

THE EFFECTS OF STATE SUBVENTIONS TO POLITICAL PARTIES: A CASE
STUDY OF THE GREEN PARTY OF CANADA

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For Dad

Abstract

State subventions to parties have been introduced in many Western democratic states with little discussion about the effect that such payments from a state to a political party have on the party. Political scientists, though, have conducted a lively debate about the effect of these state subventions on parties and party systems. With the introduction of state subventions in Canada, there is a significant opportunity to study the effects of the subsidy on parties. This thesis is a case study of the Green Party of Canada during the first three years after the introduction of state subventions to parties. The Green Party of Canada offers us a unique opportunity to see a party emerge from fringe status with the assistance of a state subvention to the party. There are many important findings we can draw from this party's experience of the state subvention.

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List of Abbreviations

AGM	Annual General Meeting
CPC	Conservative Party of Canada
EDA	Electoral District Association
ID/GOTV	Identify and get out the vote
GPC	Green Party of Canada
LPC	Liberal Party of Canada
NDP	New Democratic Party of Canada
PD	Provincial Divisions
RSA	Revenue Sharing Agreements

Chapter One – State Subventions to Political Parties

Introduction

On January 1, 2004, Bill C-24, *An Act to amend the Canada Elections Act and the Income Tax Act (political financing)* came into effect. The effect of the changes on Canadian political parties cannot be overstated. Every party has adapted to the changes but none has seen as much of a windfall and experienced so much unexpected growth as the Green Party of Canada (GPC). Until 2004, the GPC was relatively unknown and inconsequential on the Canadian political landscape, never even reaching 1% of the popular vote in a federal election. The dawn of state subventions to the GPC heralded a new era for the party. Its popularity began to swell in 2004 when the party garnered 4.3% of the vote and by December 2006 an Environics poll showed 11% of decided voters would vote Green (Environics, January 8, 2007).

The Green Party of Canada has benefited more from C-24 than any other party in Canada. The party's organizational capacity has improved, membership has increased, and fundraising has been promising. These significant changes have come as a direct result of the state subvention to the party.

The three years since the Election Act changes came into effect have provided an exceptional opportunity to study the Green Party of Canada with respect to party organization generally and to study the effects of state subventions on party development, specifically. This thesis will provide an in-depth analysis of the effects of the 2004

changes to the Elections Act (known as Bill C-24) on the Green Party of Canada and will provide a case study for the effects of state subventions on parties. The implications of state subventions are significant to Canadian parties and, I will argue, are particularly significant for emerging parties like the Green Party of Canada.

The first chapter will consist of a review of the literature on the effects of state subventions, a brief history of the GPC to explain its usefulness as a case study of the effects of state subventions, and then a brief history of political financing law in Canada, including the provisions of C-24. Chapter two will explore the financial effects of state subventions to the GPC. Chapter three will explore the effects on party organization of state subventions. Chapter four will review the effects of state subventions with special reference to the experience of the GPC.

Effects of State subventions on parties

*“Once introduced, public subsidies are never subsequently abolished”
(Nassmacher, 2003:33).*

There is lively debate among political scientists about the effect of state subventions on the organizational and electoral behaviour of a political party (see Katz and Mair, 1995; Williams, 2000; Young, 1998; Jenson, 1991; Katz and Mair, 1996; Nassmacher, 1993). Some see the emergence of direct subsidies to parties by the state as recognition of the special role that parties play in organizing our country’s democratic life. Others see the subsidies as evidence of a fundamental change in the way that parties and the state and civil society interact. The issue has become more important over the last few decades as

each Western democratic state has begun to provide some form of funding to its parties (Pierre et al., 2000:6). With every democracy offering some financial support, the type of support, and the effect of that support on different party types, has begun to be studied. The changes incorporated in Bill C-24 meant that Canada began to offer a different type of funding than had been provided in the past - direct public subsidy to party organizations. That change, and its effects on the Green Party of Canada, provides us with a unique opportunity to review the literature on the effects of state subventions to parties and to test those against the experience of the GPC. The Green Party of Canada also provides us some additional interesting considerations in relation to state subventions to parties because the GPC has never had a member elected and because the GPC is a political party with some unique ties to social movements. These additional features make the study of the effects of state subventions on the GPC very enlightening.

Generally, three effects of state subventions on parties are identified in the literature: a leveling of the playing field for all parties, especially smaller ones, to compete; the petrification of the party system so new parties cannot easily enter the competitive electoral arena; and a weakening of a party's ties to civil society as grassroots members become less important (Pierre et al., 2000:2-4 and van Biezen, 2004:706-7). I will first review the literature on each of these effects, offer evidence from Parliamentary debates on C-24 to show that these were not just academic concerns, and then provide a history of the GPC in order to show why the GPC provides an excellent case study of the effects of state subventions to parties.

1. Leveling of the playing field for all parties

By regulating the financial resources that contributors may provide to parties, in combination with public funding as is being proposed in the bill, we can ensure that a level playing field is created for all participants

(Liberal MP Mac Harb during debates on Bill C-24. Debates of the House of Commons of Canada June 9, 2003).

The first predicted effect of state subventions is a leveling of the playing field for all parties. This effect is achieved through providing direct subsidies to parties in order to replace the more problematic private donations. There are generally three arguments used for providing direct public subsidies and curtailing private donations: to reduce the opportunity for corruption, to combat the rising costs of electoral activity coupled with the falling sources of legitimate income, and to improve competition amongst parties.

1a. Corruption

While a state subvention does not eliminate the opportunity for corruption in the political process, it is often thought that eliminating most private donations does. When private donations are restricted, the demand for a public subsidy to replace the lost income is frequently made. Public money is thought superior to private money as there is concern over the “influence of private money on the democratic process” (van Biezen, 2004: 703). The growing preference for public subsidies to parties over private donations has likely come about as a reaction to a number of scandals involving unlawful financial practices (van Biezen, 2004). The fear is that when individuals, corporations, and unions provide the financial resources for a party, donors may expect unfettered access to elected officials or favorable legislation. While it is unlikely that most individual donations

would merit such special treatment for the donor, there is a fear that it may provide special treatment to some. State subventions, particularly ones that are to replace income from corporations, wealthy individuals, and unions, help to improve the appearance of campaign finance practices. While incidents of corruption may still continue, the public's perception of a system of corruption existing is reduced.

Public support for parties and public control of party financing have increasingly come to be seen as a legitimate means for curtailing illicit practices of finance (van Biezen, 2004: 703).

Another tool to reduce corruption is the use of disclosure of donor's names. In 1974 the *Election Expenses Act* introduced legislation aimed at controlling some aspects of campaign finance and set the threshold at which donors' names needed to be made public at \$100. Despite calls over the years for the threshold's increase, that \$100 threshold level remained in place until the year 2000 when it was increased to \$200 (Kingsley, 2001:81). The 2003 legislation (Bill C-24) kept the \$200 threshold but altered the timing. Under C-24 quarterly reporting is required.

The amount of the threshold has been contentious because there is, in disclosure rules, a balance between the right of the public to know who has contributed to a party and the right of the donor's privacy in his political actions. As the Chief Electoral Officer has asked, "At what point does the harm of undisclosed influence begin to outweigh the benefits served by the maintenance of confidentiality respecting contributions?" (Kingsley, 2001:81). Stephen Harper, commenting on the timelier disclosure rules under C-24, pointed out the modest threshold for disclosure.

Donors of only \$200 to our system face disclosure under this present system in the requirement. There is no possible undue influence from a donation to a political party or candidate of \$200. It is simply unnecessary paperwork and exposes, through publication, the names of donors to solicitors and fundraisers of all kinds, something they should not have to face (Debates of the House of Commons of Canada Feb 11, 2003).

Harper later added during the debate, “The thought that donations less than \$1,000 could foster or even appear to contribute to undue influence on the political system is preposterous” (Debates of the House of Commons of Canada Feb 11, 2003). He is not alone in his contention that \$1000 does not buy much influence. In a 2001 report, Chief Electoral Officer Jean-Pierre Kingsley recommended that the government raise the \$200 threshold for disclosure to \$1075. Kingsley’s reasoning is very enlightening regarding the potential for the sale of influence and political access:

(In the 37th General Election) while only 3% of contributions to candidates were in excess of \$1 075, that small body of contributions accounted for almost half (45%) of the total dollar amount of contributions made. The remaining 55% of the total dollar amount of contributions made came from the remaining 97% of contributions. It is evident from these numbers that anyone making a political contribution of less than \$1 075 will not stand out from the crowd nor would any contribution below that level likely carry with it much individual influence. A contribution in excess of \$1 075, however, would fall into a small universe consisting of the top 3% of a candidate’s contributors and would likely be noticed (2001: 81-82).

State subventions attempt to provide a level of fairness because public money is seen as less problematic than private money and disclosure laws attempt to maximize the transparency of the remaining private donations made to parties. In introducing Bill C-24 Prime Minister Chrétien stated that he knew there was a perception that donations bought politicians and, while he knew such a perception was not true, he argued that Bill C-24’s limits on private donations would improve the perception of the democracy in Canada:

I firmly believe that the elimination of contributions to political parties by business and trade unions will greatly improve the political culture in Canada (Jean Chrétien in Debates of the House of Commons of Canada Feb 11, 2003).

1b. Rising costs coupled with falling sources of income

Direct public subsidy can replace some of a party's lost revenue when restrictions are placed on private donations. Parties continue to face rising electoral costs but they face reduced sources of legitimate money. It is for that reason that state subventions are often brought into effect when private donations are limited.

Another reason for falling revenues to parties is that contributions to parties tend to come from party identifiers, people who identify with, or support, a party's programme. In Canada, the number of party identifiers has been falling, as have the number of people who actually join political parties (Clarke and Stewart, 1998; Cross and Young, 2006). Fewer party identifiers and fewer party members lead to fewer donors. Nassmacher claims that fewer donors have created a necessity for public subsidies.

...There is no easy way to bridge the gap between the expenditure that is necessary for political purposes and the funds raised from voluntary donations to parties and candidates (Nassmacher, 2003:33).

Public subsidies to parties, then, fill in for the declining number of party identifiers who will contribute and for the decline in the sources of legitimate donations.

1c. Competition

Direct public subsidies to parties attempt to limit the advantage afforded to parties who are more capable of securing large donations. Social-democratic and Green parties tend

to have more difficulty raising money from private donors than do their pro-capitalist cousins. Governing parties tend to raise more money than non-governing ones (Nassmacher, 2003: 39). Depending on how the subsidy is apportioned, the advantage of incumbency or political orientation is lessened when all parties receive public subsidies.

Van Biezen (2004) notes public financing is seen as a way of keeping things fair in the electoral arena since public financing of all parties allows those with the least possibility of locating private financiers to be funded from the public purse. Such public funding, argues van Biezen, implies that there is a public good to having competitive political parties. As this transformation of political party from voluntary association to public utility takes place, there is a concurrent “increasing control over party activity through public law” (van Biezen, 2004: 712).

State subventions are thought to level the playing field in order to ensure fairness, transparency, and the participation of as many parties as possible. There is a concern raised, though, that state subventions may ensure only existing parties a place on the field and bar new parties from entering the field. This is frequently called petrification or a cementing of the party system.

2. Petrification of the party system

Bill C-24 is an amazingly stupid bill, and I mean that in the best sense of a description in the English language... Under Bill C-24, the Canadian Alliance probably would not have made it here.

Ken Epp, Alliance Member for Elk Island during debates on C-24
(Debates of the House of Commons of Canada, June 9, 2003).

Katz and Mair note that because state subventions are “often tied to prior party performance...they help to ensure the maintenance of existing parties while at the same time posing barriers to the emergence of new groups” (1995: 15). Opponents of state subventions point to this feature and claim that state subventions cement the party system, keeping out new competitors. Pierre et al., describes the argument as being one in which public subsidies place “ageing parties” on a kind of “life-support system...which obstruct the natural, organic development of the party system” (2000:3). Van Biezen finds that the method of the state subvention has a large effect on the petrification of the party system and the shutting out of competitors. In Spain, she notes, the party finance system “penalize(s) smaller parties and may in fact make it more difficult for newcomers to challenge the status quo” (van Biezen 2004: 710 citing Gillespie, 1998: 81-84).

The fear of party system petrification did come up during debates on C-24. One Alliance backbencher, MP John Williams, alleged that the public subsidies would result in the "permanent entrenchment of Liberal hegemonic power” (Debates of the House of Commons of Canada, February 18, 2003). Concern seemed to be quite high that the subsidies would favour the government party and ensure the Liberal’s victory in all subsequent elections. Opposition leader Stephen Harper raised concern over the way that the Liberals had structured the bill to give themselves a competitive advantage over the other parties.

In fact, the Liberals have structured the bill so that they will actually receive a net benefit from the new rules. In 2004 the Liberals stand to receive almost \$8 million worth of taxpayer money which will replace about \$6.5 million they received from corporations, unions and associations, not all of which I should add, will be lost (Debates of the House of Commons of Canada Feb 11, 2003).

The notion that the Liberals would be the main beneficiaries of C-24 has not been borne out in the years since the legislation was enacted. The Liberals have been slow to adapt to the new regulatory landscape and the party's extra-parliamentary wing was opposed to it from the beginning. The Liberal Party President, Stephen LeDrew, famously called banning corporate donations, "dumb as a bag of hammers" (MacDonald, 2003:7).

The Alliance Party's concern, though, that party petrification would set in and ensure that parties like the Reform Party would be excluded does require some exploration, in light of its impact on the Green Party's ability to break into Parliament. Would the Reform Party have had some difficulty breaking into the Parliament had C-24 legislation been in place before 1993?

In the election of 1993, in which the Reform party won 52 seats, the party's top ten donations amounted to \$301,150 (Elections Canada) but would have been limited to \$15,000 under C-24 provisions as only three of the top ten contributors were individuals. Since the prior election (1988) saw the party get less than 2% of the vote they would have received no quarterly allowance. The \$285,000 that the party would not have been allowed to accept may have made the difference for the party but it seems highly unlikely as they had raised more than \$5,000,000 from over 50,000 contributors. In fact, the Reform Party is likely to have done very well under C-24 rules. The other main parties had only businesses on their top ten lists, and under C-24, would not have been allowed to accept any of the donations. With their competition barred from accepting large corporate donations and the Reform Party particularly adept at getting small donations

from a vast group of people, the party would not likely have suffered. It still may be that another type of party, one not so adept at getting individual donations as the Reform Party, might be hampered by corporate and union donations limits.

The concerns raised by Alliance members about parties being supported by their membership and not the state do demand further attention. Following the 1974 Election Act changes that saw the creation of incentives for individual donations there was an increase in the number of contributors to political parties and an increasing reliance on them. The fact is that parties did not rely on individual contributions until such contributions were made tax deductible (and therefore heavily subsidized by the public purse). There was never a time in Canadian history in which there was pure market-based support of political parties. Nonetheless, there remains a mythological time in which the market dictated a party's financial fortunes. Stephen Harper, in his arguments against Bill C-24 in the House of Commons Debates, relied very heavily on an ideological opposition to public financing of parties. He frequently noted that the market based approach to party financing, in which individuals may choose to finance whatever party they wish, is a better gauge of a party's support. Ian Stewart, in a review of the 2004 election and the impact of C-24 found something else:

...was the more market-based system of the past not implicitly shaped by the results of the previous federal election? Since 1993, when the number of parties with seats in Parliament rose to five, three parties (the Liberals, the Progressive Conservatives, and Reform/Canadian Alliance) have gathered revenues that have been approximately proportionate to their popular vote totals from the previous election...In fact, it seems likely that even as far back as the period of the 1930s to the 1950s, revenues raised by the major parties closely tracked vote totals from the preceding general election (Stewart, 2005: np).

By providing state subventions that are tied to a party's vote share in the last general election, C-24 replicates the equity of a strictly market-based approach but ensures that the ability of some members of the market (the rich) are not provided unfair advantage in the electoral system.

3. Weakening of the ties to civil society

As parties receive an increasing proportion of their income from the state their need for contributions from supporters is reduced. As parties become more rewarded for engagement with the state than engagement with the electorate, they turn away from ties to civil society and those ties wither. This erosion of ties to society is a key feature of party cartelization as identified by Katz and Mair (1995).

State subventions, according to Katz and Mair, were partly responsible for the creation of a cartel party, more concerned with maintaining its relationship with the state than its relationship with civil society. Party members become disillusioned and parties unresponsive as they no longer require subscription fees and donations to contest elections. Such parties become disconnected from civil society and receive less and less of their funding from their members. As a result, the party system becomes less competitive as parties begin to collude with one another to maintain and enhance the system of state funding on which they have become dependent. Parties in such a system fail to be responsive to the party member, membership dwindles, and parties begin to be seen as arms of the state. Underlying these responses, argues van Biezen (2004), is a belief that parties are necessary for democracy and therefore deserving of state funding in

the first place. Van Biezen argues that this belief system – “political parties as public utilities” - will continue to spread as more and more countries begin to offer state support of parties (2004).

There has been a noticeable shift in the public’s expectation of political parties from the time they were created (van Biezen, 2004). Initially, parties were seen, at best, as voluntary and private institutions that could play a role in public institutions of democracy. Now, parties are seen to be essential to the healthy functioning of a democracy and the parties have become public institutions themselves. Public subsidies to parties ensures the widest scope of parties participate in the political life of a country. Public subsidies to parties have also entrenched the political party as a democratic necessity.

If political parties are like public utilities, then they perform a type of public service. Some have argued that as a public service political parties should receive financing from the state based on that service. Cross (2004) identifies the argument as one of the public good: “Election competition is a democratic necessity and as such is a public good. It is therefore appropriate for voters to pay a substantial portion of the costs from the public purse” (2004:156). While Cross expresses support for the idea of some public investment in election competition he finds the C-24 legislation “troubling” because of the extent of money provided (2004:156). Cross’ concern is that a party that is so well financed by the state is state dependent and will therefore show reluctance to jeopardize that relationship to the state. It could lead, as Katz and Mair suggest, to cartelization, a party system that

is entangled with, and financed by the state thus “putting greater distance between themselves and the voters” (Katz and Mair, 1996:527).

3a. Evidence of cartelization in Canada

Within the Canadian experience, our pattern of increasing state subventions to parties has provided an opportunity to examine the cartel theory’s applicability here. In one examination of Canadian political financing before the direct public subsidies to parties began, Lisa Young (1998) found little evidence of cartelization to that point. Young emphasized the manner in which state funding in Canada was delivered as being critical and concluded that “...the current regime of public finance for Canadian parties does not promote the adverse effects associated with cartelization...” (340-1). Since Young was considering the public finance regime of the late 1990s, the 1974 *Election Expenses Act* was the legislation involved. That Act directed much of the subsidy to individual candidates by way of generous tax credits available for political donations and Young argued that this meant a key feature of Katz and Mair’s cartel theory did not exist in Canada. The cartel theory required a diminishing of the ties between party and civil society but since the 1974 *Election Expenses Act* actually strengthened those ties, then there was no cartelization of parties in Canada, concluded Young.

The regulatory regime for delivery of state subventions in Canada changed with C-24 so Young revisited her conclusions about the applicability of the cartel theory to Canadian parties in a 2005 paper. Young et al. (2005) found, in the first year and a half of the C-24

funding scheme, little evidence of cartelization amongst the large parties but some tendency towards cartelization amongst state dependent parties.

If any of the parties are tending in this direction, it is the smaller parties that are most heavily reliant on public funds, lending some credence to the cartel argument (19).

Given this possibility, the Green Party of Canada, as the smallest of the parties that currently receives quarterly payments under C-24 legislation, is an interesting one to study regarding cartelization. While heavily dependent on the state for funds, the party still has no elected members. The cartel party described by Katz and Mair is a product of a Western European system that includes proportional electoral systems. In those countries with proportional representation, political parties with smaller vote shares than the GPC have elected members. The Canadian electoral system, a single member plurality system, has meant that the GPC continues to be a party on the outside of Parliament. Cartel theory includes a notion that the cartel party has elected members and some kind of investment in the government so that there is an integration of party and state. Again, the GPC as an entirely extra-parliamentary party which receives substantial state subventions provides an interesting study of the possibility of cartelization of state dependent parties with no elected members. The implications of this will be explored in the following chapters.

If a party receives its funding, in part or in whole, from the state then the incentive to create and maintain membership is reduced. There are a number of factors involved in this effect of state subventions. The amount of the subsidy, the manner in which it is calculated, and whether or not there are spending limits imposed on campaigns will all

play a role in whether or not there remains any incentive to seek donor support and membership subscriptions. Van Biezen finds another factor that plays a role: the age of the democracy. Since more established democracies that introduce public subsidies have a history of strong linkages between parties and civil society, van Biezen finds that the newer democracies of Europe are less likely to have developed strong linkages between parties and civil society (2004:711). With respect to newer parties like the Green Party of Canada in established democracies there may be something important in her finding that “early financial dependence on the state appears to have removed one of the key incentives to establish a more structural relationship with society” (van Biezen, 2004:711). Newer parties in established democracies may suffer from an early infusion of public money to the party just as parties in newer democracies do. This has particular importance to our study of the Green Party of Canada.

As noted above, Cross (2004) was troubled by the amount of subsidy provided to parties in Canada as he noted “parties are no longer dependent on raising funds from their supporters” and are in danger of becoming “wards of the state”(156). Early indications are that this may not be occurring in Canada. As much as parties have substantially benefited from public subsidies they have not abandoned donations from their supporters as a source of income. Cross’ concerns, and the concerns of many authors at the time, were likely affected by Prime Minister Jean Chrétien’s prediction that 9 of every 10 dollars spent in an election would come from the taxpayers (Debates of the House of Commons of Canada, Feb. 11, 2003). The Prime Minister seemed to suggest that such lop-sided financing of parties would be positive. He may be the only one who would

argue for such extensive state subvention. Most political scientists see a role for donors as essential to maintaining a party's ties to its grassroots and in order to encourage the active participation of members.

If state funding reduces a party's need to maintain an active base of members and supporters, it may exacerbate tendencies toward party organization in which members play a minimal role (Cross and Young, 2006:16).

The effect of the state subvention on the organization of the party and the role of members will be discussed in chapter three.

