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Abstract: Would “party-centered” campaign finance laws that channel money primarily through party organizations improve American politics? Scholars have long argued that political parties are essential mediating institutions in a democracy. Yet in comparison to other democracies, American campaign finance laws have been designed to be “candidate-centered.” Constraints on political parties have also created opportunities for interest groups to engage directly in campaigns in support of favored candidates and policies. The growing presence in elections of interest groups at the expense of formal party organizations thus has potential negative implications for the functioning of democracy. This paper explains what we know about the relationship between money, campaign finance laws, and political parties, with the goal of exploring whether party-centered campaign finance laws might improve elections, representation, and governing. Importantly, it emphasizes the need for new knowledge that may help in designing new campaign finance laws.

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Introduction

This essay examines campaign finance through the lens of political parties. It starts with the premise that political parties are key institutions in a democracy. In theory and practice, research shows that political parties have been essential for grooming and disciplining candidates, waging campaigns that inform and mobilize voters, and ultimately organizing government to implement broadly supported policies. To be sure, political parties have a fraught history, rife with examples of monumental corruption and “back-room deals” that serve narrow interests rather than the wider public. But on the whole, the major American political parties have tended to be broad-based entities with mechanisms to hold political elites accountable. Despite shortcomings, their enduring party “brand” and institutionalized roles across all levels of government have promoted stability, collective action, and responsiveness in the American political system.

The question posed here is practical one, although it is informed by theory and research about political parties and campaign finance: Given the vital role of
parties and the importance of money as a political resource, would a party-centered system of campaign finance improve politics? In other words, by channeling more resources through political parties, would these organizations behave in ways that promote the positive outcomes that scholars have long-associated with them?

It is a suitable time to consider such possibilities. The dynamics of contemporary campaign finance give prominence to narrow-based interest groups and stimulate a highly fragmented campaign environment. Additionally, a variety of new organizations – commonly called Super PACs – have emerged with the backing of party leaders as a way to circumvent the formal regulatory framework. Super PACs and other non-party organizations have many fewer constraints to raise and spend money than parties. Their dynamic developed, in part, from a century-long impulse among reformers to circumscribe the role of political parties tightly in the financing of elections (La Raja 2008). This reflects the legacy of anti-partyism that bloomed during the Progressive Era and was reinforced by court doctrine that warrants restrictions on political parties because of their unique and potentially corrupting relationship with candidates.

Two recent judicial decisions have reinforced the problem for political parties and pose a basic challenge to their unique campaign role. In 2010, the Supreme Court ruling in *Citizens United v. Federal Election Commission (FEC)* upheld the right of any interest group, including corporations and labor unions, to spend money in elections. In the same year, the U.S. Court of Appeals declared in *SpeechNow.org v. FEC* that restrictions on contributions to non-party groups are unconstitutional, so long as such groups wage campaigns that are independent of candidates and political parties.1

Together, these decisions make it relatively easy for interest groups to raise and spend money in politics. Meanwhile, political parties remain constrained by limits on contributions and spending under the Bipartisan Campaign Reform Act 2002. In many ways, these rules are more severe than the historic post-Watergate reforms enshrined in the 1974 amendments to the Federal Election Campaign Act (La Raja 2013). The two federal court decisions obviously apply to state campaign finance laws as well. The result is that money flows increasingly to electioneering groups rather than the formal party organization (Franz 2013; La Raja 2013).

Among the many problems this poses (which I discuss below) is diminished accountability, since it is more difficult than ever for voters to apprehend who

1 The argument rests on evolving judicial doctrine, rooted in *Buckley v. Valeo* (1976), that the primary justification for restrictions on First Amendment activity, such as spending money in politics, is the prevention of corruption, or the appearance of corruption. The courts find that independent spending by groups does not fall into this category because the groups do not coordinate with candidates and parties; thus there is unlikely to be a *quid pro quo*. 
finances and wages American campaigns. Moreover, we have yet to understand how the growing presence of non-party groups in political campaigns affects elections and governing (Smith and Kimball 2013).

**Parties as a Window on Campaign Finance**

At this point, the limited state of knowledge on how campaign finance laws affect the flow of money in politics would make it rash to recommend policy reforms that liberalize party financing as a way to improve the political system. We have a rather shallow understanding of the relationship between money, rules, and parties because scholarship has been framed largely from the “candidate-centered” perspective. Most studies, in fact, focus at the individual level rather than at the system level. That is, they examine one-to-one relationships between candidates and PACs rather than comparing how PAC, party and candidate strategies differ under the campaign finance rules. Other studies that dominate the field look primarily at how candidates perform electorally depending on how much they spend. Surprisingly, there is very little research about the role of institutional mediators, such as parties and interest groups, in affecting the system-wide distribution of political resources and electoral outcomes. For this reason, scholars need to apply a broader lens in studying campaign finance, one that takes seriously the institutional role of political parties.

