MODELS OF CAMPAIGN FINANCE REFORM

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INTRODUCTION

Why do political finance laws change? The literature on campaign finance law is substantial, but it remains distinctly non-theoretical in its treatment of developmental questions. Thus, while scholars in economic history, political science, and sociology have established significant insights into the ways that institutions and policy regimes change over time, these ideas have yet to be applied to campaign finance law-making. In this paper I aim to make a contribution to filling this lacuna.

The literature on institutional change and stability – institutionalism – divides along methodological and substantive dimensions. Institutional scholarship, depending on its integration of methodological and substantive assumptions, is described variously as 'historical' or 'rational choice'. As Kathleen Thelen (1999) points out, some degree of general theory-building is elemental to each of these perspectives, but these approaches differ in the ways that hypotheses are generated. In this paper I adopt an explicitly rationalist stance. There are already a substantial number of contributions to the campaign finance literature that trace expertly the historical development of campaign finance laws in different countries (see for instance the special edition (10) of Party Politics, 2004). These studies, though not explicitly historical institutionalist in style or terminology, address much of the substance of an historical institutionalist account. In contrast, the rationalist agenda – with its emphasis on actor-centred theories – remains under-developed. Raymond La Raja, in *Small Change: Money, Political Parties, and Campaign Finance Reform*, makes an important contribution in this direction. However, because his study is not principally a theoretical exercise, he does not develop fully the two basic stories – emphasising scandal and strategic partisanship – that underpin popular and scholarly understanding of the politics of campaign finance reform.

In the section that follows I outline more fully these existing theoretical accounts by making explicit the assumptions that they imply about politicians' preferences and behaviour. I argue that, despite the general usefulness of these theories, they are inadequate bases for understanding one (special) type of reform: those changes to campaign finance laws that harm incumbents' re-election prospects. In the third part of this paper I develop a theory based on the importance of political risk that can offer a simple and coherent account of these situations. I hypothesize that politicians who are risk-averse (and therefore act to stay in office) and ideologically-motivated (and therefore act in ways that are consistent with their basic preferences on public matters) will sponsor legislative reforms in a two situations. First, when politicians feel that they are electorally insecure they will support finance laws that bolster their chances of re-election. Second, when politicians feel relatively safe they will sponsor finance laws that accord with their basic preferences (which might include a tightening of the system to make it more competitive and therefore less reliable for incumbents' re-election).

To examine the usefulness of these models in an empirical context I briefly consider the extent to which each of these models captures parts of the development of Australian political finance laws.

THEORIES OF CAMPAIGN FINANCE REFORM

In *Small Change*, Raymond La Raja outlines the two basic perspectives that have framed academic and popular thinking about campaign finance reform. He describes one as 'a theory of public interest, a narrative that emerges directly from the language of Progressives, in which government acts to redress a dilemma or crisis that harms the commonweal. Public interest theory emphasizes that scandal pushes members of government to put aside selfish interests in order to pursue policies that are widely perceived as fair and just.' (p. 84). The contrasting view, derived from economic theories of political parties, 'assumes that reforms are self-interested and pursued for private gain … Thus, partisans compete to pass reform legislation that favors their side.' (p. 84).

What are the micro-foundations of these accounts? Let us consider first the public interest theory. While the exact origins of the idea of a public interest or general welfare are unclear, the concept was popularized in the late eighteenth century by thinkers engaged in academic analysis (such as Adam Smith), legal reasoning (Lord Matthew Hale), and practical politics (Alexander Hamilton). It has since developed in a variety of directions in literatures in law, economics, and political science. But the basic tenet in these variants remains the claim that 'regulation is supplied in response to the demand of the public for the correction of inefficient or inequitable market practices.'(Posner, 1974: 335).

The argument that self-evident problems with existing rules can lead to reforms is a common, albeit sometimes implicit logic, in explanations of campaign finance law-making. For instance, in his analysis of the spread of US campaign finance laws, Bradley A. Smith (1996: 1054-5) writes that 'Growing concern about alleged corporate domination of the political process created a demand for regulation, and the first state laws regulating campaign finance were passed in the latter part of the nineteenth century.' However, the problem with such accounts is that they offer no theoretical mechanism through which demands for reform are met by supply of the required laws. In fact, this problem of linking demand with supply represents a fundamental inadequacy with public interest theories. As Richard Posner (1974: 335) observed 'A serious problem with any version of the public interest theory is that the theory contains no linkage or mechanism by which a perception of the public interest is translated into legislative action.' This linkage problem is especially severe in realms such as campaign finance politics where it is argued (or assumed) that incumbent politicians – who have succeeded under an existing set of rules – act to alter those rules.

