

Four observations on electoral reform

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In this short note, I make four observations. The overall objective of these observations is to induce some pause among members of the committee and their colleagues. I hope that you would reflect on and give equal weight to the known benefits (and drawbacks) of our current system as you do the known and unknown benefits and drawbacks of other systems.

My observations are the following:

1. There is a potential “upside” to electoral reform, but it seems limited.
2. The “downsides” to electoral reform are unknown and potentially substantial.
3. Canadian democracy already functions well.
4. For most of the problems ailing our democracy, there are potential fixes at hand which do not require fundamental institutional change.

Taken together, these observations suggest that the committee should not engage in wholesale reform of our electoral system. Instead, I argue, it should consider and recommend smaller, targeted reforms which might address the problems which currently beset our political system.

Observations

1. Potential upside to a change in our electoral system

The balance of cross-national evidence suggests that changing our electoral system would have modest effects on some aspects of our political life – namely voter turnout and perceptions of fairness. It is less clear that it would eliminate incentives for strategic voting, a common strike against our current system. It is equally unclear that electoral reform towards a PR system would increase the match between actual government policy output and citizens’ preferences. I take these conclusions from the evidence given in André Blais’ submission, which I found the most thorough, convincing, and evenhanded. By Blais’ telling, shifting to a PR system will likely have the following effects, net the effects of several other relevant factors:

- Voter turnout will be on the order of 3 percentage points higher in a PR system.
- Strategic voting – the abandoning of one’s preferred choice to vote for another party for tactical reasons – will be as frequent. However, its nature may change.
- Citizens will express greater sense with the fairness of an election. However, their overall democratic satisfaction will not be enhanced.
- Governments will not better reflect the average policy preference of voters, though there will more representation of diverse viewpoints in Parliament.

Taken together, these estimates suggest that there is some upside to electoral reform. It is, however, modest and not nearly as sweeping as advocates might claim.

What Blais does not note, Leslie Seidle and others have in their presentations: electoral reform would likely increase gender balance in our Parliament. This is an unalloyed good.

Of course, advocates of PR electoral systems might argue that such studies somehow underestimate the salutary effects of PR. I think it is a reasonable objection that cross-national, econometric estimates do not tell the whole story. A common alternative approach is to point to several laudatory features of various countries, picking some from one country and some from another. Such evidence should be regarded

sceptically, especially as it is often not selected in a systematic and unbiased manner. Even worse, it occasionally ignores that beneficial features and outcomes in various countries are mutually incompatible.

A reasonable alternative approach is to look at another country which is most similar to our own and which has experienced a change in electoral systems. By observing the pre-reform and post-reform averages on several outcomes of interest, we can say something about how electoral reform might change the politics of a country.

New Zealand provides such a case, and for obvious reasons. It shares a common colonial heritage with Canada. It has a long history of uninterrupted democratic rule, with power alternating between a small number of single parties who regularly commanded majority governments. In 1996, after a series of referendums, New Zealand moved to an MMP system. Seven elections have been held under this system.

To generate an estimate of the effects of electoral reform in New Zealand, I've compared the seven election averages before and after reform¹. Four outcomes of interest have been calculated:

- The "effective" number of legislative and parliamentary parties (Lasko and Taagepera 1979).²
- The average number of parties in government.
- Official voter turnout.³
- Citizen assessments of satisfaction with democracy before and after the reforms.⁴

Summary statistics for each of these measures for each available year can be found in Table 1, below.

What changed after New Zealand's electoral reform? There was a relatively impressive growth in the number of effective parties. The average number of effective electoral and legislative parties (i.e. votes and seats) before reform was 2.9 and 2.0, respectively. After reform, these numbers grew to 3.6 effective electoral parties and 3.2 effective legislative parties. There was likewise a growth in the average number of parties in government, all attributable to the two party minority coalitions negotiated in the first four parliaments following reform. However, in the last two elections these have given way to single party minority governments which survive on supply arrangements. In sum, there is evidence that reform in New Zealand has broadened the number (and indeed the ideological range) of parties in their Parliament. It was, in a more limited way, increased the formal influence of small parties on governments.