Scholars will also need to rethink how to conceptualize political parties in an era when activists affiliated with different interest groups work closely together to pursue collective partisan goals. Traditionally, scholars have focused on the formal party committees, which are organized or controlled by officeholders who bear the party label. These include the Republican National Committee (RNC), Democratic National Committee (DNC), National Republican Senatorial Committee (NRSC), Democratic Senatorial Campaign Committee (DSCC), National Republican Campaign Committee (NRCC) and Democratic Congressional Campaign Committee (DCCC). Most research on political parties focuses exclusively on these organizations, and their affiliated state and local committees. The prevailing theory from the 1970s through 1990s was that political parties are controlled by officeholders who use it (or ignore it) depending on whether it serves

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2 Scholarship on American political parties clearly differs from studies of European parties, which commonly focus on the effects of political finance rules on party institutionalization and linkages to citizens. See Katz and Mair (1995), Nassmacher and Alexander (2001), Ewing and Issacharoff (2006), and Scarrow (2007), Booth and Robbins (2010).
their individual ambitions (Schlesinger 1966; Aldrich 1995). The problem with this perspective is that it is no longer clear that officeholders control the party.

A more recent approach, however, conceptualizes the party as “extended network” of officeholders and allied interest groups and activists who share overlapping electoral and policy goals (Bawn et al. 2012). The party, then, is not just the formal organization, but those individuals and groups who consistently associate with its goals and coordinate activities to achieve them. This perspective, which expands the party beyond its legal or conventional definition, opens up new possibilities for analyzing partisan behavior beyond formal categories. It is more amenable to a system-level analysis of campaign finance that reveals patterns of action across groups in response to regulations, regardless of group labels. Perhaps more importantly, its approach raises the possibility that officeholders may not be the primary actors in shaping the party. Dense networks of partisans outside the legislature may constitute the “true” party.

It would be unwise, however, to treat all groups in the network as undifferentiated party members. Importantly, groups within the network have their own goals however much some may overlap with others. An overly abstract understanding of political parties would also obscure key institutional differences created by legal rules, organizational hierarchies and governing structures, all of which matter for incentives that guide behavior. The formal party organization is different from interest groups because it carries a unique historical label, which is clearly associated with candidates who run for office. Candidates who bear the label answer directly to, among others, party leaders in government and non-elected officials who lead party committees at local, state and national level. Consider the contrast with a Super PACs. While such groups are often led by former party officials such as Karl Rove, the organizational leadership answers to different constituencies, including a small slice of donors and governing elites who do not reflect all elements of the party.

The point is that in applying the useful concept of the party as an extended network, scholars need to keep in mind the distinct features of the formal party organization relative to other groups. This would require close attention to who the formal party serves relative to others, and how its activities promote (or not) desirable outcomes relative to other members in the network. For the purposes of this essay, I make a distinction between the formal party committee and partisan allies operating legally through non-party groups. The broad proposition I put forward for study is whether having resources largely controlled by the formal party committee would produce more desirable outcomes than if resources were scattered more equally throughout the partisan network.

In looking at campaign finance through the lens of parties and party networks, this essay also seeks to refashion debates on changes to the regulatory
structure. Reformers should consider seriously the limits of the candidate-centered framework for campaign finance laws, a framework that has existed at least since the 1974 amendments to the Federal Election Campaign Act (FECA). The party system has changed. Political parties, conceived as networks, are more important today than in perhaps a century. The ideological distancing of party elites and the close margins for controlling government augment the incentives for partisans to organize collectively.

This imperative to organize strongly as partisans bumps directly against the prevailing candidate-centered framework, which assumes money flows primarily through individual candidate committees. The explosion of outside spending and extension of parties into dense networks is plausibly a consequence of the outdated candidate-centered framework (La Raja 2013). And yet the causal arrow runs in the other direction as well. That is, the emergent party system is shaping the contours of the campaign finance system by institutionalizing new methods of organizing such as Super PACs.

With this in mind, I propose a thought experiment in which we assume that money will find its way into the system, but that laws can alter its flow. The flow matters because some organizations are more likely than others to produce positive outcomes for the political system as a by-product of their effort to win elections. Building on theories about political parties I frame some policy-oriented research questions to test whether a party-centered campaign finance system might improve politics and governance by reinforcing positive aspects of parties. In short, if more money flowed through party organizations would American democracy be better?3 By better, I mean in the ways that political institutions select and promote candidates, bring coherence to political campaigns (information, mobilization, accountability); aggregate interests, set the public agenda, and organize government to pursue policies that reflect popular will.

I have no illusions that a party-centered system will demonstrably improve the current situation. Indeed, research might find it worsens some problems or does little that is different. Moreover, trying to privilege political parties in the finance system could be a fools’ errand. It is plausible that, regardless of reforms, the contemporary electoral system and constitutional structure will continue to generate highly decentralized campaigns that advantage incumbents and narrowly-based interest groups. (As an aside, I might add that decentralized campaigns have positive features too, such as promoting local representation.) But here I am talking about relative differences, and the possibility that stronger political parties might attenuate the worst features of fragmented and decentralized campaigning.

3 Wallison and Gora (2009) respond affirmatively to this question in an extended argument for campaign finance reform that empowers political parties.
What constitutes a stronger party is an important and contested question. To have money flowing through the parties does not necessarily make them stronger in the electoral or governing sense if these funds are largely controlled by candidates, or if the funds are spent on advertising to address the short-term imperatives of individual campaigns (Krasno 2011). At the very least, there needs to be durability to the enterprise and the kinds of investment that serve collective purposes now and in the future.