Political scientists are not the only ones concerned about unresponsive parties. During debates on C-24, Opposition Leader Stephen Harper moved an amendment to the legislation which would have killed the bill at Second Reading. As part of that amendment Harper drew on the arguments of responsiveness and the voluntary nature of parties.

...The bill shifts the sources of contributions to political parties from the voluntary actions of people and organizations to a mandatory imposition on all taxpayers, making political parties more dependent upon the state and less responsive to society (Debates of the House of Commons of Canada, Feb 11, 2003).

While Harper's amendment failed and C-24 was eventually passed, he did put forth his party's ideological opposition to public financing of political parties based on the idea that state subventions made political parties public utilities and less responsive to their members.

3b. State dependence

The experience of many countries is that with state subventions there comes party dependence on the state for funding. Nassmacher (2006) make the point that this state dependence is not uniform by country or by party, suggesting that some countries' legislation and political culture and some parties' history and ideology may be predictive of the level of state dependence:

Among parties, there is an increasing dependence on public subsidies. However, this differs by country (due to the overall financial regimes) and by party (due to their political legacies). Workers' parties are less dependent on public financing (mainly because of income from dues and unions), while bourgeois parties (in France and Sweden) and Green parties (in all European countries) receive more than 80 per cent of their income from state funds. Conservative parties, which in former times depended on large donations, now have problems getting along without public subsidies because their traditional source of funds is questioned publicly (Nassmacher, 2006: 449).

Canada's experience of state subsidies to parties, and the relative degree of state dependency of each party, is discussed in Chapter 2.

3c. Centralization and professionalization of the party.

In Canada, concerns about state subventions have focused on the effect it will have on Canadian parties' balance of power between the periphery (grassroots) and the centre (national office). Political parties in Canada are generally decentralized with shared power between the centre and the periphery, a notion expounded by Carty (2002) with his franchise model of Canadian political parties. In many ways political parties in Canada, suggested Carty, are structured like Canadian federalism with each unit having some autonomy. C-24 changed that balance of powers because it provided the annual allowance to the central party. Some analysts worried that providing money to the

central party would cause them to grow in size and power, compared to the peripheral units of the parties, the EDAs. The reporting requirements and the registration of EDAs were also thought to give the central party additional powers at the expense of the local Electoral District Association.

The reporting requirement and the fact that the state subsidy is directed to the national office of the party has centralized parties. Graham Fox interviewed party officials for his discussion paper on the future of political parties in Canada and found that C-24 creates work for a new breed of party staffer: the compliance staff:

They [parties] argue that the compliance requirements and the bureaucratic burden of the reporting procedures are too onerous on organizations that remain essentially volunteer ones – even for those with a professional central office...it is leading to the professionalization of a number of party functions dealing with compliance, which drives up costs both at the national level and in the riding (Fox, 2005:13).

Ted White, Canadian Alliance MP for North Vancouver, worried about this exact issue when he spoke during debates on C-24:

I think many of us will have difficulty finding volunteers to carry out the extent of administration that will be required by this bill. Once a year riding associations will have to put in very extensive reports about their source of revenues and the number of donors they had. They will have to keep pretty comprehensive records about who has donated when and where (Debates of the House of Commons of Canada June 9, 2003).

White is right that volunteers may be unwilling to provide extensive reports but part of C-24 also allows for auditors to be paid by the Receiver General for Canada directly, instead of by EDAs or central parties. The \$1500 payment per EDA allows even the smallest EDA to hire an auditor to review the work of the volunteers. Joe Clark,

Progressive Conservative leader during the Debates on C-24, also noted the onerous reporting required for EDAs:

That regulatory burden is simply impossible to bear. These provisions have the odour of regulations written by people who have never personally participated in political campaigns and may not even recognize what babies they are throwing out with the bathwater. I doubt that any party is strong enough in all 301 constituencies in the country to file the reports to Elections Canada that this new bill would require (Debates of the House of Commons of Canada, Feb 11, 2003).

Clark's concern that EDAs might lack the strength to comply with the regulatory burden had not proven to be a substantial point. Elections Canada has only deregistered 27 EDAs since C-24 was enacted and as Table 1 shows, most were Green Party EDAs.

Table 1
Deregistered EDAs (2004-2006) by party

	Liberal Party of Canada	GPC	NDP	Other parties
Number	3	19	2	3
Percentage of total	11%	70%	7%	11%
Percentage of total EDAs for that party	1%	15%	1%	1%

Source: Elections Canada data

Only the GPC had difficulty maintaining EDA registrations which may indicate more about the party's lack of personnel in EDAs than a concern over onerous reporting requirements of C-24. None of the other parties proved to be incapable of meeting the reporting requirements.

At the central level there is also some concern about the onerous reporting requirements.

In their Red Ribbon Task Force report, the Liberal Party of Canada point to the burden of the reporting requirements on their party, arguably the most able to manage the requirements.

At least half of the Party's total staff resources are now required for these kinds of functions.... Significant senior management attention must be devoted to ensuring compliance and administrative effectiveness (2006:11).

Fox found some parties worried that C-24 would reduce the party structure to a professional team that surrounded a leader and would involve few volunteers: “C-24 causes parties to not need people” (2005:13). While parties may have adapted to the reporting requirements it would seem that many have professionalized to meet the requirements. As such, C-24 may have led to some professionalization of tasks formerly assigned to volunteers. The requirements, though, have not proven too difficult to meet.

The centralization of parties, though, is not strictly a result of the reporting requirements. There are other features of C-24 which have caused centralization and have infringed on what Carty has called the “old franchise bargain” between the local party (the EDA) and the central party (2006:6). That old franchise bargain meant that EDAs could choose their candidate, conduct fundraising, maintain their books, and be somewhat autonomous of the central party and leader. As a result of C-24, Electoral District Associations must register and report annually to Elections Canada as well as secure the party leader’s sanction to register. Should the leader’s sanction be withheld, an EDA is deregistered by Elections Canada. A party may ask Elections Canada to deregister an EDA after it has been registered if the party no longer has confidence in the EDA. Will this feature of C-

24 lead to a more centralized party structure with the focus on the national offices and additional power being held by the leader and his professional, electorally-focused staff at the expense of the local associations? Carty argues that it will:

Parties are being transformed from popular organizations through which active citizens can control the state, into centralized institutions, independent of their supporters and dependent on parliamentarians' willingness to give them access to the state's purse.... [The registration requirements of EDAs] tilts the balance of power within the parties, to the considerable advantage of the leader, and threatens partisans' longstanding autonomy and authority within their own local associations (2006:6).

There is considerable concern that state subventions can lead to a party weakening its ties to civil society. The cartel theory provides a number of key tests for this weakening of ties and so the relative state dependence, centralization, and professionalization of the GPC will be explored in further chapters in order to assess this effect of state subventions.

Why the Greens provide a good case study

The Green Party of Canada was born in November 1983 at a weekend convention held at Carleton University with 176 people in attendance. Trent University's Vaughan Lyon called the early manifestation of the federal party a "reluctant party":

It became clear over the convention weekend that most of those in attendance wanted a party which did not look or act like one; an organization that would not organize; and leaders who would not lead. That is pretty much what they got (Lyon, 1985: 4).

The Green Party attempted to "reverse the traditional structure of Canadian political parties" with a federation of provincial parties holding the bulk of the power and the

federal party growing from that federation (Capra and Spretnak, 1984: 175). It was a decision made to hold fast to the Green principles of decentralization.¹

In their first contested general election in 1984, the newly formed Green Party received just 26,543 votes among 60 candidates. By the 2000 election the party ran in just over a third of the ridings and earned 100,000 votes. Just four years later the party ran 308 candidates and received more than 500,000 votes. In the 2006 election the party saw a modest increase in both votes and the vote share (see Table 2).

Table 2
GPC performance in general elections since the party was founded.

Election	Candidates	Votes	% of popular vote	% in ridings contested
1984	60	26, 921	.21%	0.90%
1988	68	47,228	.36%	1.44%
1993	79	33,049	.24%	0.86%
1997	79	55,583	.43%	1.54%
2000	111	104,502	.81%	2.11%
2004	308	582,247	4.31%	4.31%
2006	308	665,940	4.49%	4.49%

Source: Data compiled from Elections Canada

¹ The Green Party of Canada has signed onto the Global Greens Charter signed in Canberra in 2001 which has six principles. Decentralization itself is not one of those principles but is part of the principle of Participatory Democracy.

Since 1984, the Green Party of Canada has fielded candidates in every general election but the party has never won a seat at the federal or provincial level. The party has remained a fringe party until very recently. It has not consistently fielded candidates in federal by-elections or even managed to have more than a few hundred members. In fact, for much of its first twenty years, the GPC struggled with what it meant to be a political party. The party had a small membership, most of whom were activists who valued their roles in the green movement above their roles in the Green Party. The movement to party nature of the GPC is a recurring theme in the party's response to the state subventions. Further chapters will discuss the specific effects of the movement to party struggle in the GPC but it is necessary to review a little of the literature on the idea of movements and parties in order to help explain why the GPC is a good case study of the effects of state subventions to parties.

Those who initially created the Green Party of Canada were influenced by the early success of European Green parties. A relatively small group of people in Canada built the GPC. While the party drew some individual people from anti-nuclear, feminist, and environmental groups and movements, it did not build strong ties to the organizations or movements. The small number of people who maintained the party from its birth in 1983 to its adolescence in 2003 were a highly committed group of political entrepreneurs and activists. As is typical in social movements, the membership requirements were so weak that anyone could attend a meeting and have a degree of decision-making power. The use of consensus decision-making ensured that members had a significant degree of power over the party programme. The programme was largely focused on the issues of

environment, and the party was not able to do any interest aggregation because it lacked the institutional framework to do so. According to deep green² theorist David Orton the party did not become a force until 2004 when it met with some electoral success by receiving more than half a million votes. Yet, Orton also claims the party was not built out of a flourishing green movement in Canada. The party, he says, preceded the movement:

For many years, the Canadian Green Party was really only a paper organization, because it was established before there had been built any kind of green movement in Canadian society of which the party could be a reflection. The federal Green Party was established “top down” and only became some kind of real political force in the 2004 federal election, when it polled over four per cent of the vote (Orton, 2006:np).

Earlier in his career, Orton, with long time partner Helga Hoffman, claimed that the creation of the Green Party drew energy away from the green movement. Orton and Hoffman, two pioneers of the deep green movement in Canada, blamed the creation of the GPC for the slow growth of the green movement in Canada:

We believe that building a green movement in Canada was seriously undermined by the formation of the federal green party and also the formation of green provincial parties in BC and Ontario (Hoffman and Orton, 1989: 21).

Whether the party slowed the growth of the green movement in Canada or not is not as important as the fact that the party seems to have preceded an organically produced green movement. The party with only tenuous ties to the green movement became a movement party, a political party with the internal structure of a social movement:

² The deep green environmentalist is differentiated by Orton from the light green one in that deep greens “see the existing economic and political system as having brought about the ecological crisis” and pursues radical means of change (2006:np). He further explains that light green environmentalists may try to stop a strip mine or get people to recycle but their change is not aimed at changing the existing worldview or economic system.

Movement parties are coalitions of political activists who emanate from social movements and try to apply the organizational and strategic practices of social movements in the arena of party competition (Kitschelt, 2006:280).

Kitschelt listed three key features of these movement parties that delineate them from other party types: there is little formal organizational structure, there is little in the way of a process for solving problems of interest aggregation, and the party engages in activities both inside and outside of traditional institutions. Essentially, the movement party works much the same way as the movement from which it came. There are few formal structures or definitions; anyone who comes to a meeting is a “member” for purposes of participating in decision making. There is generally no paid staff or formal offices so the party’s institutional memory tends to be quite short. There are few institutionalized party organs, which lead to an ad hoc problem-solving approach. Kitschelt points out that these features generally lead the party to have either a charismatic leader or a “grassroots, democratic participatory coordination among activists” both of which lead to “a capricious, volatile and incomplete collective preference schedule. Attention is devoted to a small set of issues, while many others are neglected” (Kitschelt, 2006: 280-1). The history of the GPC is a history of the tension between two factions in the party: the “movement greens” and the “party greens”. Movement greens, some who are deep green and some who are light green, wish to pursue movement responses to the ecological crisis. Party greens, who necessarily must be light greens, wish to build the Green Party in order to win electoral success and be able to make changes within the current economic system.

The 1990s were filled with examples of this tension between movement and party. Green Party members held a “McTrash” day at a McDonalds in Ottawa to criticize the amount of garbage generated by the fast-food chain (Maloney, 1990: D3). Three years later the party used political donations to help pay the fines of activists charged for blocking logging roads (Edmonton Journal, 1993:A11). Such examples of the party’s non-electoral activities were plentiful and kept the GPC among a group of fringe parties like the Marijuana Party of Canada and the Marxist Leninist Party. The Green Party of Canada stepped out of its status as leading fringe party in the 2004 election when it ran a full slate of candidates and qualified for a direct public subsidy to the party.

While, as we will see in upcoming chapters, the tension between movement greens and party greens is not yet over, the party greens have been aided in their attempts to professionalize the party by the state subventions of C-24. While the party is not yet an established one on the Canadian electoral landscape, the GPC has run a full slate in the last two federal elections and even finished second in the November 28, 2006 by-election in London North Centre. The Green Party of Canada stands at the threshold: no longer a fringe party and not yet a main party.

With the success of the GPC in the 2004 election, the party received more than a million dollars a year in state subventions. Bill C-24 catapulted the Green Party of Canada from one of the fringe parties to a position all its own: an emerging party that is state dependent. A party like the GPC, in its organizational infancy, is at a particularly vulnerable time for the influence of state subventions. Had the party been more

developed and more institutionalized it would likely have been less vulnerable to the effects of state subventions. As a result of the state funding, the emerging GPC has seen exponential growth in staff, members, and public exposure. The party sits at an interesting point in its evolution and presents us with an exceptional case study of the effect of state subventions on parties.

In the following chapters I will detail the response of the GPC to state subventions by first exploring the income and expenses of the party from 1991 to 2006. I will then, in Chapter three, explore the party's response to the money that began to flow into its coffers. In using the GPC as a case study I will be able to see in which ways the party followed expectations of the effects of state subventions on parties and in which ways the GPC diverged from the expected responses.

Chapter 2 – Revenues and Expenditures

In Chapter One the effects of state funding on parties was outlined as leveling the playing field for all parties; petrification of the party system by keeping smaller parties off the playing field and weakening of ties to society as parties become state dependent. In this chapter I will detail the fundraising income, the income from state subventions, and the party expenditures for the GPC for the period between 1991 and 2006. I will also show the sudden increase in expenditures after state subventions were introduced and I will detail how the party's electoral spending has changed. Using data from Elections Canada, publicly available documents, and personal interviews with party officials, I will attempt to answer the following questions: After three years of state subventions to parties in Canada, have the state subventions created state dependent parties? Have state subventions leveled the playing field for small parties? What are the specific effects on an emerging but unelected party like the Greens? Is the GPC more competitive as a result of the state subvention? Has the party's state dependence precipitated fewer ties to civil society?

First, I will start with the change to the party's income, both the private dollars and the public subsidies. Second, I will review the expenditures of the party both in election and non-election years. Finally I will show that the party is still underperforming in its fundraising and, as a result, is not yet competitive with the other main parties in Canada.

Income: Contributions and Subsidies

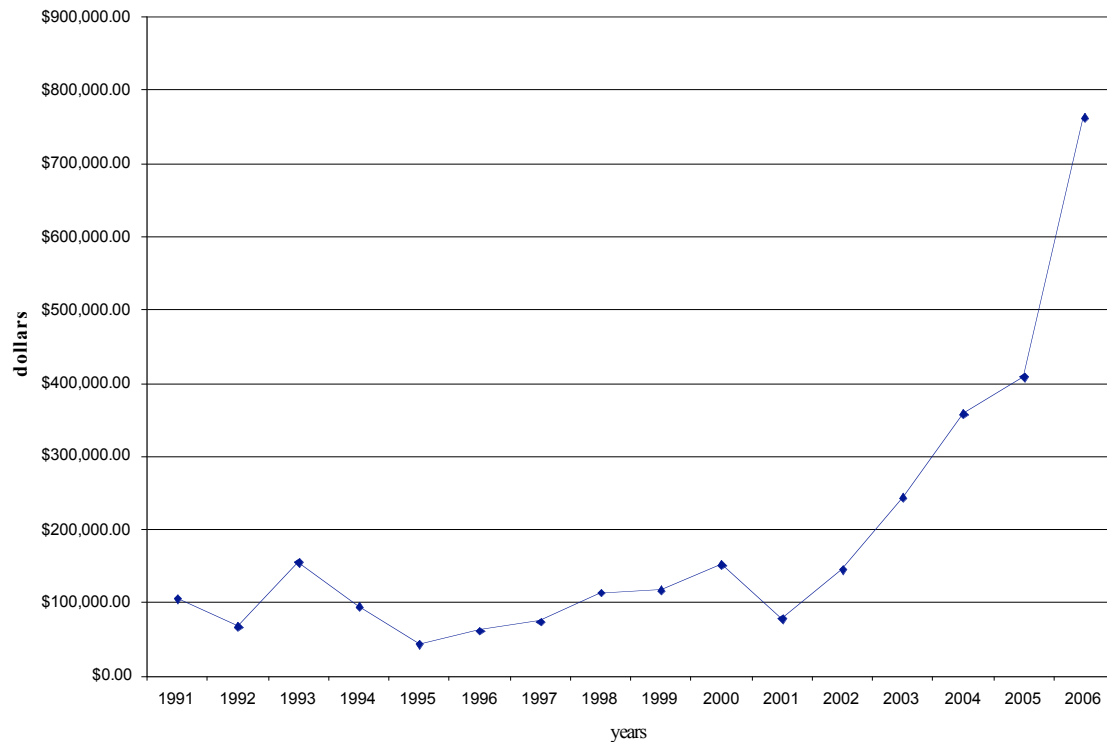
From the party's inception in November 1983, the growth of the GPC has been attributed to many things: a growing awareness of environmental politics, a rejection of old-line politics, and the decentralized structure of the party. Environmental awareness has undoubtedly led to some of the GPC's increased exposure, as has the party's different approach to politics. But the reality is that until 2004, the party lacked money and grew very incrementally. While the growth of the party may have had something to do with cultural and structural features, it has most assuredly catapulted onto the national stage as a result of the huge influx of money to the party. The main source of that money is the state subventions of Bill C-24. With the advent of C-24 funding to the party the GPC has more money to spend on activities, more money to hire staff, more money to spend in order to fundraise, and more money to spend in order to build membership. The most remarkable part is how *much* more money the party has since C-24.

In the years before C-24 the GPC struggled to remain solvent as the party relied on donations. Contributors were often highly committed Greens like Betty Nickerson, the party's first Green candidate who ran in a 1983 by-election and regularly contributed \$1000 or more a year to the Party (Elections Canada). The party, in fact, relied on committed members like Ms. Nickerson because it had very little organizational structure to speak of and no way to systematically fundraise. Until 2003, party volunteers, and later a half-time staff person, handwrote the membership cards for the few hundred members of the party (Anonymous interviews #8 and #12). It was 2004 before a

computerized database, capable of managing the membership and donor data, was created (Anonymous interview #8).

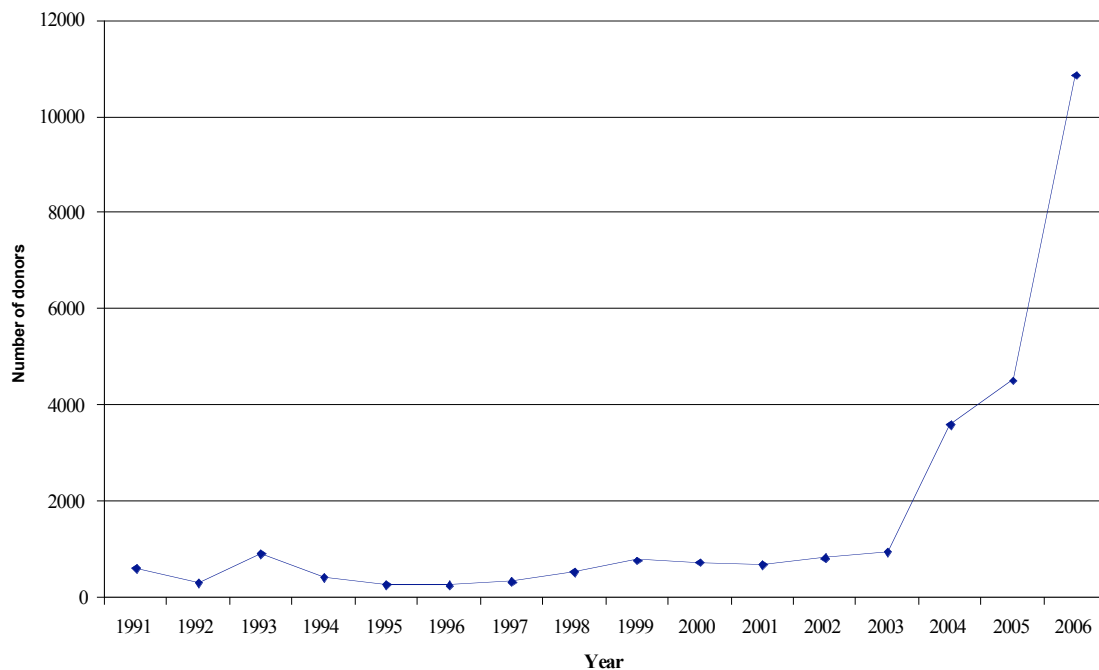
The GPC membership, just before the 2004 election, was fewer than 800 people (Anonymous interview #6). After the election, the Membership Chair Steve Kisby, announced that the membership ranks had swollen to 3800 during the election (2004 AGM Minutes - Membership Chair's report). In the summer of 2006, the party ranks again swelled to over 10,000 (Elizabeth May on CTV Newsnet August 27, 2006). Since then, according to a July 2007 GPC newsletter, many of those memberships have lapsed. The growth in membership was matched by a growth in the party's fundraising. Fundraising saw significant growth after 2003. For most years before C-24 the GPC received about \$100,000 a year (in real 2005 dollars) in contributions. But from 2003 onward the party's donations doubled each year. The exponential growth in donations meant that by 2006 the GPC received nearly \$800,000 in contributions from individuals (see Figure 1).

