

Preparation 3: Business Magnates in Competitive Authoritarian Regimes

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The Political Role of Business Magnates in Competitive Authoritarian Regimes.

A Comparative Analysis

<https://doi.org/10.1515/jbwg-2019-3001>

Abstract: This contribution examines the role of business magnates (“oligarchs”) in political transitions away from competitive authoritarianism and towards either full authoritarianism or democracy. Based on 65 cases of competitive authoritarian regimes named in the academic literature, 24 historical cases with politically active business magnates are identified for further investigation. The analysis shows that in about half of those cases business magnates do not have a distinct impact on political regime change, as they are tightly integrated into the ruling elites. If they do have an impact, they hamper democratization at an early stage, making a transition to full democracy a rare exception. At the same time, a backlash led by the ruling elites against manipulation through business magnates makes a transition to full autocracy more likely than in competitive authoritarian regimes without influential business magnates.

Preparation 4: Super PACs & OpenSecrets



The Big Read US politics & policy

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How dozens of Trump's donors have benefited from his second term

Donald Trump's administration has bestowed favourable outcomes on a range of situations faced by a diverse group of donors including, from left, such investors and businesspeople as Marc Andreessen, Jeff Yass, Cameron Winklevoss, Ben Horowitz, Tyler Winklevoss, Trevor Milton and Bill Ford © FT montage/Getty/ Bloomberg

Your home for money in politics

🔍 Find financial data on *elections*

Start your search

The nation's top resource for unbiased political finance data, trusted by



The Washington Post

AP

THE WALL STREET JOURNAL

The Economist

npr

SCRIPPS NEWS

The New York Times

CN

Preparation 4: Super PACs & OpenSecrets

Report on top donors to Trump-supporting Super PACs for 2024 Presidential Campaign

- A. Discussion of Super PACs
- B. Top 30 Super PACs
- C. Top donating industries
- D. Top 5 Super PACs: 5 top donors, 5 biggest single donations
- E. Who is also mentioned in FT article?

Preparation 4: Super PACs & OpenSecrets

Criterion	0-1	1-1.5	1.5-2	2-2.5	Score
Data Accuracy	Data is not accurate	The data, while largely accurate, is messy and therefore not super reliable	The data is accurate, minus some minor flaws	The data is completely accurate and flawless	/2.5
Data presentation	Data is not coherently and accessibly presented. Report does not include table of figures.	Report includes one or two figures/tables, data is still difficult to take in.	Report includes multiple tables/figures that make the data accessible	Report has tables and figures that are visually appealing and easy to interpret	/2.5
Critical engagement with the data	The data is presented without a meaningful interpretation/discussion, or without linkage to the FT article	The report provides a basic but not very thorough discussion of what the data signifies, and linkage to FT article is not very in-depth	The report handles the key aspects of the findings and links them back to the FT article in a convincing manner	The results are are discussed in appropriate depth in the text, their wider implications are set out, and the link to the FT article is fully and accurately presented	/2.5
Clear and convincing writing	Confusing writing	Generally understandable writing	Easy-to-follow writing	Flawless, well-structured, and convincing writing	/2.5
Overall					/10

MPD in the News: Mayor Mamdani & Wall Street



<https://www.ft.com/content/a985953b-9e00-4b8f-9e08-2871e275b6aa>

POL1050: Money, Power & Democracy

Class 11 – Case Study 3: United States – Money
and the Freedom of Speech

5/11/2025

Schedule

This week (?): Money, Power and Democracy in the US

- Today: *Money and Freedom of Speech?*
 - Corruption in the young republic
 - Limits on contributions and expenditure -> hampering free speech?
 - PACs, Soft Money, BCRA & Citizens United
- Monday: *MPD in Contemporary US*
 - Effects of Citizens United & Super PACs
 - How is lobbying regulated?
 - Paths to power:
 - Campaign spending?
 - Influence/Access?

[Freedom Map](#)[Countries](#)[Issues](#)[Perspectives](#)[Policy Recommendations](#)[Donate](#)

United States

Freedom at a Glance

Global Freedom

84 / 100

FREE

Internet Freedom

76 / 100

FREE

[Freedom House Urges Recommitment to Democratic Principles After Trump Election Victory >](#)

Share



The United States is a federal republic whose people benefit from a vibrant political system, a strong rule-of-law tradition, robust freedoms of expression and religious belief, and a wide array of other civil liberties. However, in recent years its democratic institutions have suffered erosion.

