



COURSE DESCRIPTION

1^{ER} CYCLE – SEMESTRE 1

Course Title

Money and politics in Europe

Type de cours : CMINT

Langue du cours : English

Professor

Simon Varaine

Contact : simon.varaine@sciencespo-grenoble.fr

Course schedule

Monday: 1 p.m. to 3 p.m.

Course description - Targets

The ideal of democratic representation - "one person, one vote" - is regularly challenged by the visible influence of some wealthy citizens or corporations. This concern is particularly heightened in the wake of corruption scandals such as the "Qatargate" or investigations into conflicts of interest among public officials. But even in quieter times is it fair to say that we live in a *plutocracy* – that is a government of the wealthy? Drawing on a rich literature in political economy, this course explores the relationship between money and politics, with a particular focus on contemporary European democracies. To what extent is wealth associated with influence in European countries? What are the main channels through which money brings power? What are the possible ways to limit the power of money and restore equal democratic representation?

This course has three main goals:

- Theoretically, it aims to provide you with a clearer conceptualization of the various ways in which money can influence politics. Why do electoral systems affect the influence of high- and low-income citizens? What are the effects of limits on private funding of political parties? How and when does campaign spending affect electoral outcomes? To what extent does concentration of mass media ownership affect public opinion? To answer these questions, we will draw on recent theoretical and empirical work from the field of political economy.



- Factually, you will learn useful information about plutocracy and its legal regulation in European states from a comparative perspective. In which European country is the gap between the participation of rich and poor citizens the widest? To what extent do national parliaments across Europe fairly represent the economic backgrounds of ordinary citizens? Are there different rules for public financing of political parties across Europe? How do European countries regulate lobbies and conflicts of interest?
- Methodologically, you will learn how to study plutocracy from a scientific perspective rather than (or in addition to) a journalistic one. Based on scholarly articles using quantitative approaches, you will become familiar with the method of generalizing from multiple cases and explore different designs that allow researchers to properly identify the *causal* effects of money in politics.

The course will cover one topic per session (see below). Each session will consist of three parts:

- Group Presentation: A collective presentation on comparative facts about plutocracy and its regulation in Europe.
- Individual Presentations: Two or three individual presentations of academic papers, followed by a question-and-answer session.
- Instructor Wrap-Up: A final wrap-up where I will connect the session's topic to broader political economics studies.

Assessment

Attendance is mandatory, and active participation is essential to the course. It is not necessary to read all the papers corresponding to each session. You must read in detail one paper (corresponding to your individual presentation) and read the abstract of the other papers. You must be attentive about the presentation of the papers by the other students and not hesitate to ask them questions – since the final test will include questions about aspects of the papers discussed in class.

The assessment will be divided in: participation during courses (15%), individual presentation (25%), group presentation (20%), and final exam (40%).

Individual Presentation:

- Task: Present a scientific paper (15 minutes plus questions).
- Details: The papers correspond to various course topics and will be assigned during the first classes. In your presentation, you must cover:
 1. The problem or question the paper addresses.
 2. Its position within the existing literature.
 3. The main hypotheses.
 4. The methods and data used to test the hypotheses.
 5. The main results.



6. The social relevance and limitations of the results.

Group Presentation:

- Task: In groups of 2 to 3, present comparative facts about European countries on a specific subject (20 minutes).
- Details: The presentation subjects are listed below. Your goal is to provide the class with comparative information, either about economic conditions (e.g., level of inequality), electoral behaviors (e.g., electoral turnout), rules about plutocracy (e.g., limits on private donations to political parties). In your presentation, you must:
 1. Identify existing sources of comparable data across European countries (or selected countries if comprehensive data are unavailable).
 2. Present the data comparatively using charts (from Excel or LibreOffice) or maps (using websites such as Mapchart) to facilitate easy country comparisons.
 3. Highlight a few interesting cases.
 4. Discuss the data limitations.

Final Exam:

- Format: The exam consists of short questions covering the course material – scientific articles and data presented in class – and includes a commentary based on a quotation or news event.

Program

1. Introduction: plutocracy and the democratic ideal in a philosophical perspective

2. Unequal policy responsiveness

Comparative facts across Europe: economic inequality

Individual articles presentation:

- Mathisen, R. B. (2023). Affluence and influence in a social democracy. *American political science review*, 117(2), 751-758.
- Elkjær, M. A. (2020). What drives unequal policy responsiveness? Assessing the role of informational asymmetries in economic policy-making. *Comparative political studies*, 53(14), 2213-2245.
- (Peters, Y., & Ensink, S. J. (2015). Differential responsiveness in Europe: The effects of preference difference and electoral participation. *West European Politics*, 38(3), 577-600.)

3. Electoral systems, turnout gap and income redistribution



Comparative facts across Europe: income gap in turnout in national elections

Individual articles presentation:

- Iversen, T., & Soskice, D. (2006). Electoral institutions and the politics of coalitions: Why some democracies redistribute more than others. *American political science review*, 100(2), 165-181.
- Liñeira, R., & Riera, P. (2024). Why do majoritarian systems benefit the right? Income groups and vote choice across different electoral systems. *Political Science Research and Methods*, 1-13.
- (Bernauer, J., Giger, N., & Rosset, J. (2015). Mind the gap: Do proportional electoral systems foster a more equal representation of women and men, poor and rich?. *International Political Science Review*, 36(1), 78-98.)