The theoretical gaps in the scandal theory do not necessarily imply that it has no empirical validity. Indeed, if it is the case that expectations derived from the theory fit with the real-world development of campaign finance legislation, this suggests that the theory might benefit from some specification of the mechanisms through which demands for reform are converted into laws. So that we can assess the usefulness of the theory in an empirical context, it is useful to state three empirically observable predictions that follow from the theory:

1. Episodes of political finance reform are preceded by scandals.
2. Reforms of the political finance regime should address the problems exposed by scandals.
3. Once a particular problem is fixed, in the issue area where reform has occurred, there should be fewer incidents (ie, where rules are broken but individuals are held accountable) and no further scandals (ie, where rules are broken but no one is held accountable).

La Raja, in his investigation of the usefulness of the public interest theory in the US context, finds that it performs poorly: 'it fails to robustly explain the passage of many campaign finance laws throughout the century.'(p. 85). La Raja finds that the theory's empirical failure takes three forms: it fails to explain episodes of reform that took place in the absence of scandal; it does not account for those situations where scandals are not followed by reforms (ie, it overpredicts reform); and the theory assumes that the public cares strongly about political-financial scandal – but most evidence suggests that, 'even in the immediate aftermath of scandal, the public does not place corruption at the top of issues they are concerned with.'(p. 85). Ultimately, the degree to which these conclusions can be extended beyond the US is an empirical question. The public interest theory might garner some empirical support in a different country – perhaps because of different institutions or a lower toleration of political-financial scandals.

La Raja presents the strategic partisanship model as a reliable theory for explaining the history of American campaign finance reform laws: 'In summary, campaign finance reform is about gaining partisan electoral advantages.'(p. 95). This perspective builds on the economic theory of parties. In Anthony Down's (1957: 29) famous exposition the 'fundamental hypothesis' is that 'parties formulate policies in order to win elections, rather than win elections in order to formulate policies.' Viewed through this prism, campaign finance reform is merely a tool that incumbents manipulate in order to prolong their tenure in government. Accordingly the regulations that are passed will generally improve the competitive standing of the party in power compared with its rival. Thus, La Raja (p. 91-2) argues that both Democrats and Republicans sponsor regimes that increase their chances of winning elections:

> Democrats … tend to prefer regimes that devalue the importance of cash versus labor as a political resource. This is because Democrats possess a natural constituency – labor unions – to help mobilize voters … Given the nature of the Republican coalition it is not surprising they prefer laissez-faire campaign finance regimes. Their ideological coherence and affinities with citizens of greater wealth give them a broader base of contributors than Democrats.

La Raja finds that the strategic partisanship theory offers an accurate simplification of campaign finance reform in American history. But how well does it apply in Australia? To answer this question it is useful to state explicitly some of the observations that would be consistent with the strategic partisanship theory. Specifically, this theory implies that:

1. New legislation should help incumbents to stay in power.
2. New legislation is most likely when the incumbent party fears that, compared with its rival(s), it is becoming less competitive.

The utility of any theory is principally an empirical issue, but there are reasons that suggest a priori that the strategic partisanship model misses some important aspects of the reality of campaign finance reform. First, La Raja improves the fit of the basic strategic partisanship model by introducing factions. So he explains that intra-party feuds in the Democratic and Republican parties account for some of the choices, by an incumbent party, of particular legal stipulations. Secondly, the basic theory does not consider the possibility that the parties might have incentives to collude. The dominant parties might act like firms operating in oligopolistic markets and purposefully limit the intensity of competition in order to maintain an exclusive cartel – a possibility that becomes more likely when these parties depend more on the state than their mass memberships for their revenue streams. (Katz and Mair, 1995). However, even after these adjustments, the strategic partisanship theory remains incomplete in a further, important way. It offers no explanation of those occasions when law-makers pass laws that hurt incumbents. Indeed, the theory predicts that these situations – where legislators act against their own electoral self-interest – will not occur (or at least will not be the result of intentional actions). But there is evidence to suggest that behavior of this kind does occur: legislators do pass laws that make their re-election less likely. The McCain-Feingold reforms were lauded as such a situation – indeed Graeme Orr (2007: 87) comments that 'Australia awaits its own versions of Senators McCain and Feingold.' Similarly, Susan E. Scarrow (2004) documents episodes of incumbent-harming reforms in Germany and the UK. In the section that follows I develop a theory to explain those situations when politicians knowingly act in ways that increase the risks for incumbents. The strategic partisanship model offers no explanation of these moments. I argue that this is because it offers no possibility that law-makers might choose to act in ways that are consistent with their personal political beliefs and not simply their motivation to remain in office. It is, in short, too cynical.