CORRUPTION PERCEPTIONS INDEX

Scoring 180 countries around the world, the Corruption Perceptions Index is the leading global indicator of public sector corruption.

United States has a score of 65 this year, with a change of -4 since last year, meaning it ranks 28 out of 180 countries.

Find out about key corruption issues in United States in [CPI 2024 for the Americas: Corruption fuels environmental crime and impunity across the region](#)

[Learn more about the CPI](#)

UNITED STATES

Score

65/100

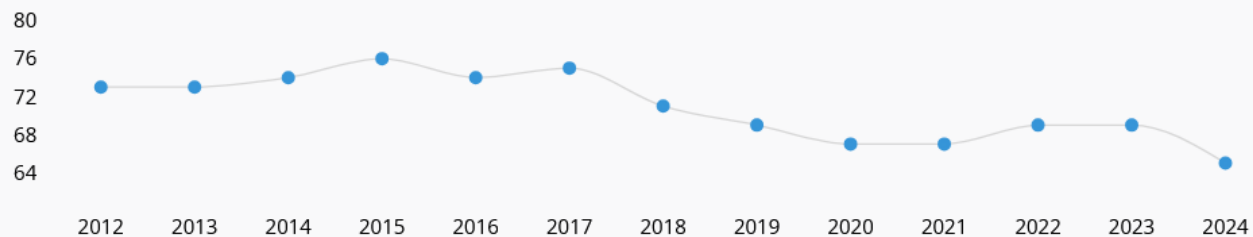
Rank

28/180

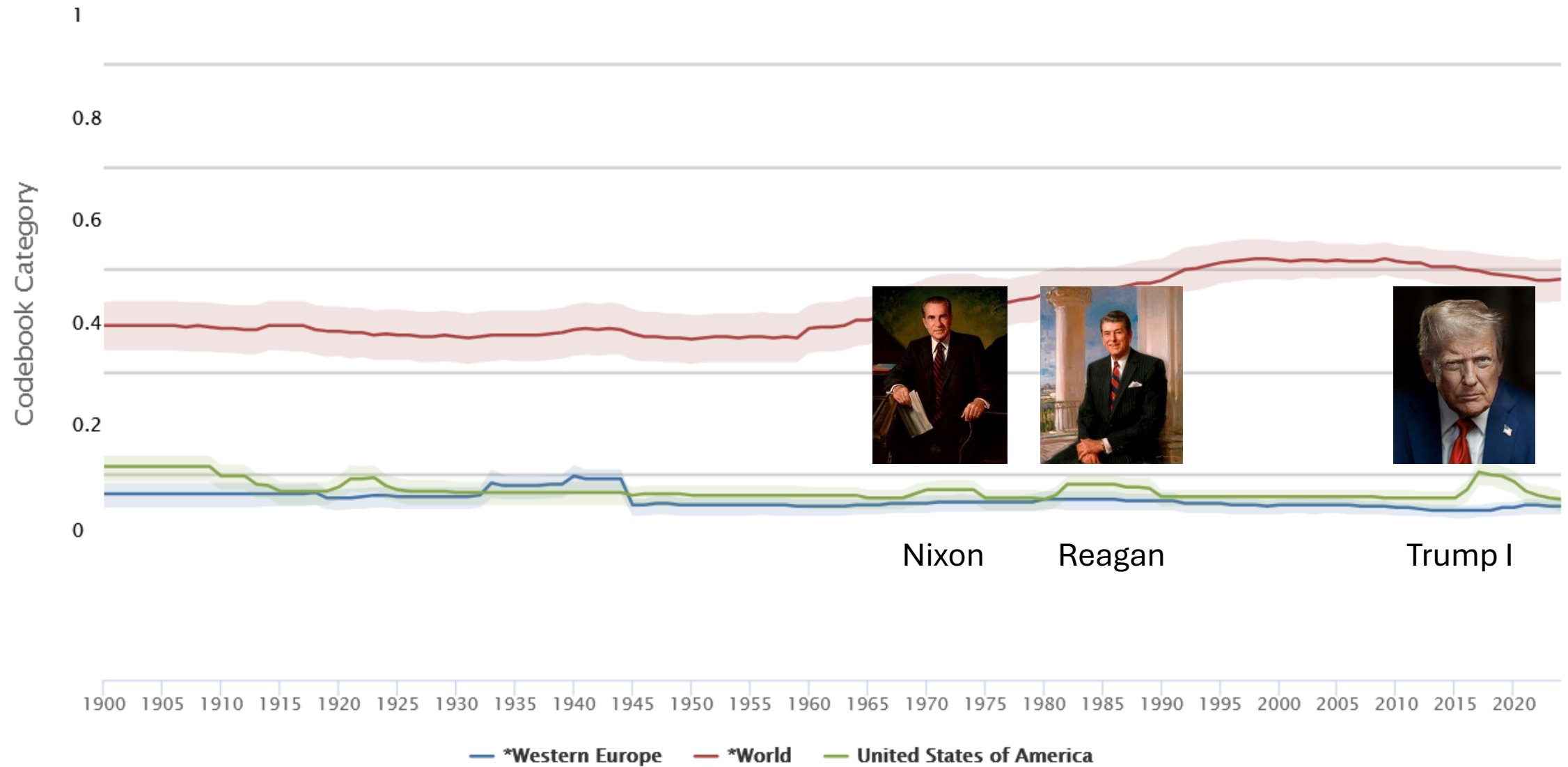
Score change

↓ -4 Since 2023

