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**1 The Problem of Endogenous Electoral Systems**

The study of electoral systems has formed one of the great pillars of cross-national research on comparative political institutions in the last several decades. Since Duverger (1951) first systematically advanced his well-known propositions concerning the relationship between electoral institutions and party systems, research in this field has become a growth industry. The relationship between electoral and party systems is mutual: Electoral institutions shape party systems, but also themselves are formed in an environment of partisan electoral competition.

Perhaps the most important recent political event to lead scholars to question established propositions about electoral systems has been the transition to democracy in Eastern Europe. Yet nowhere has the dynamic of change in electoral institutions and party systems been observed as frequently as in post-communist Eastern Europe. But the politically endogenous origins of electoral institutions has yet to receive systematic comparative treatment. Ishiyama (1997) investigates the progress in Eastern Europe, outlining a number of explanations of electoral system choice during transition. Benoit and Schiemann (2001) take a more theoretically driven approach, testing an office-seeking model of institutional origins by constructing an analytic narrative around the Hungarian electoral law of 1989. Other approaches to explaining electoral systems tend to focus on explaining variation in outcomes at a more macro level.

What is lacking in these accounts is a process-driven theory that attempts to explain the dynamics of party system adaptation and electoral system change. Only a theory which accounts for the equilibrium of endogenous institutions as well as of strategically adaptive behavior can truly claim to treat elections as “systems of exchange subject to equilibrating mechanisms”.

The objective of this paper is to examine this process of change and persistence in electoral systems.

**2 Explanations of the Origins of Electoral Systems**

Three issues can be identified when examining the origins of electoral institutions. First, does each party participating in the choice over institutional alternatives evaluate them based on each alternative’s expected effect on its own partisan interests? Second, does each party participating in the choice over institutional alternatives evaluate them based on each alternative’s expected effect on the general interests? Finally, do electoral institutions emerge from some process other than an evaluation of the consequences of systematically evaluated alternatives? These three questions provide a heuristic for identifying three broad categories of specific theories all of which have been applied to explaining the origins of electoral system.

**Self-Interest Derived Preference Explanations**

The notion of *derived preferences* in institutional choice is the idea that the choice of institutions occurs as the first stage of a two-stage game. In the first stage, parties hold or derive preferences for alternative institutions based on expectations about the payoffs these institutions will have for them a second stage.

*Policy-seeking.* In policy-seeking theories, the origins of electoral rules is attributed to the outcome of a struggle by parties with preferences for alternatives based on the expected policy outcomes associated with the legislative power (the first stage), and this legislative power will then determine who is empowered to enact policy (the second stage). Each party involved in institutional choice at stage one will rank the electoral alternatives according to its utility for the exogenously preferred policy outcomes in associates with the institutional alternatives.

*Office-seeking.* It posits both direct and indirect utility from holding office. Direct utility might be partisan power or representation of one’s own constituency; indirect utility might be gains from additional shares of allocative resources determined by the balance of legislative seats, including (but not limited to) policy. Each party will prefer rules which maximize its own share of legislative seats- rather than those of any other party- regardless of the compatibility of the policy goals or ideology of other parties with its own. Such a model has tended to explain political motivations most clearly in transitional settings where second-stage goods such as policy outcomes are poorly defined or uncertain, and the most immediate concern for parties is maximizing legislative representation.

*Personal Gain.* A personal gain model might explain parties’ preferences for electoral alternatives based on the expected personal gains for key individuals associated with the alternatives. Party leaders may favor a particular electoral alternative in order to maximize their personal power, or to make good on bargains struck such as promises of office or personal financial reward. The personal gain model links institutional preferences not to distributive shares for parties in terms of either office or policy, but instead to maximizing the personal welfare of selected individuals involved in institutional decision-making, quite possibly in what is expected to be a very short-term arrangement.

**General Interest Derived Preference Explanations**

Parties may also rank alternative institutions according to their preferences for institutional outcomes that affect the general, rather than partisan, interest.

*Representation.* A frequently expressed desideratum of electoral systems is representation, on the basis of simple fairness. Genuine representation entails legislative seats for one’s own group, according to this argument, and this requires electoral institutions making it possible for such groups to gain seats. A preference for maximizing representation generally means maximizing proportionality, an option which affects all parties and potential parties rather than only one’s own party.

*Governability.* Governability implies a general rather than a partisan interest because governability is concerned with maximizing the seat of the largest party, rather than the seat share of any particular party.

*Social and Political Engineering.* This motivation refers to preferences for alternatives based on their ability to encourage conciliation and conflict management between rival, possibly violent, groups in society.

