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The Effect of Compulsory Voting Laws on Government Spending

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THE EFFECT OF COMPULSORY VOTING LAWS
ON GOVERNMENT SPENDING

A Thesis
Presented to
the Graduate School of
Clemson University

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
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by
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ABSTRACT

The United States' voter turnout is often cited as being disappointingly low. Compulsory voting laws are offered as a possible solution to increase voter turnout and overall political participation. Opponents of the law complain that voters affected will be more politically liberal and in turn seek to enlarge the size and scope of the government. In order to determine whether this is true, a test was run on the effect compulsory voting laws have on the government revenue of 109 nations. The data held that no significant relationship exists between the two variables observed. This paper will discuss compulsory laws and the controversy surrounding them and also offer possible explanations for why the predicted correlation was not found.

TABLE OF CONTENTS

TITLE PAGE	i
ABSTRACT	ii
LIST OF TABLES	iv
LIST OF FIGURES	v
INTRODUCTION	1
CONTROVERSY OF COMPULSORY VOTING	3
LITERATURE REVIEW	8
DATA AND SOURCES	13
METHODS AND RESULTS	17
ANALYSIS AND CONCLUSION	20
CLOSING	25
APPENDIX	26
DATA SOURCES	27
WORKS CITED	28

LIST OF TABLES

1. Summary Statistics of Data.....	16
2. Robust Regression of Tax Revenue.....	18

LIST OF FIGURES

1. Timeline of the Adoption of Compulsory Voting Laws	2
2. Presidential Election and Voting by Education Level	4
3. Difference in Voter Turnout	22

INTRODUCTION

Few democracies in the world have a lower voter turnout than the United States. America is ranked 139th out of 172, with an average of 48.3 percent of eligible voters attending since 1945 (IDEA World Turnout, 2005). Whether these numbers are low or disappointing, as is often said, is a normative question. Nevertheless, voting is an important part of self-government and is by definition necessary for democracy. The heart of the turnout debate is the question of whether voting is a citizen's right or duty. Around the world, nations that see it as a duty have passed compulsory voting laws as a remedy for unsatisfactory turnout. Currently, there are 31 countries with some form of compulsory law (IDEA Compulsory Voting, 2001). The severity of the laws range from no enforcement whatsoever in countries like Italy and Netherlands to fines and permanent disenfranchisement in Belgium and Luxemburg (IDEA Compulsory Voting, 2001).

The existences of these compulsory laws are not new, and in some countries have been a way of life for almost 100 years (see **Figure 1**). According to the International Institute for Democracy and Electoral Assistance it has been a part of Australian law since 1924. Argentina has had the law on its books since 1912. But it is a rule that is subject to change. Switzerland abolished the law in all but one canton in 1974 and Venezuela has since abolished the law completely (IDEA Compulsory Voting, 2001).

To fully understand the laws, I believe it is valuable to understand the controversy surrounding them. After I summarize the opinions on both sides, I will conduct a literature review of three important papers. The first of these will discuss why

compulsory voting might be needed and to what degree it could be beneficial in increasing turnout. The next paper reviewed suggests that voter turnout increases are more beneficial to leftwing parties. The final review will show that when poll taxes and literacy tests were removed in the United States, an increase in poorer less educated voters led to a growth in the size of the government. I will use the theories behind these three papers to support the possibility of a liberal bias of compulsory voting laws. When these are established, it leads to a poorer, less educated median voter, which is more likely to want greater, more redistributive government spending. I will seek to examine this criticism by measuring the effect that compulsory voting laws have on government revenues as a percentage of Gross Domestic Product of 109 nations.

