

Transliteration - Toby James - six insights on financing of elections

How can we “cost” elections?

00:00

It's always difficult to identify the true volume of resources involved in delivering elections, because the costs are often spread over so many organizations. For example there might be hidden costs if national identity cards are used in the electoral process are issued by another government or parliament. But it's undoubtedly helpful to think about the different types of investments that might be required and it's really important to think when these investments might be needed. I think therefore that there is probably five main categories on investments.

Firstly, there are *sustained investments*. Some costs will be sustained during the duration of the electoral cycle and an EMB will need to have some permanent officials in place regardless of whether there is an election year or not. There will be ongoing investments such as voter registration, infrastructure, buildings which EMB staff work in and sustained utility costs.

Secondly, there are *event related investments*. Some costs will be related to a particular electoral contest, a referendum or an election. On the day of the election there will obviously be additional costs in terms of the staff to man the polling stations or the hiring of the premises.

Next, there are the *security investments*. Resources will be needed to ensure the security or the integrity of the election. These are traditionally been thought to fall in or around Election Day, where extra police might be required to secure polling stations. In other words it is an event related investment. However threats might emerge at other points in the cycle as well. For example cyber threats such as online attacks on voter registration records might occur at any particular moment in time. So some security costs will be sustained costs as well.

There are also *campaign investments*. Some democracies provide candidates or parties with free postage, airtime or resources. These would need budgeting for. Again, they are event related costs.

Lastly, there are *project investments*. Most costs are tied to a point in the electoral cycle, however a reform might be introduced that will take several electoral cycles to implement. For example a major change to introduce electronic voting could take many years. Projects may also have unanticipated costs which could continue into the longer term. The introduction of individual electoral registration in Britain is one example. This was a reform introduced in 2014 and made voter registration much more expensive to undertake.

Why are elections so expensive?

03:35

So we have already seen how many different types of costs there are involved in elections. For this reason elections are often described as one of the most complex logistic events to ever take place during peace time. And yet the credibility of the political system depends on their safe delivery. They involve enormous volumes of staff and

complex technology, and sophisticated security. It's therefore no surprise this required considerable resource investment. From the research that we have done, we found that the budgets can therefore be as much as 30 US dollars per person at an electoral contest.

Are funds to EMBs declining?

04:19

We often hear stories in the press of EMBs being under severe financial pressure with declining budgets. We actually took on some research on this, surveilling EMBs around the world, and found very mixed experience.

As the figure shows (on video) in general, budgets are usually increasing more than they are declining. It's certainly the case that some EMBs have seen cuts and where there have been cuts they have also been very significant.

What are the effects of cost-cutting?

04:57

We know that overall levels of performance can be affected by budget cuts. My research has shown that where budgets were declining, the performance of EMBs as measured by dependent expert surveys, is lower. There is also some evidence that budget cuts leads to cuts in the services provided to voters. In the UK for example, my research shows that voter outreach activities were the casualties of austerity measures. There can also be effects on staff over time, loss of holidays and increased staff levels can all occur. This isn't sustainable in the longer term and it's likely to lead to some staff leaving. They take valuable knowledge and experiences with them that is very difficult to replace.

What can be done to ensure that EMBs are sufficiently funded?

05:56

There are a number of steps that could be made for better run elections. Not of all this is about getting more money, but this obviously will help. Efficiency is a very important starting point. Senior electoral officials will need to lobby budget holders to explain why investments in elections are important, but also why timing is so important as well. The late disbursement of funds for example, can lead to delays in purchases and can also make purchases much more expensive. It's also worth to look at procurement procedures and simplifying them to give flexibility where possible to electoral officials. Contingency planning for unexpected costs is absolutely essential. Expanding the range of suppliers can help lower the overall costs for an election, and also expanding the pool of short term employees in case there is for example staff illnesses but also industrial action close to the electoral event.

What principles should underlie investments?

07:08

Overall, I think there are five main principles to think about when investments in elections are made. Firstly, as we have already covered, *sufficiency* is absolutely essential. In short, there needs to be enough money to cover the strategic objectives.

Secondly, *transparency*. Open transparent accounting for the incomes and expenditures is important because it increases confidence amongst stakeholders that money is being spent appropriately. It enables accountability, and an EMB can be criticized for the misuse

of funds. EMBs with similar demographic characteristics can compare budgets to see whether they have sufficient funds. This can then allow them to lobby for more or to look for ways in which they need to spend their money more efficiently.

Thirdly, the *sustainability* of funding. Elections are ongoing processes as the electoral cycle illustrates. Short term and lump investments may be required to overcome immediate pressures or cash restraints. But it's important that funding is important over the longer term. If donors or overseas governments invest in the electoral process in the short term to get elections up and running, then we need to think: What happens next? What about the longer term?

Fourthly, the *legitimacy* of funding is important to having multiple sources of funding and sometimes important to ensure sufficiency and sustainability. Donors such as governments or NGOs may decide to provide direct assistance to the elections. Many may even come from private sector sources. Some sources of income could be seen as illegitimate however in the eyes of the public and other stakeholders, which could undermine the electoral process.

Fifth, *contingency*. Unexpected things happen. Inflation can certainly change costs, perhaps in response to a global shock such as rises in oil prices or geopolitical instability. Trade unions may mobilize to bring demands for higher wages. Equipment can be damaged through floods. Technology may need to be updated. Additional polling stations may be needed due to population rises or building of a new housing development in particular areas. Risk management plans are therefore essential to ensure that the shock rises to costs can be covered.

This transcript has been lightly edited to enhance readability and clarity without changing the sense of the points made by the discussant.

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