CONDITIONAL MOTIVATIONS THEORY OF CAMPAIGN FINANCE REFORM

Let us begin by assuming that politicians act in response to two basic motivations. Their office motivation concerns their desires to obtain and remain in elected office. This aim lies necessarily prior to the achievement of other political ambitions. But politicians also hold issue-based motivations. Political competition is infused with issue-based disagreement – and it is reasonable to posit that politicians are generally drawn to politics by their preferences on these matters and their desires to effect legal and policy shifts that align as proximately as is possible with these preferences. Thus,

P1 Politicians are motivated by office and policy goals.

If the behaviour of politicians depends on the nesting of these ambitions, the critical questions that follow concern how these ambitions interact in the policy-making process. Specifically, when does the office-seeking (or issue) motivation dominate politicians' behaviour and how does this affect the creation of political finance legislation?

Thus, we need to consider how these motivations condition politicians' behaviour. And, to this end, I posit two further propositions. First, politicians worry more about their re-election when they perceive their chances of electoral defeat to be relatively high. Thus, the greater the perceived risks to their seats the more important are politicians' office motivations. Conversely, when politicians evaluate their election prospects to be good (ie, they feel electorally 'safe'), they feel able to act in ways that further their issue preferences.

P2 The greater the risks to law-makers' re-election, the more important to their actions are their office motivations.
P3 The lower the risk to law-makers' re-election, the more important to their actions are their issue motivations.

To explore the implications that follow from combining these propositions, let us consider political finance law-making in two contrasting situations. First, assume that the governing party in a legislature has weak prospects of gaining re-election (ie, it is electorally unsafe). Under these circumstances it will act so as to improve its chances of regaining power. In practice this means that it will try to use the policy-making powers at its disposal to enact political finance laws that improve its re-election chances. This generally means sponsoring changes to the law that help incumbents and frustrate potential challengers.

Let us now consider an alternative situation, where the party in power faces only a 'small' electoral risk. In this situation the party's law-makers feel freer to act on the basis of their sincere issue preferences. Thus legislators will support measures that they believe will improve political finance laws. However, precisely what this means is ambiguous. This is because the desirability of many of the basic elements of political finance law is entirely contestable – and, indeed, regularly contested – within reasonable definitions of democracy. This disagreement is, therefore, vicarious, and it derives from conceptual ambiguities about 'democracy'. There are multiple, and sometimes competing, elements in the various models of democracy. Arguments about campaign finance reform are generally nested in democratic discourse. So, in most democracies, supporters of tighter regulation defend their position on the basis of equity arguments (which are consistent with equalitarian conceptions of democracy) while opponents of restrictive campaign finance regimes invoke liberal democratic ideas (which highlight a special role for freedom) in their arguments. For instance, John Rawls (2005: 357) writes that 'public financing of political campaign and election expenditures, various limits on contributions and other regulations are essential to maintain the fair value of the political liberties.' Opposing the reform agenda, Bradley A. Smith (1996: 1078) argues that the financial support of campaigns is not different from other forms of political support, and therefore should not be regulated to any greater degree: 'there is no serious reason why the successful entrepreneur should not be able to transfer her talents at creating wealth to the political arena, while the successful marketer or political organizer is permitted to do so.'

In the frequently heated debates about campaign finance, there are few advantages in admitting the merits in opponents' perspectives. But the very intensity of these arguments springs in part from the fact that there are fundamental sources for these differing perspectives: established democratic ideas buttress the conflicting arguments of both conservatives and liberals in political finance debates. This central observation – that conservative and liberal impulses in political finance questions may push in opposing direction – implies that law-makers' preferred policies will differ depending on their more general political worldview. If we assume that there are two discrete categories of law-makers – equalitarian and liberal (or libertarian) – that coalesce in two parties, it follows that an 'equalitarian' party will prefer political finance policies that are opposed by a 'libertarian' party, and vice versa. Let us state these as further analytic propositions:

P4 Equalitarian (libertarian) politicians favour policies that tighten (open) campaign finance regimes

Combining P3 and P4 yields an important conclusion

P5 When equalitarian (libertarian) politicians are 'safe' in their incumbency they will strive to tighten (open) the campaign finance regime.