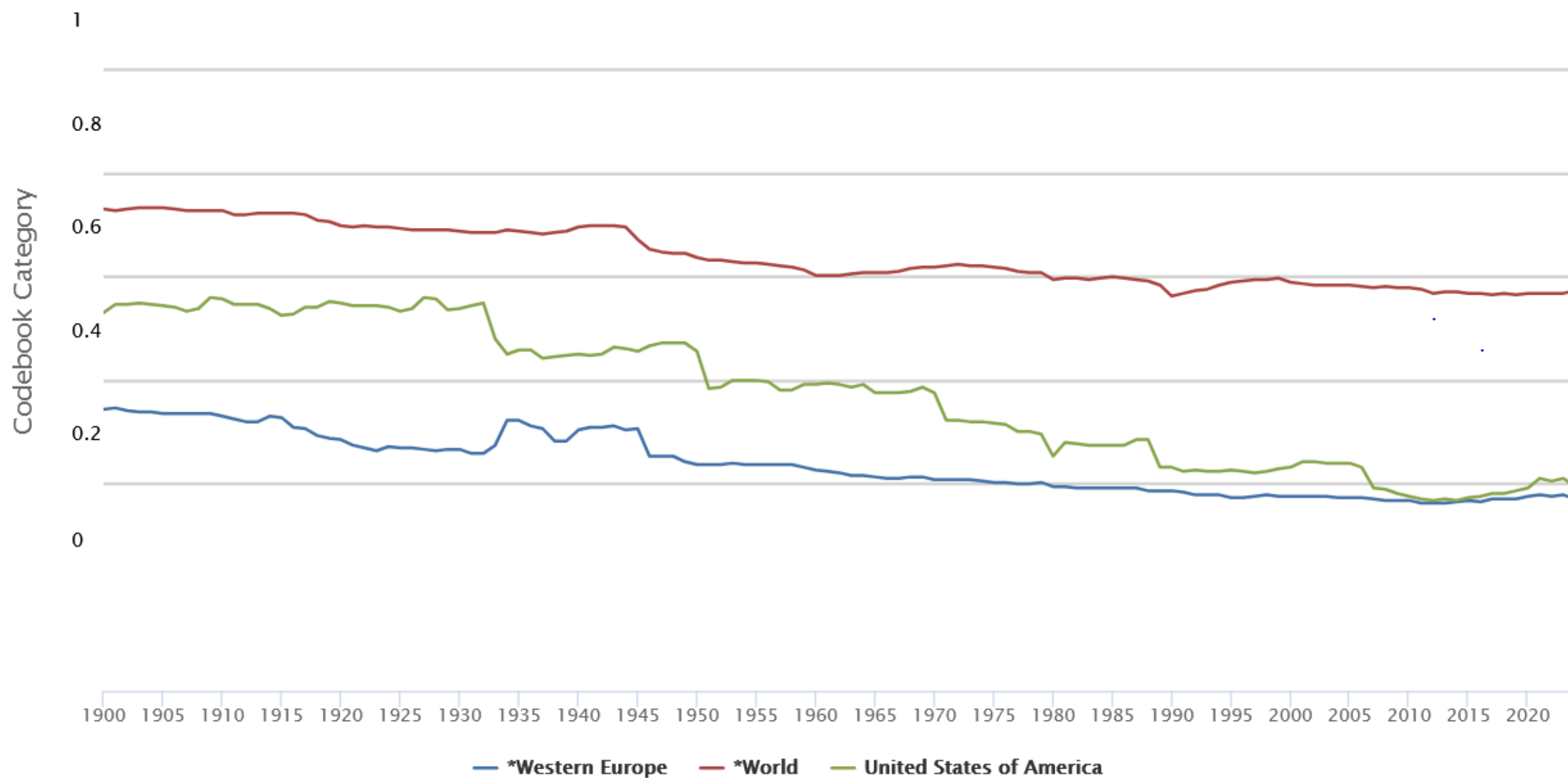
Score changes 2012 - 2024



Political corruption



Clientelism Index

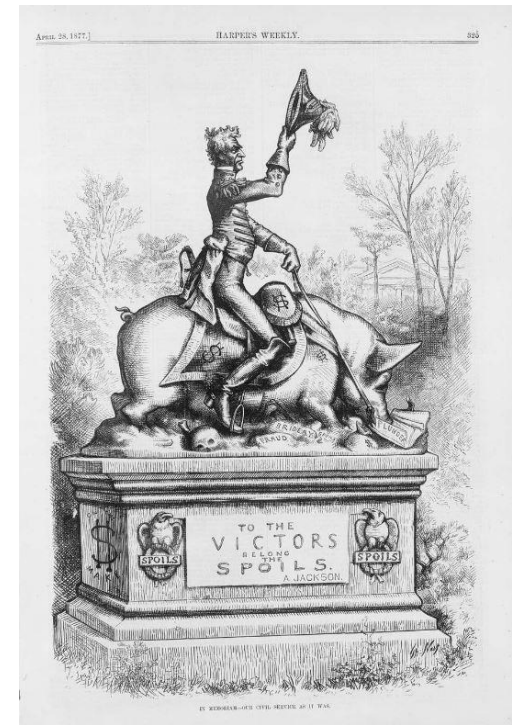


Corruption in the young republic: Washington DC in 1860

*"Out-of-the-way, one horse town, whose population consists of office-holders, lobby buzzards, landlords, loafers, blacklegs, hackmen and Cyprian – all subsisting on public plunder...The paramount, overshadowing occupation of the residents, is office-holding and lobbying, and the prize of life is a grab at the contents of UNCLE SAM's till. The public plunder interest swallows up all others, and **makes the city a great festering, unbearable sore on the body politic**. No healthy public opinion can reach down here to purify the moral atmosphere of Washington." (NY Times, March 29)*

The Spoils System (up to 1883)

- ~ patronage, cronyism & nepotism
 - Gov jobs in exchange for services and loyalty
 - <-> merit system
- Goes back to Founding Fathers
- Andrew Jackson (1828): “To the victor belong the spoils”
 - Removed 10% of government workforce upon gaining the presidency
 - Was first transfer of power between parties since 1801
 - Jackson had made lofty promises in return for political support
- Ended with Pendleton Civil Service Reform Act (1883)
 - But survived on state and local level



