



# COST OF DEMOCRACY AND THE VALUE OF CREDIBLE ELECTIONS

By Richard W. Soudriette

June 2017

## Introduction

The dawn of the third millennium saw democracy as the predominant form of government worldwide. From 1974 to 1996, the number of countries with electoral democracy rose from 39 to 117. The collapse of the Berlin Wall in 1989 further strengthened this global democratic wave.

Unfortunately, over the past decade many democratic gains have been reversed. Dr. Larry Diamond of Stanford University recently wrote in the journal *Foreign Affairs*, that over the past 17 years, 27 countries have experienced a breakdown in democracy.

These setbacks have been the result of several factors, including the undermining of election administration. Leaders seeking to weaken democratic institutions immediately target election management bodies (EMBs). Authoritarians who dismantle the infrastructure of democracy start by withholding adequate resources for EMBs to do their jobs. The result is an increased potential for flawed voter registers, inefficient voting methods, and the absence of a level playing field. All of these contribute to an erosion of public confidence in elections.

To safeguard the sanctity of the ballot, it is imperative that democracies invest in election institutions and processes. This includes establishing permanent and professional EMBs who have the knowledge, legitimacy and the proper tools such as cost effective election technology to do their work. Skimping on elections threatens the core of democratic values.

Considering that elections are the source of legitimacy for democratic governance, they should be viewed primarily as an investment in a public service, the cost of which should be assessed accordingly.

## The Cost of Democracy around the world

When analyzing the cost of democracy it is important to look at the direct and overarching costs of elections. Election costs are discussed in a 2006 United Nations Development Programme (UNDP) publication, *Cost of Registration and Elections (CORE)*. CORE was produced with the International Foundation for Electoral Systems (IFES) and written by Dr. Rafael Lopez Pintor and Mr. Jeff Fischer. CORE is one of the few resources offering a comparative look at election costs. This study analyzed costs in stable democracies, transitional democracies, and democracies in conflict.

CORE took an in-depth look at integrity costs and operational costs. Integrity costs include elements such as voter registration, transmission of results, dispute resolution, cyber security, and political finance. All of these elements guarantee the credibility of the vote and protect against fraud.

Operational costs include elements like polling station logistics, voter education, and poll worker training. The findings of CORE a decade ago showed that stable democracies had operational costs in the range of USD\$1.00 - USD\$3.00 per vote per election. Democracies in transition had higher costs in the range of USD\$3.00 – USD\$7.50. Not surprisingly countries in conflict or recently emerging from conflict faced the highest costs at USD\$8.00 – USD\$45.00. Election costs were highest in countries with international peace keeping missions (e.g. Afghanistan, Angola, Cambodia, Iraq, and South Sudan).

Developed democracies such as the United States had fairly low per capita voter costs which vary by state. In a 2008 study of election costs in Colorado, the University of Denver found that costs depended on the population of the counties. The actual per capita cost per registered voter varied from USD\$4.92 in large counties to USD\$10.21 in smaller counties. The higher spectrum of costs may be attributed to the variety of ways to vote in Colorado. The methods identified included hand-counted paper ballots, direct recording electronic machines (DRE), optical mark recognition (OMR) machines, mail in ballots, and on-line voting for out-of-country voters. Many states like California and Colorado are working to lower per capita voter costs while improving voter participation levels.

Overarching election costs relate to the link between elections and democratic governance. Effective democracy depends on shared values and consensus. These values are manifested through the rule of law, human rights, freedom of speech, freedom of press, a vibrant civil society, and engaged political parties. Democracies embrace the right of self-determination via free and fair elections as enshrined in the UN Universal Declaration of Human Rights.

Over the past two decades the world has seen the critical importance of election administration. In a number of countries the overarching cost of poor election practice has eroded public integrity in the ballot box.

## The value of credible elections – The Philippines

The Philippine experience prior to the 2010 elections offers a useful example. Before 2010, elections in the Philippines were conducted using hand counted paper ballots. This cumbersome paper based system was a challenge to manage in a country of 100 million people living on 7,000 islands. Lengthy delays of up to 2 months were common, before Filipinos would know the elections results. The 2006 results took nearly 2 months to finalize in a razor thin election. Incumbent President Gloria Macapagal Arroyo barely won, and the delay in confirming her win sparked civil turmoil. Philippine democracy was threatened and many Filipinos questioned the legitimacy of the elections.

