Political parties, electoral systems and democracy:  
A cross-national analysis

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Abstract. The number of political parties and the type of electoral system may impact the level of democratic functioning within a government. Models are used to explore whether the number of political parties increases a country’s democracy score on the POLITY IV measure of democracy, and whether countries with proportional representation electoral systems have higher democracy scores than those without. Multiple regression analysis reveals that countries with proportional electoral systems have higher democracy scores. Countries involved in the Third Wave of democracy may find the choice of an electoral system among the most important issues in structuring a democratic government.

Introduction

Political parties and electoral systems have long been the object of much research and study. In order to be democratic, a country needs to have political parties and an electoral system. The variations in the number of political parties and types of electoral systems found throughout the world leads one to wonder whether there is an ideal combination of the two that increases democracy. Is there an ideal number of parties that a country should try to foster? Does the choice of an electoral system have consequences beyond the electing of officials?

Political parties are a basis for democratic rule. Strong parties may not be necessary for establishing a democratic government, but they are necessary for ‘the long-term consolidation of broad-based representative government’ (Dix 1992: 489). Klaus Jurgen Hedrich (2002: 18) asserts that parties are vital to representative democracy: ‘[T]hey are agents and conductors of political power, mediating between government and society. They also articulate the political interests of society, which are later translated into state policies and aims.’

Despite their importance, the relationship between political parties and democracy is still not well understood. LeDuc et al. (1996: 7) assert that ‘few studies have attempted to integrate and synthesize our knowledge of democratic elections theoretically and empirically across a large stretch of time and
a broad spectrum of nations . . . to provide a broad thematic understanding of the study of democratic elections'. According to Hedrich: ‘Research on transition has tended to underestimate their [political parties’] role in these [democratization] processes. However, studies on the transition to democracy in Southern Europe in the 1970s have confirmed that parties are one of the central elements to the success and consolidation of democracy.’ From a methodological perspective, Hans Stockton (2001: 117) declared: ‘[T]he next step in analysis [of the effects of the electoral systems on democracy] should be extending the case size to allow for regression analysis as well as applying a more dynamic methodology.’

One of the standards regularly used to judge a country’s level of democracy is that of ‘multiple parties’. POLITY IV, an ordinal measure of democracy, rates countries on their levels of ‘Competitiveness of Political Participation’ (Burkhart 2000a: 19). How does one define ‘multiple parties’, and how important are they in the measure? POLITY IV does not directly measure the number of parties. Can a country be truly democratic with only two political parties? Does it make a difference to a country’s level of democracy if there are multiple registered parties, but only one or two parties dominate the system?

The study of electoral systems leads to similar questions. Richard Rose (1984: 80) observes: ‘[D]emocratic governments have fundamental features in common; the character of the electoral system is not one of these features.’ Electoral systems are another important element in achieving democracy. ‘The future of democracy in both established and emerging systems depends to a large extent on events related to the electoral process, because elections are the one political institution that both leads and reflects many of the social, political, and economic trends’ (LeDuc et al. 1996: 4). The selection of leadership in a country rests on the electoral system, making it crucial to the successful functioning of the government. Maurice Duverger (1984: 35) claims: ‘[Proportional representation] generally weakens democracy and . . . plurality and majority systems strengthen it.’ Pippa Norris (1997: 311) examines the advantages and disadvantages of different electoral systems. In the end, she concludes that there is no best system. The question then becomes: Is it simply enough to have an electoral system or is a certain system in fact better than another for democratic performance?

Literature review

Lijphart (1999: 62) believes that the difference between single-party majority governments and broad multiparty coalitions is the most important difference
between his two models of democracy because ‘it epitomizes the contrast between concentration of power on one hand and power-sharing on the other’. He identifies this as one of the differences between majoritarian (‘government by the people’) and consensus (‘government by the representatives of the people’) democracies (Lijphart 1999: 1). The existence of multiple political parties provides citizens with a choice as to who will govern their country. The argument in defense of having multiple political parties is summed up by Bruce Cain (2001: 793): ‘Some see choosing between only two parties as the political equivalent of not having cable television – excusable in the fifties, but not in the modern era.’ John M. Carey (1997: 67–68) argues that a broader range of winning parties leads to greater representation of diverse values. Thus, it should follow that a country with more political parties will be more democratic by representing more of the public’s views.

