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IN RECENT ELECTIONS, extremely close races and battles for partisan control have spawned unprecedented innovation among interest groups in funding campaign advertisements, get out the vote (GOTV) efforts, and other electoral activities. To understand these dynamics, I recommend *Choices and Changes: Interest Groups in the Electoral Process*, by Michael Franz, the 2007 Schattschneider Award winner for the best doctoral dissertation in American government and politics. The most current book on the subject, *Choices and Changes* offers readers a deeper understanding of the relationship between interest groups and the parties, and an appreciation for how these strategic actors adapt to changing political and regulatory contexts. Franz ventures beyond the political action committee (PAC) to describe the other means by which interest groups fund elections, including soft money, issue advocacy, and 527s. Yet in his ample treatment of the post-BCRA (Bipartisan Campaign Reform Act of 2002) era, Franz does not sacrifice a solid historical grounding, nor does he skimp on analysis of the immediately-preceding and theoretically- and empirically-important eras leading up to the legislation's passage. Rather, he provides thorough coverage of the evolution of campaign finance law, the Federal Election Commission (FEC), and the political parties over the last few decades to the present to provide the context and thus make the convincing case that interest groups adapt to changing environments.

Franz seeks to understand the conditions under which interest groups change election strategies and tactics. The dependent variables in the econometric models include distributions of hard and soft money contributions, independent expenditures, issue advocacy, and voter mobilization efforts. He shows that changes in the political and legal environments create both opportunities for and constraints upon certain types of political action. Polarization of the parties in the last decade compelled interest groups to align with the parties' agendas. A highly polarized and competitive environment spawned a money chase--demand for campaign funds by parties and politicians--which, combined with a shift to a lax regulatory environment, led to the perfect storm of exploding interest group innovation and electioneering.

Franz makes an important theoretical contribution by providing a simple model for conceptualizing how these strategies and tactics emerge and change over time. Tactics are largely a function of a group's goals and
capacity. He shows that while the ideological and political environments of campaigns affect the interest groups' goals, the regulatory and resource*224 environments influence the groups' tactical capacities. With ample data and sophisticated quantitative analysis, Franz tests seven hypotheses: (1) an ideological distance hypothesis or “legislature-picking” for PACs, which claims “that PACs with ideological closeness to the House and Senate floor median will give less money to competitive candidates and more to safe seat incumbents”(59); (2) a partisan hypothesis for PACs, soft money, and issue advocacy, which predicts that “as party balance in the House and Senate tightens, investment in one party should go up for partisan groups and down for centrists” (64); (3) a competitive hypothesis for soft money and issue advocacy, which predicts that “interest groups in competitive states will give more and will give closer to Election Day than contributors in states with no competitive federal elections” (64); (4) a political learning hypothesis, which predicts that such learning will occur--and the most aggressive electioneering by interest groups will follow--“at moments when the law is most unclear” (71); (5) a lenient FEC hypothesis, which “expects to find evidence that the FEC has not freely opened the door to issue advocacy and interest group electioneering, but has maintained some role in stemming its emergence” (72); (6) a hard-to-soft hypothesis for PACs, which predicts the most active hard money contributors will also be the most active soft money contributors; and (7) a soft-to-soft hypothesis, which predicts that the largest donors to 527s after BCRA will be former large soft money donors.

Franz finds clear evidence for the first hypothesis: partisan PACs direct resources to the advantage of partisan members, especially in elections when the partisan balance of power is at stake. These findings suggest that PACs do not look only at the payback from individual members of Congress, but also act strategically with larger consequences such as the control of chamber in mind. Franz also finds empirical support for the second hypothesis. Soft money became more partisan as it became more prevalent. Although many groups continue to pursue an access strategy by giving to both parties, there was a large increase in exclusive partisan giving and hence evidence of more groups using a replacement strategy, or investing in competitive candidates from their preferred party rather than in safe seat candidates from the other party. When the control of a chamber is at stake, these interest groups are more likely to use highly partisan replacement tactics. He concludes that soft money enhanced the power of the most active interest groups through the mechanism of party financing. Likewise, there is support for the third hypothesis: contributions were greater in states with competitive presidential or Senate races and contributions were closer to Election Day relative to those states without a statewide competitive federal race.