Figure 1
Value of contributions to GPC 1991-2006
(in 2005 dollars)



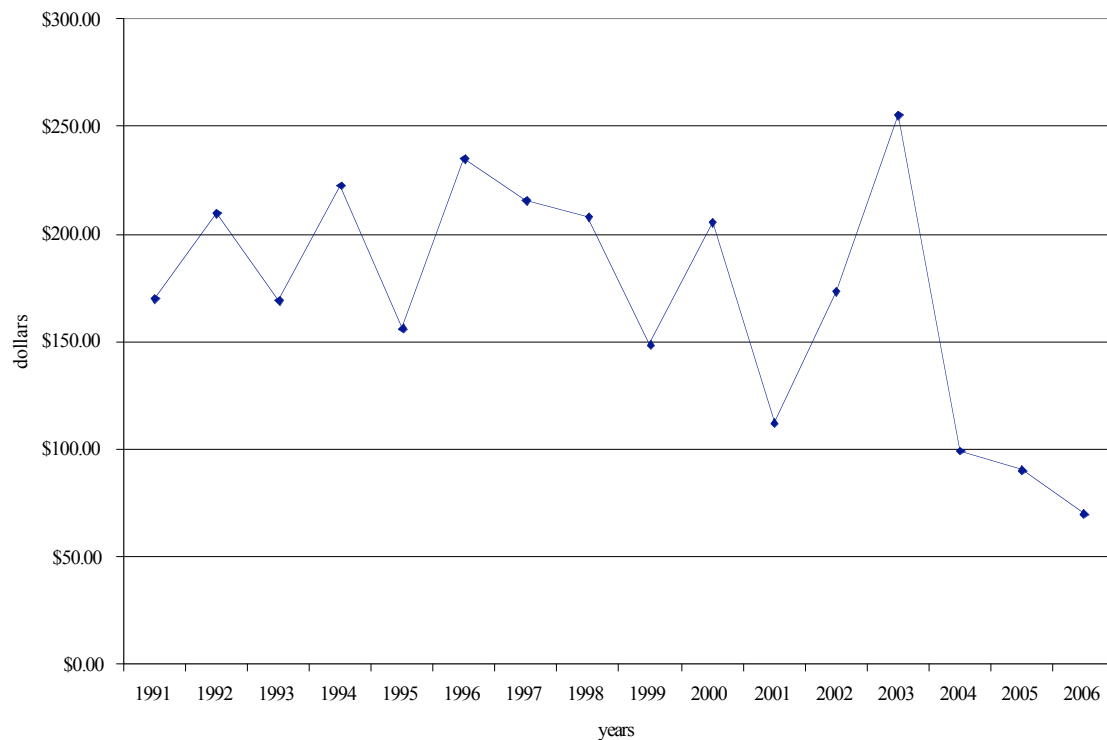
Not only was there more money collected in fundraising after C-24, the party was drawing from a much larger pool of contributors for that money. While initially the party was sustained with the money of a few committed Greens who made large donations, since 2003 the GPC has dramatically increased the number of donors to the party (see Figure 2).

Figure 2
Number of donors to GPC
1991-2006



The average size of the contributions from 1991 to 2005 also tells an interesting story. For the first 20 years of the party's existence, the GPC relied on a small pool of large contributors. Average donations in those early years ranged from just over \$100 to well over \$200 (in constant 2005 dollars). The average contribution never dipped below \$100 in any year preceding 2003. From 2004 onward the average contribution has plummeted to well below \$100 and the number of big donors has also dropped as a percentage of all contributors. The GPC has begun to garner smaller donations from many more people (see Figure 3)

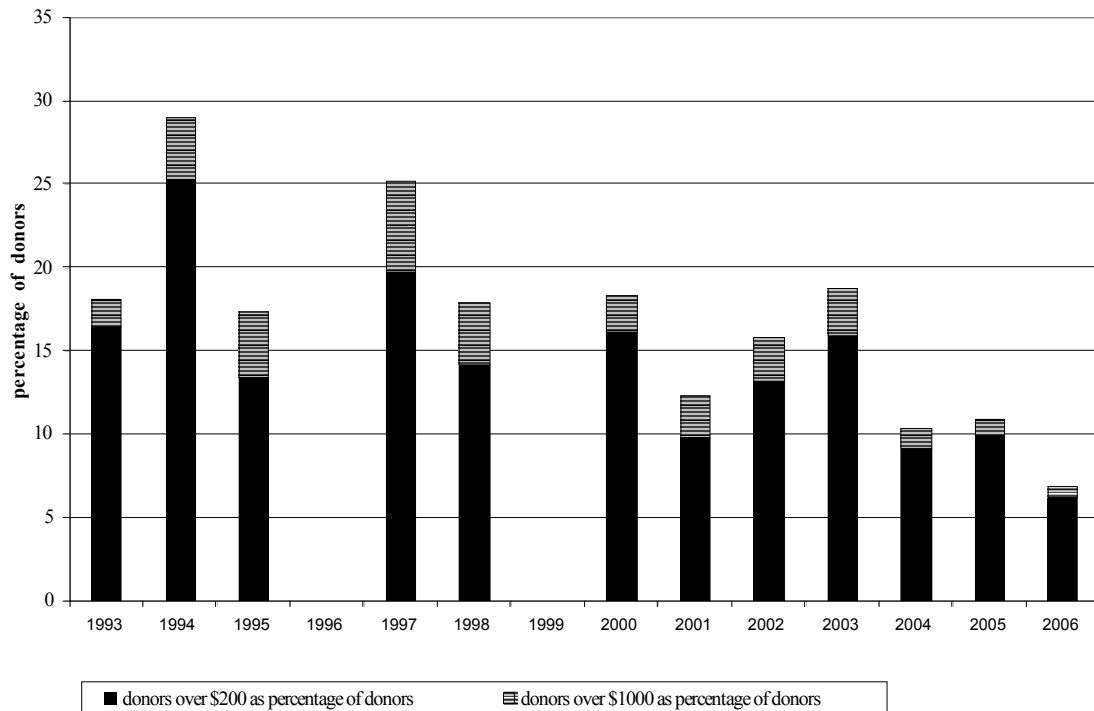
Figure 3
Average Contribution to GPC, 1991-2006
(real 2005 dollars)



Along with the drop in the average contribution to the party there has been a substantial drop in the proportion of donors who make the largest donations, those over \$1000.

Figure 4 compares the percentage of donors over \$200 and over \$1000 for the last fifteen years. The percentage of donors making large contributions has changed while the raw numbers have not. Many of the same large contributors continue to make large donations but the pool of contributors has increased so much they have become less than 10% of all donors when once they constituted almost 20% of the donors.

Figure 4
Donors over \$200 and \$1000 as a percentage of the total donors to GPC
1993-2006



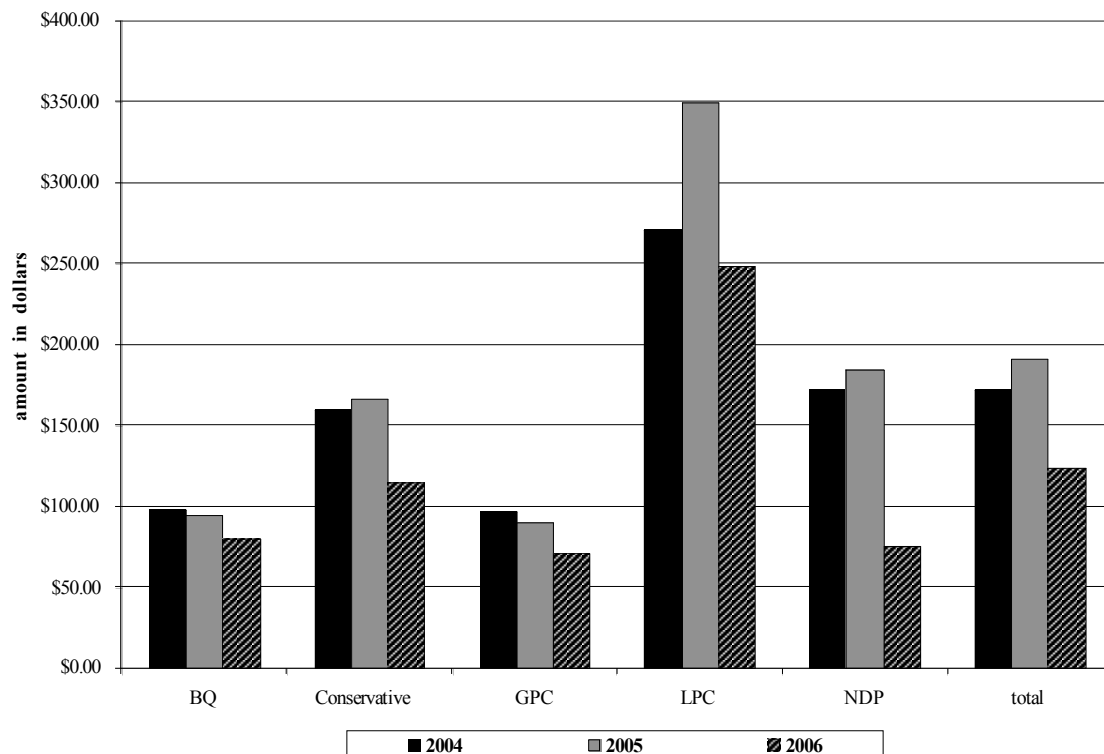
Note: Figure 4 has missing data in 1996 and 1999 because the detailed contribution lists for the GPC for those years are not available from Elections Canada.

Again, it is clear that the average GPC donor is changing. Donors are now more likely to donate less than \$100 and much less likely to donate \$1000. One senior party official explained that originally the Green Party was “more elite than the NDP. People that have the luxury to be involved in green thinking are not holding down McJobs³” (Anonymous interview #6). Since those original roots, the party has expanded its membership base

³ McJob is a commonly used phrase meaning a service-industry job with little opportunity for advancement and held by people with no formal training.

extensively. Its donors in 2006, while not likely holding down McJobs, are overwhelmingly donating less than \$200. Of the 10,865 people who donated in that year, 94% gave less than \$200. This compares to the Bloc, NDP and Conservatives who all had 93% of their donors under \$200. This compares to the Bloc, NDP and Conservatives who all had 93% of their donors under \$200 and the Liberals with 74% of donors under \$200. The GPC, since C-24, has seen their average contributions drop to below any other parties' average (see Figure 5).

Figure 5
Average contributions to parties
2004-2006



The Green Party is now more likely to receive small donations than any other party. It is a trend the party expects to continue, according to a senior party official:

We will continue to raise a lot of small value donations. We'll put together a fundraising model that will look a lot like our party: grassroots. Initially, we will run the fundraising centrally but Electoral District Associations will become fundraising horses (Anonymous interview #13).

The Accountability Act of 2006 further reduced personal limits on contributions to \$1000. The Green Party was not worried: "Our bread and butter are \$100 donations. The \$1000 limit will not have a tremendous effect on us" (Anonymous interview #8). In this way the GPC has evolved from a party that depended on committed donors to a party that gets most of its fundraising dollars from less committed people who have weaker ties to the party.

While the GPC has increased its fundraising, it has not been able to make fundraising from individuals its primary source of income. The primary source of income for the party, in election years and in non-election years, is the party's state subvention (see Table 3).

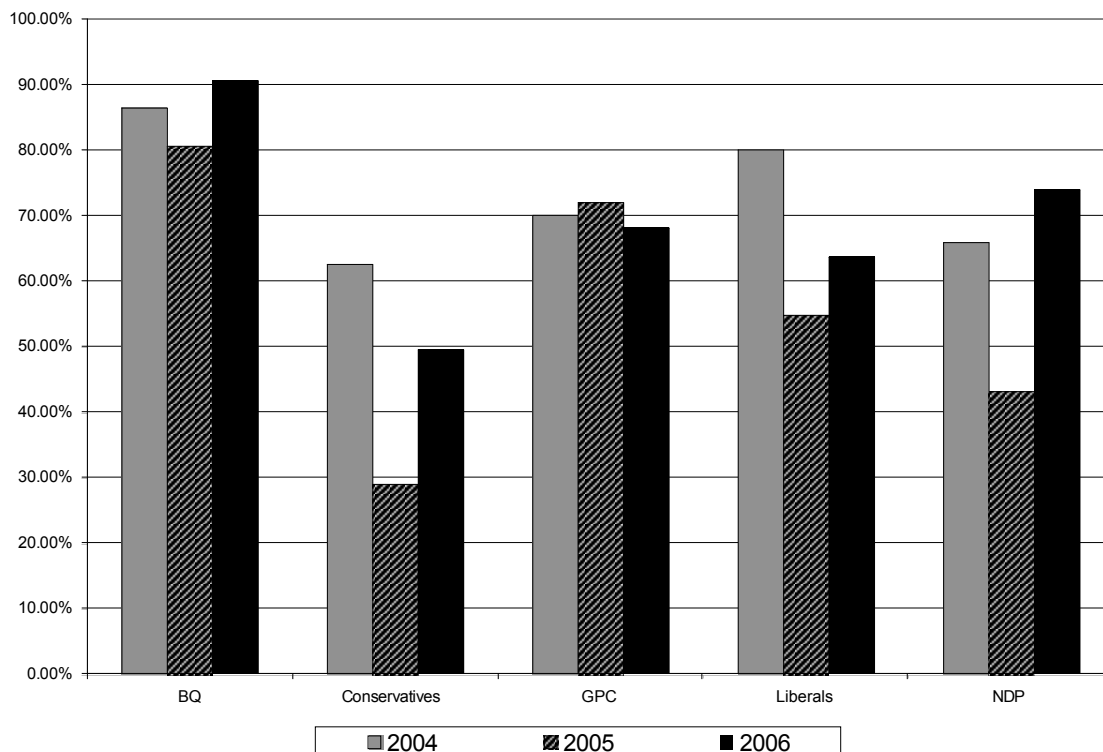
Table 3
Sources of Public Funding compared to contributions to the GPC
2004-2006

Year	quarterly allowance	election reimbursement	contributions
2004	\$523,694	\$298,907	\$358,589
2005	\$1,061,905	\$0	\$409,357
2006	\$1,199,287	\$455,489	\$775,992

Source: Elections Canada data.

As a result of the generous state subventions available since 2004 to the most electorally successful parties, the five main Canadian political parties have become, in financial terms at least, state dependent, but to varying degrees (see Figure 6).

Figure 6
Percentage of income derived from state subventions for five main parties
2004-2006



Source: Data compiled from Elections Canada

Note: 2004 and 2006 include election expenses reimbursements. The year 2004 provided 60% reimbursements while the 2006 election provided 50% reimbursements. Since 2005 was not an election year there are no reimbursements in that year, only quarterly allowances.

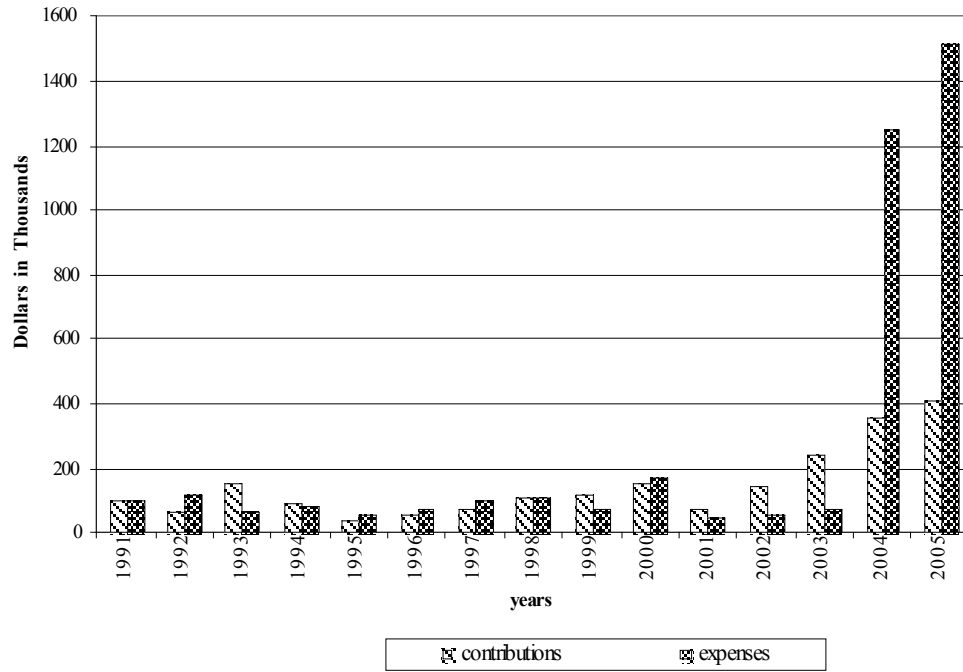
Figure 6 indicates the relative reliance on funding of the five main parties. The Bloc Québécois is the only party over 80% reliant on state funding. The Conservatives, in an election year, receive about 50% of their money from the state while the state provides just 30% of their income in non-election years. The Liberals and NDP receive more than

60% of their income in election years from the state and about 50% in non-election years. The GPC receives nearly 70% of its income from the state. As such, the BQ and the GPC are the most state dependent parties but all parties receive a substantial amount of their income from the state. The Green Party of Canada, while highly financially dependent on the state, has continued to put effort into membership and fundraising.

Expenditures/Election expenses

The GPC, for most of its history, as illustrated above, had little income because it depended on contributions from its handful of members. With little money to spend, the GPC also kept its expenses low during the first twenty years. Generally, before 2004, the money raised in contributions was more than the money spent by the party in the year. Surpluses were used to cover election expenses. After C-24, expenses began to greatly outstrip contributions because the party had a source of income from the state (see Figure 7). What is striking about this is that in the non-election year of 2005 the party spent over one million dollars while in the election year of 2000 the party spent less than \$200,000. This tremendous growth in the party's fortunes caused the party to require something it had never had before: a budget.

Figure 7
Expenses of GPC compared to contributions
1991-2005⁴ (in real 2005 dollars)



Without much money to spend the Green Party’s Federal Council, the main decision body for the party, made few plans for spending its money and never had an internal budget. In fact, it was after 2004 when the Council passed its first budget. Before that, recalled one senior party official, when a staff member needed a printer he had to wait to take his request to a council meeting (Anonymous interview #12). Another senior party official remembers it as even more problematic than that:

The party never had a budget. Instead, cheques got written when they decided something was worth spending money on and cheques didn’t get written otherwise. The people who had signing authority on the account were making all the spending decisions (Anonymous interview #3).

⁴ 2006 is not included because the expense information is not yet available.

Competitiveness

Clearly the Green Party has seen a dramatic increase in its income levels and has begun to benefit from the additional money flowing into the party. One senior official of the party credited Bill C-24 and concluded that the legislation had succeeded because the GPC was able to compete:

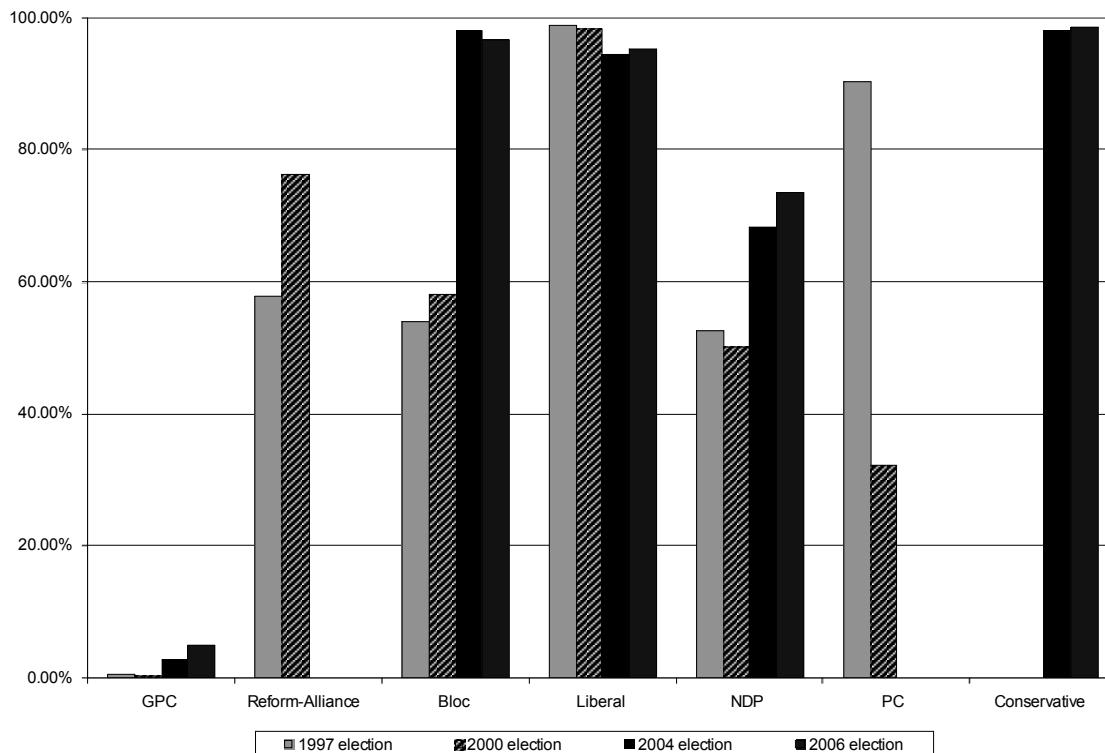
The legislation (C-24) had the desired effect and made a difference for us. It had a profound impact on the Green Party. Up until it came in effect the GPC was a volunteer organization with a small budget and resources that were disproportionately small with respect to our voter support (Anonymous interview #9).

But has the increased money flowing into the party meant the party is more competitive? The Green Party of Canada has moved from a “reluctant party” (Lyon, 1985) to a party on the edge of the electoral playing field. It remains, though, a party that is much smaller and less financed than the main four parties. While the playing field has been leveled a little, there is still a great gulf between the Greens and the mainstream parties.

One indication of a slightly more leveled playing field is the party’s competitiveness in elections. In Figure 8 the election spending of the main parties is compared to the legislated spending limit allowed under the *Canada Elections Act*. While the GPC has significantly increased its election spending relative to its spending limit, the party remains far behind all the other parties. The Liberals, Conservatives, and Bloc spend most of their limit in an election. The NDP has significantly increased its spending to about 80% of the limit. For the GPC, the limit is, at best, twenty times over their head. The GPC spent less than 5% of its spending limit in the 2006 election, an election which

saw the party spend more than in the cumulative amount spent by the party in all the other elections it had contested (see Figure 8).