Michael Parenti is highly critical of the ‘two-party monopoly’ found in the United States. He claims: ‘[T]he two major parties cooperate in various stratagems to maintain their monopoly over electoral politics and discourage the growth of progressive third parties’ (Parenti 1995: 183). He goes on to list the numerous laws that make it difficult for third-party candidates to be placed on ballots and win elections. Do third parties give voters more choices on how the country should be managed, or do they create instability in governance? Does the lack of third parties alienate the citizenry from effective participation?

The support for multiple parties is not unanimous. By providing more choices, a system of multiple parties does not necessarily provide for more efficient or effective governance. Cain (2001: 794) declares that democratic theory does not allow us to conclude that multiparty systems are more democratic than two-party systems because both systems meet the basic requirements of democracy. A politically fractured legislature can result in deadlock and fail to produce policy. Carey (1997: 68–69) claims:

If, for example, large numbers of voters feel that their preferences are unaccounted for because the electoral system distributes legislative seats disproportionately or because the legislature is relatively powerless in setting policy vis-à-vis the executive, then popular support for representative institutions is undermined. . . . Executives who consistently lack majority support in the legislature contribute to chronic conflict between the branches of government, which can in turn generate constitutional crises.

This suggests that having too many parties in the system will hinder democracy. Mainwaring and Scully (1995: 25) assert that, in an inchoate party system,
'either the significance of the choices is turbid because the parties lack a clear profile, or the choice is between individual leaders rather than parties'.
Hypothesis 2: On average, countries with proportional representation electoral systems will have higher democracy scores than those without.

Methodology

Regression equations are an appropriate methodology to pursue testing these hypotheses. In multiple regression, we can consider the effects of political parties, electoral systems and other variables known to influence democracy on a country’s democracy score. This methodology has been under-utilized and limited to regional studies in previous literature on political parties, electoral systems and democracy.

Data

In order to analyze a country’s level of democracy, an index is required. Freedom House (1998) and POLITY IV are the two most common measures of democracy. The decision to use either of these scales of democracy is not without controversy. The usefulness of Freedom House is limited due to their inclusion of measures such as ‘socioeconomic rights’, ‘freedom from gross socioeconomic inequalities’, ‘property rights’ and ‘freedom from war’ because these attributes may or may not be associated with democracy (Munck & Verkuilen 2002). Because Freedom House includes multiple political parties under the Political Rights components scale (Burkhart 2000b), multicollinearity prevents us from using it as a dependent variable.

POLITY IV has also been criticized as an effective measure of democracy. Appendix A shows the scale used for POLITY IV (Burkhart 2000b). This scale takes into consideration the institutional aspects of democracy. POLITY IV rates 157 countries on a scale from 0 to 20, using the formula 10 + (POLITY IV Democracy – POLITY IV Autocracy), with 20 being the most democratic. Munck & Verkuilen (2002) have written a critique of measures of democracy including POLITY IV. Their first complaint is that the measure omits the participation dimension of democracy; however, the scale includes ‘competitiveness of political participation’ (see Appendix A). They also cite problems of redundancy as a flaw in the measure. These redundancies are in fact patterns of authority. In response to Munck and Verkuilen, Marshall et al. (2002: 43) argue: ‘An important underlying premise is that effective authority patterns tend toward consistency, complementarity, and coherence and that a lack of characteristic redundancy is itself a problem of governance.’ Finally, Munck & Verkuilen claim that POLITY IV uses an inappropriate aggregation procedure. Again in response, Marshall et al. (2002: 44) assert that the POLITY ‘index performs consistently as we would expect a scaled measure of the
quality of governance to perform in comparison to and in combination with other measures of political conditions and behaviors'. The POLITY IV scale produces results that are consistent with informed hypothesis, something that would not occur in a flawed measure. For these reasons, the POLITY measure is both reliable and valid, and the 1998 version of POLITY IV will be used as the dependent variable.

