

UNIVERZA V LJUBLJANI
FAKULTETA ZA DRUŽBENE VEDE

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The changing face of American democracy: how the money is shaping presidential election

Spreminjajoča se podoba ameriške demokracije: kako denar oblikuje predsedniške volitve v ZDA

Diploma thesis

Ljubljana, 2016

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Diploma thesis tries to address the problematic concerning the role of the money in United States presidential elections. American presidential elections are receiving a lot of attention worldwide and have become the subject of debate on crisis of democracy which is underpinned by increasingly growing influence of the economic elite. We will try to indicate how on growing economic disproportions in American society are transmitted to the lack of equality in the political participation. This diploma thesis will acquaint the reader with the presidential election process by describing each stage and its significance. The emphasis is placed on a detailed analysis of presidential campaign finance reckoning the already made reforms and pointing out legal loopholes. The diploma thesis provides analysis of both previous and current presidential campaigns to determine the emerging role of money. Also, a part was devoted to a brief presentation of common features of donors. The conclusion where the main findings and predictions are exposed marks the end of the diploma thesis.

Keywords: America, campaign financing, money, presidential elections.

Spreminjajoča se podoba ameriške demokracije: kako denar oblikuje predsedniške volitve v ZDA

Diplomsko delo skuša podrobneje analizirati vlogo financ pri ameriških predsedniških volitvah. Te so pritegnile veliko pozornosti po vsem svetu in so postale predmet razprave o krizi demokracije, ki je podprta z vedno večjim vplivom gospodarske elite. Diplomaska naloga bo poskušala pokazati, kako se na rastočih gospodarskih nesorazmerjih v ameriški družbi povečujejo neenakosti na področju politične participacije. Prav tako bo skušala seznaniti bralca s postopkom predsedniške kampanje, tako da bo opisana vsaka faza posebej in njen pomen. Poudarek bo na podrobni analizi financiranja predsedniške kampanje, upoštevajoč že sprejete zakonske reforme. To poglavje bo omogočilo poglobljeno razumevanje različnih virov financiranja, ter tudi opozorilo na zakonske vrzeli. Diplomsko delo zaradi lažje določitve vloge financ podaja analizo tako preteklih kot tudi tekoče kampanje. Prav tako je bil del namenjen kratki predstavitvi skupnih značilnosti darovalcev in njihovih interesov. V zaključku so izpostavljene glavne ugotovitve in napovedi, ki predstavljajo konec diplomskega dela.

Ključne besede: Amerika, denar, financiranje kampanje, predsedniške volitve.

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1. INTRODUCTION

The role of money in politics is a subject of a constant debate. Observers of the increasingly expensive campaigns and election are left to speculations about money's impact, while the division in society separates those who can influence policies and politics, from those who cannot. The most problematic is the finding that economic inequalities are transformed into political inequalities. As the function of the American president is one of the most important political functions in general, presidential elections are getting a lot of attention worldwide. Money has become a high lightened factor in the process of presidential election, attracting the attention on wealthy donors who are donating large sums of money to candidates. This has brought to talks about political bribery as the general ruling opinion is that policies of candidates are directed in pleasing the preferences of the economic elite.

The term economic elite refer to wealthy donors who are providing millions of dollars for presidential candidates (Cohen et al 2015). It is hard to determine how much money is too much money, but was is threatening is the realization, that a minority of the richest 1% prevails over the other 99% of the population. Ordinary voters' interests are being left neglected in this unequal political struggle which is consequently jeopardizing the democratic principles of the American society.

The unfairness of the political process results in deviations in political participation. Economic based discrimination takes us back to times in American history when restrictions on political participation were based upon race, gender and wealth. Political equality is not likely to be reached with large economic disproportions among participants. Furthermore, this unfairness is not limiting only the voters. Potential candidates do not tend to candidate without considering their financial ability and the financial support the will enjoy. This leaves those not backed up with sufficient amount of money with very limited options. In the mere course of election, the particularly troubling is not money per se, but the big money. Small groups of wealthy donors overpower larger groups of small donors, who are usually less organized. Also, the interest of the wealthy does not coincide with the interests of the general public, making their voices inaudible (Bowie and Loiz 2013).

2. PRESENTATION OF THEORETICAL AND METHODOLOGICAL FRAMEWORK

The intention of the thesis is to present the problems related to finance within the already complicated theme of the presidential election in the United States (U.S.). Due to the broadness of the topic, we will focus ourselves on presidential election from year 2008 until now. Certainly, even the previous events of utmost importance will not be ignored.

Aware of the fact that voters interests are constantly changing, as they themselves are insufficiently informed or confused about their preference, we will focus on their constant interest in numbers, that is, fundraising totals (Bremmer 2015). Actuality and relevancy of the topic is reflected in the fact that we are in the year of the U.S. presidential election, which were at the very beginning marked as a potential record breaking in the area of financing.

Our research question is: Is money a crucial factor for the victory of presidential candidate in the sense, that candidate with greater amount of money used in the campaign definitely always wins?

Here we will try to determinate if the money is a decisive factor in the victory of presidential candidate. This will be done by clarifying the role of money in different stages of presidential election process. We will demonstrate statistical data of the money which was available to certain candidate, and resolve to which degree it mattered. We will decide whether it and what advantage the money gave to candidates in nomination process and in general election. Also, we will consider the different sources of money given to a candidate. In this thesis we will too try to identify the profile of the donors and their interests. Our concern is also on what is the money from the wealthy donors potentially buying and if this big money is really an enemy of democracy.

Following the introduction, there is a chapter with a brief overview of the Presidency with emphasized particularities of the presidential campaign. This is done in order to give the reader a theoretical background on the topic, and thus easier understanding the whole diploma thesis. The

next part will serve as a detailed description of the presidential campaign by its stages. This chapter will focus on the path to presidency, explaining terms of each stage of this path.

We will show the difference between primaries and caucuses from the financial view, due to the fact that there is more spending in primary states as they tend to have more media coverage and usually more voters (DiClerico 2000, 20–22). This will provide the theoretical basis for the research question which will be in the end backed up with the findings obtained from the analysis of the campaign documentation, statistics and survey research data. In the core of the thesis is the analysis of the financing of the presidential campaign, which will through chapters present different ways of financing, the legal basic of it and also reforms that have been made in that field. In this section we will sought to acquaint the reader with the system of financing presidential campaign through interpretation of secondary sources, official documents and laws.

A part of this chapter will be divided on different types of “outside” financing. Here we will indicate the main differences between PACs, 501(c) 4 organizations and 527 organizations, as not all the Federal contribution and spending rules apply the same, while not neglecting the support to candidates by the parties themselves. The second part of the core is dedicated to explaining and answering the research question. This will be done with the review of previous presidential campaigns and analysis of statistical data of individual campaigns. The review of the currently ongoing campaign will also be made to show how much of financial support are the individual candidates enjoying. For the conclusion, we will summarize key findings and present the expectations.

3. PRESENTATION OF THEORETICAL AND METHODOLOGICAL FRAMEWORK

3.1 The Presidency

The federal government of the United States is divided into three branches. The separation of power is underwritten by the Constitution in order to prevent a certain group of having too much control. The legislative branch is entitled to making laws and it is represented by the Congress. Executive branch is in charge of carrying out the laws and their main representative is the President, who is operating together with the Vice President and the Cabinet. Supreme Court and other Federal Courts are in charge of evaluating laws as a part of the judicial branch.

The President holds a central position in American government and is seen as the most powerful. Even though there is a notion he has everything under control, under the principle of checks and balances he does not have that much power in every field. President is the Head of State which means he is in charge of representing the state at home and abroad. His role must be unifying at home and also representable in foreign affairs. Under the role of the Chief Executive, the Presidents concern on the performance of the law passed by Congress is marked. On his disposal he has civil servants and numerous government departments, federal agencies and commission to help him with this responsibility. He is also in charge of formulating the federal budget. Even though he is not a part of the legislative branch, as a Chief Legislator he plays a great a great role in the legislative process with his ability to influence and initiate processes or measures, and by performing his veto power. He has the unique power in foreign policy as a Chief Diplomat. Together with this role, he also performs the role of the Commander-in-Chief which allows him to decide on war and peace. The President is also seen as a head of his party, which obliges him to unification, but also puts him in a disadvantaged position when the opposition has to identify with his principles. American President is also seen as “World Leader” (Grant 2004, 76–80).

The election for President of the United States is traditionally held on Election Day, which is the first Tuesday after the first Monday in November. The President is elected for four years. The 2016 Presidential election will be held on November 8, 2016. Candidates can register their candidacy with the Federal Election Commission if they are natural-born citizens of the United States (US), at least 35 years old and a resident of the US for 14 years (USA.gov 2016).