Figure 8
Election spending as a percentage of the limit
1997, 2000, 2004, and 2006 elections



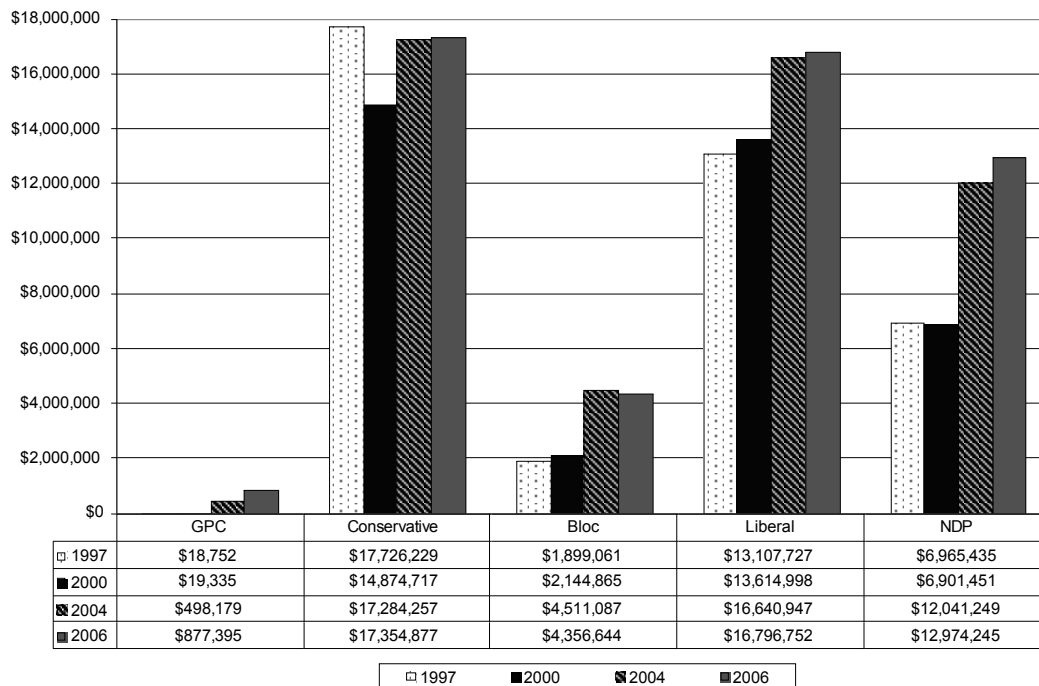
Notes: In the 1997 election the Reform Party ran candidates. In the 2000 election the party was renamed the Canadian Reform Alliance Party. In this table both parties are referred to as Reform-Alliance. The Conservative Party, created in 2003 as a merger of the PC and Reform-Alliance, ran in 2004 and 2006.

The Canadian experience since C-24 suggests that far from just covering the existing costs of elections, the impact of C-24 funding has been to increase the costs of elections.

It seems that as smaller or less financed parties receive reimbursements and state subventions, they increase their expenditures. Figure 9 compares the election expenses of

the five major parties in the 1997, 2000, 2004 and 2006 elections using constant 2004 dollars.

Figure 9
Election spending by major parties⁵
1997, 2000, 2004, and 2006 elections (in real 2004 dollars)



While C-24 appears to have dramatically increased election spending, it is important to note that the bill also changed the definition of an election expense to include election surveys and research. The increase in the parties' election spending does reflect this regulatory change, but, the definition change, alone, does not fully explain the increase in election spending. For the 2004 election, all the parties combined spent \$2,430,910 on election surveys and research. For the biggest spender, the NDP, this \$1,361,146

⁵ The 1997 election expenses for the Conservatives are the combined expenses of the Reform Party and the Progressive Conservative party. The 2000 election expenses for the Conservatives are the combined expenses of the Reform-Alliance Party and the Progressive Conservative party.

accounted for just one quarter of the increase in spending from the 2000 to the 2004 election.

Clearly, there was a strong reason for the parties to increase their election spending. The incentive for the Greens, NDP, and Bloc appeared to be the existence of the C-24 quarterly allowances and the fact that election expenses were to be refunded at a higher amount than in previous years. Parties were encouraged to spend during the 2004 elections because they would be refunded 60% of the amount spent. In the 2006 election this reimbursement dropped to 50% but almost all the parties increased their spending. Only the Bloc dropped its spending in the 2006 election. Both the 2004 and 2006 elections appears to indicate an increased level of competitiveness amongst the parties and an increased spending that brought parties closer to the spending limit. There is a lot of growth needed for the GPC before it can be considered competitive with major parties, a point that was all too clear after the 2004 election. The GPC national campaign manager in the 2006 election, George Read, has repeatedly told his party, “The money we get from C-24 is only 2% of the money we need to run the party. We need to realize that’s the candy money. Where’s the rest of the money?” (2006 AGM Bear Pit session).

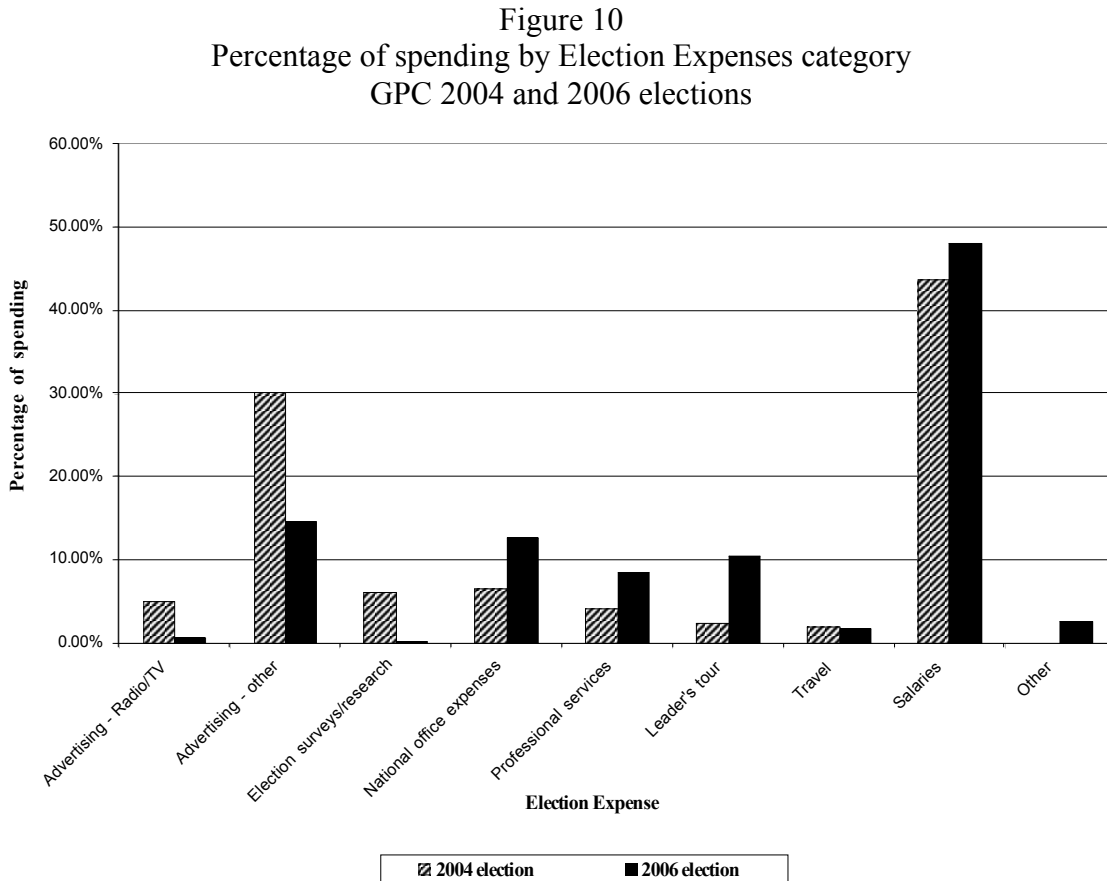
While the Greens clearly were outspent by the other parties in the 2004 and 2006 elections, the party greatly outspent itself from the previous election. The GPC spent 25 times as much on the 2004 election as it had on the 2000 election. One senior party official involved in the 2004 election campaign referred to the election as a “fun, entertaining, very draining ride” (Anonymous interview #5). A Canadian Press story the

day before the 2004 election referred to Harris as being in a “blow-the-wad mood” when he made last minute campaign stops on British Columbia’s West Coast in a small plane rented by the party after having “relied on random volunteers for rides” during previous stops (Green Party blows budget in final campaign days, Canadian Press, June 27, 2004).

The spending spree created some problems. Within the party there were many who questioned the strategy of spending during the 2004 election. At the 2004 AGM, the “beach head strategy” was challenged as were the large loans used to finance the strategy (Minutes of the August 27, 2004 AGM). Election spending for the GPC was difficult in 2004 because “we had no benchmarks” explained the Chief Agent, John Anderson, at the 2006 Annual General Meeting (Anderson, 2006, Financial Report). The party had no idea what to spend on and they had no idea how much to spend. The party relied on a few committed people, like Anderson, to set the campaign agenda for 2004. Anderson was one of the people who worked fulltime for the party during the 2004 election, at the princely sum of \$10/hr. When outgoing leader Jim Harris gave a rousing thank you speech to Anderson at the 2006 AGM he noted that Anderson had done this after “giving up his 6 figure job” as an accountant in Toronto. Anderson, like many other key people in the 2004 election, had no experience in other parties before being thrust into a strategic position for the GPC during the 2004 election and he was so committed to the party’s success he set aside personal gain to work for the party.

While the GPC may have had some trouble figuring out how much to spend on what in the 2004 election, it appeared to have learned a few lessons. The 2006 election saw the

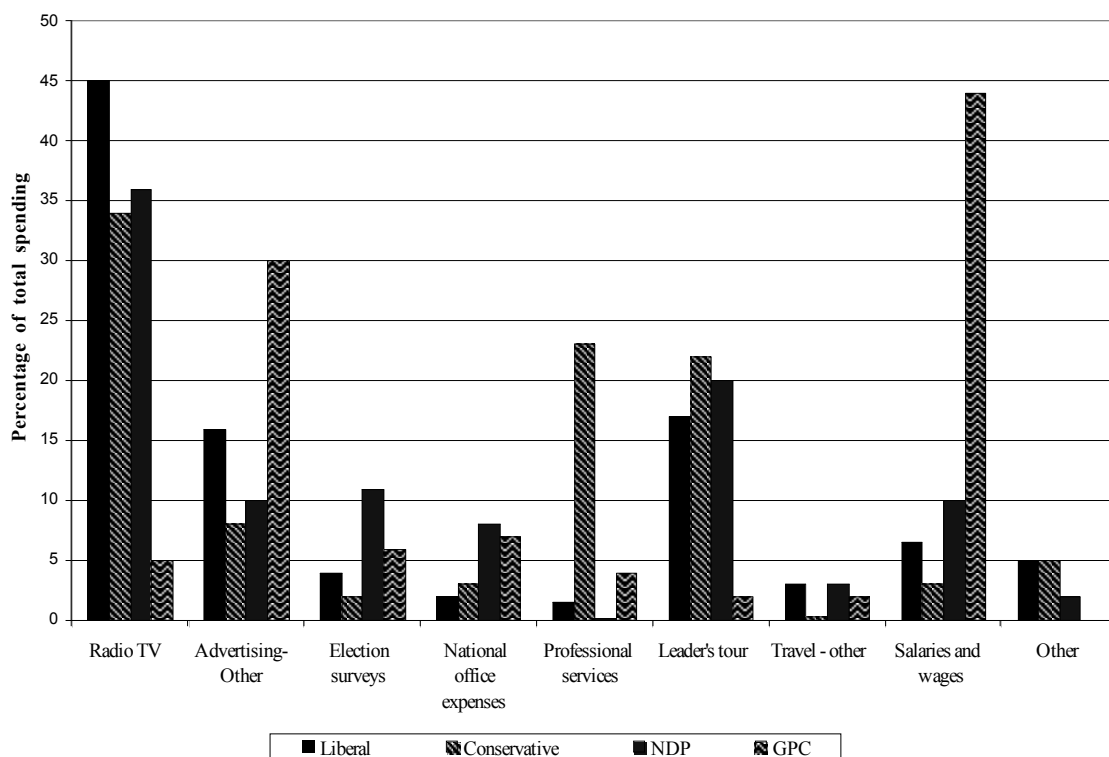
party make some strategic changes. Figure 10 shows the percentage the party spent, by election expense, in each of the last elections.



The change in election spending for the party between 2004 and 2006 is noticeable. The party had spent nearly 35% of their spending on advertising in the 2004 election. That number fell to about 15% in 2006. In the words of the Chief Agent at the 2006 AGM, “advertising dropped because we are just not big enough to do anything great there” (Anderson, 2006, Financial report). A senior party official involved in the 2006 campaign concurred, “even if our fundraising goals hit the targets we still won’t have enough money for advertising in the next election” (Anonymous interview #13).

One change the Greens made between the elections was done in order to maximize their reimbursements. Due to an Elections Canada ruling after the 2004 election the GPC was allowed to centralize the expenses for party signs (Anonymous interview #13). The party also decided that in some large urban areas they would try to bring together a number of candidate campaigns in one office, called a regional office, which could have most of its costs directed to the national office, thus receiving the central office reimbursement of 50%. The two strategies meant that the party's national office expenses and other advertising expenses were significant (see Figures 11 and 12).

Figure 11
Election Expenses by category for four national parties (2004 election)

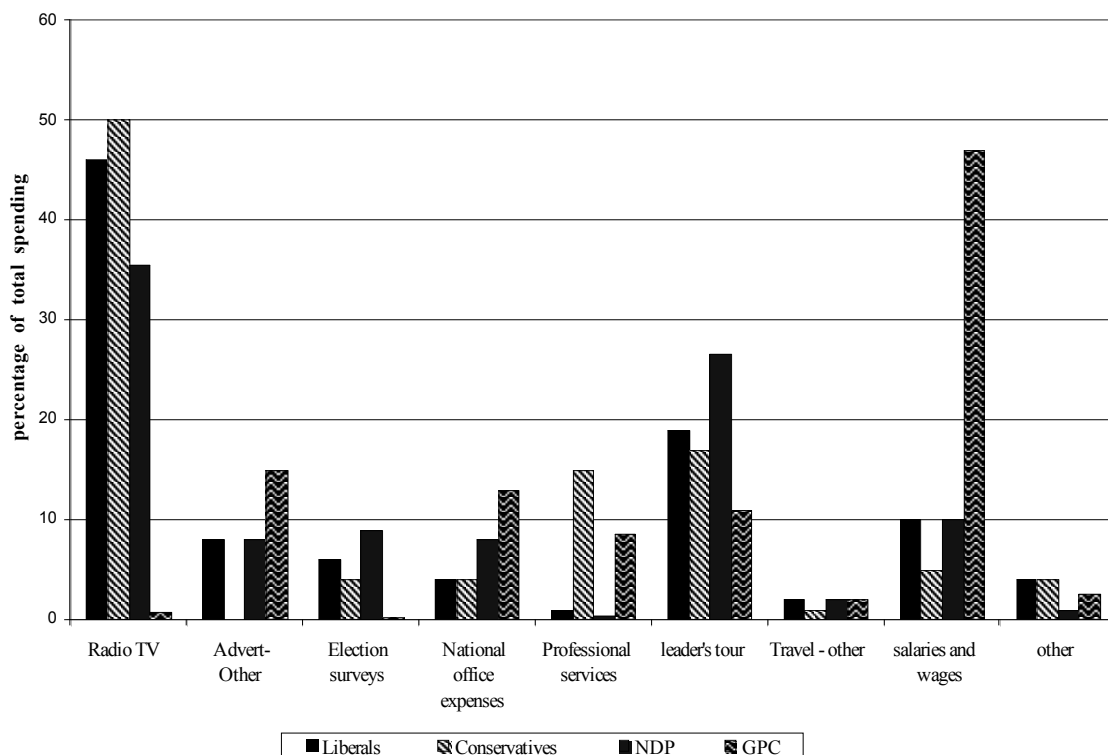


Along with the strategy of maximizing reimbursements by centralizing many expenses, the GPC also dropped spending on election surveys in 2006. This decision was likely a

result of the election campaign team’s decision to stay away from targeting ridings in 2006. Targeting, the party found, was “an expensive lesson” (Anonymous interview #5).

The GPC does spend a great deal of their election money on wages and salaries. This is a reflection of the heavy reliance the party has on paid staff for organizers, media/communications staff, and internet staff (Anonymous interview #13). The NDP, another party heavily reliant on paid staff and more likely than the others to “load up” their election expenses to maximize reimbursements, spent just 10% on wages while the GPC spent nearly 50% on wages during the 2006 election (see Figure 12)

Figure 12
Election expenses by category for four national parties
2006 election



What appears to be the case is that the existence of state subventions did appear to improve competitiveness amongst the parties. In the 2004 election the Bloc Québécois' spending limit was \$4,591,747. The party came within \$80,000 of reaching that limit while in previous elections the party had not come as close to the spending limits. Equally, the NDP went from spending one half of the limit to spending more than two-thirds of the limit. This made the NDP much more competitive against the Liberals and the Conservatives because both those parties were much closer to the spending limit. The Green Party, not surprisingly, went from spending less than a half a percent of the limit to spending more than 2% of the limit.

There is a great deal of growth still needed in the Green Party's spending at election times if they hope to be competitive with the other major parties. The advent of state funding to parties has improved competitiveness, ironically for the Bloc Québécois more than any other party, but the Green Party remains far behind the other parties and will need to improve both their fundraising and their vote share (in order to increase their quarterly allowance) if they want to play the election game at the same level as the others.

Dermod Travis, GPC Media Team leader during the 2004 and 2006 elections, explained in a Bear Pit session at the 2006 AGM, that while the Greens spent \$13,800 a day in 2004 and \$15,183 in the 2006 election, the NDP, their closest rivals, spent \$243,000 per day. George Read, the 2006 Election Campaign Manager chimed in, "If we want to play in the big leagues we have to act like the big leagues. We have to have fundraising. We have

just 2% of what we need to run a campaign” (2006 GPC Annual General Meeting Bear Pit Session).

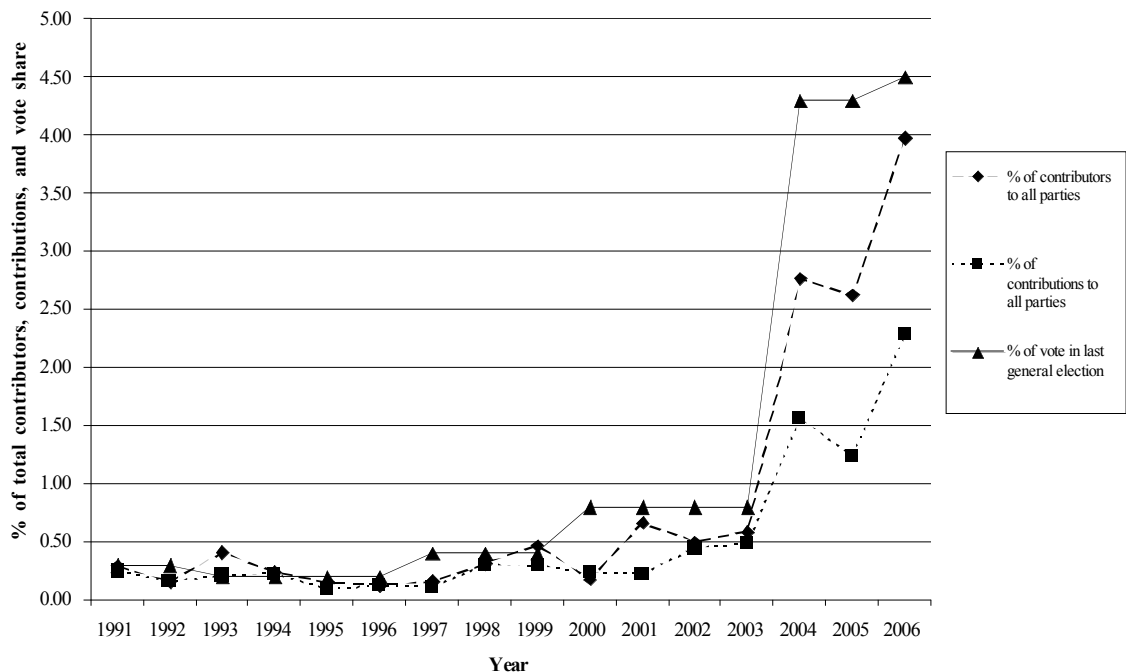
Comparing contributions to vote share

State subventions are sometimes blamed for a petrification of the party system in which existing parties are supported at the expense of new and emerging parties. As the GPC is a relatively new and emerging party, has the appearance of a state subvention hindered the party’s ability to reach its potential? It hardly seems so. The GPC, since 2004, has seen an increase in membership, fundraising, and vote share. Has this increase been tempered by the existence of state subventions to other parties? To answer that I have compared the GPC contributions and donors to the vote share for the past fifteen years. Stewart (2005) used a similar comparison tool when he asked “To what extent will state subsidies revolutionize the allocation of resources to registered Canadian political parties? Put differently, was the more market-based system of the past not implicitly shaped by the results of the previous federal election?” Stewart concluded that, in fact, the previous pattern of donations to parties did approximate the last election’s results (Stewart, 2005).

Stewart did not look at the Green Party in his comparison so I have used his measures in Figure 13 to reveal that for most of its history the GPC also managed to garner about the same percentage of the money contributed to all parties as they received in vote share. In other words, the party’s level of support at the polls was matched by its level of support amongst donors. In the year 2000 a gap opened. The party’s support at the polls was about double its support amongst donors. Either the party was receiving more votes than they deserved, possibly as a result of disenchanted voters who chose Green because they

could not choose “None of the Above”, or the party was not capitalizing on its level of popularity and was missing fundraising potential. The answer is in the years 2001-2003 when the percentage of people donating to the party began to match the vote share the party received - indicating that the party had improved its fundraising. In 2004 the GPC again underperforms in fundraising as the party’s support soars above its contributors and contributions. By 2006 the GPC appears to have improved the number of contributors but the party’s share of the percentage of contributions made to parties lags behind their vote share (see Figure 13).