With regards to political advertising and expenditures, Franz finds that interest groups that fund ads are highly partisan, and donors to 527 organizations are the most likely to be former large, partisan soft money donors. This finding suggests that the most well-heeled and ideological donors are quick adapters to campaign finance regulations, and thus are the fastest political learners. Franz concludes, in support of his fifth hypothesis, that the FEC has become more permissive, lenient, and more likely to favor parties and incumbents over time. He finds most soft money contributors were also hard money contributors, in support of his sixth hypothesis. When BCRA banned soft money, the majority of corporate donors, the most partisan soft money donors, and those most wanting to change the balance of power in Congress, were most likely to shift resources to nonprofit 527s. Because of the rules, state and local 527s received most funds from corporations, while federal and issue advocacy 527s received the bulk of contributions from individuals. Franz finds strong evidence of a “soft-to-soft” dynamic, in which interest groups respond to BCRA’s ban on soft money by investing large amounts with partisan 527 organizations.
Franz brings an engaging writing style and ability to clarify complexity and ambiguity to this important and
difficult subject matter. The result is a well-written, well-organized, and highly readable book. Franz manages to
simultaneously provide copious detail and analytical rigor while removing the complexity from legal quagmires
and campaign finance data overload. For example, he explains the *225 bright-line test between issue advocacy
and independent expenditures in plain language and enhances our understanding of concepts by giving the ne-
cessary details and context, such as providing informative legislative and regulatory history.

Franz brings a solidly grounded, well-balanced, and historically informed perspective to the analysis of in-
terest groups and campaign finance. He wrestles with the effectiveness of campaign finance reform law without
taking sides, letting the reader decide for herself. He succinctly summarizes electoral and legal events, decisions,
and outcomes to provide context. He contrasts the current era with earlier campaigns to show how interest
groups have adapted their strategies in response to changing dynamics. Franz reminds us that interest groups are
not ideological sticks in the mud, nor are they uni-dimensional rent seekers, and therefore political science mod-
cels should reflect complex reality. Numerous concrete examples illustrate shifts in culture and electioneering dy-
namics of interest groups. With informative data and tables, he explains how regulation can dramatically influ-
ence interest groups’ electioneering strategies and tactics.

I would have liked to see included in the analysis the strategic use of other non-profits Franz mentions but
does not include in his data sets, such as 501(c)s. These were indeed significant players in 2008, as Franz him-
self anticipates might have happened in his concluding chapter. [FN1] To be fair, the disclosure requirements for
such groups are minimal, which is surely why Franz did not dedicate more analysis to them in this book.

The book also is limited by its primary focus on interest groups' role in influencing federal elections. While
labor unions, corporations, and other interest groups indeed may be funding state races as a back door to influ-
ence federal elections, there may well be state and local level goals and dynamics at play. Franz’ definition of in-
terest groups as organizations but not individuals also limits the book’s reach; although wealthy individual
donors were some of the biggest soft money donors and donors to 527s and 501(c)s, Franz excludes them from
his analysis. We cannot assume these individuals are divorced from their interests and the organizations they
might represent, own, and control, although donating to politics as an individual or family. Many of the top indi-
vidual donors to 527s were hedge fund managers, principal owners of private equity firms, and representatives
of the Fortune 500. [FN2] Franz does not suggest this is a loophole in itself to be explored and is silent regarding
the appropriateness of treating these donors as organizations. By dropping these donors and their group interests
from his data sets, the sample may be biased and the analysis incomplete and skewed.

Finally, Franz did not address the possibility of reverse or simultaneous causality in his overarching argu-
ment that the polarization of the parties and shifting legal environment drove the behavior of interest groups. For
example, politically polarizing and increasingly activist elites (e.g., top donor pool and media) could be at least
part of the reason why the parties are increasingly polarized and the regulatory environment more lax in the first
place.

These minor points aside, I found the book to be a well-written, comprehensive, and important contribution
to the interest group and campaign finance literatures. The text is perfect for a graduate level course on interest
groups, campaign finance, and elections, and yet provides the foundational base and is engaging enough for ad-
vanced undergraduates.