

# THE VOTERS' TAX CREDIT

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*Voter turnout in Canadian federal elections is now at historically low levels and it usually is even lower in non-federal elections. A number of countries use compulsory voting to increase voter turnout, but some critics argue that forcing people to vote is a violation of their freedom not to participate. Providing voters with a tax credit would encourage but not require them to vote. It could be made less expensive by targeting it at low-income Canadians, a tactic that would have the added advantage of encouraging participation from a group that often faces higher-than-average hurdles in registering and getting out to vote.*

*La participation aux élections canadiennes a maintenant atteint ses plus bas niveaux historiques, et elle est plus faible encore dans les scrutins non fédéraux. De nombreux pays imposent aujourd'hui le vote obligatoire pour gonfler cette participation, mais ils violent ainsi la liberté des gens de refuser toute participation électorale. En offrant plutôt aux électeurs un crédit d'impôt, on les inciterait à exercer leur droit de vote sans leur imposer quoi que ce soit. Et l'on pourrait réduire le coût de cette mesure en ciblant les Canadiens à faibles revenus, ce qui aurait l'avantage supplémentaire de favoriser la participation d'une population souvent moins intéressée à s'inscrire et à se rendre dans les bureaux de scrutin le jour d'une élection.*

**I**n ancient Athens, election officials used a rope dusted with red dye to force people from the marketplace to the assembly to vote. People moved in the direction of the Pnyx in order to avoid being stained red. At the beginning of the fourth century, payment for attendance was introduced in Athens, thereby making it possible for the lower echelons of society to forgo their daily wage and attend. Plato was critical of the practice, writing (in Socrates' voice) "I hear [Pericles] was the first who gave the people pay, and made them idle and cowardly, and encouraged them in the love of talk and money." Plato's concept of "aristocracy" (from the Greek for "rule by the best") has long since been rejected in favour of democracy. Even schemes such as that proposed by John Stuart Mill in the 19th century to give extra votes to certain groups based on their education have been rejected as undemocratic.

Universal suffrage with one-person one-vote is now accepted as the cornerstone of democracy. Low and unequal turnout is therefore contrary to modern democratic principles. If the purpose of elections is to measure the views and desires of the population, a low turnout pre-

vents that from being done accurately. It also implies a lack of accountability and a lack of legitimization for the elected body.

Several modern democracies have turned to the proverbial "stick" of fines or jail time as a way of encouraging participation. In what follows I propose using the "carrot" of a tax credit as a way of encouraging greater voter participation in Canada and of compensating lower-income Canadians for certain costs associated with voting.

**F**ollowing World War II, it had become normal for only three-quarters of eligible Canadian voters to cast ballots in elections for the Canadian House of Commons, and even fewer in provincial and municipal elections. In the last decade, however, there has been a marked decline in participation. Voter turnout fell to 69.6 per cent in the 1993 federal general election, to 67 per cent in 1997 and most recently to 61.2 per cent in 2000, the lowest turnout in Canadian history.

In October, the IRPP released a study by Brenda O'Neill of the University of Manitoba, which found increasing political disengagement among younger

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Canadians. O'Neill suggests this trend is unlikely to be reversed as these young people grow older. Richard Nadeau of the University of Montreal is finding similar evidence using cohort analysis. His post-generation-X cohort shows a consistent 20 per cent higher non-voting pattern (even allowing for traditional variations in voter turnout based on age).

In their 1995 book *Going Negative: How Attack Ads Shrink and Polarize the Electorate*, Stephen Ansolabehere of MIT and Shanto Iyengar of UCLA provide one possible explanation for the recent downward spiral in U.S. voter turnout. Ansolabehere and Iyengar argue that negative political advertising, which has become all but universal in American elections, can raise so many doubts in voters' minds that they simply decide not to vote at all. The same thing may be happening in Canada. Several Canadian political parties have imported U.S. advertising techniques to Canada, along with paid American campaign strategists.

Another explanation, proposed by Mark Franklin of the University of Houston, among others, is that voter turnout is low where there is low "electoral salience." Thus in the Canadian context the rise of regional parties which are not in a position to form a government, and the belief that the Liberal Party inevitably will be returned to power, may have combined to lower the electoral salience of federal elections. The rise in non-electoral participation in Canada—for example, the rise in interest group activity, rights litigation and political protest action—which is a corollary to Franklin's theory, would also support this explanation.