Thus, to summarize the general idea presented so far, equalitarian and libertarian politicians will act in similar ways to secure their incumbency when they feel that their chances of gaining re-election are small. But we should expect them to act very differently when they feel secure: equalitarian incumbents will try to tighten the campaign finance regime in ways that accord with their basic beliefs, but libertarian officeholders will try to dismantle and loosen regulations on freedom of expression.

A SHORT HISTORY OF AUSTRALIAN CAMPAIGN FINANCE REFORM

The Commonwealth's founding fathers steered clear of electoral matters during the convention debates on the new federation – in part because the conduct of elections varied considerably between the states and therefore choosing the parts of a general electoral system could become deeply contentious. (Farrell and McAllister, 2006: 27). Moreover, federal elections could still be conducted despite these mottled arrangements. In 1902, a year after the first federal elections, the comprehensive Commonwealth Electoral Act was passed. This original legislation 'covered all the pertinent aspects of campaign finance.' (Cass and Burrows, 2002: 491). Its provisions included regulation of the amount of money that candidates could spend in campaigns and it also stipulated that candidates disclose their expenses returns. Section 169 limited expenses to £100 for candidates for the House of Representatives and £250 for the Senate. A number of minor amendments – including anti-bribery provisions (1905) – were made to this basic legislative framework during the early and middle decades of the twentieth century.

This 'relatively dormant' legal situation masked some important changes in real-world politics. (Cass and Burrows, 2002: 491). Most significantly the costs of running for office had risen considerably. And, despite periodic increases in the expenditure ceilings, candidates running for state and federal office regularly – indeed, perhaps, in most cases – exceeded the statutory spending limits. This discrepancy between legal requirements and political practice became an explosive issue in September 1979, with the challenge in the Tasmanian Supreme Court of a candidate's election victory on the grounds of overspending. Soon the entire membership of the Tasmanian House of Assembly faced similar allegations. And, anticipating a barrage of challenges against federal politicians, the Commonwealth government repealed most of Part XVI of the 1918 Act. But the national government announced its intention to reinstate a system of regulation and set up an independent inquiry into election expenditure. The Fraser government, which established the inquiry, did not act upon it. However, in 1983 the new Hawke government created a standing committee (Joint Select Committee on Electoral Reform) that would advise the government about a new system for regulating campaign finance. The Committee recommended sweeping new rules that included public funding (paid retrospectively based on electoral performance) and disclosure requirements for donations (that apply to both donors and recipients) used for electioneering and election expenditure (by parties, independent candidates, and politically-motivated interest groups). These proposals were enacted in law as part of the *Commonwealth Electoral Legislation Amendment Act* 1983.

In the years that have followed, this framework legislation has been amended to include a new requirement that parties produce annual returns detailing their receipts, payments and debts. Further amendments (1995, 1997) and related Acts (1999) simplified the reporting requirements, increased funding and the threshold for disclosure of donations, and extended the disclosure provisions to include donations from entities (such as trusts) that were associated with parties.

TESTING THE THEORIES

The three models are highly stylized, and obviously there are many aspects of reality that they pass over or simplify. Perhaps most significantly, each treats the political finance law-making process as an independent system that is free from the impacts of other political variables, events, and institutions (such as courts). This is clearly untrue, but this simplification allows us to explore in some detail the implications of combining assumptions and deductions in this particular context. It is, therefore, a simplification that serves an analytic purpose, and this can be its only justification. Another important simplification is the assumption that laws can be adjusted without cost. In fact, however, there are costs (or frictions) associated with introducing laws and especially with changing laws (ie, repealing existing laws and introducing new ones). These frictions take a variety of forms, including the costs in time, effort, and expertise; disillusionment and criticism

Despite these limitations, considering the fit of these models with real world changes in political finance legislation is a fruitful exercise. This is for at least two reasons. Firstly, models help us to explain in simple terms the complexities of the real world. So, to the extent that a model fits reality, it suggests the importance of the factors and interactions highlighted in that model – and the comparative irrelevance of other factors. A partial fit can provide a basic frame and facilitate a more careful search for explanatory factors. And even a poor search serves some purpose: it suggests that the working model is inadequate and a new one should be constructed. Secondly, reasonable models can assist in the task of predicting – probabilistically – the circumstances that might, in the future, be ripe for reform proposals.