4. Dynasties and social origins of politicians

Comparative facts across Europe: social origins of national parliament members

Individual articles presentation:

- Dal Bó, E., Finan, F., Folke, O., Persson, T., & Rickne, J. (2017). Who becomes a politician?. *The Quarterly Journal of Economics*, 132(4), 1877-1914.
- Hahn, C. (2024). The Voice of the Absent? The Link Between Descriptive and Substantive Representation of the Working Class in Western Europe. *Political Studies*, 72(2), 527-550.
- (Benveniste, S. (2024). Political and Business Dynasties: a Social Gradient in Returns to Elite Education.)

5. Private funding of political parties

Comparative facts across Europe: national regulation of private donations to political parties

Individual articles presentation:

- Fink, A. (2017). Donations to political parties: Investing corporations and consuming individuals?. *Kyklos*, 70(2), 220-255.
- Cagé, J., Le Pennec, C., & Mougin, E. (2021). Corporate donations and political rhetoric: Evidence from a national ban.
- (Titl, V., & Geys, B. (2019). Political donations and the allocation of public procurement contracts. *European Economic Review*, 111, 443-458.)

6. Campaign spendings and electoral outcomes

Comparative facts across Europe: national rules of public funding of political parties



Individual articles presentation:

- Sudulich, M. L., Wall, M., & Farrell, D. M. (2013). Why bother campaigning? Campaign effectiveness in the 2009 European Parliament elections. *Electoral Studies*, 32(4), 768-778.
- Fourinaies, A. (2021). How do campaign spending limits affect elections? evidence from the united kingdom 1885–2019. *American Political Science Review*, 115(2), 395-411.
- (Bekkouche, Y., Cage, J., & Dewitte, E. (2022). The heterogeneous price of a vote: Evidence from multiparty systems, 1993–2017. *Journal of Public Economics*, 206, 104559.)

7. Lobbying

Comparative facts across Europe: national regulation of lobbies

Individual articles presentation:

- Ehrlich, S. D., & Jones, E. (2016). Whom do European corporations lobby? The domestic institutional determinants of interest group activity in the European Union. *Business and Politics*, 18(4), 467-488.
- Chalmers, A. W., & Macedo, F. S. (2021). Does it pay to lobby? Examining the link between firm lobbying and firm profitability in the European Union. *Journal of European Public Policy*, 28(12), 1993-2010.
- (DellaVigna, S., Durante, R., Knight, B., & La Ferrara, E. (2016). Market-based lobbying: Evidence from advertising spending in Italy. *American Economic Journal: Applied Economics*, 8(1), 224-256.)

8. Revolving door and conflicts of interest

Comparative facts across Europe: national regulation of revolving door and conflicts of interest for parliament members

Individual articles presentation:

- Luechinger, S., & Moser, C. (2020). The European Commission and the revolving door. *European Economic Review*, 127, 103461.
- Weschle, S. (2021). Parliamentary positions and politicians' private sector earnings: Evidence from the UK house of commons. *The Journal of Politics*, 83(2), 706-721.
- (Amore, M. D., & Bennedsen, M. (2013). The value of local political connections in a low-corruption environment. *Journal of Financial Economics*, 110(2), 387-402.)

9. Mass media ownership and public opinion influence

Comparative facts across Europe: national regulation of media concentration



Individual articles presentation:

- Durante, R., & Knight, B. (2012). Partisan control, media bias, and viewer responses: Evidence from Berlusconi's Italy. *Journal of the European Economic Association*, 10(3), 451-481.
- Spirig, J. (2024). Politicians, Newspapers, and Immigration Referendums: Exploring the Boundaries of Media Effects. *Political Communication*, 1-22.
- (Szeidl, A., & Szucs, F. (2021). Media capture through favor exchange. *Econometrica*, 89(1), 281-310.)

10. Endogenous constitutions: From economic inequality to political systems?

Comparative facts across Europe: corruption

Individual articles presentation:

- Ticchi, D., & Vindigni, A. (2010). Endogenous constitutions. *The Economic Journal*, 120(543), 1-39.
- Hayo, B., & Voigt, S. (2013). Endogenous constitutions: Politics and politicians matter, economic outcomes don't. *Journal of Economic Behavior & Organization*, 88, 47-61.
- (Mukand, S. W., & Rodrik, D. (2020). The political economy of liberal democracy. *The Economic Journal*, 130(627), 765-792.)

Indicative bibliography

Weschle, S. (2022). *Money in Politics*. Cambridge University Press.

Mause, K., & Polk, A. (Eds.). (2024). *The Political Economy of Lobbying: Channels of Influence and their Regulation* (Vol. 43). Springer Nature.

Gilens, M. (2012). *Affluence and influence: Economic inequality and political power in America*. Princeton University Press.