It is also possible that the changes to Canada's electoral laws adopted by Parliament in 1996, such as a shorter campaign period and the switch to a permanent electors list, have reduced voter turnout. Elections Canada has commissioned the polling firm of Ipsos-Reid to survey Canadians in order to evaluate the influence of the list and other possible systems of registration. Previous studies of Canadian elections identified various factors—ranging from weather conditions and holiday plans, to the personalities and issues that dominated the particular election, to the age and geographic location of the voter—as negatively impacting on voter turnout.

For the most part, political scientists' theories of electoral participation fall into one of three areas of study. They look either at voters' resources (e.g. their education, wealth and free

time), at the attempts made to mobilize them (e.g. the activities of parties and interest groups) or at their motivations (e.g. whether voters feel their vote will influence public policy).

In the United States, where registration and voter turnout have been historically low, socio-economic status has frequently been shown to be the major determinant. In Canada, where voter turnout has generally been higher, studies focusing on socio-economic status have produced mixed results. However, as Munroe Eagles concludes, "the proportion of low-income families in a riding is consistently a factor associated with lower levels of voter turnout." As turnout declines, it seems safe to assume that the inequality between those voting and the general population will become more pronounced. Wolf Linder of the University of Berne has noted that "especially when participation is low, the choir of Swiss direct democracy sings in upper- or middle-class tones."

In Canada, a large body of research has examined how administrative factors impact on elections. Credit for this is mainly due to the Royal Commission on Electoral Reform and Party Financing—the Lortie Commission—which operated from 1989 to 1992. In his paper for the Commission, Jon Pammett of Carleton University analyzed several national election studies and Gallup polls. He found "that there is a small hard core of perennial non-voters, numbering perhaps five per cent of the population at most." Of the remaining 20 per cent who "have voted" or "vote occasionally," most do so if they are made interested (57 per cent) or are administratively accommodated (43 per cent). The Lortie Commission recommended a number of administrative changes designed to raise voter turnout in Canada, and, as mentioned, a number of changes were made by Parliament in 1996. Since voter turnout subsequently declined further, these changes undoubtedly will be re-examined.

The purpose of this paper, however, is not to examine the success or failure of administrative changes, or even to determine the reason for low voter turnout in Canada. It is, instead, to propose a way of reversing the trend.

The simplest way to make more people vote is to make voting compulsory. Compulsory voting was first proposed in the Canadian House of Commons in 1920 by a Laurier Liberal, Andrew McMaster, the MP for Brome, as a way

to “eliminate a large number of the ways in which money is, or has been, illegally spent at elections.” His advice was not taken, but four years later, Australia adopted such a system after a 58 per cent voter turnout in that country’s 1922 federal election. Australia’s Senator Payne argued, in support of his private member’s bill bringing about the change, that allowing legislators representing fewer than half of eligible voters to enact laws was “a travesty on democratic government, and was never contemplated when we adopted our present electoral system.”

“Compulsory voting” in fact means only that attendance at the polling station is required: the government cannot force a person to vote, at least not without piercing the veil of secrecy that is essential for fair balloting in a democracy. The penalties for non-voting in countries that do have compulsory voting range from jail (as in Greece) to fines (in Australia) to having one’s name posted outside the town hall (in Italy). What is common to all these countries, however, is that voter turnout is higher than it is in democracies that don’t have compulsory voting.

The *International Almanac of Electoral History* allows for easy comparison of the electoral systems of 25 similarly situated democratic countries. In the early 1990s, Canada’s turnout of 75 per cent put it ninth from the bottom, which was actually average for countries without compulsory voting. By contrast, no country with compulsory voting had a turnout lower than 82 per cent, and the average was 86 per cent.

Evidence within countries over time shows much the same thing. For example, when Costa Rica and Uruguay introduced penalties for non-voting their turnouts increased by 15 and 17 per cent, respectively; and when the Netherlands and Venezuela removed such penalties, they experienced declines of 20 and 30 per cent, respectively. With the introduction of compulsory voting in Australia (which, like Canada, has a federal system based on the British parliamentary model) voter turnout went from 62.3 per cent to 90.7 per cent.