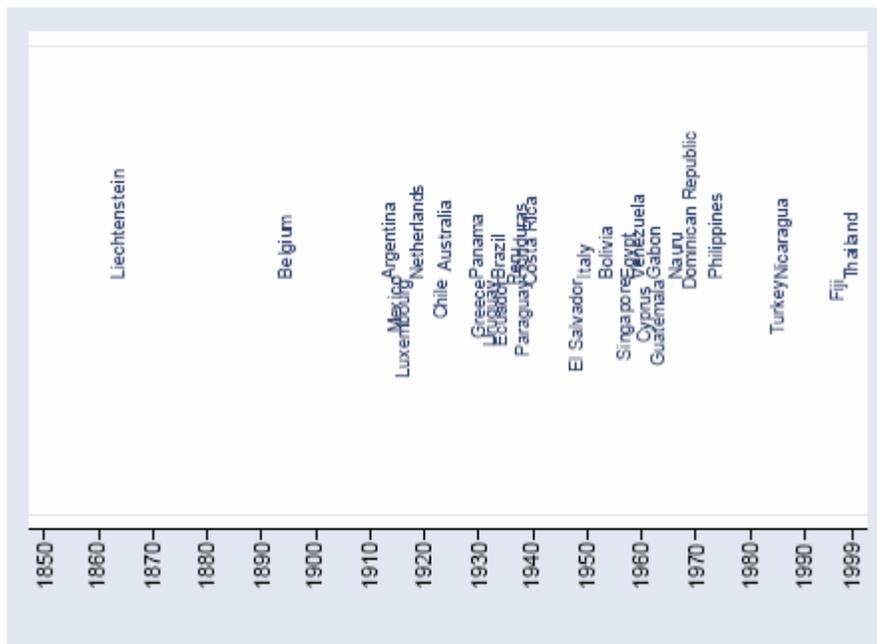


Figure 1: Timeline of the Adoption of Compulsory Voting Laws, from Endogenous Institution by Helmke and Meguid.

CONTROVERSY OF COMPULSORY VOTING

The heart of the controversy of compulsory voting law lies in the dispute over voting as a right or as a duty. Those who believe that voting is the duty of all citizens, cite the famous Congresswoman from Maine that “Freedom unexercised may become freedom forfeited.” (Roosevelt, 2008). The votes of the people direct the government, and without that direction, government will almost certainly stray from the public interest. However, it is not only the amount of people that worry proponents of compulsory laws, but also the composition of the voters themselves.

The composition of the voting population is worrisome because of the possible impact it could have. Our representatives are elected and instructed based on votes. To put it another way, politicians are “single-minded seekers of reelection” (Mayhew, 2004). Their job is kept not necessarily by doing a good job, but by pleasing enough voters to get reelected. Their attention is set on voters, not people. To put it bluntly, politicians exchange political action, or inaction, for votes. Those that do not vote have little or no influence over the actions of politicians. Consequently, proponents of compulsory voting laws are concerned about the makeup of the electorate.

The voting population is not representative of the population as a whole. There are huge turnout gaps between different segments of the public. In Great Britain’s last general election, people ages 18 to 25 were half as likely to vote as their older counterparts ages 65 and over (IPPR, 2006). The difference in turnout rooted in age has great potential for harm. Problems with Social Security and Medicare have been difficult

for politicians to resolve because of the overwhelming political pressure from the elderly. In the same study, the Institute for Public Policy Research states that since the 1960's the turnout gap between the top quarter earners and the bottom quarter earners has almost doubled. The disparity based on education level is just as substantial and can be seen below:

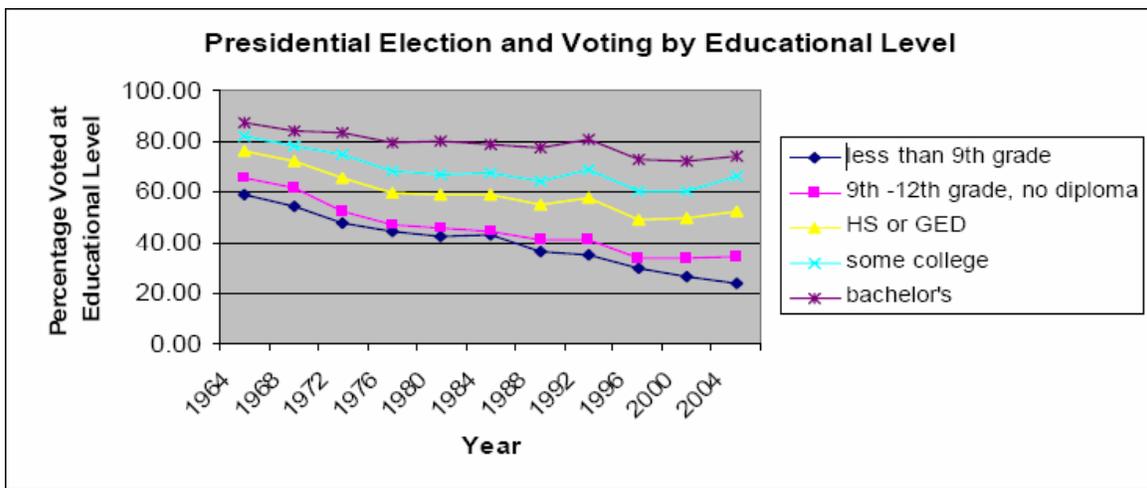


Figure 2: from the Earl Carl Institute for Legal and Social Policy

These inequalities in voter turnout could impair some of the most vulnerable members of society. The young, poor and uneducated are those most likely to be affected, and possibly the most helped, by compulsory voting laws.

