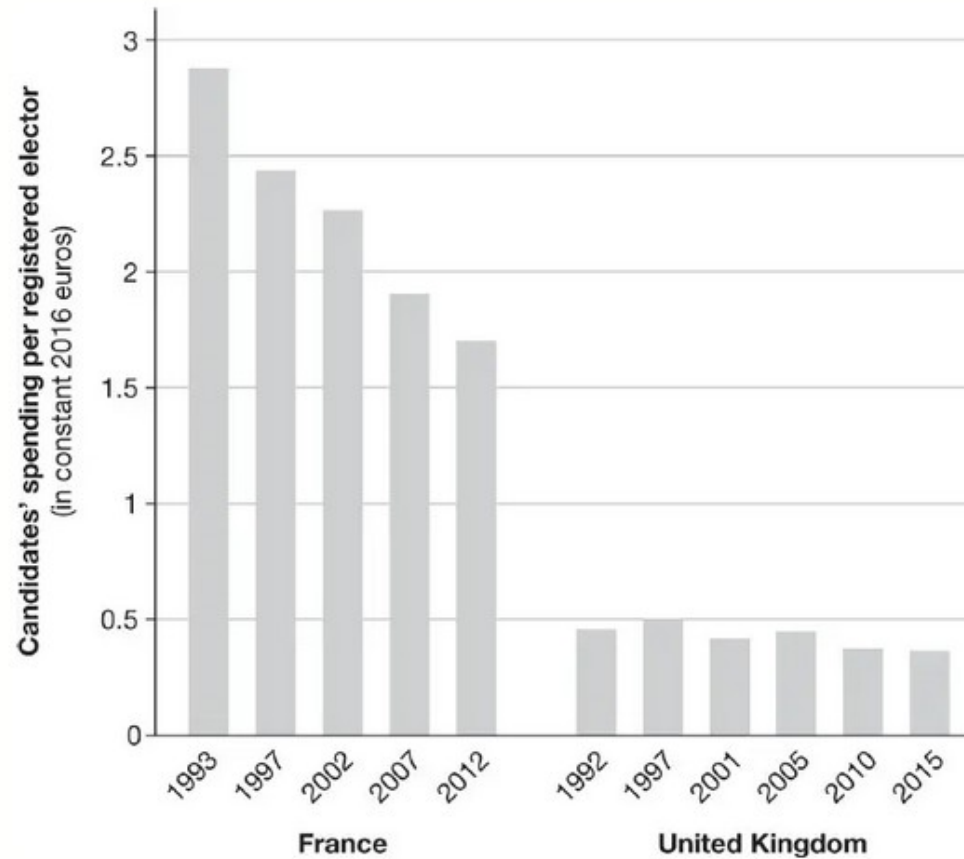


Cagé, J. 2020. The Price of Democracy.

Figure 2. Total spending of candidates per registered elector, UK parliamentary elections, 1868–2015
If the total election spending of all candidates in UK parliamentary elections in 1868 is divided by the number of people on the electoral register, the spending per elector amounts to 105 euros (in constant 2016 euros). The spending per elector was 21.50 euros in the 1911 parliamentary elections, and 0.35 euros in those of 2015.

What explains cross-national variation in (campaign) spending?

- Spending limits



Cagé, J. 2020. The Price of Democracy.

Figure 3. Aggregated spending of all candidates per registered elector, French and UK legislative elections, 1992–2015

If the aggregated spending of all candidates in French legislative elections (107 million euros) in 1993 is divided by the number of citizens on electoral registers (37.9 million), the spending per registered citizen comes to 2.80 euros. The corresponding figure for the 1992 parliamentary elections in the UK was 0.46 euros.