The rest of this paper assesses what we know about the relationship between money, campaign finance and political parties. The essay is organized around practical and normative questions about party financing of elections, with a focus on what I perceive to be major problems in the current campaign finance system that can plausibly be addressed by a party-centered system of campaign finance. I cover three areas, starting with political campaigns and how party financing might improve electoral competition or increase grassroots activity or promote system accountability. Next, I discuss how party financing might improve mass representation by looking at research that examines the preferences of individual donors and interests groups compared to the broader electorate. Third and finally, I look at how a party-centered system might affect governing by examining how fundraising insinuates itself into the daily routines and career pathways of members of Congress. My concluding remarks highlight promising approaches for research and summarize key questions that need to be addressed.

**Party Financing of Campaigns**

Would a larger financing role for political parties improve the negative dynamics of contemporary campaigns and elections? One problem is that the electoral system strongly favors incumbents and discourages good challengers from getting into contests. A second concern is that campaigns focus heavily on television advertising rather broad-based voter mobilization. The reason that campaigns might spend the marginal dollar on ads instead of GOTV is not entirely clear, but it seems plausible that campaign professionals rely on advertising so much because effective GOTV requires the kind of sustained coordination and investments that might only be accomplished by durable organizations, like a well-resourced political party, aiming to elect candidates up-and-down the ballot.

A third glaring problem is that the campaign environment in closely contested races appears overloaded with messages from groups with opaque names and provenance. Not only does accountability suffer because of lack of transparency, but the overload of campaign messages has the potential to confuse voters.
about issues and candidates. Below I consider each of these election dynamics from the perspective of a party-centered campaign finance system.

**Political Competition**

The current campaign finance laws, which were designed around candidate committees, have been critiqued for abetting incumbent advantages and dampening political competition (Samples 2006). Through the power of office, incumbents typically reap a bounty of funds, well beyond what the vast majority of challengers can raise. Some research suggests this dynamic discourages challengers from entering contests (Epstein and Zemsky 1995; Box-Steffensmeier 1996; but see Goodliffe 2001; Hogan 2001). Others argue that the decline in competition is strongly related to that fact that incumbents are able to spend more money than challengers (Abramowitz, Alexander, and Gunning 2006).

While there is disagreement about whether incumbents or challengers benefit more from additional spending (Jacobson 1978; Krasno and Green 1988), it seems clear that challengers need money at similar levels to the incumbent to stand a chance of winning. In theory and practice, political parties appear to play a positive role financing challengers, or at least helping recruit high quality challengers. A key empirical question that needs to be addressed is whether a better-resourced party might do even more to help challengers.

Candidate recruitment seems vital. A growing body of work points to the quality of the challenger – not money, per se – as one of the most important factors driving election outcomes (Cox and Katz 1996; Levitt and Wolfram 1997; Hirano and Snyder 2009; Carson et al. 2011). When quality challengers emerge they appear to attract adequate financing to compete effectively. The problem, however, is that many good challengers decline to enter the electoral arena for reasons that are still being explored (Hogan 2004; Stone, Maisel, and Maestas 2004; Maestas et al. 2006; Lazarus 2008). The prevailing view is that good challengers for Congress face high opportunity costs. They typically have rewarding jobs, perhaps as powerful state legislators or business executives, which would be put at risk in running for office.

For this reason good challengers wait to run until the moment seems ripe for victory (Jacobson and Kernell 1981; Maestas et al. 2006). They are “strategic” in assessing when the political environment creates good odds for winning. Many will wait until the incumbent become vulnerable due to a scandal, or when the seat becomes open. Thus, from the perspective of campaign finance, it is not clear whether additional campaign funds would make a difference in enticing good candidates to enter a race, although more work is needed to see whether making
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fundraising easier – perhaps through public financing – might make a difference in candidate decisions.

Perhaps a more fruitful line of inquiry is to observe closely the organizations that typically recruit candidates and how they use resources to do this. This analysis should apply especially to political parties, which have strong institutional incentives to enlist good candidates for office. Historical-based research indicates that party organizations in the 19th century played a central role in enticing quality challengers to enter a race, a dynamic that reduced incumbent reelection (Brady, Buckley, and Rivers 1999; Carson and Roberts 2013). The party did this by clearing the path to the nomination, which reduced the costs to the candidate of entering a race. Additionally, party organizations offered the candidate “insurance” against an election loss. This insurance took the form of offering the losing candidate another job or some benefit to compensate for the effort of running (Brady, Buckley, and Rivers 1999).

Contemporary election laws, which require direct primaries, do not appear to give party leaders much control over nominations. Recent research, however, suggests that party elites do, in fact, influence who gets nominated (Cohen et al. 2008). They do this through coordination of endorsements, channeling donors to candidates and mobilizing activists on behalf of their favored candidate in primaries. Although the party is nowhere to be seen, its presence is felt nonetheless through an “extended party network” of likeminded politicians and activists (Masket 2009). In effect, these party networks clear the path for the candidate, or at least give her an enhanced likelihood of winning the nomination.

Additional research should look at how these extended party networks recruit and support candidates. It should also observe how sub-networks vary across the party coalition to attract particular candidates. Journalistic accounts indicate that different factions of the party work may be working against each other to nominate preferred candidates. Recently, for example, establishment Republicans, represented through organizations led by Karl Rove, appear poised to challenge recruitment efforts by the most conservative elements in the party, such as the Tea Party (Vogel, Burns, and Parti 2013). The establishment Republicans fear that the ideological purists will hurt the general election prospects of the GOP.