In response, the Congress of the Philippines mandated that the Commission on Elections (COMELEC) automate the election process for the 2010 presidential elections. They selected an OMR system provided by Smartmatic, which was used in 82,200 polling stations. The automated election system (AES) offered final results for the presidential election within 48 hours of the closing of the polls. Timely election results have become the norm for elections in 2013 and 2016.

The automated voting system proved its value because it provided a more efficient and accurate method to record and transmit results. The impact of raising credibility of the election process has been invaluable. The new system has supported the transparency, accuracy and integrity of elections in the Philippines.

The Chairman of COMELEC Andres Bautista recently spoke at the National Endowment for Democracy in Washington, D.C. He made the point that having a system that enables the public to know the results of elections in a timely way represents a massive boost to democracy.



Source: Comelec's official Twitter account. Philippines 2016.

## Why election administration matters – USA

The controversy of the 2000 presidential election in the US between George Bush and Al Gore was fueled by the close margin and poor election administration. US presidents are elected by means of popular vote as well as by an archaic institution, the Electoral College. To be elected president requires that a candidate wins 270 of 538 electoral votes. The 2000 election was decided by the State of Florida, which voted for Bush. The closeness of the election came down to a difference of 537 votes in Florida. Because of recounts and lawsuits the winner was not confirmed for 32 days after going all the way to US Supreme Court. Ultimately, Bush won the presidency with Florida's 25 electoral votes in the Electoral College. However, he lost the US popular vote to Al Gore.

The 2000 election is an example of how election administration matters. US elections are managed by state and local election administrators. Disputed votes in Florida were the result of a combination of confusing ballot design and poor maintenance of voting equipment in West Palm Beach County.

The overarching cost of this election resulted in creating doubts as to the credibility of the democratic process in the US. In the aftermath, the new president and congress worked together to strengthen democracy with the passage of an electoral reform measure called the Help America Vote Act (HAVA) in 2002.

HAVA mandated the creation of the U.S. Election Assistance Commission (EAC) to assist state and local election authorities as a resource organization. EAC was mandated to oversee distribution of some USD\$3 billion in federal funding to assist election authorities with modernizing their technology. An immediate consequence was to phase out antiquated voting systems like the punch card voting system used in Florida. Also, the EAC assumed the responsibility to create standards and oversee testing for voting technology. The EAC created a clearing house to share best election practices with state and local election officials.

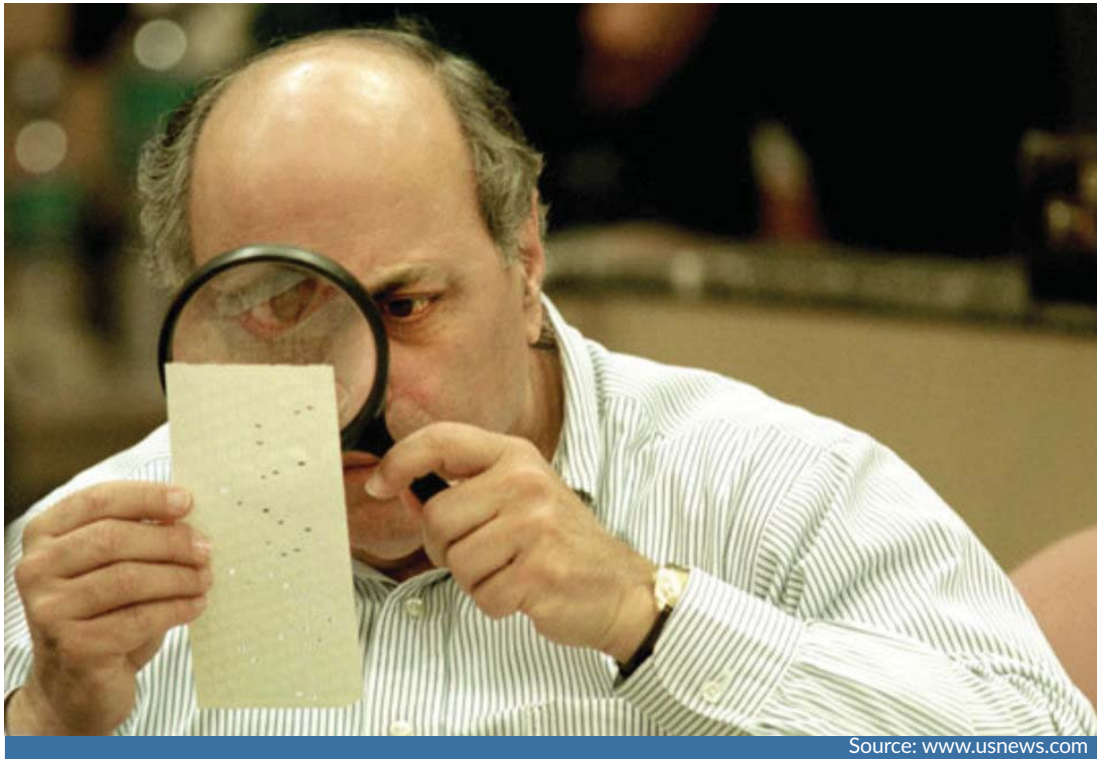
In the 2016 US presidential election, Republican candidate, Donald Trump, raised the integrity issue. In the closing weeks of the 2016 campaign he repeatedly stated that US elections are “rigged” without offering proof.