Figure 13
Percentage of total contributors, total contributions, and total vote share
GPC 1991-2006



When Jim Harris was leader of the GPC in 2003 he predicted the importance of the state subventions to emerging parties like the GPC. In an article he wrote to fellow Greens he

argued for the party to “vigorously support” the passage of C-24. The only part of the legislation with which he took exception was the 2% threshold for state subsidy:

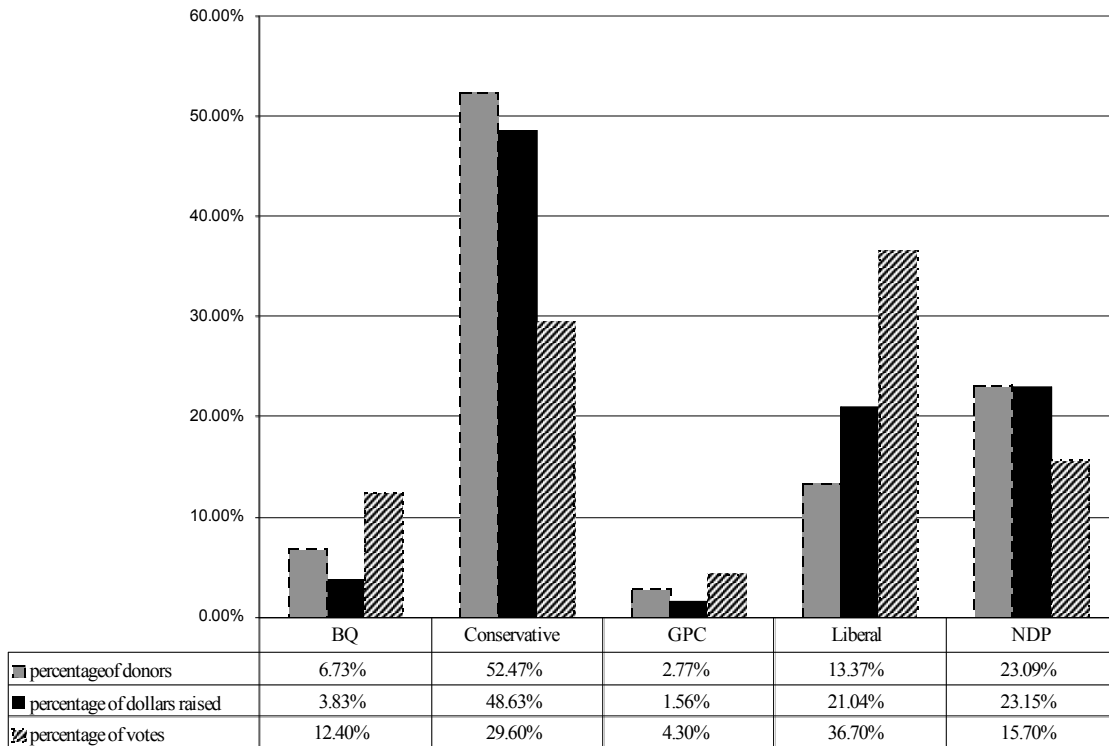
The reason why already sitting political parties support thresholds is because they believe that public money should only support "legitimate" players in the process. This assumes, however, that the political landscape will and should continue as it currently stands. Anyone with an understanding of history will understand, however, that new political parties are formed and slowly gain in support as others decline and fade. Thresholds will only serve as impediments to this natural process and unfairly benefit the already existing parties (Harris. 2003: np).

This argument was one of the reasons that the Greens joined the bulk of the small parties in Canada in a court challenge to the thresholds. The court case was decided in October 2006 in favour of the small parties and the threshold for funding was removed.⁶

Harris’ fear of existing parties benefiting from the state subvention more than emerging parties is not entirely evident in Canada. Figure 14 and 15 provide an interesting comparison of the parties that receive state subventions in Canada. The party’s vote share, contributions share, and donors share is compared. They indicate that the existing parties are very differently rewarded by state subventions to parties.

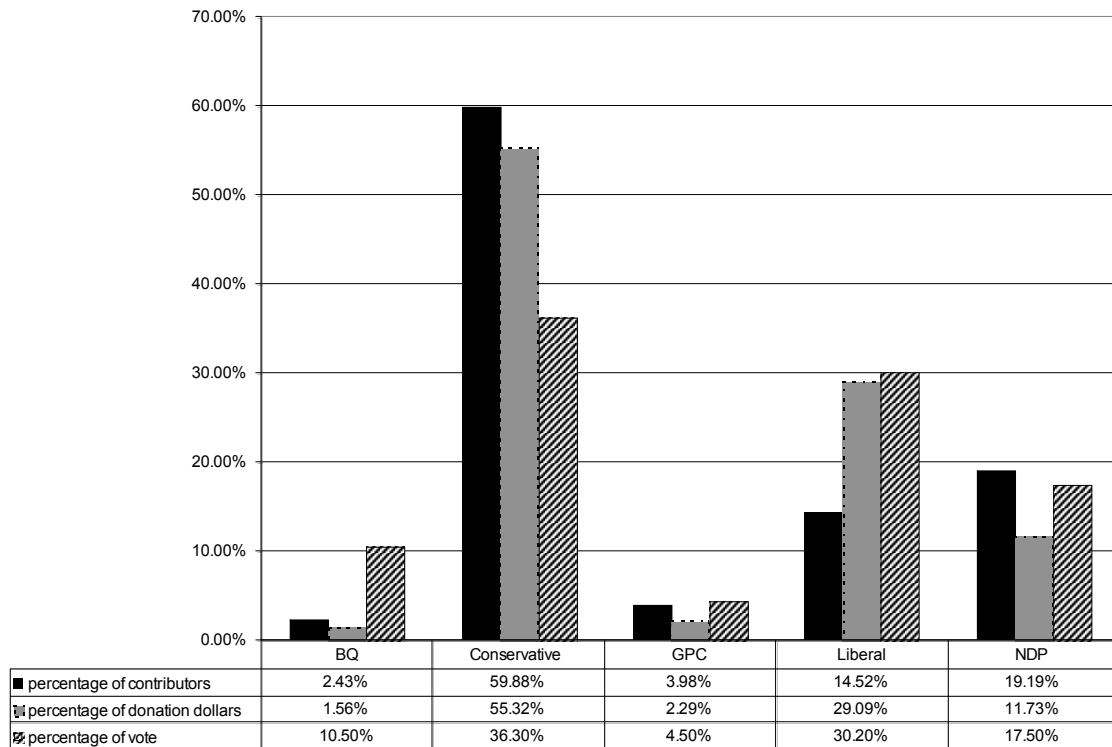
⁶ The Government of Canada has appealed this decision of the Ontario Supreme Court.

Figure 14
Percentage of donor share, donations share, and vote share
For all parties in 2004



In 2004, the Bloc Québécois raised very little of the total money raised, despite receiving 1 in 8 votes in the country. The Conservatives and the NDP out-fundraised their level of electoral support and the Liberals under-fundraised from their level of support. The GPC, as stated earlier, under-fundraised compared to their vote share. In this scenario, the Liberals, and to a lesser extent the Greens and Bloc, benefit more from the existence of a per vote subsidy than the other two parties. Figure 15 compares the same variables in the 2006 election year.

Figure 15
Percentage of donor share, donations share, and vote share
2006



Again, the BQ is underperforming in their fundraising, compared to their vote share; the Conservatives are outperforming in their fundraising compared to their vote share; the GPC is closing the gap between fundraising and vote share; the Liberals receive nearly the same percentage of contributions as they garner of the vote share, even if their donor base is smaller; and the NDP has more donors, but receive fewer dollars than their vote share would imply. The lesson appears to be that parties who invest a great deal in fundraising make more money fundraising than they do from the per vote subsidy, and parties that do not invest in fundraising receive more money from the per vote subsidy. The state subvention does not appear to be petrifying the system beyond entrenching the

Bloc Québécois. That party, more than any other, is nearly cemented in the landscape of Canadian political parties due to state subventions.

One other way that C-24 was accused of cementing the party system was in the restrictions on corporate and union donations that could fund an emerging party, like the Reform Party, before it receives state subventions. As discussed in Chapter One, the Alliance's contention that they would have been kept out of the party system had C-24 been in existence when they emerged was not entirely supportable. What did the impact of limits to corporate and union donations do to the GPC? While the law before 2004 allowed corporate and union donations to parties, the Green Party rarely attracted such donations. There was even some ambivalence and even hostility from members about accepting corporate donations. This was best seen in the 2004 AGM in which a member asked why it was that the council would accept a \$50,000 corporate donation in the year 2003. The Chief Agent had to explain why it was the council deemed taking such a donation acceptable (Minutes of August 27, 2004 AGM). The party generally made no effort to attract corporate donors:

From 1993 to 2003, the party averaged about \$8,000 (real 2005 dollars) in corporate donations per year; it received no donations from organized labour (Jansen and Lambert, 2006:9).⁷

While C-24 eliminated corporate and union donations to the party, GPC insiders were far from worried. The party knew that the value of corporate donations were quite low and

⁷ Most of that corporate fundraising occurred in 2003, when the Green party raised over \$63,000 from business. Most of that money (\$50,000) came from a single donation from a numbered company: 443472 Ontario. Senator Nancy Ruth, a feminist philanthropist from Toronto, is the President of 443472 Ontario and the company is located in Toronto. Evelyn Jacks was named as the contributor of the \$50,000 by Chief Agent John Anderson at the 2004 AGM. Jacks, who owns The Knowledge Bureau, lives in Winnipeg. The reason for the discrepancy is not clear.

would be more than offset by the rich public subsidies coming to the party. One staff member of the Green Party explained the party's links to corporations and unions:

We have the advantage of having no historical connections to corporations or to unions. If we get a corporate donation it is likely from a small, home-based business like Kathy's Red Mealy Worms. I just have to take the cheque and ask Kathy to write a personal one instead (Anonymous interview #8).

The ban on corporate and union donations does not seem to have affected the Green Party at all. While some emerging parties may find the ban a barrier, it has not been one for the GPC.

The concern that parties would have no incentive to build strong ties to society does not appear to be the case in the GPC. The party has built its membership, broadened its number of supporters and increased its fundraising even as it has received generous state subventions. The party is state dependent but knows that it needs to build and strengthen its ties to society if it hopes to have any chance of competing with the other parties for elected seats. While state subventions have greatly enhanced the ability of the GPC to fight elections, it has not made them much more likely to win those elections because the financial gap between the GPC and the other four parties remains large.

The effects of the state subventions of C-24 on the financial capacity of the GPC are astounding. The party has improved its competitiveness, raised and spent much more money, and begun to build ties with civil society by reaching out to environmental non-governmental organizations and by building local EDAs. The C-24 money had huge impacts on the organizational capacity of the party as I will discuss further in the third

chapter, but it brought with it very high expectations, as was identified by one senior party official whom I interviewed:

The expectations of that million dollars by the grassroots was like dancing girls and heaven and policy conventions and easy street (Anonymous interview #13).

While the party welcomed new members and new money they had to face internal dissension, constant turmoil, and the centralizing pull of a growing organization. The party's response to the effects of the state subvention is the focus of the next chapter.

Chapter 3 – Green Party Activity after State Subventions

In the previous chapters I explored the literature on state subventions to parties and reviewed the financial growth of the Green Party of Canada since state subventions began in 2004. In this chapter I will explore the Green Party's adaptation to state subventions and the particular effects of the state subvention on six areas of party activity: financial issues, specifically revenue sharing; election strategy; membership; leadership; policy making; and party organizational culture.

Financial Issues

“The intention of C-24 was never what we are doing”
(Anonymous interview #2).

In chapter two I detailed the financial growth of the party with respect to income and election expenditures. In this section I will detail some aspects of the financial decisions made after state subventions began to flow to the party in 2004. A number of party officials tried to explain the nature of the party from 2004 to 2006 but one put it most succinctly: “We were building the tools to build a plane and training the pilots while we were flying” (Anonymous interview #7). With little experience from which to draw, the GPC did manage to increase fundraising, increase election spending, pay their leader, hire central party staff and rent an office from which they could work. The party was building the plane because it had received state subventions. State subventions, though, also brought expectations.

The reason that members were full of expectations for the million dollars in funding was that Jim Harris had promised to share it. In 2003, Harris, the newly elected GPC leader

had immediately understood the implications of Bill C-24 (Anonymous interview #5) and, during the time that the House of Commons was considering the legislation, urged his party's members to offer "vigorous support" of the legislation (Harris, 2003). Harris' promotion of the legislation was based on his idea that by running a candidate in every riding, the Green Party could meet the threshold needed to receive funding. That threshold, either 2% of the number of valid votes cast or 5% of the number of valid votes cast in the electoral districts in which the party endorsed a candidate, appeared to be beyond the reach of every other small party. Harris, however, reviewed his party's success in 2000 when it had endorsed a candidate in 111 ridings and received about 2% in those ridings (but only 0.8% nationally). Seeing an opportunity to secure annual funding for the GPC, Harris pursued the idea of running a candidate in all 308 ridings in order to meet the 2% nation-wide threshold and qualify for the funding. He also joined with five other small parties in a legal challenge of the vote share threshold on the grounds that it infringed upon Section 3 of the Charter. That legal challenge was decided at the trial level in October 2006 in favor of the small parties which effectively allows a party to receive funding based on just one vote received. The government has appealed that decision.

After C-24 passed, Jim Harris went across the country asking Green Party members to help the party meet the goal of a full slate of 308 candidates in the 2004 election and, in return, the central party would agree to share the state subvention to parties with the local riding associations (Anonymous interview #2). Harris promoted his idea of sharing the state subvention with EDAs and provincial organizers in a one-third, one-third, one-third

ratio (Anonymous interview #16). At the party's biannual convention in August 2004 a committee was struck to review the many formulas for Revenue Sharing and a commitment was made to have the members of EDAs vote on the plan. One member of the Revenue Sharing committee, Kate Holloway, was removed from the committee a few months later by Federal Council and blogged about her experience of the committee:

...this was the committee that was supposed to figure out how we were going to split the MILLIONS of dollars coming [*sic*] the Party after the breakthrough election. Anyway we had a retreat, we drafted our recommendations, I took minutes on a laptop. The recommendations we made were to send ALL the money to the EDAs, except for the budget for the hub, which would be approved by an EDA Council (emphasis in original. Holloway, 2006:np).

The Revenue Sharing Committee met for months after that and eventually recommended a plan, the Revenue Sharing Agreement (RSA), which was voted on by party members living in EDAs during the summer of 2005. This was interesting for a number of reasons. First of all the Green Party's constitution places ultimate authority for the party in the hands of party members during general meetings and in Federal Council when the membership is not in general meetings. The Constitution recognizes EDAs but it does not establish members residing in ridings with established EDAs as any different from those members in ridings without established EDAs. The RSA, though, was only to be voted upon by members residing in ridings with established EDAs. This meant that those members who were expecting to benefit from Revenue Sharing were the only ones able to vote on it. To be fair, the party gave sufficient notice to members that such a system would be used so that any member residing in a riding without an EDA had adequate time to form an EDA and be able to vote on the RSA. The second reason that the RSA was an interesting voting process was that the decision was left up to the membership and

not the Federal Council, despite the fact that the Constitution left the Federal Council as ultimately accountable for the party outside of general meetings.

The final plan that went to a vote divided the state subvention amongst the central office, provincial divisions, and existing EDAs. After a fractious discussion the vote passed with 61% in favor.⁸ The restriction that allowed only EDA members to vote was part of a motion at the 2004 General Meeting in Bragg Creek, Alberta, supported by 84 members and opposed by 13 members, which set the framework for the Revenue Sharing Committee. The requirement that only members in EDAs be allowed to vote on Revenue Sharing meant that 61% of party members were sent a ballot (Langlois, 2005: 2). Of those, only 23% bothered to vote (Langlois, 2005: 2). The decision, therefore, to adopt the present form of Revenue Sharing was made by just a few hundred people (Langlois, 2005: 2).

In the first year of the RSA, \$62,000 was transferred from central office to EDAs under the Revenue Sharing agreement (Anderson, Financial Report, 2006). In the future that number could increase tremendously because of the increase in the number of EDAs. In order to receive the money, EDAs must be registered with Elections Canada. According to party rules, in order to be registered an EDA must have five members, have an annual meeting, and maintain the EDAs registration requirements with Elections Canada. To date just over one half of ridings have a registered EDA.

The idea of sharing the state subvention to the party with the grassroots local organizations was rather revolutionary because the subsidy was directed to central

⁸ By policy, a vote of 60% was required.

parties. No other party has made a similar move to share the central party's subvention with the EDAs (Carty and Eagles, 2005). The revolutionary nature of the RSA intrigued some senior party officials who backed the idea. One noted, with some delight, that the Greens were "doing the exact opposite of the spirit of the legislation. C-24 was meant to centralize parties and here we are using it to further decentralize ours" (Anonymous interview #15). Few senior party officials supported the RSA idea as they saw it as diminishing the capacity of the central party by spreading out the money. The scheme managed to pass because the grassroots members and EDA presidents saw its potential for them and they wanted a piece of the pie. According to one senior party official opposed to Revenue Sharing, the agreement passed "because members at the time were predominantly old Greens. They thought they would have influence that way."

(Anonymous interview #7)

The long-term survivability of Revenue Sharing is unclear, though the 60% threshold for policy adaptation will make it difficult to alter the plan. The scheme managed to endure numerous attempts at revision during the 2006 policy convention but it is still referred to by many senior party officials as "an interesting experiment" (Anonymous interviews #6, #7, and #14). Most of those opposed to the RSA point to the practical benefits of having a strong, well funded central party (Manley, 2005) while those in favor of the RSA like that it was developed "with the core values of the Green Party in mind" (White, 2005: 1).

The controversy about the RSA raises many issues. Those in favor of RSA see the agreement as a way of developing EDAs because the formula for the money that flows to EDAs is based on three things: a flat rate for any registered EDA, a portion allotted based

on vote share in the riding during the last election, and a portion based on the last quarter's membership in the EDA. The formula arguably provides an incentive for EDAs to build membership and maximize the vote:

People who want the money in central office fundamentally misunderstand something. Who helped raise this money we got from the government anyhow? Central party did a bit but the people who organized the campaign here were the ones that got out the votes. It was the EDAs that did the groundwork for the money...they deserve a portion of it. The agreement also provides two incentives to EDAs. One is to be organized and the other is to be developing membership. (Anonymous interview #15)

For those opposed to RSA, the idea of sharing money meant for central parties to replace large individual, corporate, and union donations is just counterproductive. They argue that giving money to an EDA is a handout that will "remove the imperative for EDAs to fundraise" (Manley, 2005: 2). One senior member explained what might have worked better, from his perspective:

It would be healthier for the organization if the Revenue Sharing was for fundraising. In other words if we raise a buck in your EDA we'll send you a quarter. Instead we went with Revenue Sharing on C-24 money (Anonymous interview #8).

If there is one flaw in the agreement that may eventually spell its defeat it is the payment of one-third of the state subvention to provincial divisions of the party. Originally, Harris had called for this one-third funding to be designated for provincial organizers, to be paid by central office, to develop EDAs and build the party in every riding (Anonymous interview #16). Somewhere along the way the Revenue Sharing discussion changed to the money being divided between EDAs, provincial divisions (PD), and central office. One senior party official who had supported this change reflected on it later, "in hindsight that was probably a mistake" (Anonymous interview #16). The 2004 federal organizer,

Kevin Colton, also opposed money going to the fledgling Provincial Divisions when he spoke out at the GPC in Alberta AGM:

In practice we're spread too thin. To have \$600,000 going out to organizations that are making decisions on the fly – it's just too much money (Colton, 2006).

To date only four provincial divisions exist: BC, Alberta, Saskatchewan, and PEI.

Colton's concern was that the possibility that two-thirds of the C-24 money could go to these fledgling organizations is threatening to the long-term strength of the central party.

Colton seemed particularly concerned that the provincial divisions could receive and spend money with little accountability. Provincial divisions have a board of directors chosen at Annual General Meetings. At the Alberta Provincial Division's AGM held in September 2006 in Calgary, that Board was voted on by any member in the room.

Memberships were sold at the event so there were a number of members who had been a part of the party for just 15 minutes when they voted on the Board members. According to one senior party official contacted in early March 2007, the Board had not met from September to March (Anonymous interview #16). Kevin Colton's concern with money going to divisions "making decisions on the fly" is one which divisions operating like Alberta's need to consider. In Alberta's case, the provincial division has twice decided to return the money allotted to them through proportional funding so that the central party can "administer" the funding (Minutes of October 1, 2005 AGM of the GPC in Alberta).

While reviews of Revenue Sharing appear mixed, it has seemed to trigger an increase in the number of registered EDAs in the GPC. The party had very few EDAs before the 2004 election and has steadily increased the number since then. Whether or not this

translates into stronger local campaigns and better fundraising results at the EDA level is yet to be seen, but the potential of the Revenue Sharing Agreement to counteract two effects of state subventions, the centralizing effects and the weakening of ties to civil society, is promising. Both effects are mitigated in the RSA because the RSA diverts money from the centre to support the periphery and it rewards efforts by EDAs to strengthen ties to civil society with the RSA formula.

Within the party I recognized at least three distinct responses to the RSA. Amongst most senior party officials, the RSA was loathed as an example of the dysfunction associated with the party's history and activist roots:

Revenue Sharing is just bizarre. It comes from activist roots. The whole idea has been foolish and painful and has caused infinite harm. It flies in the face of building self-sustaining locally-based riding associations. Revenue Sharing is the most bizarre thing and a function of the party's movement from movement to party (Anonymous interview #14).

Amongst ideologically focused Greens, the fact that the RSA existed was proof that the party is indeed following its principles and creating a different kind of party capable of changing the way politics is done:

If you give your money away more will come back. We believe that at a core level. That's why this party does Revenue Sharing and the others don't. They think money is scarce (Anonymous interview #13).