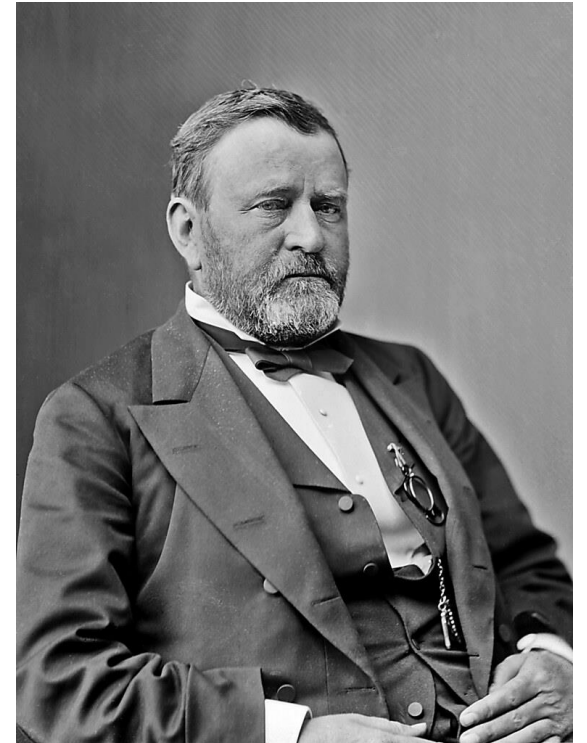
The Gilded Age (1870s – 1900s)

- Rapid economic and capital growth due to industrialization
 - Rise of the *Robber Baron*: Rockefellers, Vanderbilts, ...
 - Aimed to prevent regulation of their businesses through bribery
- Massive inequality



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- Rapid economic and capital growth due to industrialization
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- Massive inequality
- Multiple “weak presidents”
- Presidency of Ulysses S. Grant (1869-1877)
 - Multiple corruption scandals
 - Black Friday (1869): manipulation of gold prices
 - Crédit Mobilier (1872): Enrichment through fraudulent bonds
 - Whiskey Ring (1875): Mass tax evasion
 - ...



(Top)

Grant's temperament and character

> Scandals

Scandal summary table

Scandal cabinet and appointees

Nepotism

Democratic Party Tweed Ring

Liberal Republican revolt

Legacy and historical reputation

See also

References

> Bibliography

External links

Scandal summary table [edit]

Scandal	Description	Date
Black Friday	Speculators tied to Grant corner the gold market and ruin the economy for several years.	1869
New York custom house ring	Alleged corruption ring at the New York Custom House under two of Grant's appointees.	1872
Star Route postal ring	Corrupt system of postal contractors, clerks, and brokers to obtain lucrative Star Route postal contracts.	1872
Salary grab	Congressmen receive a retroactive \$5,000 bonus for previous term served.	1872
Breach of Treaty of Fort Laramie (1868)	Organized a White House cabal to plan a war against the Lakotas to allow mining of gold found in Black Hills.	1874
Sanborn <i>moiety</i> extortion	John Sanborn charged exorbitant commissions to collect taxes and split the profits among associates.	1874
Secretary Delano's Department of Interior	Interior Secretary Columbus Delano allegedly took bribes in exchange for fraudulent land grants.	1875
U.S. Attorney General Williams' DOJ	Attorney General George H. Williams allegedly received a bribe not to prosecute the Pratt & Boyd company.	1875
Whiskey Ring	Corrupt government officials and whiskey makers steal millions of dollars in a national tax evasion scam.	1876
Secretary Belknap's Department of War	War Secretary William Belknap allegedly takes extortion money from trading contractor at Fort Sill.	1876
Secretary Robeson's Department of Navy	Secretary of Navy George Robeson allegedly receives bribes from Cattell & Company for lucrative Navy contracts.	1876
Safe Burglary Conspiracy	Private Secretary Orville Babcock indicted over framing a private citizen for uncovering corrupt Washington contractors.	1876

Text

☐ Small

☒ Standard

☐ Large

Width

☒ Standard

☐ Wide

Color (beta)

☐ Automatic

☒ Light

☐ Dark

Roosevelt's crackdown on corruption (1901-1909)

- Mass prosecution of government officials
 - F.i. agents from Indian service who cheated Native Americans out of land
 - Indictments of hundreds of people
- Helped pass the **Tillman Act**(1907), first US campaign finance law
 - Response to revelations about corporate donations to candidates
 - Rep. Presidential candidate William McKinley received 100,000 EUR (over 2 mill today) in a single donation
 - Also to Roosevelt!
 - Were banned for House **candidates**
 - Demanded filing of financial reports



Federal Corrupt Practices Act (1910) & Teapot Dome Scandal (1923)