Measuring the number of political parties presents a surprising challenge. Does one simply count the number of registered parties, or should some measure of effectiveness be taken into consideration? Giovanni Sartori (1976: 122; emphasis in original) proposes: ‘A minor party can be discounted as irrelevant whenever it remains over time superfluous, in the sense that it is never needed or put to use for any feasible coalition majority.’ Conversely: ‘A party qualifies for relevance whenever its existence, or appearance, affects the tactics of party competition and particularly when it alters the direction of the competition’ (Sartori 1976: 123; emphasis in original). This leads us to look at parties in terms of parliamentary seats held and ‘establish an arbitrary cut-off point of, say 5 or 10 per cent above which parties are counted and below which they should be ignored’ (Lijphart 1999: 65).

This criterion works for measuring the number of parties that determine governmental policies, but if choice is the crux on which democracy can be measured, the number of choices may be more important than the number of policymakers. Lijphart (1999: 66) argues: ‘Sartori’s criteria are very useful for distinguishing between the parties that are significant in the political systems and those that play only a minor role [but] they do not work well for counting the number of parties in a party system.’ The most widely accepted solution to this problem was developed by Markku Laakso and Rein Taagerpera (1979). They developed an index to measure the effective number of political parties (ENPP). This measure can be used two ways: it can be calculated using the percentage of votes a party has received in the last election or the percentage of seats the party won in the last election. The author has chosen to calculate the ENPP using the percentage of seats won due to the greater availability of data (using Derksen 2004).

There are several types of electoral systems employed around the world. Because the World Policy Institute’s classification was used to determine the electoral system found in each country, we will use their definitions. In a plurality electoral system, the candidate that obtains more votes than any other is elected, even if that person only won a minority of votes cast. Majority electoral systems require that a candidate receive a majority of the votes cast. In a proportional electoral system, voters choose among party lists, and seats are awarded in proportion to the vote received by each party. Semi-proportional systems have a legislature that consists of a block of seats that are elected by
a plurality or majority from single-member districts, and another block of seats that are elected in multi-member districts under a proportional system (World Policy Institute 2002). These variables are measured as dummy variables.

In order to prevent reporting a spurious relationship, control variables need to be included in the model. These variables are known to have an effect on democracy. British Colony status has been included because former British colonies appear to be more able to support democratic institutions than colonies of other European countries (Burkhart 1997; Smith 1978). The log of a country’s GDP accounts for the correlation between increases in economic development and increases in democracy (Burkhart & Lewis-Beck 1994; Putnam 1993). Burkhart and Lewis-Beck (1994: 242) assert: ‘A variable representing economic development belongs in every model of democracy.’ ‘Log percent Protestant’ represents the Protestant emphasis on individualism that facilitates democratic governance (Barrett 1982; Bollen & Jackman 1985; Burkhart & Lewis-Beck 1994). Finally, the age of the country measured by the independence year (as derived from CIA 2001, 2002) accounts for findings that countries that have been in existence for a longer period of time are more likely to have democratic forms of governance (Bollen 1993; Brunk et al. 1987).

Results

In the model (see Table 1), ‘British colony’ is the only variable not statistically significant using the 0.05 threshold. The remaining control variables in the model are both statistically significant and in a theoretically correct direction (as GDP increases, democracy increases; as the percentage of Protestants increases, democracy increases; and the more recent the independence year, the lower the level of democracy). By looking at the statistical values for ENPP, we can determine that, as the number of political parties in a country increases by 1, the country’s POLITY IV score increases by 0.482. More political parties do, in fact, make a country more democratic. The type of electoral system is also important to a country’s level of democracy. Countries with proportional electoral systems have 13.33 per cent higher democracy ratings than countries without electoral systems.

The beta values are quite telling. With a beta value of 0.973 in the model, ‘proportional electoral system’ has the largest effect on democracy. Considering the control variables that have been included in the model, this is quite remarkable. How the government is structured has more effect on democracy scores than socioeconomic factors. With ‘British Colony’ not reaching statistical significance, this model also indicates that how a country’s government is structured is more important than its history. These results are also statistically
secure. The adjusted R square is 0.484 and is statistically significant. This reflects well on the completeness of the model. Using the VIF >10 rule of thumb suggested by the econometrician A.H. Studenmund (1992: 276), we can determine that multicollinearity is not a concern in this model.