Amongst newer members of the party and the more pragmatically minded members, there was a belief that there was little ideological basis to the RSA; it was simply a way to strengthen struggling EDAs:

Revenue sharing has allowed my EDA to be a functioning body.... Revenue Sharing has meant a few hundred dollars each quarter. It is seed money to do

fundraising. It didn't serve to uninspire us. It didn't make us complacent. It has allowed us to send a delegate to the AGM (Anonymous interview #10).

These three distinct visions of the RSA reflect the three distinct visions of the party that are at play. Some members are thrilled that the party is becoming more traditional, others wish to see the GPC create a new version of a political party, and some members just want to focus on their sphere of influence and win more votes in the next election. In some ways the party remains a party divided along these fundamental visions of the party and so the next few years will require some negotiation of these viewpoints because the RSA could prove to be a strong feature of the party or it could prove to be their demise. The RSA will remain the touchstone issue for those divided on the role of a Green Party. Future discussions of the RSA will continue to be lively and spirited because underlying discussions of the RSA is the debate about the fundamental nature of the party. Is the GPC a traditional party, a social movement, or some kind of hybrid of the two? The issue has not yet been completely decided within the party and will continue to flavor debates on the RSA.

The discussions over the financial issues in the GPC were flavored by visions of the party. The election strategy, as well, was affected by the tensions of movement/party in the GPC and the potential for the state subventions under C-24.

Election Strategy

The election strategy of the GPC has changed with the introduction of the state subventions to parties in 2003. As noted in Chapter 2, the party had never run more than 111 candidates across the country and had, until 2004, election spending for the whole country that was just above the spending limit in one riding. Jim Harris' election as leader in 2003, "symbolized the party's recognition that in order to join the mainstream, it had to reposition and rebrand itself" (Harada, 2004:178). The party moved to broaden its appeal and promote itself as a party "neither left nor right but straight ahead" (Anonymous interview #6). The GPC professionalized itself during the 2004 election by producing daily news releases, conducting a leader's tour, and employing 50 full time staff (Harada, 2004). While this represented major growth for the party, there was still a long way to go. The party had virtually no organization on the ground in the ridings. This proved awkward when trying to recruit candidates to run in every riding. One former Council member remembers looking over the national membership list and organizing it by riding. The results did not suggest a party capable of running 308 in 2004:

Up to 2003 there were 120 ridings with 0 members in them. That included the overwhelming majority of all Francophone ridings. There were whole provinces in which the membership list was single digits or 10 or 20 people (Anonymous interview #3).

Harris pursued the goal of a candidate in every riding with zeal. It was his dream but one that his closest senior staff did not even share:

Everyone saw 308 as impossible. I saw 2% as more possible than 308. All we were doing in the head office was just getting to 308 (candidates). Jim had a big sign up "308" to motivate us (Anonymous interview #8).

The party did manage to field a candidate in every riding for 2004 but there was a real possibility, even on the last days before nominations closed, that they would fall as much as 20 behind Harris' goal: "The day before the last day for nominations we still had 20 openings," recalled a senior party official for the 2004 election (Anonymous interview #2). Another added, "Some were pure parachute candidates in 2004. It was right to the end in both elections. In 2004, we had to wait to the next morning to make sure one last one had gone through, we were that close" (Anonymous interview #8).

The day after nominations were closed in 2004 the GPC had to get to work on the campaigns of these nominated candidates as many of the candidates were alone in their endeavours. The party's Chief Agent was agent for 66 campaigns in 2004 (Anonymous interview #5) which implies that in one out of five ridings the candidate was unable to recruit as much as one other volunteer willing and able to take on the responsibility of a campaign. The central office also raised the vast majority of money needed for the campaign, much of it in the form of loans. One lender, Wayne Crookes, provided almost all the money required in the 2004 election. Crookes lent the party 86% of the money that the party borrowed. In 2006, Crookes provided 40% of the money needed. The state subvention of 2004 meant that the party was able to pay off the debts with interest before the 2006 election. This enabled the party easier access to financiers for the 2006 election. While in 2004 the party had relied on one "highly committed Green" that lent money on "blind faith", in 2006 "because we'd done well with C-24 in 2004, it was easier to borrow" (Anonymous interview #6). The decision to borrow in 2004 was made without

the membership's knowledge (Anonymous interview #1) and without some council members' approval. One ex-council member explained to me why borrowing would not have been accepted, even with the potential of a return from C-24 funding:

Greens are inherently conservative about money. A lot of them think banks should be abolished and no one should ever take loans and it is immoral. So if any kind of process had been held, either within Council or within the membership to say should we mortgage the future of the party...there is no way that would have gone through (Anonymous interview #3).

The party spent just over \$30,000 on polling and surveys in 2004 which led to a decision to target one riding in BC and two in Ontario (Anonymous interview #6). The party plunged more than \$40,000 into the BC riding of Saanich-Gulf Islands in the last few weeks of the campaign. There are few who have called the move a success:

In 2004 we went into Saanich-Gulf Islands and targeted it. But we did it too late. We lacked an organized EDA and we couldn't do voter ID or Get out the Vote. We're not a social club anymore... that was 2000. We have to do the mechanics of politics now. Targeting was throwing money at it in the last minute but I don't know if that \$40,000 the party threw at Saanich-Gulf islands made any difference at all (Anonymous interview #12).

The Saanich-Gulf Islands candidate, Andrew Lewis, came fourth in the race capturing 16.7% of the vote but beating only the Independent candidate. The two Ontario ridings that were targeted to a lesser degree were Harris' riding of Toronto-Danforth, against NDP leader Jack Layton, in which Harris captured 5.37% of the vote and Ottawa Centre in which the GPC candidate David Chernushenko ran against the NDP incumbent Ed Broadbent and received 7.54% of the vote. One senior party official admitted that the targeting strategy was part of the leader's upbeat talk of the party's prospects:

Jim (Harris) felt he had to say he was going to win a seat to keep up the troops and to please the media. None of us thought we'd win a seat (Anonymous interview #6).

The 2004 election strategy of targeting some ridings was “an expensive lesson” and taught the party “if we don’t have the money to fight a radio/TV campaign we can’t target ridings” (Anonymous interview #5). Party officials claimed the GPC did not use targeting in the 2006 election but may in the next few elections (Anonymous interview #9).

The elections of 2004 and 2006 were “fundamentally identical campaigns” for the GPC (Anonymous interview #14). One exception was that by the 2006 election there was new demand for party staff: media relations. The GPC had spent the 2004 election seeking out media attention but in 2006 had to employ as many as 15 people to handle the communications requests from media, members, and interested voters (Anonymous interview #9).

The GPC had little capacity to run competitive campaigns at the riding level in the 2004 and 2006 elections. Few of the party’s members had experience with the technical part of electioneering. During the GPC Biannual General Meeting held in August 2006 in Ottawa, political consultant David Scrymgeour offered a workshop called Voter ID/ Get Out The Vote (GOTV). While it was well attended, he had numerous questions from the floor which indicated that even seasoned Green candidates had no experience with the techniques he was describing. Scrymgeour noted that while he would like to see every riding with at least 10 volunteers committed to Voter ID/GOTV activities, the party had fewer than 50 ridings like that during the 2006 election. He encouraged the attendees to

attempt some degree of Voter ID/GOTV activities with as few as three volunteers. He also urged EDAs not to agonize about the green caliber of the candidate:

If you have a candidate that's fun it doesn't matter if they are a deep green. People will show up if its fun and if you're just doing things (Scrymgeour during ID/GOTV session, August 25, 2006).

This statement was better received in the 2006 meeting than it would have been at the 2004 meeting. In the interim, many of the deep greens in the party had left the party in disgust at just such an attitude of electioneering over message. The Greens, perhaps more than any other party, have had fractious elements in their midst as they have transitioned from a green movement to a Green party. Activists in the party were angered by the direction of Jim Harris and his team in the lead up to the elections of 2004 and 2006.

Many of those who left the party posted their resignations online:

The leader has made it clear that his goal is not, as most members would expect, broadening the public debate on issues near and dear to grassroot [*sic*] Greens such as environmental degradation [*sic*], social justice and economic responsibility, but rather to bring in hundreds of thousands of dollars of public subsidies (Karen Etheridge's resignation letter from GPC Council, October 2003).

John Grogan, a deep green from BC who ran against Harris in the 2004 leadership election that followed the federal election wrote about the election strategy and particularly the emphasis on getting votes to get state subventions:

The ends do not justify the means. Success is measured in values beyond \$1.75 per vote collected....The gamble for the brass ring of \$1.75 may or may not come to pass. A Green MP may even emerge, but the stench of politics will accompany the promise of capital success. The voter is transformed into a customer - a consumer, the victim of a shill (Grogan, 2004b:np).

Grogan eventually left the GPC and helped to form the Peace and Ecology Party that had a brief presence online but appears to have dissolved. While the GPC still has some deep

greens and movement greens, the focus on electioneering and political techniques has tended to alienate them. Some of the party Greens could not be happier:

The GPC without rapid elections (04/06) in quick succession would have imploded. Activists are no good at elections so they went away (Anonymous interview #14).

The transformation of the Greens from movement to party is by no means over. The party continues to struggle with what it means to be a party seeking election. When leader Elizabeth May was interviewed by Peter Mansbridge for his CBC show *Mansbridge One on One*, she reiterated a statement she had made to another reporter about which was more important, winning 10 seats in Parliament or having Canada meet its Kyoto targets on carbon emissions. She said in both interviews that Canada meeting its Kyoto targets was more important than “short term political power” for the GPC (May on Mansbridge, January 6, 2007). Later, she added that it would be nice to have *both* the seats and Canada meet its Kyoto targets.

The GPC strategy for the coming elections appears to be one of a national campaign with a GPC candidate on every ballot.⁹ All the senior officials I spoke with in the party were opposed to any kind of campaign in which fewer than 308 candidates ran. Running a candidate in every riding has begun to represent a symbolic victory for the Greens. They see it as exemplifying their national presence and it is unlikely that the party will ever choose to run fewer candidates. C-24 has also provided a disincentive for the Greens, and the NDP, to bow out of certain races to allow the other party to win the riding,

⁹ In light of the April 2007 agreement between Stephan Dion and Elizabeth May to not run candidates in each other's ridings, this strategy may have been slightly changed after I completed the interviews with senior party officials. The non-compete agreement between the Liberals and the Greens appears to be limited to those two ridings.

something a few people outside the party have suggested they need to do (Anonymous interview #3). The party will also make efforts towards training local teams to conduct Voter ID/ GOTV techniques. In March 2007 the party began conducting “Campaign University” in which they trained members to be “better campaigners” (GPC website). The party’s website explained the problem the party faces in converting vote intention to votes:

Getting people to actually vote Green is what really counts. Political organisers call it GOTV – Get Out The Vote – turning intentions into an “X” on the ballot paper and it's the one area where the Green Party is at a big disadvantage to the other major parties (GPC website).

The former national organizer for the GPC, Matt Takach, explained it further at the GOTV training session at the 2006 AGM:

We need a culture shift to ask people to vote for us and build a list of supporters. We got 750,000 votes but only have 30,000 names in our database.

A senior party official concurred that the party has little idea who votes for them:

We are an inefficient party at getting out the vote. Who are the people voting for us? We should know who they are (Anonymous interview #12).

Until the Green Party has improved its ability to identify its voters there is little chance it will be able to convert its support into votes. While the party is polling at its highest, one official admitted that the party is able to convert only about two-thirds of those into votes (Anonymous interview #16).

The local campaign in the Green Party has been, until 2006, directed from the central office with candidates recruited by the central office or provincial organizers, and supplemented with centrally produced pamphlets and signs. In the next election the central office expects to produce and distribute to every household in Canada a GPC

pamphlet (George Read, August 26, 2006 during Bear Pit session). Local campaigns will be expected to locally produce signs, pamphlets, and websites using templates from the central office (George Read, August 26, 2006 during Bear Pit session). These plans appear to move the party towards a franchise model (Carty, 2002) which will enhance the local campaign's ability to build capacity in the riding. More ridings will have contested nominations and parachute candidates will be nearly eliminated (Anonymous interview # 11).

While the party makes strides in professionalizing their central office and in training members on the techniques of politics used by other parties, they continue to face opposition from within the party. The next few years of the party's existence will bring many of these issues to some conclusion. The Revenue Sharing Agreement, which decentralizes the party's state subvention and restricts the central party from incurring debt to mount an election campaign, faces opposition from those who wish to professionalize, centralize, and specialize the skills used in election campaigns. The party will remain an interesting one for political scientists to watch as it navigates this future.

Membership

The Green Party of Canada has sought to build its membership since the introduction of C-24 financing. While this contradicts the predictions of literature on parties (see for instance: van Biezen, 2004; Scarrow, 2000) the senior officials I spoke with were in strong agreement that a robust membership will translate into a higher vote share.

Estimates of membership are now well over 10,000 people, a substantial increase from post-2004 election highs of just under 4000. As described in chapter one, the Green Party's growth has been exponential and membership is no exception. It remains, though, a fraction of what some senior officials believe is necessary to bring electoral success:

If you don't have a strong membership you won't win. 50 people in an EDA is ridiculous. We need a 1000 in an EDA and 250,000 across the country (Anonymous interview #2).

In March 2007 Elections Canada had registered 152 EDAs for the GPC. Twenty percent of these were created after 2004. An internal party document following the 2004 election showed that in the EDAs registered at that time there were few EDAs that even had 50 members. It will be a long time before EDAs reach the size suggested by the above party official.

Membership in the GPC requires applicants to not be a member of any other federal party and to agree to "abide by the constitution, policies and principles of the GPC" and be over the age of 16 while those between 12 and 16 are given youth memberships (GPC Constitution and GPC website). For many years the party numbers were so low that provincial organizers and leaders knew everyone by name. One provincial organizer told me he knew every member's phone number by heart before 2004:

We had 55 members (in the province) ...on the roll. We had 30 actives both provincially and federally. I knew them all intimately and I knew their dog's name. I'd stayed at their home. (In the 2004 election) the candidates we ran were not many of those 30 actives. We grew the party (Anonymous interview #13).

The influx of new members meant the culture of the party in which everyone knew each other's names changed. The party had been a strong social meeting place for environmentalists before 2004 but once party numbers grew to thousands there was a change. Many of the newer members did not know the history of the party and did not appreciate its disorganization. Members began to press the party to organize and professionalize: "Professionalization loses the grassroots but a lot of members want the professionalizing" (Anonymous interview #6).

Professionalization was a theme of the 2006 AGM's Bear Pit on the 2006 election. National Campaign manager George Read was frank about the failures of the party during the election. When he was questioned on the lateness of campaign materials, the poor quality of them, and the lack of responsiveness of the central office Read was blunt: "Look, we did no do a good job in distributing or printing literature. Our plan is to get out of it" (Bear Pit Session, August 26, 2006).

The questions Read faced were from members who had joined since 2004 and expected the party to be similar to other national parties in their organizational capacity. This was also a concern of the former Communications Coordinator for the 2006 election, Dermot Travis when he addressed the same group: "We were the party that ran on a strategy of defying expectations. We can't do that anymore. Look at how much media is upstairs. We now have expectations on us" (Bear Pit Session, August 26, 2006).

The expectations of the membership and the media have put pressure on the central party to improve its communications and organization. The central office, too, has some

expectations of the members and the EDAs. Central party officials expressed frustration in 2006 with the number of EDAs that asked the head office for the \$1000 candidate deposit:

In our mind the basic function of an EDA is recruiting a good candidate and fundraising the \$1000 for the deposit. But in 2006 there were still a lot of EDAs asking the central office for the deposit (Anonymous interview #8).

As expectations on the party continue, the membership increases its demands for professionalization, and the central party expects EDAs to fundraise and run the local campaign, the GPC will face the tensions that many others do. The party's leadership may begin to find that too much member participation is hard to handle:

Parties cannot afford too much participation. Not only do they abjure the ideological drift of the activists, but governing coalitions cannot tolerate constant meddling from constituents on the details of public policy. Parties don't need, and their leaders don't want, the camaraderie of a choral society or a bowling league. Parties need to mobilize voters *on election day*. At other times, the party leaders prefer that voters go their own way (Uslaner, 2006: 385)

While it was activists who started the GPC, the ratio of activists to "arm chair" members in the party has decreased: "The Green Party has outgrown the need for activists", quipped one senior official (Anonymous interview #14). Another official said most members of the party were now what insiders referred to as "member-lite" meaning someone who had taken out a membership but does not volunteer (Anonymous interview #8). Another explained, "maybe 20% of the members are involved at all and only 10% of those are very involved" (Anonymous interview #5). In many ways this mimics the patterns of other parties as they grow.

Green Party members, more than members of the Liberals or Conservatives, have tended to join the party out of a deep commitment to environmental concerns. The party's challenge in the next few years will be to translate that commitment to policy into a commitment to developing the "political arm of the green movement" (Anonymous interview #13). Politics, after all, is not about money, continued the official, "it is about love and magic" (Anonymous interview #13).

Leadership

I would begin every teleconference with Council not sure if I would still be in Council at the end of the call. (The party's) implosion was always only seconds away (Anonymous interview #7).

The Green Party of Canada nearly imploded in the inter-election period of 2005. Likely, most members never even noticed. The implosion potential was most obvious to those who were in senior leadership positions within the party and all of them whom I interviewed had opinions about the problem. Most argued that leader Jim Harris and the structure of the Federal Council was at the heart of the problem. Some even argued that the council had always been near implosion:

Open Politics (a wiki based website) have an episode they refer to as the GPC Council Crisis as though there were a moment of crisis. Point, in fact, is that the GPC Council has been in perpetual crisis over similar sorts of issues for the last 10 years (Anonymous interview #3).

Between 2003 and 2005, the Federal Council was "embarrassingly dysfunctional," noted one senior official and certain members hated Harris with a vehemence that was "almost pathological" (Anonymous interview #7). The official, when asked what it was about

Harris that prompted such a response, explained, “Jim’s style is by the seat of his pants. He is an entrepreneur” (Anonymous interview #7). Others were not so diplomatic. They suggested he was autocratic, power hungry and had “mortgaged” the party without “having any personal investment in it” (Anonymous interview #3). Even Harris’ supporters tend to explain his leadership in odd ways. One said Harris was “wonderfully crass” about promoting the idea of voting for the Greens so the party could get \$1.75 from state subventions (Anonymous interview #6). Another supporter noted that Harris “doesn’t get bogged down in complexity”, referring to his preference to avoid policy discussions (Anonymous interview #7). Harris’ leadership of the party ended in summer 2006 when he declined to run for the leader’s position again. Among his supporters there was relief as many felt he needed to step aside because he would not win a vote of the membership again (Anonymous interview #7).

The 2006 Annual General Meeting saw a leadership contest between party insider David Chernushenko and well-known environmentalist and lawyer Elizabeth May. A third candidate, Jim Fannon, was not considered competitive. The election was a one-member-one-vote election conducted by mail-in or conference ballot. Chernushenko ran on a call for party organization in order to win seats in the next election. In a blog entry entitled “Hard work, organization and party growth – the only real way to win seats” Chernushenko explained his philosophy:

The only way to accomplish all of these things, and thus to carry out the vision of the Green Party, is to put in place and then execute a strategy that will build the party into the kind of organized, well-funded and focused team that makes it a significant force on the Canadian political scene (Chernushenko, 2006).

May's campaign literature highlighted her activist roots, credibility and ability to remember people's names. It also highlighted her goal to "greatly increase membership and involvement in our Green Party" and included endorsements from artist Robert Bateman and well-known activist Paul Watson (Elect Elizabeth May pamphlet, 2006). The difference in the two campaigns for leader really drew out the fundamental differences in GPC members. While most senior party officials backed Chernushenko, the members chose May. She won on the first ballot with two-thirds of the votes cast:

(May's) victory signals how badly the Green party is looking for clout, influence and an electoral breakthrough. The race came down to a question about what was the best winning formula for the Greens.... May's panache won out over Chernushenko's organizational clout (The Toronto Star August 27, 2006 p A3).

The challenge ahead for May is to lead a party in which half the members joined in the last year. May has called her role one of "message... I convey green values in 30 second sound bites" and has stated her wish that "every Green Party member with a computer would spend a tenth of their time talking to each other and nine tenths of their time talking to other people" (Speech to GPC in Alberta AGM, 2006).

Besides the party leader, elected Federal Council governs the party that was, until September 2005, a working board with council members providing more than 50 hours a month of volunteer labour. This council did the bulk of all the work in the party, as there was so few staff. Council members were expected, as volunteers, to recruit candidates, manage the membership lists, provide accounting tasks, meet with Elections Canada staff, and do most of the fundraising. While Council members had titles like "Fundraising Chair" there was "no institutional memory and no committee to chair. Incoming council

members just invented their jobs” (Anonymous interview #3). The working council of 23 people was “unwieldy and, throughout the party’s history, ineffective” (Anonymous interview #13). The Federal Council, as stated above, is the constitutionally-named highest accountable body in the party. Interestingly, the Green Party of Canada existed for 5 years before it agreed to a constitution (Priesnitz, 1997: np). The 2004 Constitution named council members as “Membership Chair”, “Fundraising Chair” as the council was still a working board. Throughout 2005 the council transitioned into a governance board and the 2006 version of the Constitution reflected this as it radically altered the composition of the Federal Council. The council’s size was reduced from 23 to 20 members with a Chair chosen by the council from amongst the board. The Executive Director of the party and the Party leader also began to sit on the Council to bring its size to 22, though the Executive Director is a non-voting member. The 2006 changes to the Constitution ensured that council members set the party’s direction but the staff operationalized that direction. Council members no longer do the work of staff and they no longer supervise staff, other than the Executive Director.

Once the council moved to a governance model the hours were significantly reduced and council members found much of their previous work was being completed by staff (Anonymous interview #5). Some welcomed the change since “staff get things done” (Anonymous interview #5) and were pleased to see formerly volunteer positions become paid.¹⁰ There was, however, a vocal minority of “old Greenies” who called for the “entire staff to be fired and replaced by volunteers” who would not have the “hidden

¹⁰ It was not until after the 2004 election that the leader was paid. The first contract provided a \$50,000/yr position to the leader.

agendas” of staff members (Anonymous interview # 7). “We are in the last death throws of this group”, explained the same senior official, “when we pass the new Constitution at the 2006 AGM it will be over” (Anonymous interview #7). That new Constitution was passed at the 2006 AGM and the council since then has been less raucous, at least to outside observers who were able to read much of the previous council’s wrangling online. The only notable exception was the resignation of Kate Holloway, elected in August 2006 to the Chief Agent position who left the council in December, 2006 to join the Liberal Party of Canada. True to the past council’s form, she posted her resignation letter online.¹¹

While leadership issues have been largely solved with the election of May, a “famously nice” person (Frum, 2007), and the passing of the party’s new Constitution in August, 2006, the party has not fully eliminated those who brought it so close to implosion. Harris announced at the 2006 AGM that he would stay on the leadership team as a fundraiser and some members of the previously dysfunctional councils also remain.