The models of campaign finance reform differ in important ways concerning how, when, and why campaign finance reform occurs. Table 1 summarizes the empirical predictions derived from the three theories

Table 1: Theories of Campaign Finance Reform

	Scandal	**Strategic Partisanship**	**Conditional Motivation**
Preceding reform (Precursor)	Scandal	Election	Election
Reform goals	Public interest	Partisan	Partisan / ideological

As discussed above, by far the most important period of legislative activity in campaign finance law-making was the 1979-83 period when the CEA was scrapped and a completely new regime was put in its place. To what extent did the law-making process approximate the predictions of the three models? According to the scandal model, campaign finance reform is preceded by political-financial scandals. In 1979 this was certainly the case. The scandal in Tasmania was, initially at least, an intra-party affair. However, it quickly consumed both of the major parties in Tasmania and soon caused the repeal of the existing federal laws regulating campaign financing and disclosure. A Labor Party rebel, Bill McKinnon, petitioned the state Supreme Court against a fellow candidate, Michael Aird, on the grounds of overspending, but within a week this intra-party feud had 'enlarged spectacularly.' (Bennett, 1983: 81). Suits were filed against each of the 35 House members. In a mutually beneficial exchange, the Labor and Liberal leaderships colluded to remove most of these suits, but two Liberal members remained defiant, and won in Court their challenge of three Labor members. And by this decision the Tasmania Court altered the politics of party financing: those expenses rules – which had been ignored, with impunity, for so long – became meaningful bounds. (Smith, et al, 1980).

Thus, consistent with the scandal model, a scandal made apparent a major shortcoming in the campaign finance system. However, the incompleteness of the scandal model becomes clear when we consider the effects of this political-financial scandal. At the federal level, its immediate effects were not a new system that provided a realistic – and enforced – regime of political financing, as the public interest theory of reform would predict. Instead it caused the scrapping of the entire campaign finance law. The result was absolute laissez-faire – a situation that persisted for the years that remained of the Fraser government.

The Fraser government, when it scrapped these regulations, set up a commission that would look at the stipulations that should comprise a new set of regulations. This commission, chaired by Clarrie Harders, a prominent civil servant, took upon its task with vigour – and its report was published in May 1981. The commission recommended a completely new regime – much tighter in terms of the stipulations, and carefully monitored by a new Australian Electoral Commission, with a Commissioner who could use civil punishment mechanisms to enforce the regulations. The available historical records suggest that Fraser's government ignored this report. No legislation was introduced, and I have not found evidence that the government provided a formal response to the report. Instead, parliamentary records show that, on several occasions, Coalition ministers, when challenged about the report, invariably replied that the government was still considering its implications. This was the answer for three years. As Richard Neustadt (1960), the American presidency scholar, highlighted, non-decisions can be both decisive and intentional. Non-decisions can also be instructive. Though we can only speculate about the reasons for this particular non-decision, a possible hypothesis might include some role for an emerging libertarian strand in conservative thinking during the 1980s. (Kelly, 1994). Irrespective of the reasons behind this non-decision, it meant that there was no legislation regulating the financing of Australian elections until the Fraser government was swept from power. This is important evidence against the scandal model. Some other evidence is that scandals since then have not led to reforms – just short-term 'outrage.' (Steketee, 2008).

Let us now consider the strategic partisanship theory. This theory appears to explain a great deal. Most obviously it explains most of the amendments that have been proposed to the framework legislation in the period since 1983. Consider, for instance, the Labor Party's efforts in 1991 to pass legislation that guaranteed a fixed amount of television coverage for the parties. Ultimately the High Court, in a rare foray into electoral politics, struck down this amendment – on the grounds that it restricted an implicit right to free speech (*Australian Capital Territory Pty Ltd v. Commonwealth*). But this effort, when the Labor Party was facing an electoral threat and was falling behind the