*Other General Motivations.* These include the goal of “making elections accessible and meaningful”, referring to the general desire to choose electoral institutions that enhance political participation and efficacy. This includes designing systems that are easy to use, than minimize “wasted votes”, and that provide a meaningful identification between constituents and representatives.

**Other Explanations**

*Historical Precedent.* Especially in countries experiencing a return to democracy after a period of authoritarian rule, institutional designers may be attracted to electoral laws used during earlier episodes of democracy, finding these solutions “focal” in the midst of intense pressure and institutional crisis. A return to historically prior electoral institutions may also provide an attractive symbol of rejection against the existing regime. On a smaller scale, historical precedent influence specific elements of electoral systems, such as new district boundaries which may be fitted to historically focal administrative demarcations. On a less specific and more general scale, historical precedent explanations could also include what Frye (1997) terms “cultural approaches”, encompassing not only legacy institutions but also path dependence, general culture, and the institutional “culture” imposed by the character of previous regimes.

*Sociological.* Sociological explanations shift attention from agents and their preferences to the purposes for which electoral institutions were created. Purely sociological explanations tend to omit or at least downplay the conscious consideration of alternatives, simply linking the emergence of certain electoral arrangements to the result of convergent plural forces.

*Economic.* Economic approaches to electoral system origins look to economic factors to explain political institutions. Rogowski (1987) has argued that the more an economically advanced state is dependent on external trade, the more it will drawn to the use PR and large district magnitudes. This move to PR comes from the convergence of pressures from free trade groups seeking to maximize the state’s insulation, strong parties seeking to boost state autonomy, and a need for stability which Rogowski attributes to PR.

*Technocratic Decision.* Technocratic decision explains electoral institutions when the choices are made by an expert or group of experts on primarily technical or administrative grounds.

*External Influences.* External influences may explain the choice of electoral system when forces outside the national political context are determining in the choice of electoral institutions. For instance, the imposition of electoral laws by a conquering power after military defeat or the inheritance of electoral institutions from colonial rules. More recent accounts also examine the role of international political and financial organizations in shaping electoral institutions.

*Idiosyncratic Factors.* This covers the adoption of institutions for reasons of accident, whim, error, or other circumstances that can be regarded as historically unique. Idiosyncratic explanations also may treat institutions generally as products which simply emerge rather than which are consciously designed.

3 An Seat-Maximizing Explanation of Electoral System Change

**3.1 The Basic Theory Outlined**

The basic theory is as follows: Electoral systems result from the collective choice of political parties linking institutional alternatives to electoral self-interest in the form of maximizing seat shares.

A change in a political institutions will occur when a political party or coalition of political parties supports an alternative which will bring it more seats than the status quo electoral system, and also has the power to effect through fiat that institutional alternative.

Parties will seek institutional change when that change will improve their expected seat share relative to the status quo. Why the explicit focus on office-seeking? First, seat shares are generally the most immediate political objective among parties contesting elections. Second, representation may be a goal in itself, with the desire to implement specific policies secondary to the desire to participate in the legislature. Finally, many cases of institutional change involve fluid and unusual political circumstances, and policy preferences may be inchoate or poorly defined, with the participants themselves not necessarily certain of their own preferences or holding multiple policy preferences within a single “party”.

The assumptions of the model can be enumerated as follows:

Each party will have common knowledge of the alternative electoral systems being considered.

Each party will have a belief about its expected vote share should an election take place.

Each party will have a belief about its expected seat share to result from each electoral system alternative, given its expected votes and its understanding of how the electoral rules operate mechanically.

Each party will have a share of power to change institutions, typically determined by legislative seat share.

A decision rule exists for changing the electoral institutions, for instance, a majority or supermajority required in the legislative.

Each political party will prefer each alternative electoral system according to the seat share that expects the electoral system to produce, given its expected votes. For each party, the electoral system alternatives that are associated with the most seats will be the most preferred.

**3.2 Model Predictions**

In order to judge a case as consistent with the model, we would expect the following to hold true:

Parties will clearly engage in intelligence-gathering activities:

each party will actively seek and evaluate information about vote share;

each party will actively seek to understand the electoral rule alternatives;

each party will calculate its expected votes under each rule.

The positions held by parties during institutional bargaining, legislative debates, or voting on electoral law bills should reflect the principle of seat maximization. In general no party should advocate one electoral rule over another if it expects that rule to bring it fewer seats than the alternative.

Electoral rules should change when some coalition exists whose total legislative power is greater than majority decision rule for changing the electoral law; and for whom each constituent party expects to gain more seats from an electoral law alternative than from the status quo electoral system.

No electoral change should succeed absent such a coalition as in assumption (3).