Several examples in the 2012 elections, most especially the floundering Senate campaigns of hard-right GOP candidates in Missouri and Indiana, seem to bear this out. To the extent that campaign finance laws shape the allocation of resources across factions of the party they potentially shape the nomination process. Studies that use network analysis should make it possible to compare nomination dynamics across different states and how these vary with campaign finance laws. In theory, at least, party-centered campaign finance laws should help nominate moderate candidates because, by channeling money through the
party organization, such laws might render ideological organizations less influential in the electoral process.

Generally, more research is needed on how extended party networks work together – or not – in recruiting challengers, and what kind of resources they use in campaigns. The ability of the party network to help challengers could be a key factor in elevating the level of competition in legislative races. Recent research suggests that challengers who are selected into these networks perform better than other challengers, regardless of campaign spending or prior elective office experience (Desmarais, La Raja, and Kowal 2013).

Assuming that quality candidates face high opportunity costs, it is also worth exploring what happens to such candidates when they lose. Do they remain in the same position? Do they land a new job in an administration or governing board or think tank? If opportunity costs dampen candidate entry, then party organizations and allied groups might serve as intermediaries to advance the careers of promising candidates regardless of the outcome of a race. In this sense, they would be acting as the modern equivalent of Boss Tweed who doled out benefits to party loyalists. One contemporary example might be Darcy Burner, a former Microsoft executive who ran twice unsuccessfully for Washington’s 8th congressional district against Republican Dave Reichert. Subsequently, she worked in Washington D.C. as president and executive director of the Progressive Congress Action Fund, and then returned to Richmond in 2011 to run for an open seat with a redrawn district (Brunner 2011).

Without knowing the details, it is easy to speculate that Burner was rewarded through the party network with a temporary position in Washington for making an effort to unseat a Republican. The party then helped pave the way for her taking a seat in the 2012 elections. This kind of backing by the party and its allies may generate a pool of candidates who are poised and willing to jump into races. An ethnographic field study could examine how the party network provides a “soft landing” for losing challengers in anticipation of future contests. The question with respect to campaign finance is whether a better-resourced party – one that is more central to the careers of politicians – might provide robust job networking for candidates-in-waiting.

Finally, the most conventional manner in which parties could spur competition is to allocate their campaign funds efficiently. There is widespread agreement that political parties tend to invest in contests where they have a chance of winning (Jacobson 1985; Herrnson 1989; Malbin and Gais 1998; Damore and Hansford 1999; Hogan 2002). In contrast, candidate-centered campaign finance systems appear to tilt money toward incumbents who create war chests to advance their personal goals (Samples 2006). Since the 1990s, the high stakes for gaining party majorities has created strong incentives for incumbents to contribute their
funds to the party committees, which in turn provide support for vulnerable incumbents and challengers (Heberlig and Larson 2012).

This arrangement seems highly inefficient for at least two reasons. First, incumbents spend a lot more time raising money because they now fundraise for both the party and their campaign war chests (Heberlig and Larson 2012). Additionally, party leaders invest significant energy cracking down on “free-riders” to make sure they contribute to the collective goals of the party (Kolodny and Dwyre 1998). Overall, the institutionalization of fundraising in the legislature – evidenced by structuring of schedules around this task and its importance for career advancement – cannot be productive for legislating and remains one of the chief criticisms of the campaign finance system (Lessig 2011).

The second inefficiency is that much of the money being accumulated is wasted as a collective resource for winning elections. Incumbents only give a portion of their funds to the party. Thus, money that could be spent helping challengers instead remains with officeholders who might have minimal electoral threat. These officeholders then use their surplus campaign funds to ingratiate themselves with colleagues for future payoffs on legislation or leadership posts (more on this below). Building personal commitments through favors is an institutional fact of life in most legislatures, but it would be important to know how much money now dominates these exchange relationships compared to the past. Incumbent goals are in tension with those of the party since they might very well withhold money for the party’s collective goals in order to invest it in building personal relationships.

A lingering question, of course, is whether a party-centered campaign finance system would reduce collective inefficiencies. Members may still try to create war chests, and the political parties might not use their funds in ways that really increase competition. Although parties tend to support challengers it is not clear they would use additional resources to expand the playing field toward long-shot candidacies or simply pile money into a small set of races that conventional prognosticators have declared “toss ups.” Parties in the 1990s were critiqued for not using their abundant soft money to spread the wealth more broadly across races (Krasno and Sorauf 2003–2004).

Using state level comparisons, it might be possible to observe whether campaign finance laws that privilege political parties affect the flow of money to viable challengers. Certainly, more research should examine how parties make decisions about what they do with their funds. We should examine the kind of information they rely on to invest in candidates, and at what point they are willing to risk funds on contests with long-shot odds. Political science research that illustrates the clear probabilistic benefits of investing in a broader set of races might even encourage the parties to shift how they use resources, much the way studies
of the impact of voter mobilization (Gerber and Green 2000) spurred campaign professionals to invest in contacting voters with boots-on-the-ground.

**More Grassroots, Fewer Ads**

Another frequent criticism of American campaigns is that too much is spent on television ads rather than grassroots mobilization. Logically, it seems plausible that campaign fragmentation and the growth of Super PACs stimulates advertising at the expense of grassroots efforts. First, running ads is relatively easy for emerging new groups compared to organizing labor-intensive mobilization campaigns. Second, the incentive structure for campaign consultants is to run political advertising because they derive commissions from placing ads. Again, the empirical question is whether putting more financial resources into the hands of a durable organization like the party would generate additional organizational building that leads to stronger efforts to mobilize voters.