Liberals in terms of resources, was certainly partisan. On the other side of politics, we also find partisan efforts to change the law. The most obvious examples are the successful efforts of the Howard government to raise the thresholds for disclosure of donations by individuals. These amendments and attempted amendments – by both sides – indicate the importance of the strategic partisanship model. But probably the most convincing evidence in favour of the strategic partisanship model is the stability of the existing regime. Despite recent indications that substantial reforms of political finance laws might be introduced by the Labor government, it seems that the status quo arrangements are likely to remain in place. Academic scholars and media commentators have called for the introduction of a number of reforms that would improve the operation of the campaign finance system, such as stricter definitions of who is considered a donor, some consideration of spending limits and donation caps, and greater powers for the AEC. (See for instance Brent (2008), Orr (2007), and Young and Tham (2006)). The AEC has called for a comprehensive review of the legislation and the principles that inform it if the disclosure regime is expected to deliver real transparency.

Joo-Cheong Tham (2001: 78-80) has declared that the campaign finance system is 'ineffectual by design.' And the importance of the strategic partisanship theory would suggest that much of it is – and that the dominant parties – Labor and the Liberal / National coalition – act to keep it that way. But the parts of the system that he says do not work as well as they should – in particular, the disclosure regime and Australian Electoral Commission – still exist, and they did not always (or at least not in any meaningful sense). So, at some point in time (actually in 1983), the government enacted reforms that have made incumbency substantially more uncomfortable. The disclosure regime has made it more likely that incumbents will fall foul of the regulations, and it also makes them much more cautious about whom they can accept money from – the Labor Party's decision to no longer accept money from tobacco companies would be one such example. These rules have also forced the parties to take on new administrative functions. Despite the problems with the laws, the parties now have to prepare and reveal publicly a large quantity of financial information, including their annual financial positions. Furthermore, the system is monitored – imperfectly – by the AEC, and it publishes proposals to improve election administration and tighten loopholes after each federal election. The politicians might ignore most of its recommendations, but the very presence of this organization is a curiosity if we believe that the parties only ever act in their self-interest. It seems to serve neither major party bloc very well.

So to understand why these institutions exist we must look again at the 1979-83 period, when meaningful disclosure was introduced and the legislation creating the AEC was passed. This was an exceptional period: a new Labor government – the first since the controversial dismissal of Gough Whitlam. And, in the run-up to the election, the first time in a decade when a Labor leader (Bob Hawke) consistently out-polled his rival (PM Malcolm Fraser). Indeed the decision to replace Labor leader Bill Hayden with Hawke in 1983 was based on the expectation that Hawke was a potential winner. (Maddox, 1989). And he did win, in four successive elections. In a number of respects this situation is consistent with the conditional motivations model: an equalitarian government with the political confidence from a landslide victory, enacting reforms that improve the transparency and competitiveness of political financing laws.

However one might question, quite reasonably, some of the parts of this story. One part might be the issue of the equalitarianism of the ALP. The 1980s was a period of important ideological change for the parties. (North and Weller, 1980). In the Labor party there were still important segments who maintained the party's original left-wing ideologies, but a growing section was beginning to see the party as a centre-left vehicle. And one that was happy to build mutually beneficial alliances with both trade unions and big business. Both the left-wing of the party and the centre-left wing were equalitarian in one sense – both probably wanted to improve the lot of the poorest, though in different ways – and at different speeds. But neither group was equalitarian in an *individual* sense.

Their philosophy and the party's history led them to prioritise the unions and organised labour, and the unions paid large affiliation fees that became important parts of the party's campaigning funds. So, perhaps an important reason as to why the Hawke government did not go the full way toward a greater equalitarianism in campaign finance reform – including donor caps and spending limits – was because of this union legacy.

CONCLUSION

I have developed three distinct models to explain episodes of campaign finance reform. In combination they imply that reforms may take place in reaction to scandal; in order to favour incumbents; and for ideal-type reasons to improve transparency and competitiveness. However, the conditions that favour this final situation – the class of reforms that is generally preferred by academic commentators – are rare. According to the model that I have outlined, incumbent-harming reforms are likely only when a confident (and therefore probably electorally safe) government is deeply committed to reforms that might possibly hurt incumbents (probably for ideological reasons, and this ideology is likely to comprise important equalitarian strands). The history of campaign finance reform in Australia offers support for the idea that scandal-induced and ideal-type reforms occur rarely and that partisan incentives provide the dominant explanation of stability and change in political finance laws.

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