- Built on Tillman Act and passed under Pres. Taft
- Public disclosure of campaign funds & campaign spending limits
 - 5,000 for House candidates
 - 10,000 for Senate candidates
- Teapot Dome Scandal (1923): Bribery with regards to the leasing of Navy oil reserves among high-ranking political officials
 - large contributions were still being made to politicians in non-election years by big business
 - Led to amendment of Federal Corrupt Practices Act (1925)
 - Quarterly financial reports
 - Donations of 100\$ are always to be reported
 - But: no monitoring body, no penalties, no regulation on total contributions, rarely enforced by Congress

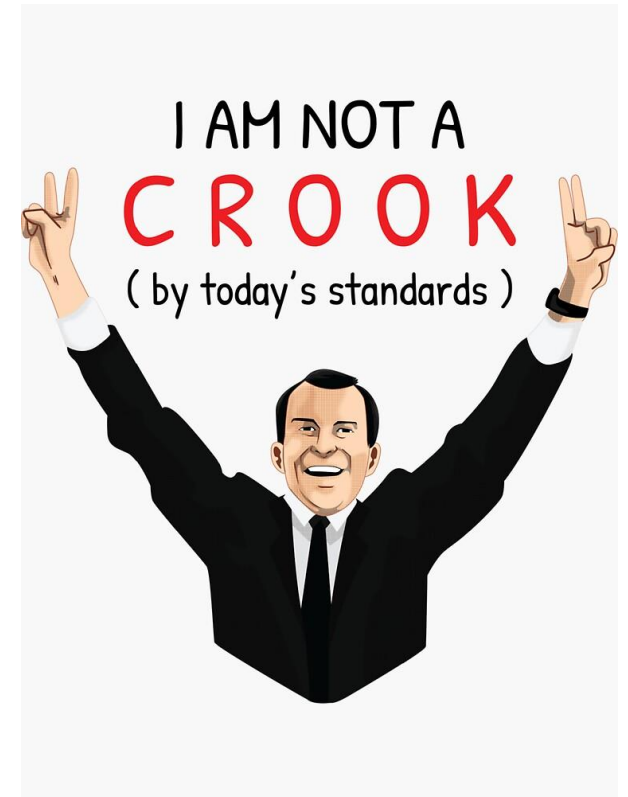


alamy

The first large-scale reform: FECA (1971)

- Federal Election Campaign Act – signed by Nixon
- Limited individual contributions to \$1,000 and for political committee contributions to \$5,000 to any candidate
- Limits on spending
- Complex (and largely ineffective) public disclosure system

1972: Watergate -> led to revisions to FECA



Is Money Speech? Buckley vs Valeo (SC, 1976)

Discussion: do contribution and/or expenditure limits go against freedom of speech?



So fundamental that we speak of pre- and post-*Buckley* eras

Birth of the Political Action Committee (1940s)

Growing legislation to with participation of labor unions & organizations

- Act to Prevent Pernicious Political Activities (Hatch Act, 1939, am. 1940)
- War Labor Disputes Act (Smith-Connally Act, 1943, exp. 1945)
- **Labor Management Relations Act (Taft-Hartley Act, 1947)**
 - Base for union-bashing
 - Permanent ban of contributions to federal campaigns

1943: establishment of the Congress of Industrial Organizations – Political Action committee (CIO-PAC)