A major study of voter turnout indicates that its decline between 1960s and 1990s was significantly attributable to weaker efforts by parties to mobilize voters (Rosenstone and Hansen 1993). There is evidence in the 1990s that national parties used soft money to strengthen links with state parties and build robust turnout operations (La Raja 2008). Would parties use additional financing to build a durable mobilization infrastructure or would officials be under too much pressure by individual candidates to use the money for short-term political advertising (Krasno 2011)? Overall, we need to know whether laws that liberalize party finance actually strengthen the party organization in ways that bring them closer to voters (Corrado 2005; La Raja 2005).

Related to grassroots work, research should also focus on how political parties use and share voter data, particularly focusing on such activities during the off-election season. This kind of research would help evaluate the degree to which parties are empty vessels for funneling money to individual candidate campaigns or whether parties truly invest in long-term organization building at all levels. We especially need more knowledge about how local and state parties have been faring under the federal campaign finance rules, which professional insiders claim have hurt their ability conduct campaigns (Reiff 2012).

**Transparency and Accountability**

In the wake of *Citizens United v. Federal Election Commission*, there is growing alarm about the lack of transparency in elections as new groups with unfamiliar
names spend a significant share of total campaign funds. An underlying strength of the Federal Election Campaign Act (FECA) was that it greatly improved the disclosure of political financing, and created accountability in the system. The FECA worked rather well when elections were, in fact, centered around the candidate. That is no longer true. The polarization of the political parties and close margins for control of government have raised the collective stakes for partisans.

This dynamic stimulates efforts by members of the party coalition to invest heavily in potentially winnable races by skirting the regulatory framework that imposes severe limits on candidate and party fundraising (Heberlig and Larson 2012; La Raja 2013). *Citizens United* gives greater leeway for partisans to spend money directly in elections through groups that the public knows little about. The proliferation of independent spending by Super PACs and other kinds of organizations makes it difficult to sort out who is raising and spending money in elections, and where the money is coming from.

There is also the potential problem of the incoherence of campaigns. The escalating activity of independent groups in campaigns may create a muddled information environment for voters. Voters use a variety of heuristics to evaluate candidates. However, the intensity and multiplicity of messages emanating from various committees (controlled by candidates, parties, or Super PACs) requires substantial processing effort by citizens (Lau and Redlawsk 2006). It is not self-evident that voters will be able to sort through the noise to make decisions that reflect their priorities or preferences.

One illuminating project might be to study political advertising messages across groups to observe how much issue convergence exists in states with a strong party role vs. those with many interest groups waging campaigns. At the federal level recent research has looked at issue messaging (and negativity) in advertising showing how they vary depending on the campaign source (Fowler and Ridout 2013). This kind of study could be extended to a comparative analysis in the states.

In theory, political parties strengthen transparency and accountability. First, party organizations have clear labels that voters recognize. Second, parties typically provide detailed information to regulatory agencies about fundraising and spending. Finally, consultants who work for political parties are accountable to a broader constituency of political elites than those who work for single-advocacy interest groups and partisan Super PACs. Consultants to Super PACs have acknowledged they are less accountable to wider party constituencies than when they worked for the political parties and candidates (Boak 2011).4

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4 One Democratic consultant, speaking anonymously, said working for an outside spending group is “easier, more profitable and you have less accountability” (Boak 2011).
Future research on advertising might evaluate whether voters can make distinctions among campaign committees, and whether they evaluate the content of ads coming from candidates and parties differently than other groups. We would want to know whether channeling more financing through the parties improves message coherence at all. In theory, at least, laws that privilege parties should constrain the amount of ads run by outside groups. Some well-designed experimental studies could demonstrate how voters perceive and process ads from different sources. Scholars might also consider field studies to observe how advertising decisions get made in different parts of the party network, and whether behaviors of individual organizations create collectively poor outcomes for accountability and transparency.

Parties and the Representation of Mass Constituencies

Theorists of political parties have described them as aggregators of diverse factions with strong electoral incentives to broaden the base of their support. To the degree parties behave this way, it implies that party support should be broader than that of a single candidate or interest group. An additional implication is that the electorally-oriented party has an incentive to ensure its brand does not stray too far from the median voter (Downs 1957). Applying the same logic to campaign finance, this dynamic suggests the proposition that party organizations are less reliant on a narrow base of donors than either candidates or interest groups.

By avoiding dependency on any faction the party can pursue its interests – namely winning elections – with fewer commitments to narrow policy agendas. Given the constrained role of formal party organizations at the national level (e.g., no soft money, limited coordinated expenditures) candidates now rely heavily on the party’s extended network of interest groups, which receive their funding primarily from donors interested in specific policy agendas. As a practical matter, the question is whether a party-centered finance system would attenuate the current biases in the system, which give wealthy donors and narrow interest groups a prominent role in funding campaigns.

Individual Donors

Research shows that active campaign donors tend to hold ideologically extreme views (Francia et al. 2003) or at the very least have worldviews different from
other citizens (Bramlett, Gimpel, and Lee 2010). Major donors to congressional candidates are both partisan and highly ideological, which may contribute to polarization of the parties (Francia et al. 2005), although extremism among mass donors did not appear to increase until 2002 (La Raja and Wiltse 2012). Ideological candidates fare comparatively better raising money from constituencies outside the district (Gimpel, Lee, and Pearson-Merkowitz 2008; Johnson 2010), and candidates may position themselves ideologically to attract additional donations (Moon 2004; Ensley 2009). Beyond position-taking in campaigns, research suggests that officeholders are more responsive toward policies that favor the interests of wealthy donors over the preferences of middle and especially low income citizens (McCarty, Poole, and Rosenthal 2006; Bartels 2008; Flavin 2012; Gilens 2012).