Another rationalization for the establishment of compulsory voting is that it frees political parties from spending large sums of money on get out the vote campaigns. Instead that money can be spent on informing voters on the issues and on the candidates.

It could be beneficial to the political system if political parties spent more time enlightening unsure voters and less time simply corralling the apathetic and uninformed.

The cost of voting is an important factor to understand when considering voter behavior. In fact, the cost to voting is so high and the benefits low, it is may actually be irrational to vote. When the total number of votes in an election are numbered in the millions, a single vote has no impact. However, if enough citizens decide not to vote, the voice of the people will not be heard. Low enough voter turnouts could lead to a small minority controlling the government resulting in unpopular ruling.

Nevertheless one single voter cannot change this situation. This can lead to a free rider problem. Since there are public benefits to have a minimal amount of turnout, some may not vote in hopes that their fellow citizens will do it for them. They plan to benefit from others voting without having to do it themselves. Then again this may not be such a problem. As the number of people who vote decreases, the value of a single vote increases. As the value of the vote increases, turnout increases. This may keep turnout from becoming what some would deem inadequately low. As uncomfortable as government enforced voting makes many people, it is important to note that governments regularly asks citizens to do things against their will for the greater good. Paying taxes, serving on juries, attend schools and conscription to fight in the defense of your country are all examples of government coerced political activities.

There are many benefits cited in support of compulsory voting laws, but there is also a lot opposition. Those that oppose the laws put forward many problems with the compulsory voting system. The most basic of these contentions is the belief that voting is

a right, not a duty. It was created to be a means through which ordinary citizens to make their preferences heard. In a nation with compulsory laws, for many the civil right becomes a requirement. Instead of a defense of democracy, it may be seen as an infringement on individual's liberties. The right to not vote could be as important as the right to vote. By forcing citizens, you take away their freedom of expression in the form of non-participation.

A different question to ask is what exactly a low turnout implies? Supporters of compulsory laws maintain that a low voter turnout is harmful to the legitimacy of a state and can imply large-scale distrust and discouragement from the political process (IDEA Why, 2004). Conversely, opponents of mandatory voting laws argue that low voter turnout signifies widespread contentment with government. The International Institute for Democracy and Electoral Assistance refers to the example of Albania. In the 1990's Albania had three competitive elections, all with high voter turnout in the 90th percentile (2004). The United States had a 47 percent turnout in the 1996 presidential election. In the late 1990's it was Albania, not the United States, which was devastated by national riots resulting in the collapse of the federal governmental structure. Turnout alone is not mandate enough.

Another major complaint of compulsory voting laws is that they only benefit major political parties. The law frees parties from the difficulty of campaigning to energize passive voters and these newly voting, but still uninformed voters tend towards mainstream political parties (ACE, 1997). Those who would not vote under a voluntary system are less likely to be informed enough to understand the platforms of minor parties.

Australian columnist Padraic McGuinness claims that both of the major parties in his country support the current compulsory voting system because it “obliges their loyal voters, however apathetic, to turn up to vote the party ticket” (1997).

Aside from the financial cost of enforcing these laws, the act of imposing them put another burden on already active citizens. Australian lawyer Alan Anderson claims that it is not voluntary voting that disenfranchises the unwilling, but instead compulsory voting that disenfranchises the willing (2004). By coercively increasing the amount of voters, the law marginalizes those who would vote regardless. Those citizens who vote uninformed or worse that randomly mark their ballot as their form of participation are not inconsequential. It is important to understand how these unacquainted voters cast their ballot.

Whether random votes are based on ballot order, called a “donkey vote”, name recognition, or truly unsystematically is of major concern to policy makers. Their hope is that if the vote is truly random, then it should not unfairly benefit either side. However, it is possible that even if the vote is not random, but is instead based on the preferences of the voters, it may still be biased. What I seek to discern in the following sections is whether one political ideology benefits from compulsory voting. Do those citizens who would not normally vote lean towards one end of the political spectrum and if so, do they affect the size and scope of the government?