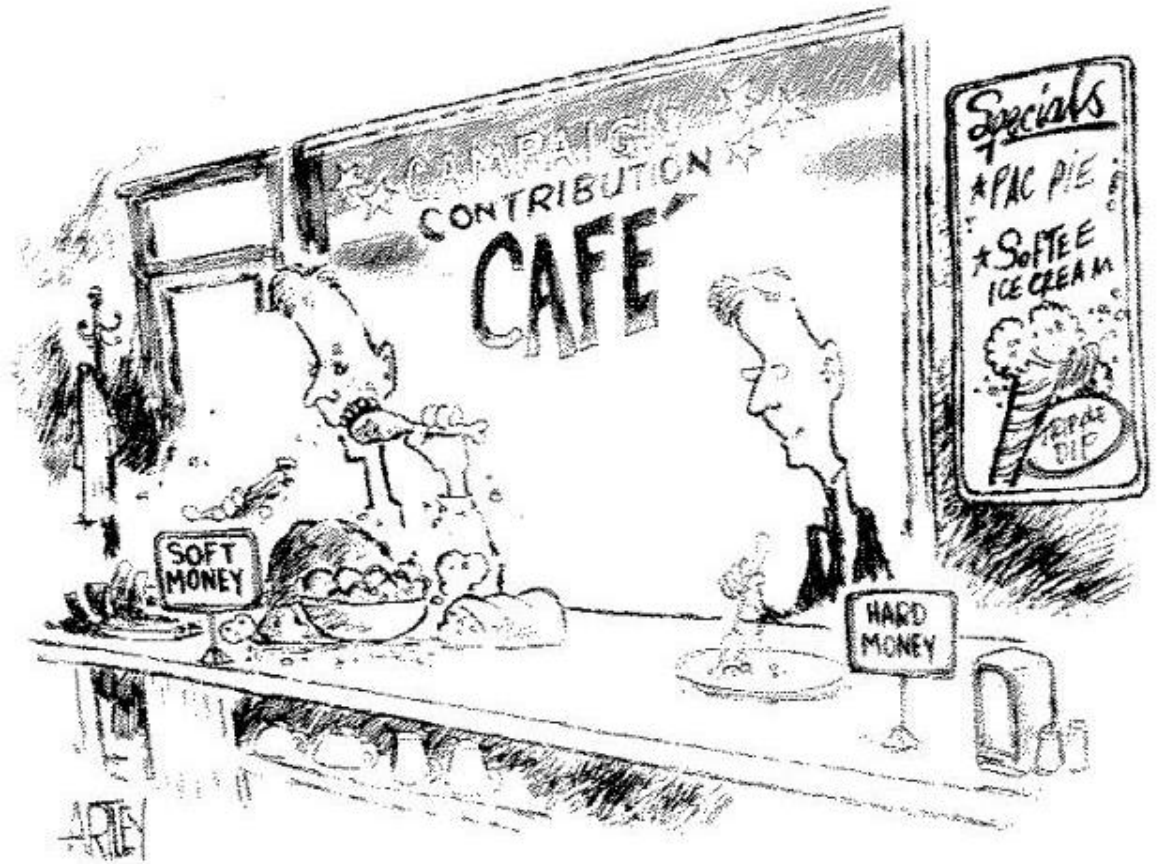
- Organized labor support
- Open, public, solicited support outside of unions, and would take on traditional party functions (f.i. policy and candidate selection)

What are PACs?

- Raise funds to support or oppose political candidates or parties
- Represent specific interest (but not necessarily “connected”)
- Regulated by Federal Election Commission (FEC)
- Boomed after introduction of FECA as they can work around limits by collecting donations from multiple individuals/organizations
- But still limited in terms of how much they can receive and how much they can donate

Circumventing the rules: Hard vs Soft Money

- Hard Money: contributions directly to candidates
- Soft Money:
 - donations to a party/interest group who can buy advertising on candidate's behalf
 - **Not subject to campaign finance laws**
 - No idea how much until 1991



Increase in Soft Money 1992-2002

The chart below details total soft money contributions to the national party committees from 1991-2002 with breakdowns by recipient party and by donor type (organizations vs. individuals).

Soft Money Contributions to the National Party Committees, 1991-2002

 Export to CSV

Cycle	Total	To Dems	To Repubs	From Indivs	From Orgs	Indiv%
1992	\$88,067,088	\$38,294,484	\$49,702,604	\$27,159,577	\$60,907,511	31%
1994	\$88,708,478	\$42,699,322	\$46,007,156	\$21,555,929	\$67,152,549	24%
1996	\$243,625,940	\$112,126,241	\$130,295,152	\$71,483,574	\$172,142,366	29%
1998	\$191,271,915	\$78,603,488	\$112,106,507	\$53,618,019	\$137,653,896	28%
2000	\$456,878,202	\$218,604,212	\$235,951,425	\$283,975,950	\$137,653,896	38%
2002	\$457,582,326	\$215,951,479	\$241,089,068	\$159,792,850	\$297,789,476	35%
Total	\$1,526,133,949	\$706,279,226	\$815,151,912	\$506,512,201	\$1,019,621,748	33%

Source: OpenSecrets. <https://www.opensecrets.org/political-parties/soft-money-background>