

'Arguably the most complex parliamentary voting system in the world'. The following article describes the formulation of Hungary's 'two-vote' system.

Hungary's 'Two-Vote' Electoral System

Kenneth Benoit

Election day in Hungary is remarkably like that found in democratic systems around the world, accompanied by the usual campaign images, media attention, public debates, and popular anticipation of the day when citizens are called to exercise their right of electoral participation. At the polling station citizens' names are checked and recorded, and they are pointed to a curtained booth to make their political choice. Unlike in most other democracies, however, they are handed not one but two ballot papers, each with a different colour and a different structure. One contains names of parties which have established lists in that county; the other, names of individuals competing in the smaller electoral district where the voter resides. Voters are asked to place a cross next to their preference on each ballot and to drop them into separate boxes. At the close of the polls the precinct election officials open the boxes to verify and sort the ballots, although the way the two kinds of ballots are counted and used to determine the election outcomes are quite different. Hungary's 'two-ballot' system is more than just a second piece of paper for voters, it is part of an institutional structure that shapes behaviour and outcomes in Hungarian politics.

In what follows I examine the Hungarian electoral law¹ and its use of two ballots, looking at why Hungary chose such a system and what peculiar consequences and features this has for its elections. In a sentence, the two-ballot system is the product of institutional choices born of compromise, and its political result is to produce slightly different types of candidates and campaigns for the two electoral tiers it serves. To understand this statement we must first turn to the overall shape of Hungary's electoral system.

A complicated voting system

The Hungarian law on elections passed in 1989 established what is arguably the most complex parliamentary voting system in the world. Basically three systems in one, the Hungarian electoral law combines voting for single candidates from single-member district (SMD)

contests, list voting for parties in larger territorial districts using proportional rules to award seats from party lists, and proportionally allocated compensation seats from national compensation lists. The first two levels each require a ballot – hence the dual-ballot system – while the national compensation list uses 'surplus' votes not counted at the primary levels. Hungary's parliament consists of one chamber of 386 representatives, roughly half of whom are elected from SMDs and half from territorial and national lists.

While the task of voters at the polls is easily comprehended – voters simply indicate their most preferred candidate, and their most preferred party – the process governing the translation of these votes into parliamentary seats is far from self-evident. Complete descriptions of the Hungarian voting law are never simple, and simple descriptions are invariably incomplete. Attempts near election day in Hungary tend to err on the side of completeness, yet I will strive for simplicity insofar as this article is designed primarily to serve our understanding of why Hungarians go to the trouble to cast and count two ballots rather than one.

The simplest vote-counting rules are those at the candidate electoral level. Hungary is apportioned into 176 SMDs awarding a total of 176 seats. The candidate with the most votes wins, although if no candidate obtains more than half of the votes, then a run-off election is held two or three weeks later. The top three candidates and any candidate with more than 15% of the vote compete in the run-off election, in which the top vote-getter wins the seat.

Hungary's electoral map is also divided into 20 electoral territories which correspond to the counties. Voters elect a maximum of 152 candidates from the territories, with specific seat awards made to candidates according to their rank on lists submitted by parties in each territory. The number of seats available in each territory varies from four to 28, with a median of six. Ballots in territories are counted according to party, and seats are then distributed according to a version of the largest remainder proportional representation (PR) formula. First, territorial officials calculate a quota using the Hagenbach-Bischoff formula, computed as the total votes in that territory divided by the number of seats available plus one, rounded up to the next whole number [i.e. the Droop quota]. The quota is thus a function of votes cast in the territory and of the total seats reserved for it by law. It acts as an initial 'purchase price' of a seat in that district: each party is awarded seats according to the whole number of quotas it can divide from the votes it polled. This procedure almost always leaves some of the territory's seats unawarded, however, which leads to the second step. This is the allocation of remaining seats according to largest vote remainders. To continue the spending analogy, parties may use their remaining votes – any votes not previously 'spent' to obtain a seat – to

Kenneth Benoit is a PhD candidate in the Department of Government at Harvard University. The research on which this paper is based benefited significantly from the support of the International Research and Exchanges Board and the Center for International Affairs at Harvard University. Thanks also to John Schiemann and Jennifer Duffy for their comments.