There are countries where past experience with electoral fraud makes candidates and all election stakeholders wary as to the integrity of the election process. However, sometimes candidates irresponsibly raise the specter of fraud to lay future ground work to contest losing election results. Candidates who make unsubstantiated charges of election fraud undermine public confidence in democracy and trust in democratic institutions.

In 2002, HAVA encouraged the creation of uniform voter registration databases that would protect against the possibility of multiple voting. Unfortunately a unified database has yet to become a reality. Consequently, it remains possible for persons who move to another state to theoretically be registered and able to vote in more than one state. The 2016 presidential election put on the table the issue of the need for a national voter database to safeguard integrity of the democratic process.



Source: [www.breitbart.com](http://www.breitbart.com). USA 2016.



## Empowering EMBs - Professionalization and Election Technology

Over the past two decades professional election administration has played an increasing role in strengthening democracy. When the European Union added 10 new member countries from the former Soviet bloc in 2004 and 2007, transparent electoral practice was a criteria used to approve the new EU members. "Elsewhere democracy has been strengthened through the establishment of permanent and professional EMBs. This occurred in Ghana and India in the aftermath of the decolonization period. In Mexico and South Africa this occurred as part of what Samuel Huntington called the 'third wave of democracy'.

A tool that could assist EMBs is technology. Yet there remains reluctance on the part of election officials and election stakeholders to embrace technology for voter registration and voting. When investing public funds in election technology, it is vital there be adequate preliminary review, and a competitive tender process to ensure that countries select technologies that best fit its citizens.

At the moment most democratic countries still rely on manual voter registration systems and voting systems. A 2015 report by the Atlantic Council entitled, *Democracy Rebooted: The Future of Election Technology* makes the point that people are willing to use technology to withdraw money from ATM machines or manage their personal finances, but seem reluctant to accept voting machines. Part of the hesitation comes from EMBs and election stakeholders who believe technology offers a more costly way forward. However the failure to use readily available technology can result in even greater costs to democracy by threatening public credibility.

Institutional, economic and social costs must also be factored into any cost effectiveness analysis of election technology. The Atlantic Council report highlights countries such as India and Brazil, where the use and acceptance of electronic voting systems enables the voters to know the results of an election in a timely fashion after poll closing which strengthens democracy.

Technology can help enfranchise out-of-country voters. According to a 2007 handbook on external voting by International IDEA, 115 countries permit their citizens to vote abroad. Some countries allow external voting in person at embassies and consulates while others permit postal voting. Both methods are cumbersome and can discourage persons living abroad to exercise their right to vote. A few countries use some form of internet voting for expatriates which can include the possibility to download ballots and return either by mail or via the internet.

Lack of election technology options can cost expatriates the right to vote. The more complicated and less convenient it is to vote, the fewer expatriates will bother to participate. Two countries presently considering internet voting options for their citizens who live abroad are Mexico and Portugal.

Since 2006 Mexico has permitted its citizens residing abroad to cast ballots by mail. Unfortunately the system for registering and voting out-of-country is cumbersome. For the 2012 elections less than 50,000 Mexicans living abroad to vote out of a potential 7 million.