LITERATURE REVIEW

Unequal Participation: Democracy's Unresolved Dilemma

In this next section I will discuss a handful of journal articles that are relevant to my research. In this first by Arend Lijphart, he gives two main reasons why low voter turnout is a serious problem. There is a systematic class bias towards those that do not vote. Lijphart affirms what I have previously discussed; that the more educated a citizen is the more likely they are to vote (1997). The author says this is true not just for the United States, but around the world. Lijphart asserts that the bias of turnout leads to a bias of political influence. The higher classes of citizens vote more, and in turn have more influence over election seeking politicians.

The second problem that Lijphart points out is that turnout is not only low in the U.S., but also the world. He warns readers not to be deceived by facts that cite voter turnout as a percentage of registered voters. Those numbers are highly misleading and do not fully illustrate the problem. The turnout, the author says, is most frightening when looking at local or midterm elections. In the United States, off-year turnout is closer to 35 percent and local elections as low as 25 percent (Lijphart, 1997). Although less publicized, these second-order elections are certainly not irrelevant. It is not only the low numbers that alarms the author, but their decline. Once at an average of 60 to 65 percent in the 1950's, U.S. voter attendance has decreased to 50 to 55 percent in the 1990's (Lijphart, 1997). While less substantial, the decline around the world is still considerable.

The average turnout in 20 industrialized nations has declined from an average of 83 percent in the 1950's to 78 percent in the 1990's (Lijphart, 1997)

To combat what Lijphart deems as unsatisfactory turnout, he proposes two policy changes. The first of these is to create more “voter-friendly” institutional changes that maximize turnout. These proposals include “proportional representation, infrequent elections, weekend voting, and holding less salient elections concurrently with the most important national elections” (Lijphart, 1997). The other solution, he argues, is to make voting mandatory through compulsory voting laws, the pros and cons of which we have already discussed.

Lijphart goes into detail discussing the increases in turnout brought by the laws. He notes that participation is higher on average in countries with compulsory voting than in countries without it. In fact, as Lijphart cites, it has been found to raise turnout about 10 percent (Powell, 1980). Another study he points to gives a similar number of 7.3 percent difference (Franklin, 1996). Both of those studies support the claim that less prominent elections benefit more from compulsory voting because of their low pre-law turnout. Lijphart supposes that pre-law turnout rates have a significant influence over post-law rates. Cited by Lijphart, Wolfgang Hirczy's showed that the effects of the Australian law were 9 times greater than those in Austria (1994). This is because of the comparably low voter turnout of Australia before the introduction of the compulsory law.

Turnout and the Vote for Left-of-Centre Parties: A Cross-National Analysis

This journal article written by Alexander Pacek and Benjamin Radcliff focuses on the effect that an increase in turnout can have on leftist political parties. It is the author's speculation that increases in voter turnout directly benefits more liberal parties. Lower class citizens, who are normally aligned with a liberal party, have lower and more varying rate of political participation (Pacek, 1995). These peripheral voters are those most likely to be the driving force behind increases or decreases in voter attendance. Therefore, increases in voter turnout disproportionately benefit traditionally liberal parties (Pacek, 1995). More directly, every percentage point increase in turnout, leads to a greater proportion of voters for the left.

The authors measured the relationship between turnout and the liberal vote in 19 different industrialized nations. They began with a simple model: $V = a + b(T) + e$, where V represents the total left-party vote, T is voter turnout, a is the intercept and e the error term. They also included a dummy variable to account for differences in each country. Using this model they confirmed the theoretical assumption that the turnout effects the vote distribution. The researchers then added a class variable to measure the degree that parties were aligned on a class basis. As predicted, parties more aligned with lower class voters and the leftist ideology benefited more from increases in voter turnout.

The conclusions of Pacek and Radcliff's paper were that changes in voter turnout are largely due to changes in the voter turnout rates of the lower class. This results in the support for these parties being tied to voter turnout. The more the party is aligned with those interests, the more it is affected. This suggests that more liberal parties have an

incentive to support institutional changes that lower the cost of voting. The connection between turnout and liberal parties could also have other implications. There could be a connection in the global ideological shift to the right and the global decreasing voter turnout.