In theory, a party-centered system that attracts a broad base of donors should attenuate ideological and policy bias. Donors to the party are plausibly motivated by broad partisan goals rather than ideological objectives (although the two are tightly linked). Future research should focus on the differences between those who contribute to interest groups primarily vs. those who give to political parties. It appears that major donors perceive the parties as being more moderate than interest groups, and that this affects where they choose to give money (La Raja and Schaffner 2012).

If one goal of campaign reform is to attenuate the influence of extremist elements in both parties, then creating incentives for donors to give to political parties may, in fact, reduce polarizing forces. Donors who give for partisan goals will be elevated relative to those who contribute primarily to interest groups to pursue ideological goals. Research should identify consistent donors to the party and interest groups based on surveys and contribution data at all levels of government. One project might identify common donor IDs across state and federal entities to facilitate network analysis across federal and state party organizations and non-party-entities (see work by Bonica 2013).

**Interest Groups**

Interest groups shape politics in a variety of ways, including political contributions, electoral activity and lobbying. The vast majority of campaign finance research on interest groups examines PAC contribution strategies (Eismeier and Pollock 1986; Grenzke 1989; Wilcox 1989; Box-Steffensmeier, Radcliffe, and Bartels 2005) and the influence of such contributions on individual members of Congress (for review of studies, see Ansolabehere, deFigueiredo, and Snyder 2003). Overall, the preponderance of evidence suggests that PAC contributions do
not influence member votes, although such contributions may affect legislative effort on bills and agenda-setting (Hall and Wayman 1990).

The search for interest groups influence has pushed scholars downstream in the political process to examine how members arrive in office with particular viewpoints. The players with the most significant impact on policy are plausibly those seeking to shape who enters the legislature rather than access-oriented groups trying to persuade sitting officeholders. Research shows that some elements of the PAC community behave as partisans, as demonstrated by a willingness to support challengers of one party (Brunell 2005). As mentioned previously, an emerging theoretical perspective posits that subsets of PACs, interest organizations and officeholders constitute an extended party network that shares information (Koger, Masket, and Noel 2009; Koger, Masket, and Noel 2010), and endorses and contributes to the same candidates (Grossmann and Dominguez 2009; Bawn et al. 2012; Heaney et al. 2012; Skinner, Masket, and Dulio 2012).

Mapping the tight electoral links among groups has encouraged scholars to rethink who belongs to the party and how it is shaped (Herrnson 2009). For a long while, the party was conceived as an entity shaped by officeholders who used it to pursue individual aims related to their elections, careers and policy goals (Aldrich 1995). But the party is increasingly seen as an organization that is shaped by a subset of coordinating interest groups and activists outside the legislature who recruit and support candidates. The hypothesis is that the extended party network pushes the party’s position to the extremes by grooming ideological candidates and helping them win office. The threat of running a “purist” against a moderate incumbent in a primary election is sufficient to make “big tent” incumbents shift to a purer party position (Murakami 2008; Masket 2009). This new conceptualization of parties implies that officeholders have less discretion over the direction of the party than previously believed.

While there has been good work describing these networks, much more needs to be done to demonstrate systematically what impact these networks have on electoral outcomes and policy preferences of officeholders. Masket (2009) observes that sub-units of the party network use their resources – money, volunteers, expertise and status – to shape nominations of ideologues and scare incumbents who compromise. Franz (2013) suggests that campaigns by outside groups might affect campaign agenda-setting and governance. It seems possible that a minority of groups are capable of exercising factional power through their control over political resources (La Raja 2008; DiSalvo 2012). While campaign finance is not determinative of political outcomes, scholars should examine whether and how the relative allocation of campaign funds in the system shapes the direction of the party.
A key empirical question is whether a party-centered campaign finance system would generate a different kind of party, with respect to its policy positions and governing. Organizational analysis using resource dependency theory suggests that those in the network with most funds will have more influence on collective decisions (Panebianco 1988). Thus, if campaign finance laws put more money into coffers of the formal party organization relative to interest groups, might we observe difference in the quality and kind of candidates recruited and winning office? Those who work for the party organization might prefer a “big tent” party that enhances opportunities for winning elections in marginal seats. For this reason, it is imperative to understand which elements of the party coalition push for a pure vs. big tent party, and how campaign finance laws privilege one set or the other. As mentioned previously, a lively battle is being waged through political campaigns within the Republican Party between the party establishment and party purists.

The rising tension within the GOP raises a host of interesting questions for campaign finance research on political parties. Would a party-centered campaign finance system reduce the influence of ideological activists in the primaries? Would such a system cause intraparty squabbles and compromises to take place within the formal structures of the party organization rather than through the open confrontation of direct primaries? To some extent, of course, elite compromises on candidates would undermine the very need for a direct primary, thereby reducing the role of voters in the nomination. And it is far from clear that party purists, who by nature see compromise as a “sell out,” would agree to settle matters within the party committee when they could instead help nominate their favorite candidates through campaigning in primaries.