1. Hungarian Parliament, Act No. XXXIV of 1989 on the Election of Members of Parliament.

bid for the seats not awarded to parties meeting the quota. Since parties with the most remaining votes can make the highest bids, the allocation proceeds in descending order of remainder votes. The Hungarian rules have a twist, however: while this procedure normally would allocate all remaining seats in the territory, the law places a limit on the allocation to prevent any party whose remainder votes are less than two-thirds of a quota from receiving seats in the remainder allocation. When the invocation of this 'two-thirds limit' causes there to remain unawarded seats in the territory, these are added to the pool of seats to be awarded from the national list.

The electoral law reserves 58 national list seats for allocation to qualifying parties using a compensatory mechanism which distributes seats based on 'surplus votes', i.e. votes not used to obtain a seat in the two primary tiers. The principle of the national list is to make the results more proportional globally by rewarding the losers from primary electoral levels. Votes for the national list come not from ballots but from the transfer of surplus votes from the SMD and territorial procedures. For each qualifying party the surplus votes will be its registered candidates' votes from the first SMD round who did not win the contest, plus any unspent (remainder) votes left over from the territorial allocations, summed nationally. Seats unawardable in territories (because of the two-thirds limit rule) are also added to the 58 national list seats, which in the past two elections has swelled to around 90 seats. All of these national pool seats are distributed using the d'Hondt/highest-average PR method.

There are additional rules to complicate matters, such as vote threshold and list or candidate qualification requirements at each of the three levels; but they are secondary to the present discussion. The point of this precursory, yet perhaps still baffling outline of Hungary's electoral system is to illustrate why the system asks Hungarians to cast two ballots rather than one, and to trace how those ballots are translated into representation. In short, neither is a simple matter, even to the Hungarians whose political fortunes depend on the system's operation. During elections the few political experts who can explain the electoral law are in great demand, giving presentations on television and writing full-page articles in national dailies, with professional graphics and charts, to help the electorate understand how their two ballots will be counted. Generally these efforts are only partly successful.

Origins of the two-ballot system

The most obvious influence on the multiple character of the Hungarian electoral system was the circumstance of its drafting and passage during the negotiated regime transition of 1989. Institutions bear the stamp of their designers' interests, and the Hungarian electoral system

2. Péter Hanák et al.,
'Képviselés, választások,
politikai intézmények,'
História 5-6 (1985).

had multiple designers with plural and often competing interests. Yet immediate political circumstances do not explain all of the system's features. Historical legacies also play an important role as a background to the events of 1989.

Hungary has a fairly long experience with the formal apparatus of elections. Parliamentary democracy operated after the Second World War in the elections of 1945 and 1947.² From 1949 to 1985 Hungary also held regular parliamentary elections, although they were purely formal and dominated entirely by the Hungarian Socialist Workers' Party (HWSP). Since the 1950s, elections took place using a SMD system. An unopposed candidate in a single-member district was of course a flagrant repudiation of citizens' capacity to exercise any real choice over their representatives. It was, however, a less obvious form of political manipulation than a single ruling party establishing a list of candidates to be awarded 'proportionally'. For this reason the HWSP preferred the SMD system, which remained in use until the regime change of 1989. The last election under the socialist state in 1985 actually introduced a limited form of competition, requiring multiple candidacies (although all had to adhere to the official party programme). This law also introduced a national compensatory list, basically as insurance for the ruling cadre against even the modicum of competitiveness the new law permitted.

One rationale offered for the SMD system used during the decades of socialism was its guarantee of well-defined constituency ties by linking a representative to a relatively small geographical district. The constituency ties argument is frequently advanced in Britain and in other countries defending a SMD system, and it played a role in the 1989 debates on electoral system choices in Hungary.

The other relevant historical voting legacy is Hungary's post-war use of party list ballots. The electoral laws of 1945 and 1947 called for the proportional election of multiple candidates from territorial districts in much the same manner as the present territorial list system. This was a single-ballot system, since there were no SMD elections called for in the law. To many it represented Hungary's original, indigenously developed system before the imposition of communist rule. It offered an attractive break with the institutions of the socialist period and symbolised a return to a Hungarian form of democratic experience before its Soviet-engineered interruption.

