Corporate Election Campaign Funding And Its Dismantling of Democracy

The idea of an organized campaign has been the foundation of electoral elections within our Democracy for nearly two centuries. As more and more candidates entered the political stage, and more citizens filed into the ever expanding country lines, it became clear that to gain a majority vote, one must publicize their name one way or another. And to do so, the necessary funds were to be required. As elections rolled around every other year, our country established more laws and regulations in order to ensure that campaign financing would not hinder the democratic process. The issue with campaign funding lies in the fact that our government and our economy are then forced to work hand in hand. Especially so when our free-market economy showers large corporations and the aristocracy of America with more money that a majority of Americans would not know what to do with were it distributed evenly. Who else should a government candidate turn to when placed in such a position than those who hold the financial capital of the country in their pockets? When this is the case, campaign funding treads a thin line of abiding to the whims of those who head our economy rather than the citizens of the country.

This is especially so when the *Buckley V. Valeo* case of 1976 placed restrictions upon how campaigns can acquire and spend money whilst not interfering with the first amendment right to free speech. It made it so contributions, rather than expenditures, could be limited but spending by individuals, groups, or even candidates was constitutional ("Money-in-Politics" Timeline). The *Citizens United* ruling of 2010 then altered what would be considered "individuals" in their own right. This ruling of 2010 stated that corporations themselves are considered individuals ("Money-in-Politics" Timeline). In doing so, a loophole was made to surpass the very corruption that the *Buckley V. Valeo* case was intent on deterring; individuals were not limited to spending on campaigns and now corporations were given this right.

Corporate funding has its benefits, yes. It hypothetically allows for individuals running for office with little access to the funds necessary to match the escalating cost of political communications. And it allows for corporations to advocate for certain matters they advocate for by funding a political figure. This, in practice, however, does not work so smoothly. It is statistically proven that incumbent candidates are more likely to be funded rather than challengers. And that those funded by corporations are then obligated to bend down to the wants of corporations ("Let the Money Flow"). And therein lies the ethical dilemma with corporation campaign funding. Lincoln states America has "a government of the people, by the people, for the people." But is that really so when corporations, which are owned by the few, puppeteer politicians to do as they bid?

Within the last half a century of American history, the budget for campaign funding has increased exponentially. The first time a presidential campaign crossed the million dollar mark was in 1828 by Andrew Jackson (Price). By 1984, a total of more than $220 billion dollars had been spent in the presidential campaign. By the 2008 presidential campaign, the billion dollar threshold had been crossed, not by one, but two billion. By 2020, that number had risen to $14.4 billion ("Spending: By the Numbers"). It has been proven that there lies a "strong correlation between contributions and electoral victory: candidates with more money (relative to their opponents) are significantly more likely to win election" (Peoples, 23). It is important to note, however, that there also lies a correlation between candidates being funded and having won prior elections. And so a relationship between winning and incumbency must also be taken note of. As *The Undermining of American Democracy* states, after all, it is during the "mone primary" that a "pool of possible candidates is narrowed. One of the key factors determining who stays and who goes…is fundraising ability. Those who are able to secure the support of donors are more likely to stay in the pool" (Peoples, 24). When one is to investigate into who is funding these campaigns it is clear that the top contributors are not the American citizens individually but rather large corporations such as Bloomberg and Walt Disney Co. ("Who Are the Biggest Organization Donors?").