Presidency is (together with vice-presidency) the only office elected on a national level. In the long path to the presidency, the candidate must first win the nomination from his party, and then at the general election defeat the nominated candidate from the other party (independent candidate is the exception). This path includes year(s) before the elections where candidates organize and start campaigning in states with early primaries and caucuses. In the period from January to June the candidates are earning the support of the delegates. National conventions are held from July till August, and this is when the each Party's nominee is elected. Election campaign between the candidate from both party starts in September and it concludes with presidential Election Day in November. Electoral College Votes are counted in December, leading to Inauguration of the President in January (Grant 2004, 210–213).

During the nomination process, candidates are presenting their ideas and programs to the public. They are travelling from state to state and holding speech to get their supporters mobilized. Their need is to enjoy a general notion of approval among the voters in order to persuade the delegates from their party in appropriation of their nomination. In the summer months of the election year, delegates of each party gather at National conventions where they debate, vote for their preferred candidate and lastly formally proclaim their nomination.

3.2 Caucuses

First of two possible ways for electing delegates is the caucuses-convention method. This method notched a decline in usage, and is being used only in six states by the Republicans, thirteen states by the Democrats and one state where it's used along with primaries by both parties. Caucuses are defined as mass meetings of party activists who are gathering in order to share their views on the desired future nominee. They are far less popular than presidential primaries, but the state of Iowa holds a great importance in the nomination process (Grant 2004, 213–215). Candidates are

investing a lot of time and effort in the state of Iowa as it give them antecedence in further campaigning and makes them recognizable among supporters.

Caucus-convention system is simply described as “moving” of delegates from one party level to another-leading to national convention. The system itself has been understood with difficulties by public, and thought of as being more conflict-potential (Hetherington and Keefe 2007, 78).

Caucuses are also understood as Party’s private meetings where interested participants assemble into groups depending on their support towards a certain candidate. Groups are then presenting their views and trying to attract others to join their group. Those undecided participants are usually the main target. Caucus ends by counting the voters in candidate’s group, which is done by the party organizers in order to calculate won delegates by each candidate (USA.gov 2016).

3.3 Primaries

In contrast to the caucus-convention method, usage of presidential primaries recorded a constant growth over the years. We distinguish between open and closed primaries, where open primaries allow electoral voting in either part’s election without having been registered in a party, and closed primaries where the registration is mandatory and the voters can only vote in their party’s election. Regarding delegate allocation, the Democrats are emulating to proportional representation, whereas the Republicans are flexible in term of approaches, but the system of “winner-takes-all” should be emphasized (Grant 2004, 215).

Democrats hold closed primaries, with an exception of few states, whereas Republicans mostly use open primaries. Primaries generally have higher participation then states with caucus system. Primaries are also seen as easier to people as the delegates of each state are chosen by their direct vote (Hetherington and Keefe 2007, 78).The performance and compliance of timing are crucial for every candidate in the primaries, as its efficacy can grant them support among delegates. This support can put them in a privileged position, and also force other candidates to step out of the presidential race.

It is also worth mentioning that Democratic Party introduced “Superdelegates” in 1982 which raised the possibility for them to overpower delegates when voting for nomination of a certain

candidate, even though it is not a custom situation. Usually, the system of primaries and caucus brings out the nominee before the convention (Heineman et al 1995, 115).

The importance of gaining advantage reflects in the engagement of candidates, which now tend to release their candidacy much earlier. This early engagement of candidates, before primary season, has its reason in raising money. Grant (in *The American political process* 2004) says that this is a crucial stage for candidates to be operating with sufficient campaign fund because they are subject to contests of great importance in a short period of time. When primary season comes, they are prepared to demonstrate their capability of winning votes. The author on this point also mentions importance of the so called “invisible primary” describing the situation in which even before the cast of formal votes, the candidate with has sufficient money funds, favorable media coverage and clearance from party leaders, is a potential winner. The primaries end in June at California which is the state with the most delegates.

The paradox of the primary and caucus systems is that state’s location and contests dates make a difference. Iowa and New Hampshire are enjoying larger importance, and victory in these states is seen as crucial for the candidate in the early stage. It consequently guarantees the candidate extensive media coverage. The mentioned states receive approximately 30 percent of the media coverage from the overall nomination campaign process, even though they make up for only 3 percent of the nation’s population (Hetherington and Keefe, 82-85).

3.4 National conventions

As already mentioned, national conventions are an event in which parties declare their candidates for presidency. Conventions are used to discuss certain matters between delegates and also to put some issues of pressure groups on agenda. During the national convention, the vice-presidential candidate is also selected, based on the choice of the presidential candidate who is usually choosing a candidate capable of fulfilling its shortcomings (Grant 2004, 221).

Hetherington and Keefe (2007, 75–77) described national convention rather romanticized by stating it is an institution of both party’s authority and ratification of common interest united in party’s presidential and vice-presidential candidate. National convention should serve as the most

important event for each party, as it is a ground for interests and ideas to be shared, and also further decisions and plans to be made, but authors argue that party leaders are losing their influence to candidates and their organization. Nominations have been decentralized as a consequence of weakness of local party organizations and primaries spreading which took the lead role with the help of enlarged fundraising of money and mass media.

Never minding the arguable loss of party's influence, their formal role of nominating their presidential candidate is maintained. Following the conventions, the nominees prepare themselves for the general election.

On National Conventions, the parties are finalizing their choices for the Presidential candidate and proposed vice-presidential candidate. Republican National Convention will start on July 18th in Cleveland, whereas the Democratic Convention will begin one week later in Philadelphia. Candidate for Republican nomination needs to receive 1,237 out of 2,472 delegates, whereas candidate competing for Democratic nomination needs 2,383 out of 4,765 delegates in their favor. There will be National conventions held also for the Green Party. National Convention for the Constitution Party and Libertarian National Convention was already held (USA.gov 2016).

As the numbers of voters in general election is double than participants in nomination process, candidates have a hard task granting themselves support from the voters. In this stage, their tactic can be crucial. Nominees of the parties are provided with public financing, under the condition that the party won 25 percent of the popular vote in previous presidential elections. This, of course, favors the two traditional parties. Candidate whose party received less than 25 percent are entitled to partial funding, and those below 5 percent are excluded from obtaining public funds. Candidates can also decline public financing, which was the case with Barack Obama in 2008 (Maltese and Pika 2010, 60–61).

3.5 Electoral College

Electoral College is a part of the Constitution of the United States, and regardless on the ongoing critics, it would be very challenging and difficult to try changing the system. To be elected as a President, candidate needs 270 votes out of 538 electors.

The number of electors from each state is based on the number of senators plus the number of the representatives. For this reason, there are states which are more important to presidential candidates, and there are states which are less populated and thus less appealing to candidates. Electors, selected by the voters, gather in their home state and cast their votes for president and vice president (Heineman et al 1995, 120).

Electoral College role can be described as registering the voters' popular preferences. Electors are in charge of casting Electoral College votes for the candidate who has won the majority of the popular vote. Electors meet at the state level to transmit their votes to Congress, but they never meet on national level. 48 states hold a "winner takes all" system; whereas two are using proportional system. The competence of the Electoral College has been argued even though it almost always offered a clear winner. Electoral College is mainly subject to criticism due to the fact that Electoral College votes can overpower votes candidates received in the country. Unless no clear majority of votes is insured, House of Representatives has to intervene. Also, this system is diverting voters of considering minor party or independent candidates (Grant 2004, 240). Electoral College is made of electors, who are chosen by people's vote casting for President. It can be described as an intermediate station between popular vote and vote in Congress. The election can be lost even if the candidate wins the popular vote, but loses the electoral one (USA.gov 2016).

4. PRESIDENTIAL ELECTION FINANCING

Throughout history, campaigns in American elections used donations from private sources. When the cost of campaigning started rising sharply, public financing was evidently not up to the task. Private donations have taken the lead role, by at the same time being monitored as it became tough detaching the amount of money flowing into certain campaign, as well as the influence of it. What that money is buying and for whom is widely discussed, and as a result it led to some regulations being brought to the agenda.

4.1 Campaign finance reforms

Year 1971 marked the first serious attempt to reform campaign finance since 1925. Congress passed the Federal Election Campaign Act (FECA) as a response to ongoing critics that candidates are being manipulated with donor's money, or more precisely that the donors are buying the fulfilling of their interests and preferences. There was also a wide notion that many individuals who are capable enough to conduct a campaign, are simply not participating because of the financial disadvantage they have toward other more financial supported candidates. The task of the FECA was to try controlling the money pouring to candidates and political parties from rich individuals and groups (Hetherington and Keefe 2007). Even though we cannot simply measure the success of this Act, we must not underestimate its importance as it was crucial for revealing of the Watergate scandal, which remains one of the greatest scandals in American politics.