Regardless of how ideological activists behave, the formal party might have more clout through its financial heft to constrain how other actors shape the race. Financial wealth puts the party organization in a position to challenge other groups. Whether it will is another matter. And if parties provide the bulk of campaign support in races, it should make candidates less reliant, and therefore less pliant to strong policy demanders. In theory, the formal party organization includes a broader set of players, accountable to officeholders who want to win rather than solely policy-demanders and activists who do not necessarily reflect the views of most Americans (Fiorina, Abrams, and Pope 2005). In short, much more work is needed to understand how policy preferences of legislatures are shaped by organizations controlling electoral resources. Whether channeling

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5 At the local level especially it is entirely conceivable that party-centered campaign finance laws would encourage activist extremist to take over the formal party organization if it becomes the central repository for campaign funds.
more money through the party would improve mass representation is a difficult empirical question that has been insufficiently addressed.

Party Organizing of Government

Much of what I have written so far is about parties operating outside the legislature. However, the role of money penetrates into the work of governing in ways that have yet to be fully explored. Regarding political parties, the key question is how the economy of fundraising affects party governance. As I suggested above, the extended network of party activists in elections may contribute to party purity among its officeholders and the distancing of the major parties on issues. Research also needs to probe into the various ways that money insinuates itself into the incentive structures of the institutionalized party in the legislature. Specifically, we need to know how pressure from party leadership to raise money affects the ways in which officeholders spend their time and with whom they meet. We also need to know how the imperative of fundraising affects political careers, including the allocation of committee and leadership posts (Heberlig, Hetherington, and Larson 2006).

Finally, vital questions about governing arise in thinking about how campaign finance affects the party’s policy agenda in its public statements, the detailed work of legislative committees, executive rulemaking and leadership strategies in both Congress and the White House. This work is fundamental but hard to tease out because it involves nothing less than observing how the party-in-office pursues or suppresses policy efforts due to the imperatives of raising campaign money.

Party Unity and Polarization

Research has looked at whether party organizations use their campaign resources to enforce party unity, finding that they do not (Leyden and Borrelli 1990; Damore and Hansford 1999). Scholars tested the proposition that the party might refuse campaign support to members who did not tow the party line. Ironically, much interest in this dynamic emerged from a widespread belief (primarily among an earlier generation of scholars) that American parties were not sufficiently responsible for campaigning on policy principles and enacting them. The findings from the research revealed, unsurprisingly, that American parties did not punish members precisely because this strategy would hurt the party’s electoral pros-
pects. Rather than using its resources to pursue party purity, caucus leaders have been concerned with winning the marginal districts where policy moderation is typically rewarded by voters.

Today, however, voters in moderate districts end up with what Bafumi and Herron (2010) call “leapfrog” representation, in which one extremist in the legislature is replaced by a new member of the opposite party who is extremist in the other direction. Leapfrog representation likely emerges from the recruitment process that I described above. Research, however, should also explore whether and how the party-in-the-legislature might make compromise easier to come by. One study suggests that ideological members currently reward moderate party members for taking positions that are extreme with constituents by providing generous campaign contributions through leadership PACs and affiliated Super PACs (Heberlig and Larson 2012). Thus, moderates are compensated for taking electoral risks, and the more they veer off-center the more they need campaign money to help them stay in office. Ideological members who are not in electoral jeopardy are in a position to help moderates because they control plentiful resources provided by like-minded interest groups.

Now that political scientists witness the “responsible parties” many asked for, the fear has turned on its head. The concern today is whether some members can break with their party so that compromise might be possible in a system with many veto points. Thus begins the search for ways to preserve “blue dog” Democrats and “main street” Republicans so that interparty brokering becomes more likely. With respect to campaign finance, the question is whether centralizing funds in a central party committee might attenuate the influence of those member ideologues who might choose to withhold contributions to moderates who vote occasionally with the other party. Since previous studies show that the DCCC and NRCC do not punish politicians who stray from the party vote, it is plausible that party financing might reduce factional power of the extreme right and left members in the legislature. Studies could compare states in which party committees control significant electoral resources to see how they distribute resources to members and whether it affects ideological voting.

This essay has focused on the legislative branch, but the campaign finance regime also affects the executive party, as well as relations between the two branches. Since Reagan, presidents have been conscious of building the party’s fundraising operations, technical capacity and grassroots efforts (Milkis, Rhodes, and Charnock 2012). Campaign support by the president, often through the national parties, helps him gain favor with constituencies, including members of Congress. The ability of the president to raise money for both the party and candidates has strengthened his hand as party leader and helped him push his agenda.
The post-election creation of President Obama’s “Organizing for America” (OFA), which is set up outside the formal party structure, suggests that campaign finance regulations might be undermining the national committees. OFA is a personal organization that grew out of Obama’s campaign committee and will focus on pushing the president’s policy agenda through networks he created during his reelection campaign. Since the OFA takes soft money, it cannot coordinate election-related activities with parties and candidates. DNC members fear that OFA will siphon away grassroots support, funding and confuse party messaging (Joseph 2013). Through OFA, the president appears to have more control over what the party is, since he is less directly accountable to DNC members in the states and Congress.

Several scholars argue that executive control over the party makes it more difficult to pursue collective agendas and hold leaders in government accountable (Skowronek 2005; Milkis and Rhodes 2007). New research can explore OFA strategy and how this affects the DNC and state parties. Will OFA, and partisan organizations like OFA, have a lasting impact on the kind of party building that connects members across levels of government and cultivates the kind of intra-party bargaining that keeps the party broad-based?