Currently Portuguese citizens can vote only at recognized Portuguese embassies and consulates. In the last Parliamentary elections in 2015 slightly more than 12,000 Portuguese expatriates voted out of a potential expat community of 5 million. Portuguese organizations such as *Tambem Somos Portugueses* (We are Also Portuguese) have petitioned the parliament to grant Portuguese citizens living abroad the opportunity to vote by other means including via internet voting systems.

A 2012 white paper on out-of-country voting by the International Foundation for Electoral Systems (IFES) found that the cost of current methods of expat voting are in the range of USD\$5 to USD\$20 per voter. Costs such as ballot printing, postage, polling station logistics, and personnel are high given the small number of expats who usually vote. A new option is to lower costs via internet voting. Estonia has long been the leader in internet voting permitting its use for all elections for citizens either at home or abroad. Given current technology and sophisticated encryption methodology, internet voting for expatriate voters offers great potential to EMBs for a cost effective way to enfranchise citizens who either by economic necessity or other reasons are forced to live abroad.

Professional election administrators are protectors of democracy. Good election practices help safeguard the integrity of elections which is the source for democratic legitimacy. Voting represents the starting point where democracies empower their citizens to collectively confront challenges such as poverty, economic inequality, and lack of educational opportunities.

Successful implementation of election technologies in countries such as Brazil, Estonia, India and the Philippines demonstrate that investment in the infrastructure of democracy represents a sound investment. The intrinsic value of enhancing credibility in elections, in turn strengthens democracy. For a more stable, democratic and peaceful world it is important to make greater use of available technology and insure that in the 21st century that every vote counts.

## Examples of Challenging Elections

The cost of elections often far exceeds the operational costs. When election management bodies lack human and financial resources, chaotic elections can threaten democracy. Election disputes can result in civil unrest and even undermine the foundation of democracy.

### Mexico

In the 2006 presidential elections, one of the losing presidential candidates refused to concede defeat. The consensus of international and domestic observers was that there were no major irregularities that would have changed the ultimate winner of the election, Felipe Calderon Hinojosa. Yet the closeness of the election demonstrated vulnerabilities of paper based election systems with large electorates and anxiety over the credibility of the process. The second largest vote getter was Manuel Lopez Obrador, who claimed massive vote fraud that was never substantiated. The subsequent mass demonstrations that followed in the heart of Mexico City paralyzed traffic and commerce in Mexico City for weeks. Mexico's National Association of Chambers of Commerce estimated these demonstration cost the Mexico's economy approximately US\$280 million<sup>1</sup>. Ultimately it took two months before Felipe Calderon Hinojosa was declared the winner on September 5, 2006 by Mexico's Election Tribunal.



Source: redpolitica.mx . Mexico 2006.

<sup>1</sup> Redacción (2006). Diario El Proceso. Ciudad de México, México. Discrepan empresarios en cifras de pérdidas por mega plantón. From: <http://www.proceso.com.mx/220345/discrepan-empresarios-en-cifras-de-perdidas-por-mega-planton>



## Afghanistan

For the June 2014 Afghan elections, the international community invested US\$147 million<sup>2</sup> organizing the presidential election. After extensive audits by international and domestic election observers the final tally was announced on September 19, 2014. The dispute was ultimately resolved by the two leading candidates who agreed to work together to form a coalition government. The top vote getter Asraf Ghani assumed the presidency and the challenger Abdullah Abdullah assumed that newly created post of Afghan Prime Minister. Afghanistan's young democracy faces many external challenges from insurgents who seek to overthrow the government. It is also threatened from within from weak election institutions and processes.



Source: Agence France-Presse. Afghanistan 2014.

<sup>2</sup>Tim Craig (2014). Washington Post: Ghani named winner of Afghan election, will share power with rival in new government. From: [https://www.washingtonpost.com/world/ghani-abdullah-agree-to-share-power-in-afghanistan-as-election-stalemate-ends/2014/09/21/df58749a-416e-11e4-9a15-137aa0153527\\_story.html](https://www.washingtonpost.com/world/ghani-abdullah-agree-to-share-power-in-afghanistan-as-election-stalemate-ends/2014/09/21/df58749a-416e-11e4-9a15-137aa0153527_story.html)

## Haiti

Haiti's first democratic election in 1990 resulted in the election of former President Jean Bertrand Aristide. Yet for nearly 3 decades Haitian democracy has been forced to contend with a chaotic ad hoc election process. Since 1990 the international community has invested more than US\$3 billion for elections in Haiti with very little to show for it.<sup>3</sup>

In the aftermath of the Haitian presidential election on October 25, 2015 chaos again ensued. After no candidate received a majority of the vote in the first round, a run off was scheduled for December 27. However, amidst a deepening political crisis, violent street protests and fraud claims, the second round was never held. USAID alone donated US\$33 million<sup>4</sup> to fund the elections and was joined by many other international donors.