What explains cross-national variation in (campaign) spendi

- Limits
- Funding

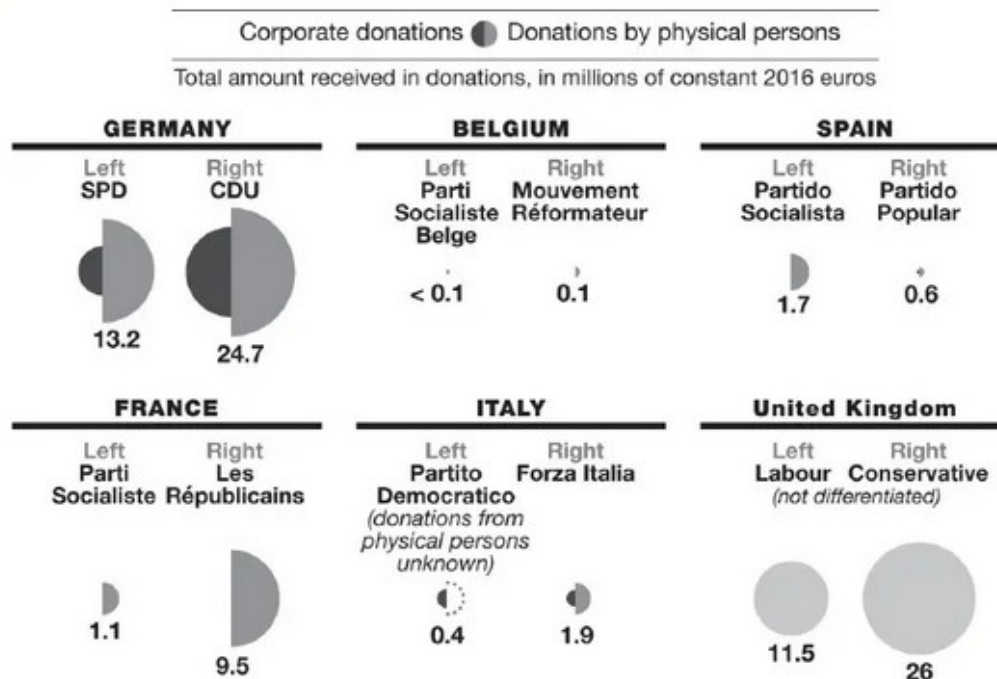


Figure 32. Total annual sum of donations (in millions of euros) received by the main political parties of the Left and Right, averages 2012–2016, international comparison (United Kingdom, Germany, Italy, France, Spain, and Belgium)

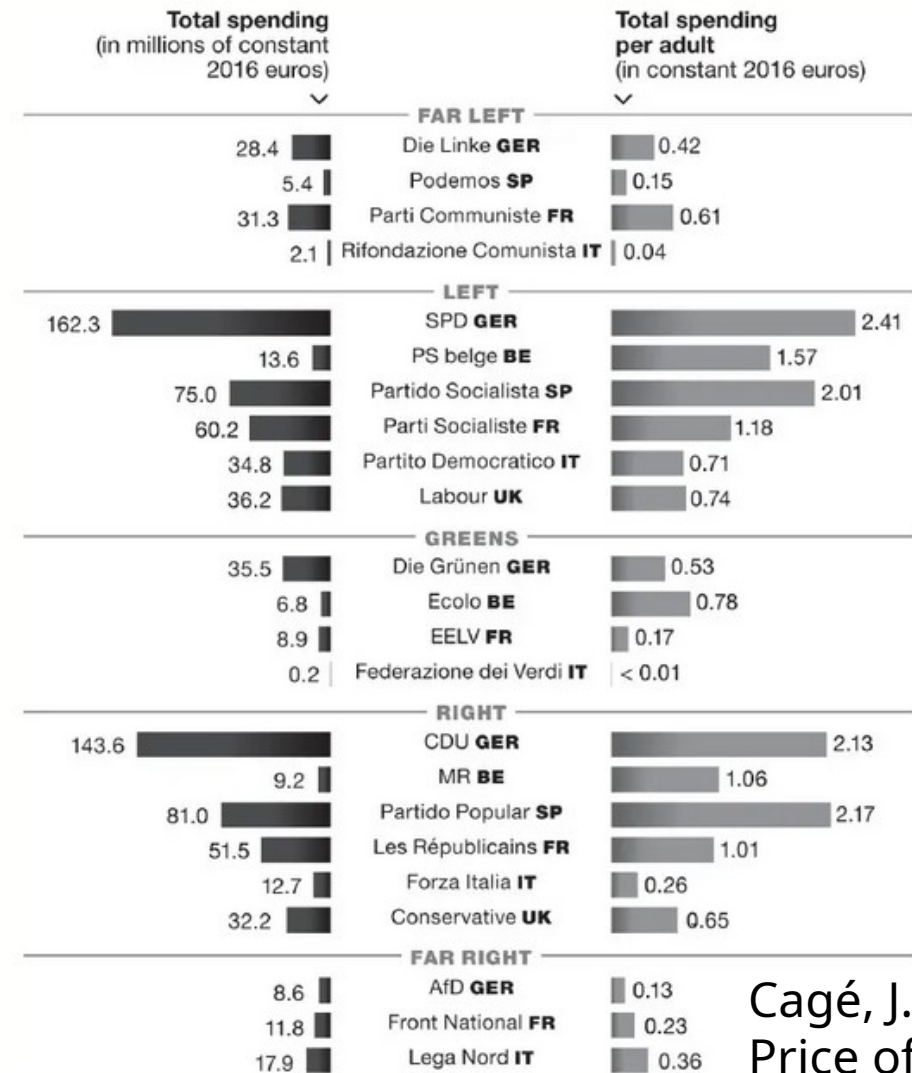


Figure 6. Annual spending by the main political parties (Germany, France, Italy, Spain, Belgium, and the United Kingdom), annual averages 2012–2016

Cagé, J. 2020. The Price of Democracy

What explains cross-national variation in (campaign) spending?

- Limits
 - Funding
 - Rules!
 - Tax benefits for donations
 - Banning of private donations
 - Donation limits
 - Public funding
 - Bans on vote-buying
 - Stricter transparency rules
 - Bans on advertising
- => Next class (video)!

Conclusion

- Campaign spending matters (maybe)
- Many different factors play a role
- Important example of essay question for exam
 - No right or wrong
 - But argument needs to be substantiated
 - “It (doesn’t) matter because ...”