Amendments to the Federal Election Campaign Act were made in 1974, following the Watergate scandal. It established Federal Election Commission as regulatory agency whose task is to control compliance with limits on candidate's contributions and spending, and haul over the coals of public financing for the elections (Grant 2004, 250). Hetherington and Keefe (2007) also write that the amendments made public financing possible at least partially, while putting strict regulations on contributions, reporting and expenditures. In 1979 political parties were given a permission to spend unlimited funds for certain activities. This was enabled by adding an additional amendment to FECA in order to increase the impact that parties have in campaigns.

In the *Buckley v. Valeo* case, the Supreme Court decided that limitations imposed by FECA are unconstitutional as limits were interfering with the right of the right of free speech guaranteed under the First Amendment. The message of the Court was therefore that money allows speech. Regulations on contribution limits proclaimed that individual cannot contribute more than \$2,000 to candidate or candidate committee per elections; they can contribute up to \$25,000 per year to national party committee and \$5,000 to other political committee. The numbers for the contributions made by multicandidate committee as follows are \$5,000, \$15,000, and \$5,000. Political action committees have a limit of \$5,000 contributions for any candidate in any election, but no limits for their aggregate contributions. From making a contribution to federal election campaigns are excluded banks, corporations and labor unions. Expenditure limit is \$10million per candidate in all presidential primaries, if public funding is accepted. \$20 million is the limit of spending in the general election by party's presidential candidates. Those candidates who accept public funding in their campaign cannot spend over \$50,000 of personal funds. (Hetherington and Keefe 2007, 118–120).

As a result of the above mentioned *Buckley v. Valeo* case, there are no limits imposed to individuals or groups for their spending for presidential candidate, as long as it is not invoked directly to or by the candidate. The so called “hard” money can be used unlimitedly by political parties due to the fact they are protected under First Amendment. Public funds enable candidates for the presidency of \$20 million which cannot be used together with private contributions. Candidates are obliged to choose, those who accept public funding cannot accept private contributions and vice versa. Also, major parties can receive more money than minor parties. Enforcement of the law and review of the candidate's reports on contribution and expenditures is under control of Federal Election Commission (Hetherington and Keefe 2007, 120–121).

4.2 Soft money

“Soft” money came as a response to regulations who were limiting the usage of “hard” money. Hard money is controlled by the strict regulations under the mentioned Federal Election

Campaign Act (FECA) and wealthy donors were seeking a way past those regulations, to make their donations.

This was possible by simply donating to political parties, instead of making direct donations to candidates. The loopholes of the FECA made that possible. In late nineties, parties were using these loopholes in full potential by issuing almost identical ads as their candidates, while not using direct persuasion with “vote for/against” or “elect”. This can be seen as a mockery of the system, because the ads had the same influence on public even without the prohibited direct persuasion. Due to that fact, the amount of soft money extremely increased and in 2002 election cycle there was twice as more soft money raised than it was in 1995-1996. What was the most problematic about soft money is the fact that it required less effort because contributions were larger. In that way soft money was seen as more problematic than Political Action Committees’ as they leastwise had some imposed regulations (Hetherington and Keefe 2007, 122–124).

The decisions of the Supreme Court stated that in order to reach to voters, candidates are using media which are costly. Their view on using media as a canal of communication consequently determines that putting any kind of campaign finance limits would intervene with the freedom of speech. On the other side, regarding public finance, limits were establishing in order to control how much groups and individuals can donate. ”The law restricted individual citizens to a maximum of \$1,000 to any campaign with an overall annual limit of \$25,000; political action committees (PACs) could give up to \$5,000 to a particular candidate but no aggregate limit was imposed”(Grant 2004, 250). Until year 2000 candidates were submissive to limits of public financing. Public money was given to them correspondingly to obtained private donations during nomination process (Grant 2004, 250).

The appearance of funds that could go unnoticed through contribution limits, or the so called “soft money” is being used by party committees since 1980. Since then, it recorded ongoing growth to the point that in 1996 party committees raised 13 times as much as in 1980. “Soft money” was used by political parties to support their presidential candidates and as well to conduct negative campaign against other candidates which was found even more useful (Grant 2004, 252).

The major shift in the campaign finance regulation was the President W. Bush signing of the Bipartisan Campaign Reform Act, also called McCain-Feingold Finance Reform Act. The Act signed in March 2002, was seen fulfillment of the long going process of trying to fix the loopholes in current regulations that have been exploited. With 5 to 4 votes the Us Supreme Court managed to advocate this law (Grant 2004, 132).

W. Bush along with most Republicans was not a huge fan of this reform, but he was pressured to sign it in order to protect his image. The law's three most important components are banning the raising and spending of soft money by national parties and congressional committees, raising the limits of individual contributions, and new restrictions on issue ads. With these reforms parties were forced to rely on hard money coming from PACs and individuals, individuals were able to give more money, and corporations and non-profit groups in charge of issuing ads were met with new regulations. Even though this reform had its influence, soft money remained problematic as the new organizations emerged (Hetherington and Keefe 2007, 124–125).

As soft money donations were noticeably growing since the early 1990s, a reform by Congress was seen as highly needed in effort to regulate finance system. When the law became effective it meant that parties had to find different ways to compensate for the ban on the soft money. It was preferably to assume that parties will try and find different ways for accepting larger contributions (Grant 2004, 253). This consequently led to establishment of different committees and groups under which bigger donations were possible.

4.3 “Outside” organizations

4.3.1 Political action committees –PACs

Political action committees were formed to work for or against a candidate. They are made of individuals united under same purpose and use this organization to influence political action or to promote their ideology. They have a limit of \$5,000 of contributions under FECA directions, but under the auspices of independent-of-the-candidate spending, their expenditures are not under any limitations. PACs are facilitating the “job” of presidential candidates with providing money for a larger dispersal of their image and interests (Hetherington and Keefe 2007, 129).

Following the Citizens United, conservative group SpeechNow.org demanded for a change on contribution limits on PACs. Their explication was that independent spending should be guaranteed unlimited contribution. This led to the birth of the so called “Super PAC” .Super PAC is therefore, a PAC who is entitled to unlimited contribution. They fund the issuing of ads that are in favors or against federal candidates, while under the auspices of independency. Individuals, corporation and labor unions are permitted to donate. Also, if they make special account for independent contributions, every PAC can become a Super PAC (Hassen 2016, 33–34).

4.3.2 501(c) groups

These nonprofit groups are free of paying taxes. The political activity they produce is determined under the tax code and they are regulated by the Internal Revenue Service (IRS). We can distinguish between four different groups: 501(c)(3) groups are not allowed in engaging in political activity in rough terms, but it can be used as a mean of educating voters, which in an indirect way, brings to political activity. The 501(c) (4) groups are frequently cooperating with 501(c)(3) groups due to the fact they are allowed to perform some kind of political activity, which is not specifically defined but it is again under the auspices of indirect support or opposition to a candidate. They have no limitation on donors’ contribution and do not have to reveal individual donors which makes them as an organization quite essential. To obtain their status of “social welfare organizations” they should not engage in political activity as their primary goal. The reason why these groups are useful and what gives them significance is that they work with super PACs, making it possible to canal unlimited sources of money without revealing donors (Watson 2016). Hassen (2016, 35) described 501 (c) 4 organization as an affiliated nonprofit organization which originated due to the growing need for donor anonymity. Also called Crossroads GPS, the organization of the section of the tax code made an even greater confusion in election activities.

501 (c) (5) groups have to reveal donors donating more than \$5,000 as they are performing their activities under the regulations of the Department of Labor. Their cooperating with PACs and super PACs puts them in a possible position for big money spending. Lastly, there are 501 (c) (6) groups which are trade associations and business leagues and do not have to reveal donors for their indirect political activity (Watson 2016).

4.3.3 527 groups

527 groups are especially recognized at federal level as they can be created by federal candidates. They are also tax-exempt, but can perform political activity as their primary activity. Under regulations which they are subject to, they can accept and spend unlimited amounts just like super PACs, but they cannot advocate directly whereas super PACs can. They also have to reveal their donors to the IRS which makes them less favorite than super PACs and 501(c) (4) groups (Watson 2016).

527 groups were bypassed by the McCain-Feingold act, and in a way inherited tasks that the parties had before being affected with the act. They are influential organizations who are influencing elections, with only under one condition-not working directly for a candidate or campaigns. They are entitled of unlimited funds, including soft money. Their accurate impact cannot be detected, as well as the level of cooperating between them and different campaigns. The estimated of spending in 2003-2004 election cycle was more than \$500 million (Hetherington and Keefe 2007, 124–127).

