

Money and Ideology: Evidence from Candidate Manifestos

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Abstract

Do campaign contributions influence politicians? In this article, we study the impact of corporate donations on ideology and political rhetoric. We construct a novel dataset that combines the campaign manifestos issued by every candidate running for a seat in the French parliament with data on the amount and the origin of their campaign contributions. We exploit an exogenous historical shock on corporate donations to estimate their causal impact on the content of campaign communication. Combining a difference-in-differences approach with computational text analysis, we show that receiving more donations from small and local corporate donors encourages candidates to advertise their local presence over national politics during the campaign. We also find evidence that donations lead candidates from extreme parties to moderate their rhetoric - including shifts in the policy topics they advertise. Our findings may reflect a “quid-pro-quo” effect between donors and politicians, but they are more likely to result from an “electoral effect”: receiving expressive contributions from corporate donors changes candidates' perception of the issues that matter most to their constituents, and they adjust the content of their campaign messages accordingly. Our paper implies that campaign finance regulations may alter the information made available to voters - through their impact on candidates' rhetoric.

Keywords: Elections, Campaign finance, Corporate donations, Campaign manifestos, Ideology, Parliamentary activity