

March 19, 2010

Local Government Elections Task Force
c/o Ministry of Community and Rural Development
PO Box 9839 Stn Prov Govt
Victoria, B.C. V8W 9T1

Submitted by email to localelectionstaskforce@gov.bc.ca

Re: Public financing for local government election campaigns

Dear Task Force members:

Thank you for seeking comments on our local government elections systems. My comments relate mainly to public financing for election campaigns.

I am a financial economist specializing in voter information systems. My résumé is on the web at votermedia.org/mlresume. I represent individual investors on the U.S. Securities and Exchange Commission's Investor Advisory Committee. There my advice focuses on how to better inform us retail investors, so that we can vote our proxies more effectively, e.g. in corporate director elections.

Voter information is a public good, so it makes sense to pay for it with public funds. This principle applies both in democracies and in corporations. Each voting community (citizens in a democracy; shareowners of a corporation) should use some of its community funds to pay for informing its voters. The challenge is to design the most effective way of doing that.

One way to fund voter information is by public financing of election campaigns. As [your discussion paper](#) explains, this helps a wider range of political candidates get their messages to voters, with less dependence on special-interest donors.

I would like to tell you about another way to fund voter information, which may create greater public benefit per dollar than public financing of election campaigns. We have been developing and testing this system at the University of British Columbia for four years now, in student union (Alma Mater Society) elections. We call it "voter funded media" or VFM. Political science [Professor Fred Cutler](#) has been advising us.

VFM lets voters allocate public funds to competing media. There are many possible designs for implementing this concept. Our latest design is on the web at votermedia.org/communities/82-ubc-ams. Competition has determined that blogging is the most effective medium for this community. Some previous competitors have also used print, but at the moment all are exclusively on the web. Bloggers rule!

I'm attaching a paper [Global Voter Media Platform](#) which explains the economic rationale for the voting systems we use, and the evolution of our test implementations. Please note in particular section 4 (pages 7-9), "Why voter funded media differ from private sector media."

Here's a thought experiment supporting my belief that VFM creates more public benefit per dollar than financing political campaigns. Suppose you are an undecided voter with the choice of allocating some public funds to political campaigns or to competing media organizations. If you allocate funds to political campaigns, you already know most of what they are going to say: "Our candidate is best!" But the competing media might actually teach you something. (The VFM system could allow political candidates to compete with the media for a share of funding, although so far the students haven't permitted this.)

The most convincing argument, however, is to talk with UBC students who have experienced VFM. When I first proposed this unknown system in 2006, I sponsored it, paying the media awards myself. But now the students have decided to continue it using their union fees. At a mere \$8,000 to \$10,000 annually, it is usually covered by their existing budgets for elections administration. (None of these funds goes to VoterMedia.org, which is a nonprofit project run by volunteers.)

Re municipalities: With 45,000 members and a multi-million-dollar annual budget, the UBC student union has the scale of a small town. We also tested VFM in conjunction with the Vancouver city election in 2008 (see votermedia.org/van/) and are currently hosting an unfunded ballot for Vancouver media at votermedia.org/communities/51-vancouver.

For British Columbia, I would suggest a pilot program to test VFM in several municipalities during their 2011 elections. Given the low cost of blogging, a small to mid-sized town can expect significant improvement in election coverage for only \$10,000 to \$20,000 of voter funded competition. The province could offer to pay half of that for municipalities willing to match-fund the other half. By limiting the number of test locations, much can be learned on a small budget.

I have not patented any of these ideas. The [voting system design](#) is explained on the votermedia.org website. We are willing to help administer VFM competitions on a low-cost or no-cost basis. While a town could administer its own competition, an organization independent from the municipal government may be more cost effective (by serving multiple towns) and less subject to concerns about local political bias.

Further information on this project to reform the governance of democracies and corporations is linked from votermedia.org/publications.

Sincerely,

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