5. TESTING THE SYSTEM

5.1. Success of FECA

We have to underline the fact that FECA did not achieve what it desired. The campaigns nowadays cost much more, and not less, as it was expected by imposing limitations. The influence of organizations which are making great contributions are not reduced nor better controlled, and the number of organizations of that sort is rising. The FECA had intended to prompt citizens into greater participation and make them more included in the political process. On this point, it was also unsuccessful. The imposed limitations on contributions to candidates affected only direct made contributions, while those “independent” ones got out of hand. Rich donors found there ways around the regulations, and soft money took the lead. Objectives in the future must proceed from the fact that ordinary citizens are feeling as their interests are being overpowered by interests of the privileged groups. Large contributions have to stop dominating the election sphere in order to increase public confidence (Hetherington and Keefe 2007, 136) One of the considerably greatest American politicians Abraham Lincoln often stated that in democracy, public opinion is crucial. He considered it as a body of the nation whose interest must be preferred (Landy and Milkis 2008, 672).

The previously mentioned case of Buckley v. Valeo from 1976 can be pointed out as a reason why there is an ongoing talk about corruption. Supreme Courts ruled that finance limits violated freedom of speech. Later on, in the case of Citizens United v. Federal Election Commission, the Supreme Courts stated that insinuation of large donors towards candidates does not necessarily means corruption and therefore, does not give the carrier for money limitations. This case opened doors for outside spending groups. In the case McCutcheon v. Federal Election Commission in 2014, Chief Justice John Roberts stated that donors are embodying democracy by supporting candidates with mutual interests. It was then stated that we should expect from politicians to meet with theirs donors expectations (Hassen 2016). The debate over whether the money is speech or not, leads us to a one-way street. Even though money is not speech in its direct sense, money does extenuate speech. This fact leads it to be under First Amendment protection. Campaign spending and ads are seen just as means of channeling speech.

5. 2 Whose money?

\$7.1 billion was spent on federal elections in 2012. This money found itself particularly well in the hands of campaign advertisers and political consultants. In order to investigate if election outcomes can be influenced by money, it is not enough to solely compare spending amounts between winners and losers. Hassen (in *Plutocrats united 2016*, 37–42) writes that, besides the neglected funds from outside groups and parties, there is a controversy in a way that we cannot distinguish if the candidate is following the money, or if the money is following the candidate. He continues that money per se cannot determine election outcome, but is surely necessary and influential. The importance of viability of candidates increased the need for money, as the media is an expensive tool of “producing” viability. In order to be successful, candidates must have secure funds.

Contributors to candidates in presidential elections are usually politically more active than average citizens. Besides donating, they tend to be involved in fundraisers event or cooperating with formal and informal groups. As their reasons for enrolment they usually specify personal friendship, sense of obligation, influencing policy outcomes, material benefits and also social benefits (Brown et al 1995, 37–47).

“In 2004...58% of donors were male, 69% were older than fifty, 78% had a family income above \$100,000, and 91% had a college degree. In 2012, these donors amounted to just 0.4% of the population, but supplied 64% of the funds received by candidates from individuals” (Hassen 2016, 43). He writes (right there, 55) how we can envisage wealthy’s donors objectives very simplified “I will give you 25million and in exchange you will support a tax break that will save me 1billion.”

Outside spending came to spotlight after Citizens United and with the rise of Super PACs and 501(c) (4) groups used law loopholes for big money contributions. In 2012, “nearly 60% of Super PAC funding came from just 159 donors contributing at least \$1 million. More than 93% of the money Super PACs raised came in contributions of at least \$10,000-from just 3,318 donors, or the equivalent of 0.00011% of the U.S. population”(Bowie and Lioz 2013)

In the wake of the big money, even the millionaires are left feeling unimportant, as they are bypassed with larger donations of billionaires. They are no more rich enough to get their voices heard (Gold and Hamburger 2015). Money race brought to absurd proportions, and has divided even the most influential participants. Money coming from Super PACs made everyone but the richest ones side vaults in the process of the money fundraising. It is easier and less time consuming to get larger donation from a very rich donor, than to engage in activities of collecting smaller money donations from larger amount of donors.

Also, even the parties are losing their significance. We can support that fact if we follow the statements of Koch brothers who portended that their network is capable of spending approximately \$900 million on the 2016 campaign. They need only about 300 donors to make this possible (Confessore 2015). The top one percent has triumphed from loopholes in campaign laws and their influence is emerging. We have to consider the consequences this privileged groups can have on the established political system.

5.3 Whose democracy?

Research has shown that the public interests are overrun by the interest of economic elite, which enjoys greater overall impact and is capable of influencing policies. General public does not get its say in policies, whereas policy changes coming from claims of the wealthy are more likely to be accepted, more precisely; about 45 percent for proposals with high support (Gilens and Page in Hassen 2016, 53–54).

In the 2012 election cycle, the \$313.0 million in small sums collected by Barack Obama and Mitt Romney from approximately 3.7 million people was matched by the extremely wealthy 32 contributors to Super PACs. Also, about 322,000 average families would be needed to raise \$91.8 million which was donated to Super PAC from one individual- Adelson (Bowie and Loiz, 2013).

The fact that the political power in the U.S. appears to be in the hands of the minority elite population is a threat to the democratic principles. Hassen (in *Plutocrats United* 2016, 59) writes how unequal economic power becomes unequal political power, and how this was enabled by the

Citizens United. Nevertheless, he mentions that more money in politics involves more media, and more media consequently means voters are being more informed.

Hetherington and Keefe (2007, 118–119) determine the three largest objections on money's role:

1. Disadvantages of candidates without sufficient money resources are underpinned by the ongoing increase of campaign costs. Only the candidates disposing with sufficient money resources can be heard, whereas those less fortunate are too discouraged to get engaged in the electoral process.
2. It is thought that wealthy donors through their contributions to campaign earn themselves fulfillment of their interest and other privileges. The general public is concerned about the influence donors have and it enhances their incredulity in the electoral process.
3. The indeterminate laws are favoring the abuse of money in political purposes.

In the article “Testing Theories of American Politics” (2014) authors were reviewing the influence on policy by economic elites, average citizens and interest groups. Their research has shown that general public is not influential on public policy, whereas economic elites and different interest groups are enjoying a high level of influence. The fact that interest of general public and ones from economic elites are quite different, make this finding even more alarming. It may seem that sometimes ordinary citizens get its say, but it is mostly if they interest on a certain matter are imbricating with the interest of the economic elite. Troubling is the fact that merely determination of economic elite is uneasy, as we do not know if we are still talking about the top 1 percent, or considering only the top one-tenth of 1 percent which is becoming predominant. While their main concern is mainly on taxes and regulatory policies, little they are aware of social needs and unemployment issues, which are crucial to general public (Gilens and Page 2014).

Even though the author's research is not solely based on a federal level, the impacts are to a certain extent transmitted. This conclusion leads us to exclusive perception on democracy. Government is not responsive to needs of ordinary citizens or vice versa, the majority does not

rule. Even though the suspicion on ordinary citizens as less informed and with lower inclusion will is to some extent true, it cannot serve as a justification for prevail of economic elite's interests. Even though they are fairly more acquainted and experienced in politics, there is an existing doubt that they would be working for a common good. Americans are unarguably profiting from some democratic features, but if the policymaking is in the hands of the few most privileged, the base for the democratic society itself is endanger (Gilens and Page 2014).

6. REVIEW

6.1 Review of previous presidential elections

Table 6.1: Presidential campaign receipts through September 30, 2008

	Republicans McCain, John S	Democrats Obama, Barack	Total General Election Candidates (2)	Total Primary Candidates (18) (Excludes General Election Candidates)	Grand Total
Federal Matching Funds	\$0	\$0	\$0	\$20,510,129	\$20,510,129
Contributions From Individuals Minus Refunds	\$189,653,410	\$545,270,658	\$734,924,068	\$473,534,088	\$1,208,458,156
Contributions From Cmte's Minus Refunds	\$1,284,885	\$1,030	\$1,285,915	\$3,546,763	\$4,832,678
Contributions/Loans from the Candidate Minus Repayments	\$0	\$0	\$0	\$59,975,462	\$59,975,462
Other Loans Minus Repayments	\$0	\$0	\$0	\$18,165 \$	\$18,165 \$
Transfers	\$22,692,086	\$58,450,000	\$81,142,086	\$19,408,434	\$100,550,520
Other Receipts	\$4,994,440	\$1,408,796	\$6,403,236	\$2,923,357	\$9,326,593
Total	\$218,624,822	\$605,130,483	\$823,755,305	\$579,916,397	\$1,403,671,702

Source: Federal Election Commission (2016).