The 2015 elections were declared null and void by the Provisional Election Council and new elections were organized on November 20, 2016 with 48 year old Jovenel Moïse of the Haitian Tet Kale Party winning 55%. He was duly sworn in as president in early 2017. But the severe costs remain in the form of loss of faith by the Haitians. Less than 20% of eligible voters turned out on Election Day in 2016.<sup>5</sup>

Haiti demonstrates how ad hoc electoral process continues to undermine Haitian Democracy. It also underscores the role of professional election management bodies and the wise use of election technology in building credible elections processes and sustainable democracy.



Source: REUTERS by Jeanty Junior Augustin. Haiti 2015.

<sup>3</sup>Carey, Henry, US Policy in Haiti: Failure to Help, Despite Rhetoric to Please, *Journal of Haitian Studies*, Volume 8, No. 2, 2002

<sup>4</sup>Jake Johnston (2016). Center for Economic and Policy Research: The US Spent \$33 Million on Haiti's Scrapped Elections — Here is Where it Went. From: <http://cepr.net/blogs/haiti-relief-and-reconstruction-watch/the-us-spent-33-million-on-haiti-s-scrapped-elections-here-is-where-it-went>

<sup>5</sup>Election guide (2016). Republic of Haiti. From: <http://www.electionguide.org/elections/id/2985/>

## About Richard W. Soudriette

Richard W. Soudriette is the chairman of the SGO Smartmatic International Elections Advisory Council. He serves as an international advisor to AWEB. He is a founding member and adviser to the Association of European Election Officials (ACEEEO).

From 2009 to 2015 he served as president of the Center for Diplomacy and Democracy in Colorado Springs. From 1988 to 2007 he was the founding president of the International Foundation for Electoral Systems (IFES) in Washington, D.C. Under his leadership, IFES became one of the premier providers of international democracy assistance.



He served as a member of the U.S. Secretary of State's Advisory Committee on Democracy Promotion from 2006 to 2008. He was a founder of the Global Election Organization Conference (GEO) in 1999 and the ACE Knowledge Network in 1998. Prior to joining IFES, Mr. Soudriette served as chief of staff for a member of the U.S. Congress and director of the U.S. Peace Corps in the Dominican Republic and in Paraguay. The International Centre for Parliamentary Studies and the University of Paris have honored him for his work in elections. He is a member of the Council on Foreign Relations. Mr. Soudriette is the author of many articles and publications on elections.

## Sources

- Cuciti, Peggy, and Allis, Alan, *Changing the Way Colorado Votes: Report for the Best Practices and Vision Commission, Colorado Secretary of State, 2011.*
- Diamond, Larry, *Democracy in Decline: How Washington Can Reverse the Tide, Foreign Affairs, July August 2016.*
- Erben, Peter, Goldsmith, Ben and Shujat, Aysha, *Out of Country Voting: A Brief Review, IFES, Washington, D.C. 2012.*
- Folz, Dan, *Vote Centers as a Strategy to Control Election Administration Costs: Findings from a Pilot Project, SAGE, University of Tennessee, 2014.*
- McCormack, Conny B., *Democracy Rebooted: the Future of Technology in Elections, The Atlantic Council. Washington, D.C. March 2016.*
- Pintor, Rafael Lopez and Fischer, Jeff, *Cost of Registration and Elections (CORE), UNDP, New York 2006.*
- Quraishi, S.Y., *An Undocumented Wonder: The Making of the Great Indian Election, New Delhi 2014.*
- Linantaud, John, *The 2004 Philippine Elections: Political Change in an Illiberal Democracy, Contemporary Southeast Asia Review, Singapore 2005.*
- Votin g from Abroad: Handbook by International IDEA, IDEA, *Stockholm 2007.*