While in most countries turnout is relatively high for first-order elections—that is, national elections—the vast majority of elections are second-order elections. In countries without compulsory voting, these usually attract less attention and lower turnouts. But, as Arend Lijphart of the University of California at San Diego has concluded: “The power of mandatory voting is highlighted by the fact that when it is

applied to local elections—as it is in all nations with compulsory voting except Australia—turnout levels are almost the same as those for presidential and parliamentary elections.”

That it raises voter turnout is clearly the most compelling argument in favour of compulsory voting. The most compelling argument against it is the libertarian one: that it infringes on individual freedom and personal liberty. After all, in a free and democratic society, why shouldn’t a person have the right not to vote? Just this concern was the main reason why, in 1970, the Netherlands abolished compulsory voting. Critics of mandatory voting point to people like Australian Bill Smithies, who refuses to vote in spite of the penalties. A retired diplomat and civil servant, Mr. Smithies has not voted in 20 years and, as a matter of principle, steadfastly refuses to pay his fines for not voting, even when threatened with jail.

Supporters of compulsory voting counter that “voting” is not what is compulsory. Attendance at a polling station is. People are free to decide for themselves whether to cast or spoil their ballots. In fact, many countries with compulsory voting provide a space for abstentions directly on the ballot. Besides, when compared to other obligations—such as jury duty and paying taxes—that are readily accepted as necessary for the good of society, compulsory voting is a relatively minor imposition on citizens’ freedom.

Another criticism of compulsory voting is that it may mask real problems that should be addressed by the government and by the political parties seeking office. As Mark Franklin of Trinity College of Hartford (Connecticut) puts it, low voter turnout “reflects a paucity of choices or a lack of evident connection between electoral choice and policy change” and making voting “compulsory does not directly affect either of these critical variables.” It is also sometimes argued that compulsory voting would lead to poorer decision-making by the electorate. People would be forced to cast a ballot, but not forced to be informed and educate themselves before doing so.

Of course, the opposite may also be true: If some of the people who do not vote are dissatisfied with the political system, then without compulsory voting this segment of the population will not have an electoral voice, even if that voice is simply to express dissatisfaction. The need to court favour with an electorate that is

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more representative of the population as a whole could force political parties to broaden their appeal. Furthermore, empowering all segments of society would have a liberating effect on political parties by making it harder for special interests or minorities to control the political agenda.

Following Canada's last federal general election, the Chief Electoral Officer, Jean-Pierre Kingsley, was asked about the possibility of Canada using a compulsory voting regime like Australia's. He said he found the idea "repugnant" but conceded that "if we start dipping below 60 per cent, I'm going to have to change my mind." Harold Waller, a political scientist at McGill University, also downplayed the need to turn to compulsory voting, writing that "even at 63 per cent, Canadians can gaze smugly at their neighbours south of the border, who barely managed a 50 per cent turnout in the November [2000] Presidential election and then took over a month to pick the winner."

Canadian MPs seem to be almost universally opposed to the idea of compulsory voting. Their public comments have ranged from "it won't fly in Canada" (Paul Stackle, MP for Huron-Bruce, a Liberal), to "it may work in Australia, but it won't work here" (Peter Stoffer, MP for Sackville-Mosquodoboit Valley-Eastern Shore, from the NDP), to "I think people do make a conscious choice to not go out and vote, and my feeling is they are entitled to make that choice" (Ted White, MP for North Vancouver, from the Canadian Alliance).

The evident shortage of politician-advocates for compulsory voting is not surprising. In an IRPP survey conducted in 2000, 73 per cent of Canadians said they opposed the idea. Whether their opposition is unalterable is difficult to gauge, however. In Australia, support for mandatory voting has varied, from a high of 73 per cent in 1963 to a low of 56 per cent in 1969, with support holding at 67 per cent in the late 1990s.

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Richard Hasen of the Chicago-Kent College of Law has illustrated that using a "carrot" would "increase the normative benefits of voting," to use rational-choice terminology. In

other words, it would lower the cost of not voting and thereby increase people's appetite for voting. (Rational choice theory starts with the paradox that there are costs associated with gathering information and with voting, and that while there are offsetting benefits, citizens can get those benefits without themselves voting—so long as others do).