What did not change after reform in New Zealand? Turnout certainly did not increase. The mean turnout in six elections before reform was 88%. In the seven elections after reform, it was 80%. Given that turnout has been declining around the world, however, perhaps the more relevant metric is the trend before and after reform. In other words, was reform able to arrest the decline? There's little evidence of this. There is a slight uptick in turnout in the first post-reform election, some 3 percentage points. By 2014 turnout had declined another 10 percentage points. This should give pause to those who claim that PR has any large-scale effects on voter turnout. Finally, citizens appear no more satisfied with democracy in New Zealand after reform than they were before. We have only one data point prior reform. Then, the average

¹ This comprises the 1975, 1978, 1981, 1984, 1987, 1990, and 1993 elections pre-reform and the 1996, 1999, 2002, 2005, 2008, 2011, and 2014 elections post-reform.

² The effective number of parties is a weighted measure used to calculate the distribution of votes or seats across parties. A larger number suggests a more even distribution of votes or seats across a larger number of parties.

³ I exclude the 1978 election from turnout calculations owing to widely reported problems with voter enrolment.

⁴ For this measure, I am limited to the data provided in the New Zealand Election Studies from the year 1993 on. That study employs a standard question on how satisfied citizens are with the functioning of democracy in their country. The variable has been recoded so that a 0 indicates the lowest level of satisfaction and 1 indicates the highest.

satisfaction score was 0.63 on a 0-1 scale. In the election immediately after reform, this dropped to 0.49. It has never approached the high observed in the last election under FPTP.

Table 1: Pre- and post-reform outcomes of interest in New Zealand

Election year	Turnout rate	Democratic satisfaction, 0-1	Effective number of electoral parties	Effective number of legislative parties	Parliamentary outcome	Government outcome	Parties in government
1975	83%		2.6	1.9	Majority	Single party majority	1
1978			2.9	2.0	Majority	Single party majority	1
1981	91%		2.9	2.1	Majority	Single party majority	1
1984	94%		3.0	2.0	Majority	Single party majority	1
1987	89%		2.3	1.9	Majority	Single party majority	1
1990	85%		2.8	1.8	Majority	Single party majority	1
1993	85%	0.63	3.5	2.2	Majority	Single party majority	1
1996	88%	0.49	4.4	3.8	Minority	Coalition majority	2
1999	84%	0.49	3.9	3.5	Minority	Coalition minority	2
2002	77%	0.54	4.2	3.8	Minority	Coalition minority	2
2005	81%	0.54	3.0	2.9	Minority	Coalition minority	2
2008	79%	0.52	3.1	2.7	Minority	Single party minority	1
2011	74%	0.48	3.2	2.9	Minority	Single party minority	1
2014	78%	0.53	3.3	3.0	Minority	Single party minority	1
Pre-reform mean	88%	0.63	2.9	2.0			1.0
Post-reform mean	80%	0.51	3.6	3.2			1.7

The move to MMP in New Zealand returned some of the benefits which reform advocates claim. It increased the number of competitive parties in elections and in the parliament. It also increased somewhat the number of parties in government. It did nothing, however, to increase voter participation or to increase evaluations of democracy. I should also note that there is no obvious trend towards kinder, gentler politics or policy in this country.

Taken together with the cross-national evidence, the most judicious reading of the data is electoral reform is likely to have some positive effects, albeit quite limited.

2. The downsides to electoral reform are unknown and potentially substantial

The current discussion on electoral reform has largely avoided discussions of the potential downsides of reform. In my reading, there are four general downsides which we should consider. I present them below, and consider their potential application to Canada. Before presenting them, I should note that I think they are perhaps unlikely to obtain. Put differently, in expectation the effects of negative outcomes are likely small. Given that the benefits are as well (see 1 above), we should still give these downsides due consideration.

The first potential downside is the continuation of small, regional parties. There is a reasonable normative debate over whether it is desirable for small, regionally focussed parties to continually contest elections. Indeed, many critics of FPTP point out that in its Canadian application it gives outsized rewards to regionally-focussed parties. I take this to be a criticism of such parties. We should then note that the incentives for such parties to continue to contest elections without a geographic expansion of their appeal is greater under a system of PR than under our current system.

The second potential downside is giving outsized influence to small political parties. Systems of proportional representation increase the number of political parties by lowering the barriers of entry for less popular parties. When this is accompanied by government that requires the support of small parties – whether through majority coalitions, minority coalitions, or single-party minorities who rely on supply arrangements, as in the New Zealand case – small parties can be given disproportionate influence over policies.