Party Policy

As with many of the processes of the party, policy has been “normalized” to conform to electoral realities. The party, in the 2004 election, spoke of market-based solutions to the environmental problems of the world (Jansen and Lambert, 2006).

The party’s move to market-based solutions angered former leader Joan Russow who wrote an opinion piece in December 2005 for the Ottawa Citizen. In the piece, entitled

¹¹ Holloway’s original resignation letter was posted to a members-only list serv. It was reprinted on a number of blogs and discussion groups including *the babble* at http://www.rabble.ca/babble/ultimatebb.cgi?ubb=next_topic&f=1&t=006137&go=older

“Why I left the Green party” Russow points to a number of party policies she says were weakened in the lead up to the 2004 election. Russow also took aim at the method by which the party’s 2004 election platform was created, online collaboration, as raising “a fundamental question about the nature of policy formation” (2005:1). Russow especially decried the loss of the party’s proud association “with the long tradition of movements on the left” (2005:1).

The GPC under Harris in the 2004 and 2006 elections did move away from policies of the left and deep Greens in favor of ones that embraced market-based solutions. One senior party official at the time explained: “We are one of the few true Green parties in the world; the rest are too left leaning. We want to be seen as centrist and market driven” (Anonymous interview #6). An all too common refrain in the party is “we are not left or right but straight ahead” or “neither left nor right but forward”.

The issue of who develops party policy has been a perennial question in the GPC. In the 2004 election the party’s election platform was developed through a public forum called Living Platform. The 2004 Head of Platform and Research for the Green Party of Canada, Michael Pilling, designed the Living Platform which was based on a TikiWiki engine and the addition of a Yahoo email group. On January 6, 2005 the Living Platform “boasted 866 registered users – 50 of whom were considered active – generating 1024 pages with an average of 1934 views a day” (Pilling quoted in Raynes-Goldie and Fono, 2005: 1). Essentially, Living Platform allowed anyone to shape policy because wiki creates a website in which *anyone* can edit the content. The problem with this is that *anyone* can edit content. While well known examples like Wikipedia

(www.wikipedia.org) do successfully create work collaboratively, the Living Platform was converted from a public site to a members-only site when, in February 2005, after months of many members of the party using the site to discuss internal party governance, the site was temporarily shut down and Pilling was fired. According to one senior official involved with the incident, “Living Platform was libelous and Pilling refused to edit it so he was fired” (Anonymous interview #7). The open nature of the Living Platform may have led to its demise for the GPC, but there is no doubt that this innovative use of technology by Pilling was the first time a political party experimented with social technologies like wiki technology to engage more people.

The party platform may have been constructed in the public eye, but the policies that underlay the Platform were based on the Green principles set out in the Canberra Charter of the Global Greens: ecological wisdom, social justice, participatory democracy, nonviolence, sustainability and respect for diversity:

For the first 20 years of our existence the party's main activity outside of running candidates in elections was policy development. The strength of our fundamental principles, our policies and our ability to draw on a worldwide Green movement are the things that have drawn many of us to the party and provided the solid foundation that allowed us to get to where we are today (Colton, 2006).

The party draws from international green movements for their policies and has a detailed process for accepting new policies at Bi-Annual meetings like the one held in August 2006 in Ottawa. At that meeting, 67 policy resolutions were discussed and most were passed. The party has also reinvented the Living Platform as an online policy development forum called Living Policy. Members must login so the public and

anonymous posters are not welcome but the party has seemed to realize the benefit of engaging members in policy discussions.

One of Elizabeth May's innovations in late 2006 was a series of policy workshops across the country that were not meant to develop policy so much as to work out the "nuts and bolts" of how that policy would be operationalized (May at GPC in Alberta AGM, 2006). It was, according to May, meant to "answer the perennial question of 'are you a single issue party?'" because the policy areas chosen were ones in which the GPC were not known to be strong (May at GPC in Alberta AGM, 2006).

The Shadow Cabinet, appointed by the leader, is also involved in the development of policy for their portfolio areas. May has seemed to place an emphasis on policy development as a way of engaging the public and members of her party between elections:

Elizabeth May understands the importance of policy development and that is why one of the first things she did was initiate her cross-Canada policy series, an idea which I strongly support. In 2007, we need to expand on this idea by ensuring that enough resources are in place whereby the nitty-gritty details of policy can be developed on an ongoing basis. In 2004, a Wiki was used, but it eventually started to suffer abuses. With some effort, these problems can likely be corrected and complemented by other vehicles that allow all interested party members to engage in the policy development process (Kevin Colton's blog Dec. 6, 2006).

Kevin Colton, the former National Campaign organizer in the 2004 election, has been a frequent blogger on party issues. In one blog entry he produced a chart that showed the relative importance of policy to the party. Colton asserted that policy lays the foundation for the message that attracts voters and also attracts members who donate money and time. Colton is not unaware of C-24 but he sees the role of the party's message to attract

members as more a source of money than the ability of the message to attract voters. In this way, Colton contradicts the predictions of writers like Scarrow who suggest that state subventions will turn a party from its members to its voters. Colton does not have a formal position in the GPC so cannot speak for the current leadership but it does seem that his vision of policy directing message and thus attracting members and voters is shared by May's leadership team. The GPC has pursued policy development as an engagement tool for members and the public as much, if not more than, an appeal to voters.

Party organizational culture

The Green Party is moving into the political mainstream. The ponytail count in men went way down in the 2006 convention....And we had no green outtakes at the convention (Anonymous interview #14).

The issue of a party's organizational culture is a challenge to quantify. Perhaps the male ponytail count is as accurate as one could be in explaining the difference between the 2004 and 2006 conventions. I was one of the hundred or so people who attended the 2004 convention in Bragg Creek, Alberta. As I appeared to be the only "observer" the party volunteers expressed amusement with me and allowed me full access to everything. A member of the local media showed up briefly, around the time David Suzuki gave his keynote address. The location of the convention could only be called a campground with a central mess hall. The mess hall, which was crowded when all of the hundred delegates showed up, was the site of nearly all the official activity. Many delegates slept in tents that they erected on the grassy knoll outside the main doors.

In 2006 the general meeting was at the Congress Centre in downtown Ottawa. Delegate fees had more than quadrupled and I was charged a fee to be one of only a few observers, but I was still given full access. Delegates stayed in downtown hotels or a local hostel. The plenary was in a grand hall complete with chandeliers. Simultaneous translation was available to the nearly 400 delegates. The entire event was broadcast live on CPAC and attended by all major media outlets. The difference between the two conventions came down to access to money:

The 2004 convention was funded on my credit card. In 2006 the convention came out of revenue sharing money, no personal credit cards needed (Anonymous interview #13).

The image of the party moving from the campground to Congress Centre is a good one to describe the difference in the culture of the party over those two years. The party's financial growth has had a profound impact on the culture of the party. Most of those working on the federal election campaign readiness team are paid professionals. The party has a paid leader, paid Executive Director, and a governing board, not a working board. The party has a budget, fundraising goals, and a media team. Much of these changes have been the result of difficult battles in the party which have alienated many people. Of the 16 people I interviewed in 2005 and 2006 for this work, only one still has any formal position with the federal party. The turnover of staff and advisers has been remarkable.

While the media has not really noticed the change in staff and advisers, they have picked up on the change in the fortunes of the party. Linda Frum in her March 3, 2007 column

for the National Post aptly entitled “From fringe to force” noted the party is poised to move from fringe status to political force:

Never before has the Green Party enjoyed greater national popularity, healthier finances, or been able to claim that its leader is one of the most well-liked women in Ottawa (Frum, 2007:2).

Another journalist, Mary Janigan, also points outside the party to explain its growth:

If you want to know how fed up Canadians are with politics-as-usual, how dismayed they are by the sponsorship scandal, you need only track the astonishing ascent of the Green Party. ...But the Greens themselves are evolving from a grassroots, almost evangelical movement into a more traditional political party that brokers competing interests (Janigan, 2005:18).

While journalists may point outside the party as triggers for the growth of the Greens from political outsiders to (nearly) political insiders, the party’s growth is not as simple as growing voter discontent or “a sudden Canadian obsession with global warming” (Frum, 2007:np). The growth in the GPC is a factor of the increased resources, especially financial, that came as a result of state subventions in 2004. The party’s culture changed in the years between 2004 and 2006. Now the vast majority of members has joined since 2004 and has no knowledge of the party or its culture before that.

To provide an illustration of this culture change we need only look at one incident which occurred after the 2004 election. Political strategist David Scrymgeour released his *Green and Growing* (2004) and *EDA Champions* (2005) papers. The first was a strategy paper and the second a “tactical complement” to the first (Scrymgeour, 2005:3). In the 2004 paper he recommended a traditional structure for the party which included an Executive Director. In the 2005 paper he made the apparently radical statement: “The purpose of a political party is to build a team to win elections” (Scrymgeour, 2005: 3).

Both papers set off a wild time in the Council and on numerous blogs with accusations that Scrymgeour was a spy with a hidden agenda. In writing about the incident journalist Murray Dobbin highlighted the cultural differences that Scrymgeour's papers ignited in the party:

(The first report was) full of the scientific manipulation of the electorate common to the Conservatives and Liberals, but anathema to traditional Green values. His reference to "high yield EDAs" (riding associations) sounded more like a mutual fund promotion, and identifying "benchmarks and best practices" was right out of a corporate governance manual (Dobbin, 2005:np).

More than anything, Scrymgeour's reports brought to the surface the divide in the party between the movement greens (deep greens) and the party greens (lite greens). Over the next few months the ideas in the two Scrymgeour reports were, for the most part, implemented. The party has recently hired its second Executive Director, Laurie Arron, and has made concerted efforts to build stronger local campaigns with the introduction of a "Campaign University" which teaches the "scientific manipulation of the electorate" techniques to which Dobbin refers. The current membership seems to have accepted such corporate governance methods as normal. Throughout the party, the professionalization is obvious. In 2003 the national office was a room in a basement of a volunteer's home and there was one half time staff member. Now the national office fills a 1500-square foot office on the third floor of a building in downtown Ottawa and is looking to expand to accommodate the party's 20 staff members. A senior party official that helped build the party explained the change he has seen:

Now we are a professional political party. We're quite mature. We're in the performing stage. There is a political culture because it suits electoral systems, funding, parties, etc. and the GPC will obviously function within that. We didn't in the 1980s but that failed. We are normalizing but we are bringing something to the mainstream of politics (Anonymous interview #6).

Another senior party official pointed to the state subvention as the critical element in changing the political culture of the party:

In our mind the only reason to be a political party is to get people elected. Now that we are getting funding we can't have any of that old idea (the deep greens). To suggest otherwise is disingenuous. We participate in the electoral process. That's what we do (Anonymous interview #8).

There does remain a call to improve the internal workings of the party in order to provide a model of excellent participatory democracy for Canada. One frequent blogger on green sites has characterized it as necessary to prove the party's capacity to govern effectively:

Success, to me, would be measured in the degree with which Canada is governed by our key values. I propose that it is not necessary for Greens to control parliament to achieve this. Nor is it desirable for parliament to be controlled by "Greens" in name only. We cannot equate political success with good governance. The question therefore becomes, how do we promote the use of these values in government? Before we can address this, we must look to the internal workings of the party to ensure that they are a working model of these values. Just as we cannot expect that a poorly governed Canada will provide an example to other nations of the merits of being green, we cannot hope to promote an effective governance culture for our nation if we cannot prove its worth within our own party (White, 2006:np).

While improving the internal democracy of the party may prove to be important to some members, the overall culture of the party has already changed. The GPC now accepts most of the accessories of the other traditional parties and it accepts that participating in elections is a necessary part of its goal of governing the country. Even some of the deepest Greens have accepted the necessity of the GPC as the arm of the green movement in Canada:

I am a movement Green and never was a party Green. I voted for the Green Party in the recent election and have been interested for many years in what would be the appropriate political vehicle for the embryonic green movement in Canada. My problem is, as long suffering Green friends know, that I feel that the history of social democratic and green parties is one of ultimate absorption to the industrial status quo.... Yet the Green Party, warts and all, is a huge step forward on the

Canadian political map for those seeing the necessity for an Earth-centered consciousness (Orton, 2004:np).

While the GPC has grown exponentially it has adapted in numerous ways to the state subventions of C-24. These six areas of adaptation, financial, election strategy, membership, leadership, policy, and party organizational culture have been explored above from the perspective of the members of the Green party I interviewed and the Green Party sources I used. In the next chapter I will analyze much of this information and attempt to place it into the context of the literature on state subventions that was first introduced in Chapter One especially as it affects the party's ties to civil society, competitiveness, and organization.

Chapter 4 – The Green Party: convergence or divergence?

In the previous chapters I have outlined the effects of state subventions on parties by using the GPC as a case study. I have shown the meteoric rise of the GPC and traced the party from its humble roots in 1983 to its status in 2006 as the minor party that made it. State subventions provided important seed money to the party at a critical time in its development. As a result of the party's development it now sits at the cusp of electoral success and the status of being a main party. Without the state subventions known as C-24, the GPC would have remained a very small party with almost no staff, no media attention, and few members or donors. State subventions to the Green Party of Canada built the party into what it is today.

The case study of the GPC provides ample and rich opportunities to test theories of political parties and the effects of state subventions to parties. In Chapter 1, I looked at the three expected effects of state subventions: a leveling of the playing field for small parties, a petrification of the party system which effectively keeps out new parties, and the weakening of party ties to civil society. In this chapter I will compare each of these expected effects to the actual effects of the state subvention to the GPC and where there is some divergence I will offer possible explanations. Finally, I will offer some thoughts on potential areas for future research on both the Green Party of Canada and on state subventions, given the results of this paper.

A leveling of the playing field for small parties

Proponents of state subventions argue that providing money to all parties allows even small parties to compete with larger ones that would be more likely to garner large donations. The state subvention helps level the playing field.

The GPC, before the state subventions of Bill C-24, was a very small party on the Canadian electoral landscape that was not able to compete. Chapter 2 detailed how, prior to 2004, the GPC was able to realize only a fraction of their potential fundraising capacity. That chapter also detailed how the party was outspent about 900 to 1: for every \$900 that a main party spent during an election, the GPC spent about \$1. The media and the voters paid the GPC almost no attention before the 2004 election so, while the party ran candidates in about one-third of the ridings, it garnered less than 1% of the vote share across the country. In every manner of comparison the GPC was unable to compete against the main parties.

Given the above lack of competitiveness prior to the introduction of state subventions to parties, what was the effect of the per vote subsidies to the GPC? Did state support allow, as van Biezen (2004) and other writers have predicted, the GPC to more fairly compete with the main parties? The answer is mixed.

State subventions to parties allowed the GPC to increase, rather dramatically, their electoral spending and it allowed the party to hire staff, run a full slate of candidates, and garner media attention. But the dramatic increase in the party's capacity to field

candidates did not translate into the GPC winning a seat or even coming close to winning one. Only seven contests in the 2006 election saw the GPC garner over 10% of the vote.¹²

Even after the state subventions, the main parties continued to outspend the GPC between 15 and 20 to 1. In the 2006 election, the NDP spent \$15 for every \$1 the GPC spent and the Conservative Party spent almost \$20 for every \$1 the GPC spent. The GPC remained unable to purchase advertising which was the single largest expense for all three main national parties. The GPC also lacked the depth to compete in local campaigns. Only about one-third of the ridings had a GPC Electoral District Association in place. In the 2006 election fewer than 50 ridings had as many as 10 volunteers for the local campaign. Such a lack of capacity at the local campaign level will continue to curb the GPC. Until the GPC has a “ground campaign” capable of ensuring a dozen volunteers in most of the local campaigns and a substantial “air campaign” capable of national advertising on TV, radio and in newspapers, the GPC will not be truly competitive.

While the state subvention to the parties has ensured that the GPC is capable of turning up for the game, state subventions have not, and cannot be expected to, completely level this playing field. The GPC knows that it must substantially increase its donor base in order to begin to compete in an air campaign and it must dramatically deepen the party’s strength in the local campaigns in order to fight a ground campaign. State subventions have helped the GPC to grow the party enough to attract some of the volunteers,

¹² Ten percent is the threshold for a candidate to receive some reimbursement of her expenses.

members, and donors that they require to continue to build the party in order to eventually compete with the main parties.

State subventions to a small party are beneficial in terms of leveling the playing field but the limits placed on large donations to the other parties are likely just as important.

Because C-24 limited large individual donations and prohibited corporate and union donations to parties, there was less fundraising advantage accorded to established parties.

Established parties and incumbents could not simply turn to large corporate donors to support the campaign. While some parties were more effective than others at reacting to the new regulatory framework, small parties were, relatively, just as effective as the larger parties at garnering individual donations up to \$5000. Had the limits on corporate and union donations not been there, the GPC would have been much less effective at garnering those corporate donations as they had little historical connection to large corporations and would have been considered a long shot gamble by corporate donors looking to influence the future government.

A petrification of the party system which effectively keeps out new parties

State subventions are expected to make it nearly impossible for a new party to enter the electoral arena. The reason new parties are considered at a disadvantage has to do with the fact that, as Katz and Mair (1995) point out, the subvention is tied to a party's prior performance. If state subventions to parties are offered only to those parties with seats in the legislature then it could make it an unfair advantage for incumbent parties. If state subventions are tied to a party's previous vote share then it may keep out new parties who

have never run before. If subventions are available only to those parties with strong vote shares then smaller, emerging parties may be shut out. The method of delivery of the state subvention, therefore, can have a huge impact on what type of party it rewards.

In Canada, the method of delivery of the C-24 state subvention was a per-vote subsidy paid to central parties. In the 2004 and 2006 elections the threshold for parties to receive the per-vote funding was 2% nationally or 5% in contested districts. This meant that the Green Party of Canada was the only party that managed to secure state subventions but did not win a seat in the House of Commons. In many ways the mere existence of the GPC is testament to the fact that state subventions to Canadian parties have not petrified the system and forced out new parties. The state subvention did not force out the GPC but rather, as I have shown, helped the GPC to build the party's capacity to contest elections.

In the future though, as a result of a recent Ontario Supreme Court decision, the threshold may not be present. This will allow any party that runs at least one candidate in an election to receive a per vote subsidy. The ten parties who ran in the 2006 election, but did not receive state funding, received a cumulative 74,947 votes making the parties eligible for \$131,157.25 of funding to be split between the ten. The amounts would vary between a low of \$126/year for the Animal Alliance Party to a high of \$49,266/year for the Christian Heritage Party. While this would mean very little to some parties, others may use this subsidy to build the party's capacity for fundraising and electioneering. By delivering the subsidy after an election, the system rewards parties who have contested the last election and punishes those that have not. While it does not provide a barrier to

involvement it may prove to be an obstacle for some new parties who are also restricted in their attempts to secure private donations.

The limits to individual and corporate donations may indeed prove more of a petrifying factor than state subventions. As the Alliance members argued in the House of Commons Debates, their party's predecessor, the Reform Party of Canada, would have had a harder time entering the electoral arena had the restrictions on individual and corporate donations been in place at that time. New parties attempting to enter the electoral arena at this point must attract a substantial number of small donors to the party in order to acquire the same amount of money that a large corporate or individual donor may have been willing to provide. The restricted limits on individual donations under the *Accountability Act* (2006) may further limit the ability of new parties to enter electoral politics in Canada.

The other part of petrification that Pierre et al. (2000) identify is that state subventions can increase the likelihood that unsustainable parties will be sustained beyond their natural death by a state subvention. In some ways the Canadian system has petrified in the sense that it has entrenched the Bloc Québécois and ensured that the party will live on and on, despite limited fundraising. The state subvention, though, cannot keep a party on this kind of life support in the absence of voter support. Since the state subvention is tied to voter support, a party is only sustained to the level of voter support in the last election. Parties with no voter support will not be sustained for long.

No new parties won seats in either the 2004 or 2006 elections: does this result suggest that the party system has petrified as a result of state subventions? Hardly, since for a new party attempting to enter the electoral arena in Canada the main barrier is not just money but the electoral system. The electoral system in Canada, commonly called First-Past-the-Post, rewards regionally strong parties and punishes nationally weaker parties with diffused support. The only new parties that have successfully emerged in Canada have done so from regional strongholds. The Progressives, the CCF, the Reform Party and the Bloc are all examples of new parties that were able to meet electoral success because they drew on their regional strength. The GPC is attempting to do the impossible because it is trying to win a seat in a local campaign while it appeals to a small number of voters all across the nation. It is a strategy that will ensure the party remains unelected until the electoral system is changed. As a result, the GPC has been one of the strongest voices for electoral reform, specifically proportional representation. Only with a system of proportional representation will the GPC win a seat. Under a system of proportional representation, the GPC would have earned about 13 seats in each of the last two elections. As long as Canada has an electoral system that rewards regional parties and punishes national parties with broad, though dispersed, appeal the GPC will not win a seat in the House of Commons no matter how much money is provided to the party.

The party system in Canada may be petrifying but the cause is not state subventions to parties. Rather it is the electoral system. State subventions have allowed one new party, the GPC, to substantially increase its size and competitiveness. The GPC members that I spoke to overwhelmingly viewed state subventions as a gift to them. One senior party

official even told me that former Prime Minister Jean Chrétien was the “Green Party’s best friend” for having introduced Bill C-24 (Anonymous interview #6). The GPC does not view the party system as petrified and has welcomed the state subvention as a way for their party to achieve electoral success.