Even though voting can be analyzed in terms of its costs and benefits, compensating people financially for voting may nevertheless seem a radical suggestion. As Hansen points out, "I am not aware of a democratic government since Ancient Athens that has paid its citizens to vote." Canada may be the logical first place to try such an initiative, however, since using the public purse to encourage participation is already an entrenched part of our political psyche. In 1973, the President of the Privy Council, the Hon. Allan J. MacEachen, successfully argued that the introduction of a tax credit for political donations would "encourage more Canadians of average means to contribute to the party of their choice and become more actively involved in the political process." The system the government of the day introduced (in the form of Bill C-203, which is still in place today) had a weighted formula for contributions, under which a 75 per cent deduction was given for donations of \$100 or less, with a cap on the total tax credit at \$500. "The purpose of doing it this way," said Mr. MacEachen during the Commons debate on the government's bill, "is to encourage the small contributor and to assist the candidate in attracting contributions from as wide a number of the electorate as possible."

At the time, questions were raised about whether the public purse should be used to reimburse politicians and political parties. But now, almost three decades later, doing so has long since become accepted as not only an acceptable use of public funds but a positive development for democracy. As the NDP's Les Benjamin, MP for Regina-Lake Centre, said at the time, "it seems to me that financial support for a political belief is as valid and as justified as financial support for a religious belief, a charitable organization, a fraternal society or a trade union."

Another principle that has been accepted as part of the electoral system in Canada is that Canadians not only should be given time off work in order to vote, but should be paid during that time off. To begin with, in 1915 workers



were given one hour off work in addition to the lunch hour. In 1920 that was raised to two hours, in 1948 to three consecutive hours, and finally in 1970 to four hours. This final change was made because the NDP's Frank Howard, the MP from Skeena, raised the plight of loggers in British Columbia. "A slight difficulty like a flat tire or difficulty in respect of the 'crummy,' the bus which brings them back into work, could under some circumstances mean they would not get back home in time to vote." However, in 1996, when polling station times were reorganized, the requirement was rolled back to three hours. Stephen Harper, then Reform MP for Calgary West and now leader of the Canadian Alliance, acknowledged that this might not be enough time for voters in rural BC, but said that "four hours is too long and too much of an imposition on employers."

Given Harper's comments and the government's essentially budgetary justification for both a shorter campaign period and a permanent voters' register—it "would save the federal government about \$30 million for each federal general election," Herb Gray explained during the Commons debate—the primary objection to using the carrot of a subsidy to attract voters will likely be that "carrots cost money." That they do is a principal attraction of compulsory voting, which can even be a net generator of revenue: Iva Ellen Deutchman of Hobart and William Smith Colleges may have been overstating it when he suggested that fining every non-voting American \$US50 (which is slightly less than Australia's penalty) "would probably be enough to balance the budget within several years," but the inflows could be appreciable.

One way to limit the cost of a voters' tax credit would be to target it specifically at low-income Canadians. Targeting would do more than simply save money, however. As mentioned above, low-income families have a disproportionately low voter turnout. In part, this may be because they face financial challenges with respect to voting that middle-income families do not. For many low-income families, particularly families headed by a single parent, issues like paying a babysitter on polling day appear to be significant impediments to voting. Other costs, such as for transportation, may also be seen as insurmountable barriers. By encouraging turnout from this societal group, a low-income voters' subsidy would force political parties to connect with the people whose lives they most directly affect.

Low-income Canadians are at a disadvantage in another way. Many are paid on an hourly basis. Although, as we have seen, the *Canada Elections Act* supposedly guarantees everyone three consecutive hours in which to vote, there is no guarantee that this rule is applied evenly. Evidence of how some workers have been treated can best be illustrated by the amendments Parliament has made to the *Act's* "Time to Employees for Voting" clauses. In 1948, a specific penalty clause was introduced to stop employers from intimidating or otherwise refusing to give employees paid time off work. In 1977, a deeming clause was added to specifically protect employees who were paid on an hourly or piece-work basis and in 1996 this clause was tightened further to ensure they received the same income they "would have earned" had they continued at work for a regular shift.

The "Time for Employees for Voting" clauses have been repeatedly reworked in a not always successful attempt to protect the most vulnerable members of society and guarantee their democratic rights. These are people who may not be aware of their rights and of the obligations of their employers and, even if they are, may not be willing to insist on them because of a lack of employment security. A voters' tax credit would provide these people with the protection of financial compensation for taking the time to vote, whatever their employer might do.