A hypothetical example is illustrative. Imagine a parliament which returns a major party with 40% of the vote, and two smaller parties each holding 5% of the vote. A majority coalition of these parties is thus able to control 100% of government power with 50% of the vote. In some important senses, this is more normatively desirable than what is common in our current system, where frequently a majority government elected on 40% of the vote holds 100% of government power. But if we look more deeply into such arrangements, we are likely to find the small parties each holding somewhere on the order of 10% of cabinet seats.⁵ The question is then raised: what kinds of disproportionality of power do we want? Do we want it given to parties which have demonstrated broader support in the population? Or do we want it redistributed to parties which have more marginal support?

The third potential downside is increased incentives for political actors to exploit social divisions. On this matter, Gary Cox's *Making Votes Count* is the definitive work. The proliferation of political parties is a joint function of two factors: the social divisions or cleavages present in a country and a permissive electoral system (i.e. one that does not punish small parties). In this sense, the multiplication of parties is evidence of such exploitation. Proponents of PR may argue that Canada is immune to such exploitations. We are not, they will say, Israel or Italy⁶, so we should not expect such divisions. The comparative evidence is well worth considering on this point. In Table 2, I have compiled a list of the 15 Western countries with the largest foreign born populations.⁷ Here, Canada ranks 4th highest. Inspection shows that the list is comprised of countries we would largely consider free, democratic, tolerant, liberal, and developed. And yet the evidence suggests that among these countries, those with PR systems are more likely to have

⁵ See Gamson's Law (Carroll and Cox, 2007), which suggests a distribution of cabinet portfolios within a government according to each party's contribution of seats to the government.

⁶ Though please see the next section in which I consider the performance of Canadian democracy. Given the

⁷ I also used a cut-off of a population of 1 million or more, so as to exclude financial have states such as Luxembourg, Monaco, and Lichtenstein.

parties who exploit the social division of immigration, and who are more successful in doing it. The average vote share of the *largest* anti-immigrant party⁸ in countries with PR lower-house legislative elections is 8.7%. In majoritarian countries, it is 3.5%. More starkly, the average seat share of anti-immigrant parties in PR countries with large foreign born populations is 10%. In majoritarian countries it is 0.10%.

The fourth potential downside is government instability. Again, there is a normative debate over whether it is desirable for governments to frequently change hands. Surely, alternation is necessary and healthy for democracy. On the other hand, constant and protracted negotiations run the risk of blurring accountability, inviting trade-offs which result in government policies that resemble nothing any party promised in an election, and ineffective governance.

Table 2: Anti-immigrant party performance by foreign born population and electoral system

Country	Foreign born population	PR (lower house)	Anti-immigrant vote share, most recent election	Seat share	Year of election	Party
Switzerland	28	Yes	22	35	2015	Swiss People's Party
New Zealand	28	Yes	0	0		
Australia	28	No	1	0	2016	One Nation
Canada	20	No	0	0	2015	
Austria	17	Yes	21	22	2013	Freedom Party
Ireland	16	Yes	0	0	2016	
Sweden	16	Yes	13	14	2014	Swedish Democrats
Belgium	16	Yes	4	2	2014	Flemish interest
Norway	14	Yes	16	17	2013	Progress Party
Spain	13	Yes	0	0	2016	
United States	13	No	0	0	2012	
Germany	13	Yes	2	0	2013	National Democratic Party
United Kingdom	12	No	13	0	2015	UKIP
France	12	No	4	0	2012	Front National (second round vote)
Netherlands	12	Yes	10	10	2012	Wilders Party for Freedom

The comparative evidence on the duration of governments in different electoral systems is clear (see Blais et al 2007). In PR systems, governments on average are more than one year shorter in duration than in the average plurality system. The effect of electoral system, once we net out other exogenous factors, is about 200 days. All of this electoral system effect, however, is a result of the type of

⁸ I define as anti-immigrant a party which makes reduced legal immigration a major part of its policy platform or policy in office. I have noted the parties fulfilling this criteria in each relevant country.

governments which PR systems produce. The most stable form of government is a single party majority. Majority coalitions and single-party minorities each last about one year less than that standard. Minority coalitions – as has been the case in most of the post-reform period in New Zealand – last nearly two years less on average than single-party majorities. Whether such frequent “deaths” of governments are desirable is a normative question. The empirics, however, are clear: proportional systems are associated, on average, with less stable governments precisely because of the types of governments they produce.