Debate over electoral laws in 1989 nonetheless used a mostly SMD system as a point of departure. As a starting point for negotiations the government drafted a proposal based on 300 individual candidate districts, with 50 seats to be allocated from a national list using remainder votes. Socialist party leaders thought that a SMD system would reward the most organised and visible candidates – at the time the socialists – and they were reluctant to depart from decades of

3. For a detailed analysis see Kenneth Benoit and John S. Schiemann, 'Designing Hungary's Electoral Law: A Case Study of Institutional Choice' (1995). Paper presented at the 1995 meeting of the Northeastern Political Science Association.

electoral experience. Most socialist leaders and members of parliament initially favoured a completely candidate-based voting law, and were strongly against the idea of doing away with SMDs altogether.³

The opposition, meanwhile, had formed its own roundtable with different tendencies toward ballot structure and vote-counting rules. The historical parties, such as the Independent Smallholders and the Social Democratic Party, favoured the pure party list structures which had brought them to power in 1945 and 1947. Pure list systems also offered an institutional break with the systems created by the socialist state to manipulate power, and a symbolic return to what many saw as Hungary's interrupted democratic experience.

Newly created opposition parties such as the Young Democratic Alliance and the Alliance of Free Democrats, by contrast, favoured a predominantly SMD-based system. The Hungarian Democratic Forum, Hungary's first and strongest opposition party, lacked a strong preference. Addressing its constituent parties' different demands, the opposition roundtable advocated a compromise system as its unified position at the national negotiations, proposing that half of the seats come from SMDs and half from a directly elected national list. This national list proposal introduced the two-ballot system, and the idea stuck. The government and opposition forces eventually agreed to allocate some seats to single-member districts elected by candidate-based ballots, and some seats to party lists in counties elected by party-based voting. They also retained the government's original idea of a national compensation list from which remainder ballots from the two primary balloting levels would provide the voting inputs. Once this point was agreed upon the main issue became the numerical balances of seats to be assigned to each of these three levels.

Observers often compare Hungary's electoral law to the dual-ballot German model, yet the German influence is at best indirect. Hungary adopted a similar structure but through independent means. The direction of the choice of electoral institutions taken in 1989 reflects far more the logical procession of ideas formed in a context of compromise among multiple actors than attempts to borrow from foreign models. The familiarity of the electoral planners with foreign electoral experience, was, in fact, far from comprehensive. The government technocrats in the Interior Ministry were experts at drafting laws, yet their access to material on democratic political systems was restricted. When asked why they made specific technical choices in the electoral law, such as the use of the Hagenbach-Bischoff quota at the territorial level, Zoltán Tóth, a principal architect of the current electoral law and probably the most technically knowledgeable electoral systems expert in public service, replied simply that the Ministry library had only one book on comparative electoral systems and that Hagenbach-Bischoff was the only quota it described! Even when in spring 1990 Interior

4. See János Fekete in Minutes of the Committee on Legal, Administrative, and Judicial Affairs, Hungarian Parliamentary Archives, 20 October 1989.

Ministry experts drafted no less than nine different electoral laws, the Politburo simply approved the one that most closely matched the system already in use.

On the other side, the electoral system negotiators for the opposition generally had legal training but possessed little experience in the realm of electoral systems design. Some were unfamiliar with other countries' electoral laws; others simply rejected the idea that Hungary should base its institutions upon those of a foreign nation. For example, during the parliamentary debates in October over the ratification of the electoral law, Free Democrats electoral expert Péter Tölgyessy spoke before the parliamentary law committee in order to refute the widely held conviction that SMDs would make it easier for independents to win election. He brought with him a political year book showing that Britain, with its pure SMD/plurality system, had no independents in parliament. Examining this evidence prior to October – when the penultimate draft of the law was already completed – had evidently occurred to no one. Moreover, the response to this presentation was the indignant denial that Britain's experience should be of any consideration for Hungary.⁴

In addition, the electoral law negotiations were closed both to the public and to the international press. They occurred during the summer months of 1989 when Hungary's future was still uncertain, especially to outsiders. There was no flood of foreign experts as there would later be during the election itself. As a consequence, the institutional choice process in Hungary was remarkably free of foreign influence, because outsider access was either restricted or unwanted. In Hungary, the regime essentially capitulated and sat down with the opposition as equals to design a suitable electoral law.