The Effect of the Expansion of the Voting Franchise on the Size of Government

The final article discusses the political results of increasing the voter franchise. Written by Thomas Husted and Lawrence Kenny, this paper seeks to prove that the elimination of the poll tax and literacy tests in the United States lead to increases in the size and scope of the government. Those most affected by the decrease in voting barriers were the poor and uneducated. This caused the median voter to be poorer. This new voter block found redistribution more appealing and thus aligned themselves with big government politicians (Husted, 1997).

The new poorer median voter may have supported increases in transfer payments, but it is not so clear that they supported all liberal causes. As the author's highlight, as government welfare spending increases, so does the relative income of the nation's poorest (Husted, 1997). This increase in income, actually weans them away from public consumption and towards the private kind. Consequently, the "expenditures on government services rise only if the elasticity of substitution between government services and private goods exceeds the income elasticity for government services" (Husted, 1997).

In order to discover if the increases in government welfare spending are due to changes in the electorate, the authors used state and local spending and voter registration data in the 46 states (excluding Alaska, Hawaii, Minnesota and Nebraska for lack of data) from 1950 to 1988. This time period helps give perception on any effect that the Voting Rights Act of 1965 and 1970 might have had. The South had a large increase in the number of blacks registered after the barriers were lifted (Husted, 1997). There was an increase from 24.9 percent in 1956 to 62 percent in 1968 of eligible black voters registered (Husted, 1997).

Welfare spending doubled on average from 1964 to 1976 and then climbed another 23 percent over the next decade (Husted, 1997). Using state spending data from these dates the authors found an indirect effect of the eliminated barriers on government welfare spending. According to Husted and Kenny as these obstacles were eliminated, and poorer voters became more active, they voted in politicians that supported their desire for government transfers (1997). This new group of special interest was able to shift American policy in their favor. To put it in the author's words: "the elimination of poll taxes, a fall in the income of voters relative to that of the population, and a shift from Republican control to Democratic control all lead to higher welfare spending" (1997). However, this point should not be overstated. With welfare spending only 15 percent of a normal state's budget, the increase in that particular type of spending cannot account for the sizeable increase in state government spending over the last 40 years (Husted, 1997).

DATA AND SOURCES

The data for my regression was gathered from various databases of world statistics. I collected information about 9 variables for my sample size of 109 countries. Those that were excluded were done so solely for lack of accurate information. The dependent variable of the regression is government tax revenue as a percent of Gross Domestic Product. Tax revenue included compulsory transfers to the central government for public purposes (NationMaster). Some transfers such as fines, penalties, and social security contributions were excluded. The data for the variable was taken from NationMaster, an online compilation of freely available global information. According to their website, they accumulate their data from other sources such as the CIA Factbook, the Organization for Economic Co-operation and Development, and the United Nations. In this case the information was taken from the World Development Indicators database. The most recent year data was used, ranging from 1993 to 2005.

All of the compulsory law and voter turnout data came from The International Institute for Democracy and Electoral Assistance site. It is an intergovernmental organization whose mission is to “provide knowledge to democracy builders, provide policy development and analysis, and support democratic reform” (IDEA Home). From their records I retrieved the voter turnout and the degree of compulsory laws in each country. Voter turnout was measured by taking all of the number of attendees to the voting booth and dividing it by the voting age population. The voter turnout numbers are

based on all national elections, both parliamentary and presidential, since 1945 (IDEA Survey, 2008).

The compulsory law data was also found on the IDEA site. The researchers at the IDEA not only designated who had these laws, but also formed their own measure of the degree to which they enforced it. To measure the degree of enforcement they accounted for permissible excuses to not vote, possibility of fines, imprisonment, or even the possibility of future disenfranchisement. They then labeled each nation with either no enforcement, weak enforcement, or strict enforcement. I then attributed a value to each. If there was no law, I gave the country a 0. If they had the law but no enforcement I gave them a value of .33. If they had the law with weak enforcement I gave it a value of .66. And if they had strict enforcement of their compulsory voting laws the value was 1.

The population was taken from the CIA Factbook and is a measure taken by the United States Census Bureau. It is based on the statistics from population censuses, registration systems, or estimations based on sample surveys from the past (Factbook, 2008). The variable for GDP per capita was also found on the CIA Factbook. It shows GDP on a purchasing power parity basis divided by population.