It is worth noting, in addition, how these changes in government come about. In formal terms, there are three ways a government can change. First, there can be an inter-election change of parties constituting the government. In PR systems, this accounts for about a third of government changes. In plurality systems, it is just 10%. Second, there can be an inter-election change in the head of government. This accounts for changes in just 11% of PR cases and 17% of plurality changes. Third, there can be an election. This accounts for just over half (55%) of changes in proportional systems, while it accounts for three quarters (73%) in plurality systems. The implication is clear: PR systems are more likely to generate government changes that are not initiated by an election, but by breakdown and replacement in a parliament. For those who argue that PR will return as equally stable government as a plurality system, this is a problem.

3. Canadian democracy functions well

My own reading of testimony to and questioning by the special committee has suggested to me that the functioning of Canadian democracy has not been sufficiently appreciated. Certainly, there is much with which we can take some issue. Our country has experienced one party dominance rivalled only by Sweden and Japan. We have, as in most other countries in the world, experienced significant decline in our rates of voter participation, though this saw a large correction in the last election. Perhaps most importantly, we do frequently experience parties winning outsized majorities on much less than a majority of the ballots cast. None of these are particularly good things. They are certainly well-rehearsed as critiques.

What is noted much less frequently are at least four measures on which our democracy has performed well. First, our democracy has experienced more than 40 federal elections and dozens of peaceful transitions of power, both between leaders from different parties and within federal parties. While this is a basic standard of democracy (Przeworski 2000), it is one that sets Canada apart from most other democracies. Indeed, Canada’s run of uninterrupted democratic rule is among the longest in the world, surpassed by less than a handful of other countries.

Second, by the standards of their times, our elections have been freely and fairly conducted and our franchise has been liberally composed. Save the Canadian Pacific scandal and relatively pedestrian turnout buying in early elections, Canada’s democracy has been a model of well-run elections.

Third, our democracy performs well in the political representation of minorities and indigenous peoples, especially compared to our Anglo-American counterparts.⁹ More historically, our political parties have a long track record of representing the broad diversity of our country – whether linguistic, confessional, or ethnic – without the emergence of explicitly ethnic or confessional parties. I wish to note especially that this has happened against the backdrop of founding groups and later waves of immigrants who at various times viewed each other as unfit for common purpose and interaction. Put starkly, our country has long held the potential to be a tinderbox of identity. For the most part, we’ve avoided all but the smallest of fires.

On this, much is made of the point that we are not “Italy or Israel”. But this cannot mean that we are not a country that is characterized by competing regional economies, often deep religious and ethnic differences, and different ways of life. I assume that those who make this argument must mean that despite having the makings of a deeply divided and dysfunctional polity, we are not one. Our electoral system just might have something to do with that.

⁹ I refer readers to the testimony of Leslie Seidle on this point.

Fourth, our country has a long record of protecting the rights of minority groups. In more recent years, this has largely been the work of the Charter. But before its advent, it is still the case that protections were extended, often because of an electoral logic. At other times, they were extended because of the norms of broad coalition building that are the norm within our political parties.

4. For most of the problems ailing our democracy, there are potential fixes at hand which do not require fundamental institutional change.

I wish finally to encourage the committee to take at once a broad and modest approach to reforming our democratic institutions. There are, to be sure, shortcomings in our current democratic system. Turnout is lower than we might like. We have not yet approached an even balance of female to male Members of Parliament. Party leaders seem perhaps too strong vis-à-vis Members of Parliament. Local party members do not enjoy real control over the selection of candidates. Parliamentary committees are often weak and have neither the time nor the capacity to properly study and deliberate over policy.

This list is hardly exhaustive; yet there are potential solutions at hand for all of these problems which do not require a fundamental change to a central institution. Instead, the Committee and the Members' parties can explore a number of changes to parliamentary procedure, administrative law, and party rules that could address some or all of these problems.

It seems more judicious to engage in a systematic and iterative process of improving our democratic institutions – as is now occurring in the appointment of Supreme Court justices, for example – than it does to engage in wholesale reform.

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