Weakening of party ties to civil society

The literature on state subventions to parties suggests that a party receiving per vote subsidies from the state will turn its efforts away from its membership and donor base in order to focus its attention on maximizing its vote share. While the GPC has undoubtedly begun to reach out to its voter pool, it has not eschewed its members and donors. In fact, the GPC has chosen to spread out its state subvention to its local constituency associations which it calls the basic building blocks of the party’s organization. The method of spreading out the state subvention, the Revenue Sharing Agreement, has placed heavy emphasis on the association’s capacity in fundraising, membership, and getting out the vote on Election Day. The GPC has rewarded these measures of successful ties to civil society within the EDA with money from the central party’s state subvention. As a result of the Revenue Sharing Agreement the GPC is actually doing the exact opposite of what is expected of a party receiving state subsidy. While the GPC still faces considerable internal pressure to adapt the Revenue Sharing Agreement, it is an innovative piece of policy that could be adopted by other parties. Carty and Eagles (2005) have suggested that it seems certain that local associations in all parties will “demand some compensation for their efforts at turning out the vote” (178). The GPC

Revenue Sharing Agreement may prove to be a good model for those parties to use because it rewards a local party's successful ties to civil society.

Another of the concerns with respect to a weakening of ties to civil society is the concern that a party focused on the voter may weaken a member's role in the party as the value of a member declines. Parties have already shown, before the advent of state subventions, some propensity to weaken the meaning of membership by allowing last-minute members to vote in leadership campaigns. As well, in some parties, policy development, long a member's monopoly, has begun to be performed by professionals. Within the GPC there is evidence of this type of "watering down" of membership as well. While once the party relied heavily on its member volunteers for day to day operations, policy development, leadership, governance, and fundraising, many of these tasks have become professionalized and are no longer the membership's responsibility. Paid staff now perform most of the day to day tasks in the national office, respond to media requests, manage the website, fundraise, do the bookkeeping, and plan election strategy. Even the leadership team is now made up of paid people, only one of whom is elected by the membership, the party leader. Member volunteers are still required on the Federal Council to provide broad leadership to the party and in the EDAs to perform all tasks of the local association. Members can also contribute to policy articulation through a number of channels, largely managed by paid professionals. So in some ways the GPC has minimized the role of the member but it has really only moved to the level of member participation that is typical in other parties.

Therefore, while the GPC has built EDAs, membership, and a donor base by using the state subventions to parties, it has weakened some of the membership's role at the same time. Much of this weakening of a member's role may be as a result of what Michels (1959) identified as the 'iron law of oligarchy': as a political organization becomes larger the pool of people who make most of the decisions tends not to increase beyond a few. When the GPC was a tight-knit group of people who could remember one another's phone numbers and knew one another's dog's names, it was not necessary to have institutions for decision making and dispute resolution. As the party grew, though, the central party became institutionalized, formalized, professionalized, and centralized in the Ottawa office.

Instead of weakening the ties to civil society the state subvention has to some extent increased the ties between the GPC and civil society. This can be attributed partially to the state subvention and the increase in ties, but also to the party's historic *lack* of ties to civil society. The GPC has not been a party with a significant membership or a party with strong connections to any group or cleavage in society. The party has used the state subsidy to build these ties. This feature of the GPC, a party with few historic ties, is one of the matters to which I now turn in order to offer some explanation as to why the GPC has not reacted to the introduction of state subventions in the manner we might expect.

Divergence from expected results of state subventions

The example of the GPC in Canada makes it clear that parties do not react uniformly to state subventions. There are a number of factors that can affect a party's response to the introduction of state subventions. Because the GPC was a small party with a history of being a movement party committed to ideological principles, had no elected members, and operated within a non-proportional electoral system, it reacted differently than expected.

Small party/Emerging party

As stated above small parties and emerging, or new, parties have different reactions to the introduction of state subventions than do established parties. Established parties generally have fundraising plans and patterns that must be altered when the state subvention is added or limits are placed on donation types and amounts. In the case of a small or new party these plans are not as likely to be entrenched, if such plans exist at all, and are not as likely to involve the type of fundraising that gets limited. Emerging parties also benefit a great deal from the influx of state subventions at a critical stage in the party's development.

In the case of the GPC, the party had done very little successful fundraising before the introduction of state subventions so there were no entrenched ways of fundraising that need to be changed. The state subvention made a huge impact, though, on the party's bottom line.

The GPC barely remained solvent throughout much of its history and the party had just one paid staff member and an unpaid leader to show for it. The introduction of the state subvention prompted the party to borrow heavily in order to finance the 2004 election, which the party hoped would garner the party sufficient votes to meet the threshold for quarterly payments. It is very important for a small or emerging party to have secure, predictable funding in order to build the party's central office and have year-round staff. The GPC used the state subvention to develop the party and build its capacity.

A new or emerging party like the GPC is not likely to have strong ties to civil society and so such a party is not as susceptible to a withering of ties to civil society. In the case of the GPC there were so few ties to wither that the state subvention actually allowed the party to begin to develop some ties to civil society.

Electoral system

As noted above, the electoral system in which a party operates makes a difference to the party's response to state subventions as well. Katz and Mair (1995) warn of cartelization when state subventions turn parties into arms of the state more concerned with the relationship to the state than the relationship to the party member. But in Canada, the electoral system has kept most small parties out of elected office and therefore not as susceptible to cartelization. While some officials in the GPC feel a certain obligation to conduct themselves as a traditional party now that the party receives state subventions, the party has no elected members and has no voice in the House of Commons. A party

with no elected members, and with little hope of electing members, is not likely to become part of a cartel. State subventions to parties in non-proportional electoral systems, therefore, do not produce the same effects as state subventions to parties in proportional electoral systems. (Young et al., 2005)

Movement party committed to principles

The type of party that receives the subvention also alters the effects of state subventions to parties. In the case of movement parties, or those that have been movement parties, there are party principles that play a role in the party's response to state subventions. Kitschelt (2006) defined a hybrid kind of political party that he termed a "movement party":

Movement parties are coalitions of political activists who emanate from social movements and try to apply the organizational and strategic practices of social movements in the arena of party competition (280).

By his definition it appears that the GPC acted as a movement party from its birth in 1983 until the election of Jim Harris as leader in 2003. This feature of the Green party's history has particular importance to the way in which the GPC adapted to the new regulatory framework of C-24. The nature of the party as a movement party meant that it had few resources, was open to a charismatic leader, had few party structures to place barriers on the leadership, and had a limited range of policies which left the party open to major policy additions in the lead up to the 2004 election.

First, with respect to resources, the GPC always confronted severe limitations. Social movements and small parties face that common problem; there are generally few

financial resources and few willing volunteers to support the work of building a movement or a party. A movement party, though, faces this resource issue in a more acute way because there is a “fusion of form and function” (Mackenzie, 2005:199) within a movement party that exacerbates these pressures:

...a byproduct of fusing party form and movement function is a number of tensions that go beyond the difficulties already faced by social movement organizations (SMOs) and minor political parties. These tensions of fusion retard the development of party/movements in two main ways. First, their hybrid identity creates for party/movements a number of unique problems that simple movement organizations or political parties do not experience. Second, their party/movement duality exacerbates or compounds difficulties that are common to both SMOs and minor political parties (Mackenzie, 2005:199).

Mackenzie points to membership as one of these difficulties. Those who would be members of a social movement tend to reject membership in political parties because they see the political process as too flawed to make it worthwhile. Those who would see political action within political parties and the political system as valuable would likely be turned off by membership in a movement that engaged in extra-institutional mobilization. Rather than increasing the number of people who would join, in some ways, the fusion of the movement and party actually reduces the pool of people willing to join:

...Not accepted by movement activists or potential voters as either a legitimate movement or political party, the party/movement doubly constrains the efficacy of its resource mobilization capacity by using a party form to create political opportunities for its movement functions (Mackenzie, 2005: 200).

Secondly, the GPC was open to a leader like Jim Harris, who took control of the party and pursued his vision of a full slate of candidates, because it had few party structures that could prove a barrier. At the time of Harris' election the party membership was less

than 1000 people. The Federal Council was, in the words of many of its councilors, completely dysfunctional and unable to oversee Harris' work. As a result of the GPC being a movement party it was unable to withstand the charismatic forces of a leader with a vision. In most traditional parties the change that Harris implemented would have lumbered along over years and years. But in the GPC the change happened in under a year. By the time of the election of 2004 the GPC was transitioning into an electoral professional party and borrowing hundreds of thousands of dollars with the hope that state subventions would pay back the loans.

Thirdly, because the GPC had been a movement party focused on environmental and peace issues it had few policies about other matters. It is a situation that almost every movement party finds itself in:

Material concerns for economic security and social stability still dominate the vote process, so a party/movement must develop a base of political expertise beyond its post-material concerns if it is to even attract the votes of its natural constituents (Mackenzie, 213).

The party had, very rapidly, to develop broader policy and to articulate a party platform in the months leading up to the 2004 election. This allowed a few political entrepreneurs like Michael Pilling to create an innovative online policy development forum using tiki-wiki technology. That policy development tool opened the party to major shifts in its policy on some topics, notably policies about NATO and the Newfoundland seal hunt. The online open forum allowed anyone with an Internet connection to contribute to the policy development and members, who expect to have say over such matters, were not all pleased. The party's leadership, too, found that wide scale intervention in the electoral

platform was not always conducive to a coherent offering. The party platform was written, in 2004, by a giant, fluid committee of online individuals who, in some cases, had no ties to the party at all.

There was a transition within the GPC away from the movement party form between 2003 and 2004. It led the party to function as an electoral professional party (see: Panebianco, 1988) in the 2004 and 2006 elections. The transition from movement party to electoral professional party involved huge investments in the party's organizational structure. Kitschelt predicted that such a transition would require such an investment:

The transition from movement party to any other form of party then involves investments in either organizational structure or modes of interest aggregation (Kitschelt, 2006: 281).

From 2004 to 2006 the party has moved through many difficult stages of normalizing its activities and has become, in many ways, a traditional party with its emphasis on process and policy with stricter membership requirements and a division between staff and volunteers. Many of these functions would have happened eventually but the input of the state subvention precipitated rapid evolution in the party. The staff began to get things done and the volunteers were gradually replaced with electoral professionals that were less wed to the cause and more grounded in a professional approach to politics. As such, there was a mass exodus of those people who initially built the party. We should expect as much. Initially the party needed political entrepreneurs and risk takers who were willing to dedicate their lives to the cause. With little hope of payback the movement

party volunteers were emotionally tied to the party's success. Many of these people left with heavy hearts to start a new party and begin that process all over again.

The transition from movement party to traditional party is one that is particularly fraught with meaning for Green parties because part of their ideological basis is a critique of the traditional institutions of party, government, and decision-making. When these formerly “radical” organizations begin to operate not just within the criticized system but also as one of the criticized institutions, it can raise defining questions for the new party:

Green movements experienced difficulties in transforming from political movements into political parties. Some activists supported the transition, arguing that political parties were essential to gain influence over political decisions, but others argued that political parties were inherently corrupt and that they embodied elements of social structure that were incompatible with Green ideals. While Green movements remained outside the party systems they could offer critiques of that system, but once they joined the ranks of political parties such critiques were problematic. (Vassallo and Wilcox, 2006: 418-419)

The transition from movement, to movement party, to party, has left some former Green supporters and members out. As I mentioned earlier, some have joined other parties, some have left to create new parties, and some have rejected party politics entirely. The people left behind in the GPC, and those who have joined since 2004, are largely committed to the traditional party structure that the GPC has taken on. The staff that populates the offices may recycle and cycle to work but they are largely electoral professionals focused on building the Green Party and not overtly concerned with the green movement. This new group of people would not have come to the party in its early days of 5-day long policy meetings and all day discussions on the process for decision-making. These new people expect their party to be more organized, professionally

presented, and ideologically coherent. In that way they differ very little from the members in any of the main political parties in Canada (see Cross and Young, 2004).

In fact, in Canada, there is an example of a movement party that transitioned into an electoral professional party: the CCF-NDP. The CCF originated as a movement party and, when it became the NDP, transitioned into an electoral professional party in much the same way that the GPC is doing. Mackenzie, in chronicling this transition, noted that once the CCF joined with the Canadian Labour Congress in 1960, the new organization “fell victim to professionalization and organizational drift, abandoning its party/movement status for that of a more typical mainstream party” (Mackenzie, 201).

In much the same way the GPC has drifted, rapidly, to professionalization and organization. One senior official who made the transition with the GPC pointed out that “organization always trumps disorganization” because the unorganized are “just too disorganized to put up much resistance” (Anonymous interview #5). The GPC moved from a disorganized movement party to an organized, professionalized, and electorally focused party because there was little organized resistance to such a change. It suggests that movement parties have a temporal limit:

In the end it may well be the fate of party/movements that they are temporary manifestations in the transition from movement to party. It may be that they cannot be more than intermediary structures with exceptionally volatile and unstable cores whose political half-life is determined only by the commitment and integrity of their activists. Such a reality sets a temporal limit on not only their structural existence but also their strategic efficacy, because if it is inevitable that they drift towards party institutionalization, the time that an organization...has to effect the change it seeks is therefore quite limited (Mackenzie 2005: 234).

The GPC as a movement party was time limited and would have inevitably drifted towards some form of institutionalization, if it persisted at all. The state subventions to the party made that slow inevitable drift a tidal wave. Suddenly, the GPC had a huge incentive, namely per vote funding, to move from movement to party. The transition hit like a tsunami.

Finally, the last feature of the GPC that contributes to its divergence from expected effects of state subventions to parties is the fact that the party has principles of decentralization and non-hierarchical decision-making that have contributed to its decision to pursue the decentralized Revenue Sharing Agreement (RSA). The RSA is one of the ways that the party has deviated from the path of creeping centralization. The party did centralize quite a bit between 2003 and 2005, but once the RSA was in place the party's centralization began to decelerate. As long as the RSA is in place the central party will not be able to keep the entire state subvention to the party and will have to provide some of it to the provincial divisions and the EDAs. This action will ensure that the EDAs remain solvent and it will prove to be an incentive for groups to build new EDAs in the many ridings that lack a GPC EDA.

Along with the party's principles of decentralization, there is a Canadian tradition of strong local autonomy for EDAs. While national parties may be able to direct national electoral campaigns, the local EDA decides who the candidate will be. It is also the EDA that puts in much of the effort towards getting out the vote on Election Day. It was for this reason that Carty and Eagles (2005) predicted that EDAs would begin to seek a share in the state subvention to parties. But the central-local party balance is at risk of being

altered by the introduction of C-24. Not only did the legislation provide state subventions to the central party, it required EDAs to register with Elections Canada and it required the party leader's signature on a candidate's nomination forms. While the registration of EDAs may strengthen and professionalize these organizations somewhat, the fact that the national leader signs a candidate's nomination forms allows for an increase in centralization. The effect of these requirements has been telling in the GPC. For central party staff the requirements for EDAs meant that the party had an ally in their attempts to organize EDAs - Elections Canada. "Paper EDAs" that consisted of "a guy and his wife just issuing tax receipts" were now required to register, have annual meetings, and submit annual reports (Anonymous interview #9). On the other hand, the central-local party balance was affected by the requirement for party leaders to sign the candidates' nomination forms. The Green Party leader Jim Harris took this to mean that Elections Canada wanted the party to centralize. Harris' interpretation that "the leader decides who is and is not a candidate" put the party's slowly developing structures (like an organizing committee) in limbo because he said "it was wrong for the party to put in place any other structure to vet or approve candidates other than the leader's personal decision because the Elections Act forbids them from doing that because it is only the leader's signature that makes someone a candidate" (Anonymous interview #3). At the time there were almost no contested nominations which meant finding candidates in ridings was left up to the few EDAs and a vast number of organizers hired by the central office to get candidates. Harris' misinterpretation of the Elections Act resulted in his ability to circumvent the party structures created by the Federal Council and centralize decision making about candidates within his office. It was a scenario that Carty and Eagles (2005)

did not anticipate though they did identify the potential for C-24 to alter the balance within parties between the central party and the periphery (EDAs):

(C-24 has the) potential to significantly affect the central-local balance in parties and campaigns. In some respects, these changes further entrench local party organizations by requiring them to establish a permanent formal structure and to file annual financial reports.... On the other hand, the new regulatory regime will challenge local parties' ability to maintain their autonomy. The quarterly payments to qualifying political parties go to the parties' central offices, not to their riding associations (Carty and Eagles, 2005:178).

It was Carty and Eagles that called the EDA the "basic building blocks of party organization and activity" (2005: 5) and this was echoed by a few of the senior party officials to whom I spoke, particularly those involved in the creation of the Revenue Sharing Agreement. Again, the RSA was recognized as a tool by which EDAs could strengthen and be able to right the central-local balance issue in the party.

The success of the GPC

In describing parties who have never been elected, Englemann and Schwarz (1967) point to the usual pattern for these parties - demise. But, they add, not all parties that fail to elect their members collapse. For some, and the Green Party is one of them, there is something else, besides electoral success, that propels their continued involvement in the electoral process:

Normally, such discouraging experiences contribute to the demise of parties, but some seem able to survive for decades without achieving even a modicum of electoral success (Englemann and Schwartz, 1967:9).

For many years the GPC functioned as the electoral wing of the green movement, small as it was in Canada, and the members did not expect any electoral success. After the introduction of state subventions and the success of the GPC at running a full slate of

candidates, the party members began to expect more electoral success. While the party's small size and diffuse support ensured it would not win a seat under the current electoral system, the state subventions under C-24 provided a victory to inspire the membership. Mackenzie (2005) points out that such "tangible victories" are critical for parties like the Greens in order to "foster intra-member support" (211). In the coming years, though, these tangible victories will no longer be considered victorious and winning a seat will be needed if the party hopes to survive.

Conclusion and future research

The effect of state subventions on parties was evaluated in this thesis by using the case of the GPC. The GPC, a small, emerging movement party with principles of decentralization reacted to the introduction of state subventions in some ways that were not predicted in the literature on parties. This suggests that not only is the method of delivery of the state subvention important, as many have outlined, but that the type of party the subvention goes to can be critical as well.

While the Canadian experience, so far, has not indicated significant cartelization, petrification, or centralization of parties, the next few years will allow researchers to further investigate the specific effects of the state subventions on Canadian political parties. Canadian parties, as long as they operate under the current electoral system, will face great obstacles to becoming established parties and state subventions to parties have the potential to offset some of those barriers or to entrench those barriers. If the threshold

for receiving a state subvention is entirely eliminated, as it seems likely to be, will newer parties find it easier to compete with established parties or will they find reasons to cooperate with one another to maximize state subventions? Such questions remain to be answered.

The Green Party of Canada, while it remains a minor party in electoral terms, has matured from a movement party to an electoral professional party as a direct result of the state subvention provided to the party by C-24. The possibility of funding led the party leadership to run a candidate in every riding and in doing so, draw media and voter attention to the party in an unprecedented way. Without the possibility of the state subvention, the party would not have run 308 candidates in 2004. Without the possibility of the state subvention the party would not have borrowed money to hire staff to conduct that election. The state subvention received as a result of the 2004 election results ensured that the GPC would continue to run a full slate of candidates, would hire electoral professionals, attract new members and donors, and attract a fresh leader in 2006 with strong ties to the green movement in Canada. The Green Party of Canada's fortunes changed with state subventions and there is no turning back now for the party that grew up almost overnight between 2003 and 2006.

Future research on the Green Party is needed as the party has been under researched. There are three areas for political scientists to concentrate on with regards to the GPC: a membership survey, the effects of the RSA on the question of centralization/decentralization of authority within the party, and the party's capacity to

garner the post-materialist and anti-party voter while still competing in a materialist and party centered environment.

Firstly, a survey of the membership is warranted as the party has over 10,000 members and most have joined since 2004. The work of Young and Cross (2002a) on incentives to membership was not able to include the GPC because the party was, at the time, still too small and insignificant. As the GPC is arguably Canada's only post-materialist party and one with a decidedly younger age group than most parties, the GPC's membership deserves some study. It would be most interesting to study the membership incentives for those who have joined the party since 2004.

Secondly, the party has seemed to alter, radically, the franchise nature or the local-party bargain with the introduction of the Revenue Sharing Agreement, but will the GPC manage to make the party less centralized and more oriented to the EDAs? Will this prove to be a feature that builds EDAs, attracts volunteers to local campaigns to do more voter contact and thus improves voter turnout?

Thirdly, as the GPC continues to poll about 10% and attracts those voters who see themselves as post-materialists, will the party be able to maintain that support in the face of weak electoral success and a federal party system focused on materialist and regionally focused issues?

Bill C-24 introduced state subventions to parties based on a party's vote share in the last election. The effects of this on Canadian political parties are far-reaching. While many of the most pessimistic predictions about state subventions did not come true, neither did some of the most optimistic ones. In all, state subventions have not petrified the system nor have they significantly contributed to its competitiveness. Perhaps, the effects of state subventions to parties is best seen not in the macro effects on the system but on the micro effects on each party. While every party has made significant adaptations to the reality of state subventions, none has seen the degree of change that the GPC has seen. For the GPC the effects of state subventions to the party were dramatic. The GPC is beholden to Bill C-24 for the party's capacity to compete, organize, and fundraise. One senior official in the GPC succinctly concluded, "The Green Party exists because of C-24, full stop" (anonymous interview #14) and he was most right.

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Personal Interviews

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Anonymous Interview #2 October 26, 2005.

Anonymous Interview #3 November 26, 2005.

Anonymous Interview #4 November 14, 2005.

Anonymous Interview #5 April 10, 2006.

Anonymous Interview #6 April 10, 2006.

Anonymous Interview #7 April 11, 2006.

Anonymous Interview #8 April 13, 2006.

Anonymous Interview #9 April 13, 2006.

Anonymous Interview #10 August 26, 2006.

Anonymous Interview #11 August 27, 2006.

Anonymous Interview #12 August 27, 2006.

Anonymous Interview #13 September 12, 2006.

Anonymous Interview #14 September 21, 2006.

Anonymous Interview #15 October 7, 2006.

Anonymous Interview #16 March 1, 2007.

TV/Radio interviews

Elizabeth May on *Mansbridge One on One* January 6, 2007.

Elizabeth May on *CTV Newsnet* August 27, 2006.

Green party meetings attended

2004 GPC AGM at Bragg Creek, AB. August 2004.

2006 GPC AGM at Congress Centre, Ottawa, ON. August 2006.

Included:

Voter ID/GOTV seminar by David Scrymgeour

2006 election Bear pit with George Read, national campaign manager.

2006 Green Party of Canada in Alberta AGM at Calgary, AB. Sept. 30, 2006.