The sub-Saharan variable was taken from a list of countries labeled so by the Canadian International Development Agency (2007). This variable was added based on the speculation that many sub-Saharan nations have corrupt governments and corrupt government regularly steal from their citizens via tax revenue. A value of one was given if they were, and 0 if they were not. Similarly, the former Soviet Union dummy variables

were given a 1 if they were and a 0 if they were not. That information was gathered from a list on www.aneki.com, a popular lists site (2008).

The third and final dummy variable was the Islamic nation variable. Like the others, a value of 1 was given if it was labeled as Islamic, and a value of 0 if it was not. This was considered important because of the charitable focus on the poor in the Islamic faith. My hypothesis was that more Islamic nations would have less need for government wealth transfers to the poor. The task of how to label a nation Islamic was difficult, so I used the member nations of Organization of the Islamic Conference. This group declares that they are “collective voice of the Muslim world and ensuring to safeguard and protect the interests of the Muslim world” (OIC About, 2008).

The last variable I included in my regression is the percentage of the population in urban areas. This was taken from the United Nation’s Population Division site, using 2005 data. The UN defined the data as the population living in areas classified as urban according to the criteria used by each country. The importance of this variable in affecting government spending was the suspicion that large cities inherently have higher taxes. Therefore, a country with a large proportion of their populace in cities, *ceteris paribus*, will have higher taxes.

Finally I created an interaction variable by multiplying the voter turnout of each nation with their degree of compulsory voting law. This is important in order to interpret the variables correctly. To see the variables in even more detail we can look at **Table 1**, the summary statistics of data.

Table 1: Summary Statistics of Data					
Variable	Observations	Mean	Std. Dev.	Minimum	Maximum
tax_revenue	109	18.73018	7.875715	.98	54.39
voter_turnout	109	65.27339	15.02286	29.8	96.1
compulsory_degree	109	.1429358	.2975931	0	1
population	109	39.12957	118.0978	.029973	1147.996
gdp_pc	109	15922.94	15487.35	500	80800
subsaharan_dummy	109	.1559633	.3644964	0	1
pop_urban	109	59.34771	22.49112	12.2	100
islamic_dummy	109	.2293578	.4223617	0	1
soviet_dummy	109	.0733945	.2619875	0	1
turnout_law	109	9.445055	20.5106	0	84.9

For a full description of each variable, see the appendix

METHODS AND RESULTS

The primary test I ran was to see if there was a correlation between my dependent variable, the percent of government tax revenue and my independent variable, the existence and degree of any compulsory voting laws. I ran a simple ordinary least squares regression using Stata 9.2™. It was in the following form:

$$\begin{aligned} \text{tax_revenue} = & \beta^0 + \beta(\text{compulsory_degree}) + \beta(\text{gdp_pc}) + \beta(\text{islamic_dummy}) + \\ & \beta(\text{population}) + \beta(\text{pop_urban}) + \beta(\text{soviet_dummy}) + \beta(\text{subsaharan_dummy}) + \\ & \beta(\text{voter_turnout}) + \beta(\text{voter_law}) + e \end{aligned}$$

I used a robust linear regression to account for any heteroscedasticity. The results of this regression can be seen in **Table 2**:

Table 2: Robust Regression of Tax Revenue						
Linear Regression					Number of obs = 109	
					F(9, 99) = 8.04	
					Prob > F = 0.000	
					R-squared = 0.2568	
					Root MSE = 7.0914	
Variable	Coef.	Robust Std. Err.	t	P > t	[95% conf. interval]	
voter_turnout**	.1518162	.0613648	2.47	0.015	.0300552	.2735772
compulsory_degree	-7.23070	8.58877	-0.84	0.402	-24.2726	9.811285
population**	-.010851	.004023	-2.70	0.008	-.018834	-.002868
gdp_pc	4.38e-06	.000064	0.07	0.946	-.000123	.0001319
subsaharandummy**	6.126356	2.89437	2.12	0.037	.3832802	11.86943
pop_urban	.0133638	.039465	0.34	0.736	-.064943	.091671
islamic_dummy*	-4.15665	2.21700	-1.87	0.064	-8.55567	.2423709
soviet_dummy	-.741151	1.66112	-0.45	0.656	-4.03718	2.554881
turnout_law	.1093719	.118645	0.92	0.359	-.126045	.3447894
constant	8.435116	4.35701	1.94	0.056	-.210149	17.08038
*indicates significant at the 0.10 alpha level						
**indicates significant at the 0.05 alpha level						

As you can see, not all the variables are significant at the 5 percent level. As predicted voter turnout, population and the sub-Saharan dummy and the Islamic dummy are all significant. GDP per capita, percentage population urban and the Soviet dummy are all not significant influences on government revenue. The most important independent variable, compulsory voting law, is not significant. In the following section I will discuss why I think this is so.