From the above table, we can derive conclusions that John McCain was indeed financially overpowered by his opponent Barack Obama.

According to data provided by Federal Election Commission, from four Republican candidates (John S. McCain, Mitt Romney, Rudolph W. Guiliani and Ron Paul) who had the most financial resources at their disposal, McCain was definitely a frontrunner in this field. He had received an amount of \$267,407,569 in receipts, whereas the second runner Mitt Romney received \$105,152,902 in receipts. McCain was also the one with the most money on hand, and consequently the one with biggest disbursements. On the Democratic side we witness the similar story; their frontrunner was also the one with the biggest sums of money at his disposal. Barack Obama had received \$747,755,876 whereas Hillary Rodham Clinton received \$223,866,225 which made her the second runner. Other candidates like John Edwards for example did not come even close, raising only \$4,433,424 (Federal Election Commission 2016). If we focus only on the mere facts, in this case the amount of money each candidate had at its disposal, we can say that money led to the nomination, as well as to victory. Frontrunners of both parties were the one with

the largest amount of money, and also at the general election, the candidate with the most money won.

Also, it is noteworthy that the 2008 presidential election recorded an increase of 80% in receipts compared to the 2004 presidential election. Moreover, we can say that a new trend emerged, as Obama was the first to refuse public funding for the general election. He wisely compensated it with \$745.7 million in private funds that he used for primary nomination and general election. Regarding the parties, they each received \$16.8 million for their nominating conventions, and had \$124.3 million on disposal for their other activities. Independent spending resulted in \$168.8 million going to indirect avocations for or against a candidate. A large increase was noted in communications field where \$18.1 million was spent, a third more than in the previous presidential election (Federal Election Commission 2016).

Table 6.2: Presidential campaign receipts through September 30, 2012

	Republicans Romney, Mitt	Democrats Obama, Barack	Others Johnson, Gary Earl Stein, Jill	Total General Election Candidates (2)	Total Primary Candidates (18) (Excludes General Election Candidates)	Grand Total
Federal Matching Funds	\$0	\$0	\$333,751 \$0	\$0	\$20,510,129	\$20,510,129
Contributions From Individuals Minus Refunds	\$233,146,828	\$545,270,658	\$1,780,434 \$499,882	\$734,924,068	\$473,534,088	\$1,208,458,156
Contributions From Cmte's Minus Refunds	\$953,424	\$1,030	\$0 \$0	\$1,285,915	\$3,546,763	\$4,832,678
Contributions/Loans from the Candidate Minus Repayments	\$0 \$0	\$0	\$0 \$24,000	\$0	\$59,975,462	\$59,975,462
Other Loans Minus Repayments	\$0	\$0	\$0 \$0	\$0	\$18,165	\$18,165
Transfers	\$100,723,596	\$127,450,000	\$0	\$228,173,596	\$3,469,061	\$231,642,658
Other Receipts	\$0	\$66,853	\$0 \$0	\$66,853	\$586,301	\$653,153
Total	\$339,823,848	\$555,972,681	\$2,114,186 \$523,882	\$898,434,596	\$148,049,008	\$1,046,483,604

Source: Federal Election Commission (2016).

Same as in the case of 2008 presidential election, the candidate raising the most money won, that is, was re-elected. We can say that in general there is less effort needed for a re-election than for an election, but nevertheless, President Barack Obama assuredly led in the financial game. He disposed with almost double the amount of the second runner Mitt Romney.

Mitt Romney was a forefront among candidates from the Republican Party receiving \$449,886,513 while the second runner Ron Paul had only \$40,625,075. Romney earned himself a convincing nomination (Federal Election Commission 2016).

Table 6.3: 24-Month Financial Activity of Presidential Candidates (figures in millions)

Year	Candidates	Receipts	Disbursements	Debts Owed	Cash on Hand
2012.	14	\$1,379.8	\$1,359.8	\$13.8	\$5.5
2008.	20	\$1,673.8	\$1,645.0	\$12.1	\$27.5
2004.	12	\$904.6	\$2,243.0	\$9.0	\$40.4
2000.	17	\$578.9	\$1,210.2	\$4.8	\$22.3

Source: Federal Election Commission (2016).

The above table includes financial disclosures of presidential candidates since the year 2000. We can notice that the contributions to presidential candidates were higher in 2004 than in 2000, and almost doubled in the 2008 campaign. 2008 elections that led to the victory of President Obama were a record in the area of financing and even the following presidential elections failed to surpass them. Obviously, they have led to the re-election of Obama.

6.2 Review of the current campaign

From January 1, 2015 through December 31, 2015, presidential candidates reported having raised \$ 442.7 million and \$319.3 million spent. These data is based on reports from 82 individuals. For comparison, the table beneath is showing financial activity of presidential candidates in the pre-election years in previous presidential elections (Federal Election Commission 2016).

Table 6.4: 12-Month Financial Activity of Presidential Candidates

Year	Candidates	Receipts	Disbursements	Debts Owed	Cash on Hand
2015.	82	\$442.7	\$319.3	\$20.5	\$127.6
2011.	13	\$280.9	\$179.4	\$10.4	\$111.5
2007.	20	\$581.5	\$489.5	\$64.8	\$101.7
2003.	11	\$271.6	\$151.4	\$9.9	\$119.0

Source: Federal Election Commission (2016).

What we can conclude, is that money in pre-election year increased through the years, ignoring the exception of the year 2011, which led to the re-election of President Obama. Remarkable increase of financial activity is seen in the pre-election year of 2007, which was a prelude to the most expensive presidential election so far. It is very likely, that the current election will take the leading position in being the costliest. This expectation is supported also by the financial activity from political party committees, Political Action Committees (PACs), Independent Expenditures and other (Federal Election Commission 2016).

Table 6.5: Republicans Pre-Nomination Campaign Receipts (until December 31, 2015)

	Bush, Jeb	Carson, Benjamin S.	Cruz, Rafael Edward 'Ted'	Fiorina, Carly	Kasich, John R.	Rubio, Marco	Trump, Donald J.
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions from Individuals	\$31,279,380	\$53,941,607	\$46,770,501	\$11,316,872	\$7,390,800	\$28,635,019	\$6,556,977
Contributions from Parties	\$0	\$0	\$0	\$0	\$0	\$102	\$58
Contributions from Cmte's	\$205,017	\$5,538	\$56,852	\$20,925	\$181,471	\$367,024	\$0
Contributions/Loans from the Candidate	\$388,720	\$25,000	\$0	\$0	\$0	\$0	\$12,838,864
Other Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$250,013	\$0	\$0	\$662,432	\$0
Offsets	\$48,983	\$64,465	\$6,181	\$11,241	\$10,094	\$36,754	\$9,318
Other Receipts	\$0	\$0	\$3,309	\$18	\$0	\$8,759	\$0
Total	\$31,922,100	\$54,036,610	\$47,086,857	\$11,349,057	\$7,582,365	\$29,710,092	\$19,405,217

Source: Federal Election Commission (2016).

The above table is showing receipts from Republicans presidential pre-nomination campaign in pre-election year. Shown are only the candidates which were among those raising the most money in the pre-election year. We have to have in mind that not all candidates proclaimed their candidacy at the same time, so their starting point in raising money was slightly different. What is clear is the fact that those raising the biggest amounts (Carson, Cruz, Bush, Rubio) are no longer in the nomination race. From these mere facts, we can say that money does not play a crucial role in the nomination process, i.e. money is not enough to secure a nomination.

After observing the great role that money played in the 2012 elections, the questionability of democracy raised the greatest level of attention and concerned after Watergate scandal (Bowie and Loiz 2013). The 2016 presidential campaign is characterized by big money and influential candidates. What is striking is the fact that the candidates are operating with large amounts of money at the very beginning. It appears that super PACs have lost their required independence from the candidates, as they are seen as conducting the campaigns. With more large donors in circulations, there is an even greater need for money (Gold and O’Keefe 2015).

Super PACs have moved from supporting to leading role. They are collecting large sums of money before the official campaign, since then they become subject to regulations of Federal Election Commission. The finance regulations are being manipulated with, and there is a raising need for stricter and better defined regulations (Gold 2015).

Those seeking for stricter regulation on campaign finance declared a rising concern for money coming from limited liability corporations (LLCs) which are widely popular among those wish to protect their identity. As the current campaign is marked with the highest rate of corporate donations, the concern is justified. According to Washington Post analysis, one out of every eight dollars flowing to super PACs came from corporations. (Gold and Narayanswamy 2016).