### Conclusions

The conclusion that increasing the number of political parties and utilizing a proportional electoral system can increase the level of democracy in a country is strongly supported by Lijphart’s *Patterns of Democracy*. Lijphart (1999: 7) asserts: ‘[C]onsensus democracy may be considered more democratic than majoritarian democracy is most respects.’ One of the crucial differences between majoritarian democracy and consensus democracy is that of two-party versus multi-party systems. Another difference is the use of majoritarian or plurality electoral systems instead of proportional systems. Consensus democracies attempt to involve the greatest number of people in the governing process through multiple parties and the proportional electoral system.
Consensus democracies ‘clearly outperform the majoritarian democracies with regard to the quality of democracy and democratic representation’ (Lijphart 1999: 301).

These findings support Lijphart’s (1999) conclusions that countries with proportional representation have more democratic characteristics and extend them to a larger number of countries. These findings also support Parenti’s claim that proportional systems are more democratic and may reflect the values found in each of the electoral systems and the scales of democracy. An important aspect of democratic government is that it is responsive to the people. Responsiveness can be described as ‘when the people effectively agree not to use violence to replace the leadership, and the leadership effectively leaves them free to criticize, to pressure, to organize, and to try to dislodge it by any other means’ (Mueller 1999: 139). Elected officials remain accountable to the electorate who can choose not to re-elect them.

In this respect, the two-party majority system found in the United States may be more responsive. In a competitive two-party system, a small number of votes are enough to change the party in power (Norris 1997: 305). This is not true in a proportional electoral system, however, where a small number of votes are insufficient to alter the balance of power (Norris 1997: 305). The main purpose of the majority electoral system is to protect the government from extreme political parties. ‘The way that the system penalizes minor parties can be seen by proponents as a virtue. It prevents fringe groups on the extreme right or left from acquiring representative legitimacy, thereby avoiding a fragmented parliament full of “fads and faddists” ’ (Norris 1997: 305).

Stability becomes another important value enforced in the majority electoral system. A ‘responsible party government’ is valued more highly than the inclusion of minority parties and values (Norris 1997: 305). When examining the electoral systems, the representation of minor parties in the legislature is reflected in the POLITY IV measure of democracy, while responsiveness and stability are not.

These results are increasingly significant as democracy is promoted around the world. As noted by Pippa Norris (1997: 297), ‘wholesale and radical reform of the basic electoral system – meaning the way votes are translated into seats – has been relatively rare’. While consolidated democracies of the world are less likely to change their electoral system in order to fulfil a democratic ideal, there have been important electoral changes in the last thirty years. France (Lijphart & Grofman 1984: 11), Italy, Japan (McKean & Scheiner 2000), Venezuela and New Zealand (Banducci 1999) have shifted to proportional representation in recent years.

Countries involved in the Third Wave of democracy are now faced with deciding how to structure a new government and may have a better
opportunity to institute a specific electoral system. Recent regime changes in Afghanistan and Iraq also provide opportunities to design governments with democracy in mind. The results of this study show that countries can, in fact, determine their own destiny. If achieving a democratic government is indeed a goal, the choice of an electoral system may be among the most important. The findings of this study indicate that the degree to which a country is democratic can be determined by the number of political parties and, to a greater extent, by the electoral system of that country.

Acknowledgments

The author wishes to thank Dr. Ross E. Burkhart and Lou Ann Hoffman for their immeasurable support.

Appendix A. POLITY IV Scale

<table>
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<tr>
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<th>Democracy scale</th>
<th>Autocracy scale</th>
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<td>Competitive</td>
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<td>1</td>
</tr>
<tr>
<td>Restricted</td>
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<tr>
<td>Competitiveness of executive recruitment</td>
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<tr>
<td>Election</td>
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<td>Selection</td>
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<tr>
<td>Openness of executive recruitment</td>
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<tr>
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<tr>
<td>Unlimited power of executive</td>
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Notes

1. Due to the possible curvilinear effect of political parties on democracy, a curvilinear model using a quadratic term was tested, but discarded due to high levels of multicollinearity.

2. Other variables considered include ‘colonizing country’, ‘adult literacy rate’, ‘ethnolinguistic fractionalization’ and ‘world system position’. ‘Age of democracy’ was considered, but rejected due to its subjective nature.

References


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