There are things these results can tell us. Voter turnout is positively correlated with government revenue at the 5 percent level. To interpret the coefficient, for every 1 percent increase in voter turnout, there is a 0.15 percent increase in government spending as a percentage of GDP. Population on the other hand is negatively correlated with spending. For every 1 million more people, the tax revenue percentage decreases by .01 percent. This could suggest some kind of economies of scale in government production. The sub-Saharan variable, as predicted, was positively correlated with government spending. If a nation is labeled sub-Saharan, it will have at 6.1 percent more spending as a percent of GDP. Finally, the Islamic dummy was also significant, but at the 10 percent level. The coefficient suggests that if a country is labeled Islamic, then it will have 4.1 percent less spending percentage.

ANALYSIS AND CONCLUSION

This next section will focus on why compulsory voting laws were not correlated with government spending. The first reason is lack of useful data, the most of which is international welfare spending. It would be beneficial to look at the composition of government revenues, not just the total. A journal article reviewed earlier, *The Effect of the Expansion of the Voting Franchise on the Size of Government*, showed an important difference between welfare spending and overall spending. In this article the authors conclude that government transfer payments did increase due to the disappearance of the poll taxes and literacy test. However, what it did not suppose is that overall government spending could be explained.

The government is not simply a supplier of unemployment and welfare checks. That is only a small part of what it does. Those most likely to be affected by compulsory voting laws, the poor and uneducated, would have a vested interest in transfer payments, but not necessarily other kinds of government spending. With welfare making up only 9 percent of United States federal government spending, it follows that it may not show as significant (US Spending, 2008).

There was a major problem in finding that data. The question of what defines welfare? There is no even a clear consensus on how to measure welfare spending. Would Social Security be included? How about subsidization of housing? Even more problematic, what about money given to private groups such as religious and charitable

organizations? A reliable measure of government welfare spending may possibly show the correlation the critics predicted.

Another possible explanation for the results of the compulsory law variable is the possibility that these compulsory laws' main purpose were not initially to increase overall political participation. Author of the book Australia's Democracy: A Short History, John Hirst, is an ardent opponent of the Australian compulsory voting laws. In his article published in *The Age*, an Australian newspaper, suggests that:

Compulsory voting was not introduced because Australians were losing interest in voting. It was introduced in Queensland in 1914 when at the previous election 75 percent of adults had voted, the best turn-out at state elections at that time. The Liberal government that introduced the measure faced almost certain defeat at the election due in 1915, and Labor looked set to win a majority of seats for the first time. Labor was better at getting its supporters to the polling booths because it had thousands of campaign workers devoted to the cause. So the Liberals decided to make its supporters turn out in equal force by making voting compulsory (2002).

It was not to increase overall political participation, but instead to keep party control. If this were also true in other countries, then one could make an interesting argument that compulsory voting laws do not do a good job because they were not originally created to do their job. The available information to corroborate Mr. Hirst's claim is in small supply, but it is not totally absent.

A paper by two political scientists from the University of Rochester suggests that when politicians are deciding on whether or not to institute compulsory voting, they do so with their own jobs in mind (Endogenous Institutions, 2007). The authors conclude that compulsory voting laws offer politicians a useful tool to encourage their apathetic

supporters to come to the polls when times become desperate. They show this by demonstrating that parties in power are more apt to adopt compulsory voting laws if the opposing party is relatively strengthening. It is the fear of expulsion from power that encourages parties to adopt these laws (Endogenous Institutions, 2007).

The inability of these laws to be as effective as they could be is seen in their ability to affect voter turnout. Of the 31 countries that have some form of compulsory voting laws, only one, Italy, ranks in the top 10 in voter turnout (IDEA Turnout, 2001). Moreover, there are only 6 in the top 50. The statistics cited earlier demonstrate that the laws have an effect, but maybe not as much as predicted. See **Figure 3** to see how they compare when only counting only the most recent election cycle.

