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Right on the Money

By Konstantin Sonin

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Since there is very little likelihood of even a moderately competitive presidential election breaking out in Russia anytime soon, it is a lot more interesting to follow these campaigns in other countries. The presidential campaign in the United States has already begun, with open campaigning already well under way for a vote that will only be held in November 2008. The numerous public opinion polls coming out regularly in the United States, although providing ample material for the talking heads and analysts, are almost useless when it comes to predicting the outcome. The current focus is therefore on how much money each candidate has managed to raise. New York Senator Hillary Clinton leads Democratic Party candidates with \$26 million collected so far, followed closely by Illinois Senator Barack Obama with \$25 million. Former Massachusetts Governor Mitt Romney is in first place among Republican candidates, with \$21 million. There doesn't seem to be anything unusual in politicians drumming up money to get elected. Were elections in Russia -- back when we still had real elections, that is -- different in anyway?

There is, however, one fundamental difference, and it can be found in the way the candidates accumulated these war chests. Most of the campaign contributions to Russian parties and individual candidates received in elections past consisted of huge sums contributed by a few donors. Clinton's campaign, in contrast, received donations from 50,000 people over the past three months alone, while 100,000 people have contributed to Obama's campaign. What generates these relatively broad donor bases are U.S. laws that limit campaign contributions to a maximum of \$2,300 per donor prior to the parties' national conventions, which will take place in the middle of next year. The average contribution per donor to the Clinton campaign has been around \$520, while the corresponding number for Obama is \$250. Ninety percent of Obama's individual contributions have been for amounts under \$100, and 40 percent have been for \$25 or less.

This is why contribution caps make sense, as they force candidates to seek support from a larger number of voters. How many hands do you think candidates had to shake, and how many questions did they have to answer to roll up those kinds of sums? Thousands -- and that was only during the opening three months of a two-year campaign. By November 2008 the candidates still in the presidential race will have visited hundreds of small cities and towns. It isn't surprising, therefore, that U.S. politicians generally do a good job of representing their local constituents. (It is another question, of course, whether the decisions made by Congress fully reflect the opinions of voters in Arkansas or Missouri. Foreign policy more often results from a jumble of arrogance and misunderstanding between the White House and Congress.)

It is also more advantageous for candidates to receive their money this way: A person who has contributed \$50 is more likely to vote for that candidate than one who has simply stated his intention to do so during a poll. And a small businessman who, along with 200 others, pays \$500 to listen to a candidate speak over breakfast, will likely send another \$500 check to the local party headquarters as well.

Everything is done differently in Russia. Large donations sever the connection between politicians or parties and the millions of voters whom they purport to serve. But it is no easy task to force politicians to seek millions of small donations in place of a few large ones. The simple recognition of the merits of this method would be a step forward for Russia's electoral system. If parties or politicians were to ask for 500 rubles from millions of voters, rather than millions of rubles from a few contributors, they would certainly be more likely to take their constituents' interests into consideration.

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