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Compulsory Voting, Turnout, and Government Spending

Evidence from Austria

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Despite the importance of elections to democracy, many people do not vote. Many European countries have seen a steep decline in voter turnout over the past 30 years, with record low rates in the 2009 and 2014 elections for the European Parliament. Ethnic minorities, immigrants, and poor voters in Europe are significantly less likely to vote, potentially distorting the political process. In the United States, turnout also exhibits large disparities along socioeconomic and racial lines. Such disparities in turnout are believed to cause disadvantaged groups to be underserved by the political process.

One policy that is often used to try to address these issues is making voting mandatory. As of 2008, 32 countries had a compulsory voting (CV) law in place and more had utilized CV at some point during the last 50 years. In March 2015, U.S. president Barack Obama proposed CV for the United States, arguing that if "everyone voted, then it would completely change the political map of this country. The people who tend not to vote are young, they're lower income, they're skewed more heavily towards immigrant groups and minority groups. . . . There's a reason why some folks try to keep them away from the polls." However, little is known empirically about how CV affects voter behavior, politician behavior, and especially government policy.

Our research examines the impact of CV laws on turnout, political competition, and fiscal policy using a unique natural experiment in Austria. Since World War II, Austria's nine states have had compulsory or voluntary voting at different times for different types of elections, allowing us to do well-controlled statistical comparisons. Austria provides a compelling case study for multiple reasons. First, the variation in CV laws is significant across states and over time. Second, like the United States and many other countries, Austria exhibits socioeconomic disparities in turnout, with poor and underserved groups being less likely to vote than the rich. In addition, with the exception of one Swiss canton (Vaud), Austria is the sole modern democracy to have within-country variation in CV for national elections.

In our main results, using state-level voting records on state, parliamentary, and presidential elections from 1949–2010, we find that CV increases turnout from roughly 80 percent to 90 percent. Impacts on turnout vary across the three types of elections, but are sizable. Interestingly, however, we find that the introduction or removal of CV does not appear to affect the composition

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or level of state-level spending. These "zero effects" are reasonably precisely estimated and robust to different specifications that deal with concerns regarding possible omitted variables or endogenous changes in CV laws.

How could it be that CV had large impacts on voter turnout but did not affect policy outcomes? Our analysis shows that there was a marginal increase in invalid votes, but this increase was by no means as large as the increase in turnout. Further, CV did not affect electoral outcomes: vote shares for liberal or conservative parties did not change significantly, nor did the number of parties running for office or the victory margin in state or parliamentary elections. Hence, it seems that the political landscape stayed mostly unaffected by the sizable changes in turnout due to CV.

To complement our main aggregate analysis and dig further into mechanisms, we use repeated cross sections of individual-level data to analyze interaction effects of CV laws with voter characteristics. While our statistical power is more limited compared to our main analyses, our results still suggest that voters swayed to vote because of CV were often female and low-income. They also seem more likely to have low interest in politics, no party affiliation, and be uninformed (as proxied by newspaper reading). These results are consistent with a story where voters who vote or abstain due to the introduction or repeal of CV may not have strong policy or partisan preferences, thereby having little or no effect on electoral outcomes.

Our work relates to three main literatures. First, an important literature analyzes how changes in turnout and electorate composition affect public policy, often looking at the impacts of enfranchising particular groups of people. For example, the enfranchisement of women in the United States led to increases in government health expenditures, as did the adoption of electronic voting in Brazil, which effectively enfranchised illiterate voters. Similarly, post–Civil War laws restricting voting for blacks in the U.S. South had sizable impacts on public policy. Our findings do not contradict this literature, but complement it, suggesting that the extent to which changes in turnout affect policy depends importantly on whether these policies affect a group of the population with specific policy preferences.

Second, our paper speaks to the literature on the determinants of voter turnout. Scholars have analyzed interventions aimed at increasing turnout, often using randomized experiments. In nonexperimental studies a significant literature examines the impact of voting costs, often reaching different results from different changes in costs. We complement this literature by not only looking at the effects of the cost of voting on turnout, but we go further and analyze what happens with government policy.

Third, our results relate to a small but burgeoning literature analyzing CV. A number of theoretical contributions argue that CV reduces welfare, whereas others show that compulsory voting (or costly voting) allows an aggregation of preferences that can be welfare increasing. In empirical work, abolishing CV significantly decreased turnout in Switzerland despite the fact that fines were small and not enforced. In a cross-country study, researchers show that countries with CV have lower income inequality. Other findings show that CV increases turnout, but doesn't affect political information. Using a field experiment in Peru providing information about changes in abstention fines, another study shows that a reduction in the fines decreases turnout, and consistent with our findings, that the reduction is driven by uninformed, uninterested, and centrist voters.

A few prior studies address the specific case of CV in Austria. Results suggest that adoption of CV lead to significant increases in turnout. The paper closest to ours analyzes the effects of the repeal of CV by the Austrian parliament in 1992 on turnout and on changes in party vote shares. Although the analysis period is much shorter, the magnitude of the effects found on electoral participation and party vote shares are broadly consistent with ours. Our paper goes beyond these studies in three main ways. First and foremost, not only do we analyze the political consequences of CV, but we also look at impacts on policy outcomes. Second, we complement the analysis of aggregate data with individual-level information on political preferences and voting behavior, allowing us to study the shift in the composition of the pool of voters resulting from CV.

Our results provide evidence that even if CV increases turnout, it need not significantly affect government spending. Of course, our results are specific to Austria, although we think they would be relevant for other advanced democracies with high turnout, such as Germany and the Scandinavian countries. It is less obvious how they would extrapolate to other countries with lower turnout rates such as the United States.

NOTE:

This research brief is based on Mitchell Hoffman, Gianmarco León, and María Lombardi, "Voting, Turnout, and Government Spending: Evidence from Austria," *Journal of Public Economics* 145 (January 2017): 103–115. Portions of this text may be similar to or the same as that article.