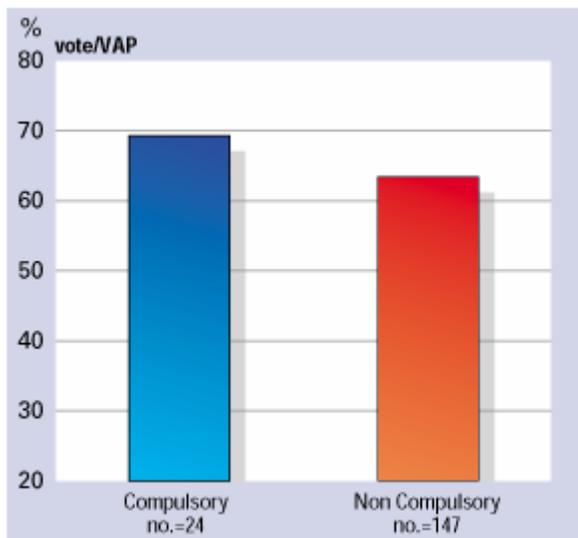


Figure 3: Difference in voter turnout (last election only) from The International Institute for Democracy and Electoral Assistance

Although compulsory voting has a noticeable impact on voter registration, nations with compulsory voting laws have only a small gain in actual voter turnout (IDEA Turnout, 2001). Whether this is a result of poorly constructed laws with little or no punishments created by self-interested politicians or possibly a result of the diminished value of a single vote, the impact of the compulsory laws is not very noteworthy. This lack of impact on turnout from the law could help explain why the strong correlation between the laws and government spending was not found.

The final reason why a positive correlation between compulsory laws and government spending was not found is that it may correlate in the opposite direction. An article entitled *The Right Versus The Obligation to Vote: Effects on Cross-Country Government Growth* stated that it is possible for compulsory voting to actually decrease government spending (Crain and Leonard, 1993). According to the authors, if compulsory voting is able to actually increase voter turnout, or at least rid it of its class bias, then the possibility for transfers from non-voters to voters is less. The increase in the number of participating citizens would decrease the opportunity for special interest groups to lobby the government and in turn decrease the amount of money given to them. If government spending is controlled by the demands of well organized special interest groups, not unorganized regular voters, then these transfers are most likely damaging to the average person. However, the tax burden is spread out over the entire taxpayer base, whereas the benefits are centralized in the special interests. This accounts for why one is much more organized and fervent in Washington and why many citizens rationally do not vote. Alternatively, if more citizens are forced to vote, their power increases relative to those of the pressure groups (Crain and Leonard, 1993). Special interests would no longer be able to take

advantage of the rationally disinterested voter. It may be that this negative effect is countering the other positive effect we discussed in the beginning.

CLOSING

In this paper I have discussed the theoretical benefits and costs of compulsory voting, the most important of these the fear that it would unfairly benefit more left leaning parties. I then did a review on why these critics may have some theoretical support for their claim. After that I presented my findings that show there is no significant relationship between compulsory voting laws and government spending. I then presented you with several reasons why I believe that the output may not be presenting the total truth. The complexity of such a macroeconomic regression has most likely hindered its ability to represent reality. Problematic variables like definitions of welfare, political culture, institutional and structural competitiveness, and even the selection effect for why each of these countries initially chose the law were all challenging to measure. The controversy over compulsory voting's affect on government spending is far from over, but I believe this paper has been valuable piece on the subject.

APPENDIX

tax_revenue = most recent data on the amount of tax revenue as a % of GDP

compulsory_voting_degree = 0 if there was no law, .33 if the law was not enforced, .66 if there was weak enforcement, and 1 if it was strictly enforced

gdp_pc = GDP per capita

islamic_dummy = value of 1 if they are considered an Islamic nation by the Organization of The Islamic Conference, 0 if they were not

population = population in millions

pop_urban = percentage of the population located in urban areas in 2005

soviet_dummy = value of 1 if they were a member of the former Soviet Union, 0 if they were not

subsaaran_dummy = value of 1 if they were, 0 if they were not

voter_turnout = $(\text{vote}/\text{VAP}\%)$, the number of possible voters divided by the number who actually voted

turnout_law = interaction variable consisting of the voter_turnout variable multiplied by the compulsory_voting_degree variable

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