Presidential nomination campaign brought surprises for Republicans. Businessman Donald Trump proclaimed his candidacy which was underestimated at the beginning but caused the Republican Party to questions its modified rules. The reasons for Trump’s success are not at all only about money. The factor of viability came largely in hand at this point, as Trump used his assets in media to have his campaign fairly advertised. Less coverage and poorer performance are leading to low pool showings have caused his counter-candidates to leave the nomination race (Karol 2015).

Table 6.6: Democrats Pre-Nomination Campaign Receipts (until December 31, 2015)

Democrats	Federal Funds	Contributions from Individuals	Contributions from Parties	Contributions from Cmte's	Contributions/Loans from the Candidate	Other loans	Transfers	Offsets	Other Receipts	Total
<i>Clinton, Hillary Rodham</i>	\$0	\$108,931,114	\$1,000	\$888,186	\$368,147	\$0	\$3,240,000	\$2,120,705	\$14,776	\$115,563,929
<i>Sanders, Bernard</i>	\$0	\$73,480,185	\$0	\$3,571	\$0	\$0	\$1,500,000	\$5,336	\$34,059	\$75,023,152
<i>Webb, James Henry Jr.</i>	\$0	\$759,742	\$0	\$5,000	\$0	\$0	\$0	\$250	\$0	\$764,992

Source: Federal Election Commission (2016).

The above table is showing receipts from Democrats presidential pre-nomination campaign in pre-election year. Here shown are only top three candidates in fundraising. We can notice the difference from now presumptive nominee Hillary Clinton which had sizable amount of money at her disposal, and Bernard Sanders who had very less favorable starting position but nevertheless, followed the Clinton's set financial standards. Even though he did not manage to surpass her, he came very close. Based on this data, we could say that money has given priority to Clinton, but on the other side, we would be neglecting her previous popularity, political engagement and visibility among voters.

Table 6.7: Total Pre-Nomination Campaign Receipts (until December 31, 2015)

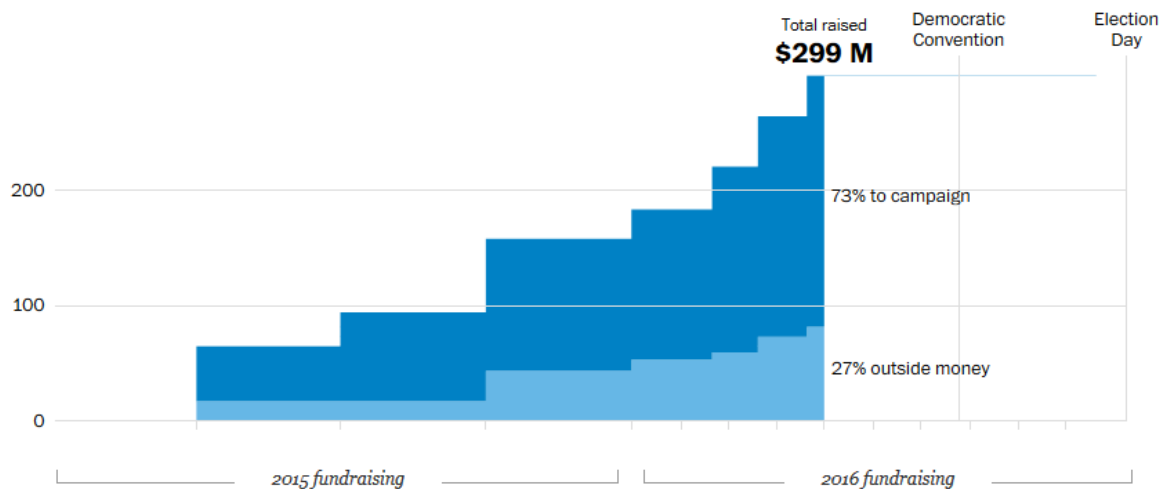
	Federal Funds	Contributions from Individuals	Contributions from Parties	Contributions from Cmte's	Contributions/Loans from the Candidate	Other loans	Transfers	Offsets	Other Receipts	Total
Total Republicans	\$0	\$222,459,574	\$159	\$1,122,658	\$13,954,996	\$0	\$4,619,687	\$417,577	\$334,499	\$242,910,397
Total Democrats	\$0	\$187,638,647	\$1,000	\$955,703	\$3,329,008	\$533,750	\$4,740,000	\$2,187,967	\$48,835	\$199,405,253
Total Other	\$0	\$239,812	\$0	\$0	\$98,270	\$8,900	\$65	\$11,645	\$101	\$351,382
Grand Total	\$0	\$410,338,034	\$1,159	\$2,078,361	\$17,382,274	\$542,650	\$9,359,752	\$2,617,188	\$383,436	\$442,667,031

Source: Federal Election Commission (2016).

The above table is showing the total of receipts from Republicans, Democrats and other parties for presidential pre-nomination campaign in pre-election year. Republican Party, which is usually considered as a richer one, has raised more for all its candidates until December 31, 2015. It is worth mentioning that they also had observable more candidate in the nomination race than the Democratic Party had.

According to current data- more precisely through 30. April 2016, Republicans are winning the financial race. 55 percent out of \$814 million donated for Republican candidates came from super PACs and other independent groups. On the Democrats side, it is noted that 17 percent of the \$523.2 million came from the same sources. Hillary Clinton is the top campaign fundraiser on Democrats side with a total of \$217.6 million, and also the one with the most outside support which is recorder \$81.4million. Among Republican candidates, Ted Cruz headlined as a top fundraiser, raising a total of \$89.9 million, whereas the candidate with the most outside support was Jeb Bush, having \$124.3 million on his disposal (Cameron et al 2016). Regardless of their financial efficiency, both candidates have withdrawn from the presidential primary race. Jeb Bush dropped out after South Caroline results in February and Ted Cruz suspended his campaign in May after loss in Indiana. Currently, there are three perspective candidates left in the presidential race. Donald Trump as a presumptive nominee on the Republican side and presumptive nominee Hillary Clinton and Bernie Sanders on Democrats side.

Figure 6.1: Total raised by Hillary Clinton presidential campaign

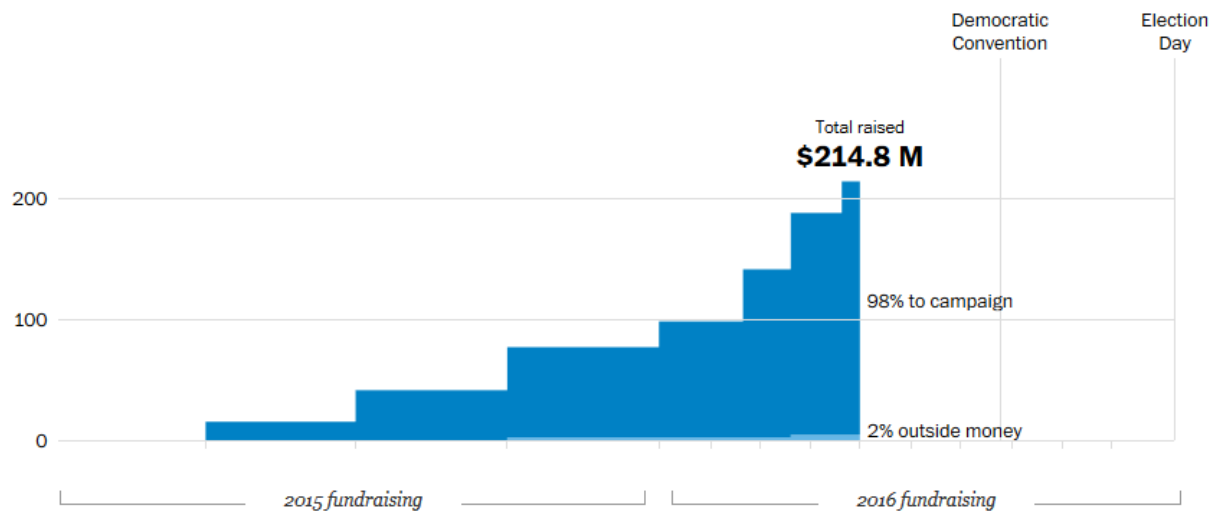


Source

e: The Washington Post (2016).

We can see that in the financial area Hillary Clinton overpowered her opponents. There is a remarkable amount of outside money which was raised by super PACs and other independent groups (observe table 6.1.).