**I**f a voters' tax credit would help boost voter turnout in first-order elections, it is absolutely essential for second-order elections. Social programs such as housing, education, health, welfare, and so on, lie within provincial, not federal jurisdiction (and of course the provinces delegate some of them to the municipalities, where voter turnout is even lower). It is important that Canadians, and especially low-income Canadians, have a say in the programs that most directly affect them.

Compulsory voting would also result in greater voter participation, but a voters' tax credit has the virtue of leaving the decision to participate entirely voluntary. In fact, it would even add weight to the message sent by those who deliberately do not vote, since refusing to cast a ballot out of protest would carry with it a financial cost to the voter.

There is another benefit to a voters' tax credit that is not directly tied to the credit itself, but rather to its delivery system. Because of pri-

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vacy concerns in the administration of the new permanent register of electors, the question on the income tax form allowing the tax authorities to pass along any change in address to Elections Canada is currently worded almost to discourage people from registering. A voters' tax credit would encourage registration through the income tax form, particularly from those who want to be eligible for the credit. Because low-income Canadians tend to be renters, it is often difficult for Elections Canada to maintain current information on them. Encouraging their registration through the income tax form would help increase their rate of participation.

It is also worth pointing out that the safeguards already in place to protect the electoral system naturally lend themselves to harmonization with the tax system. Elections Canada could easily print a "receipt" as a perforated stub on each ballot. The polling station official would then complete and hand the voter this receipt along with the ballot, the former to be kept until tax time and the latter to be placed in the ballot box or, if the voter chooses, spoiled. The control mechanisms that Elections Canada uses to ensure that every ballot is accounted for would ensure that no tax receipt went astray. And, while every voter would get a receipt on polling day, the T1 income tax form would ensure that the voters' tax credit is paid only to those people meant to get it (as the form currently does for the property tax credit).

**V**oter turnout is at a record low in Canadian federal elections. It is even lower for provincial and municipal elections. Clearly, given current trends, Canada needs to consider radical remedies to this problem. In fact, voter turnout is already almost as low as it was in Australia when that country moved to compulsory voting in the 1920s, and it is almost at the level which the Chief Electoral Officer of Canada has said would cause him to rethink his own views on compulsory voting.

Given its success elsewhere, compulsory voting is clearly the alternative that offers the greatest chance to rapidly achieve and maintain respectable voter turnout levels in both first- and second-order elections. However, it does impinge on citizens' right not to participate. The virtue of a voters' tax credit is that it does not force anyone to do anything against his or her will. A Bill Smithies may elect to exercise his right not to vote, but many of those who do not vote because they have become disinterested or

are administratively challenged in one way or another may be given sufficient incentive to become interested and to overcome administrative obstacles. After all, only five per cent of Canadians tell pollsters they "never vote."

Using the public purse to encourage the participation of people who are otherwise disenfranchised by the political system is a long established practice in Canada. Using a voters' tax credit would be a way of encouraging people to participate, while at the same time eliminating some very real financial impediments for a specific segment of society. To take the argument advanced by Les Benjamin to the next logical step, "surely compensating a low-income Canadian for the costs of democratic participation (costs they are ill-equipped to absorb) is as valid and as justified as compensating middle- and upper-income Canadians, labour unions or corporations for financially supporting the democratic process."

There is no getting around the fact that, unlike compulsory voting (which will generate revenue through fines), a voters' tax credit will cost taxpayers money. But we did not choose the democratic form of government because it is an inexpensive system of governance. We chose it because we felt it was more just. The value of making our democratic system fairer may be hard to put into dollars and cents, but that does not mean it is trivial. What are the costs to society from patterns of participation that are slanted towards middle- and upper-income earners? Greater disparities of wealth, political dissatisfaction or even unrest, increasing tax avoidance, declining educational standards, and a rising number of persons falling through the cracks all are very real costs to Canadian society.

It is no coincidence that in ancient Athens, the birthplace of democracy, the largest single budget item was the cost of paying people to vote, and thereby permitting those who could not afford to on their own, to participate in governing themselves. The question for Canada must be, as it was for Athens, what value do we place on democracy?

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