**3.3 Evidence to examine**

The predictions of the model point directly to the evidence that should be examined. First and foremost, we would expect that no party will support an electoral system change that it expects to reduce its own seat share. This means that in the event, we should observe parties supporting only those electoral changes that they expect will enhance their seat shares. The most direct evidence for this is quite often readily available: roll call votes recorded by party for the final legislative vote during episodes of electoral law change. For evidence of parties’ expectations about vote maximization , we can examine public opinion polls measuring voter support for each party.

Evidence for implication 2 above would come from public statements of parties, party positions taken during committee or plenary debates in the legislature, or party positions taken during extra-institutional bargaining episodes such as round tables. Interviews with participants to the electoral law debates therefore offer direct evidence whereby this implication can be observed.

The theory also clearly implies that parties will seek information about their expected votes and seats and about the operations on these of various electoral law alternatives. Seat maximizing parties should have demonstrably understood the operation of the electoral laws being considered. Such behavior would be direct evidence that the parties’ behavior conformed to the basic model assumptions about parties and would be confirmation of observable implication (1) above.

Finally, the model more generally predicts when we should observe successful changes in electoral institutions. Because the theory outlines an if-and-only-if condition for electoral institution change, we should be able to test its predictions on the basis of observing the amendment history of electoral laws. Electoral laws should change according to implications (3) and (4), and should not change when those conditions do not hold. The first condition is based on how each electoral system alternative would have transformed votes into seats, given a certain share of the vote. The second quantity, legislative fiat power, can be directly observed as the actual number of seats held at the time of passage of the law. Together these two quantities permit us to identify the points at which having both the interest and the power to change the electoral rules coincided for any coalition of parties. By comparing these to actual changes in the electoral law we are then in a position to test equilibrium prediction of the theory concerning institutional change and persistence.

**3.4 Empirical Implications**

Models of institutional change are difficult to confirm or infirm by looking at empirical evidence. This is because most models make assumptions about motivations, and genuine motivations are notoriously difficult to discern.

The first task is to compile a list of what quantities require examination and how they might be empirically observed.

*Parties.* The model that parties are unitary actors. This means that in practice, “parties” may be actual single political parties, or umbrella organizations or coalitions of political parties acting as a single unit.

*Fiat Power.* In some cases this will be formally defined power, such as numerical votes defined by seats held in a legislature; in other (transitional) contexts it may be set by extra-constitutional factors such as social force or popular legitimacy. Parties outside of the political framework may possess a degree of effective fiat power if their forces are sufficient to threaten political or social conflict if their views are not considered.

*Decision Rules.* This important quantity defines the institutional barrier to amending or adopting electoral laws. If there are two parties *p, q* with even fiat (say holding the same number of seats in the legislature) then neither has the power to impose a new rule on the other. But if the decision rule is majority rule, then one party holding just 50% of the seats would be capable of exercising fiat to amend the electoral law. In well-defined legislative contexts, decision rules will be simple to observe; in transitional and extra-constitutional contexts decision rules may be adopted on a more *ad hoc* basis by actors participating in the decision-making.

*Expected Votes.* This represents the estimates by each party of the votes the can expect to receive in the election. While sometimes difficult to observe, they are usually reliable proxies such as opinion polls; or previously held elections, often to other offices.

*Perceived Electoral System Alternatives.* In terms of the theory, however, viable alternatives not considered by institutional designers should also be evaluated, since the theory predicts that planners will seek all alternative institutions that maximize their seat shares relative to the status quo when such alternatives exist.

*Understanding of electoral system mechanics.* This quantity summarizes each party’s expectation of its seat share for each electoral system alternative.

*Parties’ preferences over electoral system alternatives.* Evidence for ranking of electoral alternatives can come from a variety of sources: public statements, records of private party meetings, *ex post*  interviews with choice participants, transcripts of legislative debates or roundtable transcripts, or roll-call votes on electoral law bills.

**3.5 A note on founding electoral systems**

First, uncertainly and lack of information may make clear linkages by parties between positions and self-interest difficult or even impossible. Second, while the logic of self-interest begins to operate in the first elected parliament, the founding electoral law and the election of the first parliament itself may be based on other grounds, Third, the decision rules involved in determining founding electoral systems in transitional democracies are often not the products of institutions, but rather of bargaining power, social restraint, and informal agreements,

A final exceptional characteristic of founding electoral systems is that their choice may take place in a political and institutional vacuum where there is effectively no status quo institution against which to weigh alternatives. This may be equivalent to saying that in transitional settings, the status quo institutions may quickly become regarded by all participants as the lowest ranked- and hence unacceptable- alternative.

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