Figure 6.2: Total raised by Bernie Sanders presidential campaign

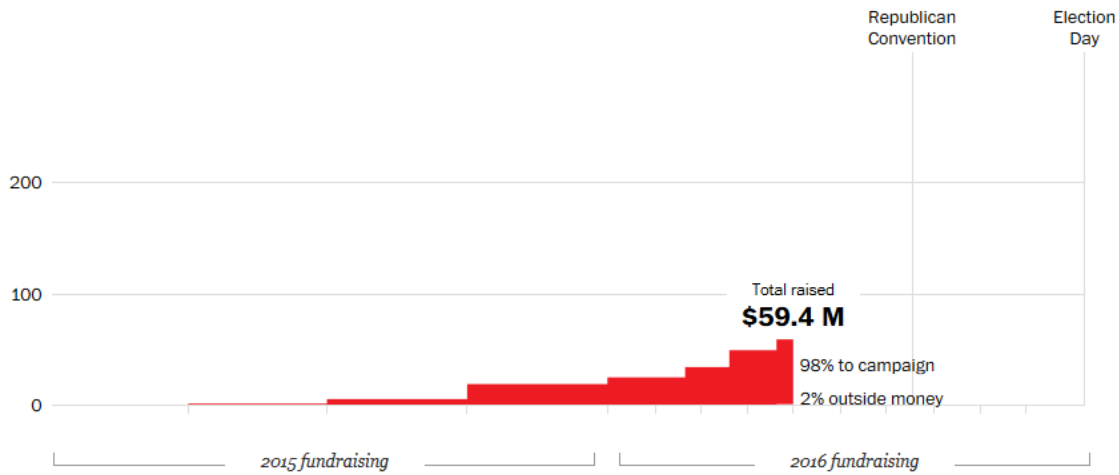


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Source: The Washington Post (2016).

Bernie Sanders surprisingly managed to follow high standard in finance field imposed by his main opponent Hillary Clinton. The valuable difference is seen in the fact that only 2% of the received amounts of money came from super PACs and other independent groups. Direct donations to campaign are transparent and this was one of the reasons for growing popularity of Sanders, who was seen as more trustworthy. Moreover, his campaign raised smaller amounts of money from more donors, whereas his opponent is in the opposite situation.

Figure 6.3: Total raised by Donald Trump presidential campaign



Source: The Washington Post (2016).

At the very start of his campaign, Donald Trump declared himself as very rich, and therefore in no need for anybody's money. He announced that he will be self-financing.

In October 2015, the Trump's campaign assistant explicitly said to super PACs that the campaign wants no money or services from them, and that they should restrain themselves of raising donations in Trump's name or return the money they already raised. The campaign only approved small contributions complied under federal law regulations, and therefore Trump invited his opponents to follow his example. He also expressed doubt that wealthy donors and lobbyists are imposing their interests and threatening the integrity of the political sphere (Johnson 2015).

As a famous businessman, Trump had and is still enjoying a lot of media attention which contribute in reducing his expenditures. His campaign has spent noticeable less in comparison to Cruz and Rubio, who actually had to spend money on advertising. Trump is also loaning money to his campaigns without interests, which means he could dismiss them and maybe even compensate his investment. These tactics made Trump appear trustworthy among voters, who believe he is not influenced by big donors (Doggett and Serino 2016).

Hetherington and Keefe (2007, 96–100) accentuate the role of the media by stating they are the ones producing winners or losers. Candidates who are enjoying large and positive media coverage are given a great advantage. Media is generating an overall mood towards a certain candidate by pointing out their abilities or reproducing their shortcomings. The coverage of the campaign, which is mostly based on the positive aspects of the candidate, works as a mobilizing tool for voters. As candidates are given more information, they make their decision on what seems appealing. With its great importance in presidential nomination process, the media has lowered the influence of economic elite and party's representatives. It has been found that, reaching voters with an emphasis on free media coverage and ads, is far more productive than working through formal ways (party leaders, organizations).

From these statements we can derive an explanation for the success or, better said, the existence of Trump's campaign. His remain in the presidential race, regardless of numerous controversies following his actions, his political ignorance and lack of experience, sparked the importance of serious consideration about media's role. This creation of political "reality shows" follows the trend of de-politicization of politics, seen as desirable among the general public, which has been disappointed and fed up with the "traditional" politics.

Furthermore, the media has also greatly affected national party conventions and even undermined the role of the party. Candidates are campaigning distinguished from their party and conventions are being used only to confirm the usually already known presidential nominee. The activities are being subordinated to media attention, which is shaping the politics. Politics is "sterilized", political topics are adjusted to fit the entertaining framework and the preferences of public are being made without any genuine material or program offered (Hetherington and Keefe 2007, 96–100).

There is 2383 delegates needed out of 4765 to secure nomination, which means Hillary Clinton already insured that number. Nevertheless, Bernie Sanders is still not ready to quit the presidential race. Donald Trump has 1541 delegates, which means he exceeded the number of necessary 1237 to win the nomination. We will probably see the presumptive nominee of the Democratic Party- Hillary Clinton and the presumptive nominee of the Republican Party-Donald

Trump competing against each other in the General election, but guided by the current development of the situation, we will move away from making any prediction. It must be noted that based on how much is known so far, candidates from major parties will be accompanied with nominee of the Libertarian Party- Gary Johnson, and the presumptive nominee of the Green Party- Jill Stein.

7. CONCLUSION

The intention to present the role of money in the presidential election in the United States of America led us to interesting insights. With money being the subject of a constant debate, there is an increased uncertainty about its impact. We tried to move away from adjunction of how much money is too much money and rather wanted to present the possible discrimination that is based on different economic capabilities. We described the path to Presidency by stages and presented the possibilities and limitations regarding campaign financing in order to show whom the system favors.

As it was shown by using statistical data, money does matter in presidential elections. Candidates are carefully considering their financial abilities long before proclaiming their candidacy. The money primary leaves excluded those without great financial capability even before the start of the presidential race. Those who choose to run are shortly met with high finance rising standards imposed by other candidates, which not infrequently threatens their position. Moreover, the whole system is being criticized as it does not allow inclusion of all. Democracy became a possibility only for those with sufficient funding, leaving participation for those less fortunate very limited. However, the answer to our research question “Is money a crucial factor for the victory of presidential candidate in the sense, that candidate with greater amount of money used in the campaign definitely always wins?” is no. Money indeed plays a great role both in the nomination process and in general election, but it is not a guarantee for victory. Large amounts of money have visibly influenced the presidential election, but money per se is not the most problematic factor.

What must be seen as a rather problematic is that the system of economic inequalities is producing political inequalities which affect outcomes in electoral and legislative fields. Wealth is disproportionately distributed and the distortion is increasing. This unrighteousness is allowing the political system to move toward plutocracy, as only those with holding economic power can protect themselves or influence other to work in accordance with their interests. Public policies tend to work in favor of the rich and organized, ignoring the interests of the poor and unorganized (Hassen 2016).

Even though the big donors may not be able to buy the Presidency, they successfully operate on lower levels by influencing laws and policies. The list of their interests which includes low tax rates, deals on trade and different regulations allows a foundation for supporting candidates who will please their demands. This infinite circle is providing strong reasons for why stricter campaign laws are needed. Moreover, even if we concluded that money is not a crucial factor, that is, it cannot guarantee victory; the great influence of money in presidential election should not be underestimated. Money provides the necessary visibility of candidates via various ways of advertisement. This is making the candidates recognized in the eyes of the voters. In this example, the objectives of money limitation can be understood as means of preserving political equality.

Finding a solution that would contribute to greater empowerment of the ordinary citizens is not an easy task. On the positive side, citizens are more aware now than ever of the effect of big money and consequences it leaves on the political system. The time to react is now, as democracy in which the wallet is talking is no democracy at all (Bowie and Loiz 2013). Elitist democracy must be eradicated in order to merit public confidence and encourage participation.

We are currently witnessing emerging of new political trends and actors, which were previously almost unimaginable. It is hard to predict where it will lead, without being pessimistic about the comprehensive democratic process. Exclusive, capitalistic democracy is not a new trend. What is new is the overall awareness of its consequences. Therefore, before dealing with symptoms of the crisis of democracy, we have to identify the causes for the triumph of capitalism.

8. POVZETEK

Vloga denarja v politiki je nenehen predmet razprave . Opazovalci dragih kampanij in volitev so prepuščeni špekulacijam o vplivu denarja, medtem, ko se družba deli na tiste, ki lahko vplivajo na politiko in tiste, ki te moči nimajo. Najbolj problematična je ugotovitev, da se ekonomske neenakosti preoblikujejo v politične. Ker je funkcija ameriškega predsednika ena izmed najpomembnejših političnih funkcij, pridobijo predsedniške volitve veliko pozornost po vsem svetu. Financiranje je postalo zelo pomemben dejavnik v procesu predsedniških volitev, ker pritegne pozornost bogatih donatorjev, ki za kandidate prispevajo velike vsote denarja. Rezultat tega je, da govorimo o političnem podkupovanju in splošnem mnenju, da je politično ravnanje kandidatov usmerjeno v zadovoljevanje želja ekonomskih elit.