As the government grows, so does the cost of campaigning. And the spoils system that was claimed to hold officeholders more accountable towards the people, in reality made them more responsive to the funders of the party. Henry Adams himself proclaimed that in time "when corporations…having created a system of quiet but irresistible corruption — will ultimately succeed in directing government itself" (Troy, 21). This idea of corporations funding parties and therefore politicians was further perpetuated through the Pendleton Civil Service Act of 1883 which outlawed assessments of officeholders and forced funding to be outsourced to corporations (Troy, 21). The Tillman Act, revised multiples times to keep up with the new ways elections were to be funded, did its best to ensure the democratic aspect of campaigning was not violated or taken advantage of. But individuals found their ways to circumvent the limitations placed by the campaign finance law as necessary — once contributions by banks and corporations were prohibited, unions followed, when those weren't allowed to fund elections PACs were formed, allowing for funds to be funneled into campaigns through these citizen groups (Troy, 26). We see how the government tries lazily to prohibit the funding of political campaigns in manners that can be easily circumvented, and this is due to the fact that the very lawmakers are the ones whose pockets are filled up for the following electoral race by corporations. This can also be seen in how the PAC's mentioned earlier and "...other political organizations [have perfected the] methods of hiding the sources of some of their funds. Limited liability corporations — LLCs — have joined nonprofit 'social welfare' groups as vehicles for channeling dark money. LLCs often are incorporated without disclosing the sources of their income" (Price). Some are even established to specifically back a candidate. On top of these investigations on LLCs have been blocked at the FEC (Price). This allows for any contribution to be passed under the table without any backlash or litigation. This can specifically be seen in 2011 when FEC had been deadlocked on " whether to investigate W Spann LLC, which gave $1 million to Restore Our Future, a super PAC supporting Romney." The money laundered was overlooked (Price). Individuals find the loopholes necessary to continue their actions and we, in turn, see the effects of this not just on our government as whole, but the after effects on American society's members as well.

As stated before, once a corporation agrees to fund a politician, that politician must now fulfill promises made to aid these corporations:

> …[funding] can unfairly influence post-election government decisions because legislators are especially sensitive to policies championed by wealthy donors. Research shows that rich contributors exert more influence over elected officials' decisions, essentially overriding the concept of one person, one vote, says Richard Hasen. (Price)

Funding for elections essentially is based on a system of bartering, when one gives the other has the right to take, as long as the favor is returned, of course. And as quoted in author's novel, title, a congressman confesses to what has been described; "...on many occasions—I'm not proud of it—I made the choice that I needed this big corporate client and therefore I voted for, or sponsored, its provision" (Peoples, 28). This politician goes further on to state that they made these decisions knowing it would not be beneficial for the country or economy (excluding the funder) and yet, they followed through with their choice anyway in order to keep their claim on their seat in Congress. And here lies the dilemma of the case made. A legislator places the needs of their country second to their own and their financial contributor, thus hundreds of thousands (if not millions) of American citizens face the negative aftermath. Legislators also break their oath to swear fealty to the Constitution and the people they speak for.

We see this consistent trend of citizens of America facing the repercussions of their Representative's, Senator's, and President's actions in one of two ways: through the sly world play on bills or the outright vote for or against bills and propositions sent their way. An example of the ladder can be seen in Ginzberg's expose documentary "Waging Change." The documentary was specifically created in order to reform labor wage laws for tip earners since in a majority of American states a tip earner's wages compromises of, you guessed it, tips, as well as a significantly inhumane wage of as low as two to three dollars an hour. Within this documentary we see Chairman Mendelson of the Washington DC council overturn Initiative 77 in 2018 which was proposed by tip earners to enforce a minimum wage and eliminate the District of Columbia's tip credit. The initiative, though it faced extreme misinformation spewed by the National Restaurant Association (through funding) in efforts to get people to vote no, still passed by 55% (Waging Change).

Simultaneously, the One Fair Wage initiative made in similar efforts in Michigan was preemptively passed in order to repeal it as a law when it came forward during the lame-duck session. Mendelson followed suit in D.C. and made the effort to repeal Initiative 77 because he was "closely aligned to the restaurant association." This is due to the restaurant association putting roughly thirty thousand into his 2018 election campaign compared to the barely three thousand four years prior (Waging Change). Initiative 77 was repealed three weeks after it was passed, though it proposed for a steady rise in minimum wage over a span of eight years that could have been entirely manageable. Were these politicians not forced to abide by their funder's "requests," perhaps a steady rise in wages for tip earners who were living off approximately $2.77 an hour could have occurred. Were this to be the case, these politicians would then be fulfilling their promises to their voters, not their funders. But here also lies a deeper issue in how the democratic process itself can be so presumptuously violated. If it can happen so easily with no repercussions, then corporations are bound to do so again.