**Selection of Leaders**

Questions about partisan polarization and the character of political parties cannot be considered separately from how leadership emerges in a legislature and the role that money plays in career advancement. Research indicates that fundraising ability is increasingly important in the selection of leaders (Heberlig, Hetherington, and Larson 2006). Indeed, raising money has become an essential yardstick for career advancement because it shows commitment to collective goals of the party and the ability to gather resources for its success (Heberlig et al. 2008). The exchange of campaign money is now institutionalized in the legislature, giving rise to pay-to-play scenarios in which members even contribute to relatively safe incumbents in a bid to gain leadership posts (Heberlig and Larson 2012).

Future research could document these exchange relationships more closely through network analysis and field studies to see which kind of members (by background, ideology, etc.) have been central nodes in dispensing funds and how this affects their career advancement. Historical comparisons would be useful as well. Is the U.S. Congress getting a different kind of leadership today than in the past because of the central importance of raising funds?
Summary and Conclusions

This review essay on campaign finance recommends a sharpened focus on a pragmatic policy question. Is it possible to improve the democratic process by writing laws that encourage campaign money to flow through political parties? Two basic assumptions sustain this essay. First, campaign finance laws affect the flow of money rather than its amount in politics (Issacharoff and Karlan 1998–1999). Second, party committees potentially play a positive role in controlling funds, particularly during an era when partisan organizing is highly salient.

My goal here is to suggest in plainly normative terms that the mediating role of political parties can be beneficial. But the argument requires evidence. That is why I highlight where theory (and some empirical research) indicates that party control over resources might improve aspects of the political system. These areas include campaigns, mass representation and governing. In the table at the end of this article, I provide a summary of key questions raised in my discussion to guide empirical work.

Readers will note that I did not address (much) the problem of corruption, or the appearance of corruption. In channeling money through the parties there is the risk that we feed a system in which influence is bought wholesale through the party organization rather than retail through individual officeholders. I did, however, offer some theoretical reasons why the problem of biased influence of powerful interest groups is attenuated through party structures.

Overall, I believe research should give greater attention to system-level and institutional responses to campaign finance laws rather than focusing primarily on individual candidate and donor behavior. That is one reason why I propose conceiving of the party as a network, but with an approach that analyzes sub-nodes of the network to observe factional differences in behavior. The group-centered analysis, with a special emphasis on the formal party organization, will likely expose limits of the candidate-centered framework that continues to dominate debates over reform. The broader lens reveals the relationship between the emergent party system (competitive, polarized) and pathologies of an outdated campaign finance system.

In this essay, I was short on specifics for data collection and methodological approaches. However, it is clear that taking advantage of state-level variation in laws will be a useful approach. That means scholars need to gather a longitudinal database of campaign finance laws in the states, with a special focus on states that changed their laws. Some history of the origin of these laws is important as well. We need to know, for example, if changes have been imposed exogenously by courts or referendum (somewhat less exogenous) or whether new laws were the handiwork of legislators who have obvious incentives to bend rules to their favor. There are also ample opportunities to conduct survey and field experiments...
to see how voters experience campaigns differently in various contexts. Finally, I recommend creating an accessible database of policies in states over time, as well as ideological scores for members of legislatures (see the work of Shor and McCarty 2011). These data will go a long way toward evaluating partisan polarization, political representation and policy skew.

Summary of key research questions and data

<table>
<thead>
<tr>
<th>Questions</th>
<th>Data</th>
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<tr>
<td><strong>Party Financing of Campaigns</strong></td>
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<tr>
<td>Do laws favoring party finance improve candidate selection? (e.g., candidate quality, ideological moderation)</td>
<td>State-level data on candidate backgrounds and ideology</td>
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<td>Do laws favoring party finance increase electoral competition?</td>
<td>State-level data on elections</td>
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<tr>
<td>Do laws favoring party finance increase grassroots activity and citizen participation in elections?</td>
<td>Party expenditures; survey data on party contacts and citizen participation</td>
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<tr>
<td>Do laws favoring party finance increase coherence and accountability of campaigns? (e.g., issue dispersion, transparency)</td>
<td>Advertising data coded by issues; survey and field experiments on issue messaging</td>
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<td><strong>Parties and Mass Representation</strong></td>
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<tr>
<td>Does party-centered finance attenuate representational bias of individual donors relative to the electorate?</td>
<td>Case studies; network analysis of major donors</td>
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<tr>
<td>Does party-centered finance system attenuate agenda-setting power and policy influence of interest groups?</td>
<td>State-level time series observing variation in policy pre-post changes in laws</td>
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<tr>
<td>Does party-centered finance system attenuate ideological polarization of the parties?</td>
<td>State legislature and individual legislator ideological scores</td>
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<td><strong>Party Organizing of Government</strong></td>
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<td>Does fundraising prowess advance members in party who do not reflect mainstream of party or who lack key legislative skills?</td>
<td>Ethnographic case studies, historical analysis</td>
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<tr>
<td>How does party leadership (president, Congress) use campaign resources to unify party?</td>
<td>Legislator ideological scores and political contributions</td>
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<td>Whether party financing attenuates “money chase” for members</td>
<td>Elite surveys, “big data” analysis of calendars and events</td>
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<td>Whether party financing insulates members from interest group pressure, or centralizes interest group influence directly through party leaders</td>
<td>Policy data of states over time</td>
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References


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