Namen diplomskega dela je predstaviti probleme vezane na financiranje v že tako kompleksni temi kot so predsedniške volitve v Združenih državah Amerike (ZDA). Aktualnost in relevantnost teme se kaže v dejstvu, da smo v letu ameriški predsedniških volitev, ki so bile že na samem začetku označene kot rekordni potencial na področju financiranja. Ker se ekonomski interesi bogate manjšine, v veliki meri, razlikujejo od interesov navadnih državljanov, ostaja glas večine neslišen. Nepoštenost političnega procesa ima za posledico manjše sodelovanje navadnih državljanov ter nemoč finančno manj sposobnih kandidatov za kandidaturo. V tem pogledu lahko ameriška demokracija zgleda kot ekskluziva gospodarskih elit, tistih torej, ki si lahko privoščijo, da so slišani. Med poskusom iskanja odgovora na vprašanje našega raziskovanja: "Ali denar igra ključno vlogo pri zmagi predsedniškega kandidata, in sicer v smislu, da tisti kandidat, ki razpolaga z največjo količino denarja, zagotovo zmaga?" so obdelana različna poglavja, ki so ključnega pomena, da se bralcu zagotovi zadovoljiva razlaga.

Na začetku diplomskega dela smo na kratko opisali položaj predsednika v ameriški vladi. Z predstavitvijo različnih faz predsedniških volitev, smo poskušali v popolnosti razumeti vlogo denarja v vsaki izmed njih. Poudarili smo razlike med primarnimi volitvami in strankarskimi zborovanji in pojasnili nacionalne konvencije kot dogodke, ki vodijo do formalne razglasitve

kandidata. Analizirali smo pogosto kritizirani elektorski kolegij, ki ohranja pozicijo dveh velikih strank in preprečuje razvoj manjših strank. V nadaljevanju smo obravnavali reforme financiranja kampanje in t.i. mehka sredstva (»soft money«). Naredili smo razločevanje različnih načinov zunanjega financiranja z analizo političnih odborov akcijskih (PACS) SuperPACs, 501 (c) in 527 skupin.

To poglavje smo sklenili s poudarkom na dejstvu, da FECA ni dosegla zaželenih ciljev. Kampanje danes ne stanejo nič manj, kot se je pričakovalo z uvedbo omejitev, ampak še veliko več. Vpliv organizacij, ki veliko donirajo, ni zmanjšan, niti bolje nadzorovan. Število tovrstnih organizacij je v porastu. FECA je namenjena spodbujanju državljanov k večji udeležbi in vključenosti v politični proces. Na tej točki se je izkazala kot neuspešna. Uvedene omejitve prispevkov za kandidate so prizadele le neposredne prispevke, medtem ko so iz rok ušli "neodvisni prispevki". Bogati donatorji so našli svojo pot med predpisi tako, da povedejo mehka sredstva (Hetherington in Keefe 2007, 132–136).

Da bi pridobili jasno sliko o velikih donatorjih, smo opozorili na njihove skupne značilnosti in opredeliti njihove interese. Raziskava je pokazala, da so javne interese zakrili interesi ekonomskih elit, ki imajo moč nad politiki na katere lahko vplivajo. Večina ne uveljavi svojih stališč v politiki, ker se spremembe v politiki sprovedejo iz zahtevkov bogatih in imajo večje možnosti za sprejetje. Najbogatejši odstotek prebivalstva je s pomočjo lukenj v volilni zakonodaji zmagal in njihov vpliv narašča. Dejstvo, da je politična moč v ZDA v rokah manjšinske elite predstavlja grožnjo demokratičnim načelom.

Pregledali smo predhodne in aktualne predsedniške volilne kampanje, da bi ugotovili obseg financiranja. Statistični podatki pojasnjujejo naše ugotovitve. Poudarek smo postavili na finančne aktivnosti v predvolilnih letih 2003 do leta 2015. Sklenemo lahko, da se je financiranje v predvolilnem letu z leti povečuje, z izjemo v letu 2011, kar je privedlo do ponovne izvolitve predsednika Obame. Izredno povečanje finančnih aktivnosti se kaže v predvolilnem letu 2007, ki

so bile uvod v najdražje predsedniške volitve doslej. Zelo verjetno je, da bodo trenutne volitve prevzele vodilni položaj v porabljenih sredstvih.

Po trenutnih podatkih, natančneje do 30. aprila 2016, vodijo finančno dirko republikanci. 55 odstotkov doniranih sredstev v višini 814.000.000 dolarjev je za republikanske kandidate zbrano od super PAC in drugih neodvisnih skupin. Potrebno je opozoriti, da je 17 odstotkov od doniranih 523.200.000 dolarjev za demokratsko stran, pridobljeno iz istih virov. Hillary Clinton je najuspešnejša pri pridobivanju sredstev za kampanjo na demokratski strani s skupno 217.600.000 dolarjev in z največjo zunanjo podporo v višini 81.4 milijonov dolarjev. Med republikanskimi kandidati je v pridobivanju sredstev vodil Ted Cruz z zbranimi 89,9 milijoni dolarjev. Kandidat z največ zunanje podpore je bil Jeb Bush, ki je razpolagal z 124.3 milijoni dolarjev (Washington Post 2016).

Kar zamaje našo domnevo, da je denar najpomembnejši dejavnik za zmago v predsedniški tekmi, je dejstvo, da sta Jeb Bush in Ted Cruz umaknila iz predsedniške tekme, ne glede na njihovo finančno zmožnost. To nas pripelje do sklepa, da denar sam po sebi nima največjega pomena za dodelitev podpore volivcev. Prikazali smo podatke vseh treh kandidatov, ki so še v igri. Kandidat republikanske stranke je Donald Trump, na strani demokratov pa imamo Bernarda Sandersa in najverjetnejšo kandidatko Hillary Rodham Clinton. Med financiranji kampanj aktualnih kandidatov obstajajo razlike. Trump je sam sebi posodil denar za svojo kampanjo, da bi preprečil sum, da je pod vplivom bogatih donatorjev. Pozval je tudi druge kandidate, da storijo enako. Precejšen znesek financiranja kampanje Clintonove (27%) je zbranih iz strani super PAC in drugih neodvisnih skupin, med tem, ko je v Sandersovi kampanji "od zunaj" zbranih le 2% sredstev. Glede na to, da so neposredne donacije za kampanjo bolj pregledne, dolguje Sanders del svoje priljubljenosti dejstvu, da se nanj gleda kot na zaupanja vrednega.

Kot smo predstavili s statističnimi podatki in našimi opažanji, je denar, ne glede na vse, na predsedniških volitvah pomemben. Kandidati skrbno pretehtajo svoje finančne zmožnosti, še

preden razglasijo svojo kandidaturo. Denar že pred začetkom predsedniške tekme prvenstveno izključi tiste, ki nimajo veliko finančnih zmožnosti. Tisti, ki se odločijo za kandidaturo se v kratkem srečajo z visoko naraščajočimi finančnimi standardi, ki so si jih zavili drugi kandidati, kar neredko ogroža njihov položaj. Celoten sistem je kritiziran, ker ne omogoča vključevanje vseh. Demokracija je postala možnost samo za tiste, ki imajo dovolj sredstev, a sodelovanje za manj srečne je zelo omejeno. Vendar smo dobili negativen odgovor na naše raziskave vprašanje: "Ali denar igra ključno vlogo pri zmagi predsedniškega kandidata, in sicer v smislu, da tisti kandidat, ki razpolaga z največjo količino denarja, zagotovo zmaga?" Denar res igra veliko vlogo v postopku imenovanja in splošnih volitvah, vendar pa to ni zagotovilo za zmago. Veliki denarni zneski so vidno vplivali na predsedniške volitve, vendar denar sam po sebi ni najbolj usoden dejavnik.

Sklenemo lahko, da čeprav veliki donatorji morda ne bodo mogli kupiti predsedniškega mesta, lahko uspešno delujejo na nižjih ravneh z vplivom na zakonodajo in politično odločanje. Seznam njihovih interesov, ki vključuje nizke davčne stopnje, trgovinske dogovore in različne predpise, zagotavlja temelj za podporo kandidatom, ki bodo zadovoljili njihove zahteve . Ta zaključen krog ustvarja močan razlog za potrebo po strožjih kampanijskih zakonih. Še več, tudi če smo ugotovili, da denar ni odločilen dejavnik in ne more zagotoviti zmage ne bi smeli podcenjevati velik vpliv denarja na predsedniških volitvah. Denar zagotavlja potrebno prepoznavnost kandidatov preko različnih načinov oglaševanja. To ustvarja prepoznavnost kandidatov pri volivcih. V tem primeru se cilji omejitev financiranja lahko razumejo kot sredstvo za ohranjanje politične enakosti.

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