This can also be seen within one of our recent presidential victors, Donald Trump. As a heavy proponent of the energy industry, he was backed by the oil and energy sector greatly in his presidential campaign, with $1.3 million in the 2016 presidential campaign and then almost quadrupled that four years later ("Oil & Gas: Top Recipients). Some, such as Fowler and his coauthors in *When Corporations Donate to Candidates* are careful to point out that they could "find no evidence that campaign contributions in the U.S. produce big benefits for corporations." That does not mean it still creates *some* sort of benefit for corporations, and it certainly does not refute the fact that contributions influence the actions of politicians. In fact, the article headlines that within less than 60 days after taking office, Trump approved the construction of the Keystone oil pipeline, pointing a finger at the oil and energy industry's play at a hand in politics through the former President (Fowler, et al.). If politicians had the chance to fulfill the requests of their voters, we could perhaps see a fundamental change in what this country deems as important, and thus what needs to be effectively addressed through action currently. Fowler goes on to point out that his study shows that "...on average, the victory of a company's preferred candidate led its stock price to increase by just 0.05 percent" and it is important to note that the "median firm spends only $3,750 on campaign donations" (Fowler, et al.). So really, for a billion dollar firm that is nearly a $500,000 return at an expense of less than $4,000.

We see this in light with Trump's actions; he gains funding for his elections, oil and energy firms gain a pipeline. At the expense of the Indigenous folk living upon the land and the ecosystem, of course. Trump's actions were to glean favors from his funders, which can be seen in how pushing forward the pipeline aided his funds in the following election and in turn several communities were hurt and could have continued to be hurt if Biden did not put a stop to the pipeline. Negative impacts would have begun from the expelling of Indignous peoples from their homes, to the opening up of tar sands and therefore raising the Earth's temperature drastically, the loss of jobs and thus rise of unemployment, and the destruction of middle and lower income citizens (Smith). Trump and his run as President is just a glance at what America will become if politicians care only for the favors of donors. Trump was notorious for threatening the democratic process and for increasing political strife not just between politicians but the very citizens they ran for. Four years under Trump led to increased political unrest, social dissent by both parties (protests for rights of minorities to insurrection of the capitol), something that would never have occurred if an individual elected did more to listen to its voters, not its donors.

Now one can argue that donors are vital to the electoral process; "money influences the trajectory of elections long before the pool is whittled down to a final list of candidates, and…independent of incumbency, money allows candidates" allows candidates to stand for what they believe (Peoples, 24). On top of this, limited donations can be argued to infringe on one's first amendment because, after all, " individuals who give significant sums to political groups do so because they believe in the causes or candidates those groups support" (Price). They allow for contributors to influence policy and for politicians to secure lucrative jobs in the future. On top of that "higher spending leads to better informed voters and higher turnout," so in reality it is actually improving the electoral process (Price). It is important to note, however, that this funding can be done in a way that is less detrimental to the greater community and allows office runners to fulfill their promises to their communities.

In Washington we see a program in which politicians have the capability of denying corporate funds for city ones, allowing them to commit to the major issues they promise to attack once elected. In this system "democracy credits" are allocated to Washington voters who can then donate these credits to a possible candidate, these credits are then used to fund candidates in the form of "democracy dollars" ("Washington State Provided Campaign Financing"). We can see alternative options for funding in other states as well:

> New York City, for example, provides $6 in city funds for each of the first $175 given to a city candidate. Virginia taxpayers can take a tax credit for the first $25 given to state and local candidates. Oregonians get up to $50 in credits for local, state and federal contributions and can take a tax deduction for larger donations. (Price)

These options have followed through with great results, proving that corporations are not essential to the electoral process. Washington especially engages voters, and allows them to be part of the electoral process more so than ever before. It allows for smaller, more grassroots politicians to be given a fair chance at the political stage ("Washington State Provided Campaign Financing"). This engagement leads to higher voter turnouts, and in turn, more people representing Washington specifically for the people, not corporations. In doing so the democratic process is improved, if not entirely enhanced.

Corporations try to keep these alternative processes of funding away from the public eye, and that is because they clearly will not profit from such alterations. But it is not for corporations to decide what is and is not beneficial for the citizens of America. Were we to look into investing campaigns in alternative ways, perhaps we will see the government do what Lincon always envisioned…and that is to be "a government for the people."

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