Features of the two-ballot system

An obvious comparison between the candidate and list-based ballots involves easily identifiable structural characteristics. Some of these have already been discussed, such as the registration procedures (signatures versus a minimum number of qualified individual candidates), the form of the candidacy (self declared candidates versus lists drawn up by parties), and the rules governing the functions which map votes into seats. Other kinds of structural differences emerge in the course of an election. For instance, the ratio of seats to registered voters is distributed differently between the two ballot tiers. By law the candidate districts each contain approximately 60,000 residents, and in theory a future imbalance would be redressed by redrawing the district lines. The territories for list allocation, on the other hand, are assigned district magnitudes according to population, and would require reapportionment of these numbers to adjust for future population shifts.

The SMD and territorial districts are designed to yield roughly the

same representation potential per seat, although systematic differences exist in practice. In the past two elections, the number of eligible voters per seat in SMDs was about 45,000, compared with about 51,000 per territorial list seat. The range is also much greater for SMD representation ratios, as low as 26,000 compared with a 44,000 minimum for the territorial lists.

A more subtle consequence of the two-ballot system is the different types of candidacies that each ballot encourages. The tendency in SMD contests is for parties to place their best-known candidates for election in SMDs, and to fill the territorial (and national) lists with party faithfuls with less direct popularity or voter appeal. Because the law permits multiple candidacies, parties also have another safety mechanism to ensure the election of their cadre. For instance, a candidate may run on both ballots simultaneously, as a SMD candidate and on a party's territorial list, as well as a national list. Parties tend to place the members whose election they consider most crucial at the top of both their territorial and national lists, as well as standing that candidate for election in a SMD.

Sometimes the difference between the two types of electoral competitions is embarrassingly clear, as when Imre Pozsgay – widely favoured to become the first elected president of Hungary – lost his 1990 SMD race and entered parliament only because of the party lists. Of the 33 total seats won by the Hungarian Socialist Party in 1990, only one came from winning an SMD contest. Likewise the Young Democratic Alliance and the Christian Democrats each won 21 seats in 1990, yet only one and three respectively came from SMD contests. In both cases candidates who lost their individual contests became MPs because of the list mechanism. The lists, whose order and membership voters may not change on the ballot, are often criticised for just this reason: it gives parties the power to elect individuals from lists who would probably not have won a direct contest with other candidates.

Hungary's registration and list requirements also favour parties at the expense of independent candidates. Only parties may establish territorial and national lists from which together come nearly half of the seats in parliament. Independents do win seats, but only from SMD contests. If an independent candidate loses the SMD race then his unused votes are simply lost, since only parties can aggregate their surplus votes. In practice the effect is to make it difficult for independents to gain office, and hence to discourage serious candidates from running as independents. In the 1990 election, for example, only 199 of 1,623 candidates ran as independents, and only six independents won their contests.

Parties have a strong legal incentive to establish as many SMD candidacies as possible. To establish a territorial list and be placed on the territorial ballot, a party must stand candidates in at least one-

quarter of the single-member districts contained in the larger territorial district (2 or 3, with 4 for Pest county and 8 for the capital). The law also requires 750 signatures be collected in a district to place a candidate on a SMD ballot. In practice the large parties field candidates in virtually every SMD race, with only special circumstances causing a deviation from this practice. Smaller parties establish as many candidates as their organisation and success with signature collection permit.

It is curious, however, that despite the different formal incentives which the dual-ballot system creates, more voters do not split their votes along party lines between ballots. For instance, in 1990 a voter might have cast her ballot for Gyula Bubla of the Hungarian Socialist Party in the Budapest 2nd district, yet cast her Budapest territory ballot for the Hungarian Democratic Forum's list. An analysis of voting returns, however, suggests that split-ticket voters were remarkably few. The proportion of party list votes in 1990, for instance, very closely matched the proportions which party candidates polled in the SMD contests, correlating 97% at the national level and averaging a 95% correlation in the 20 territories. Similar results were observed in the 1994 election.

Prospects for reform

The Hungarian electoral system is not without its critics, who centre mostly on the power it concentrates in the hands of parties and for its perhaps unnecessary complexity. The use of two ballots, however, has not been a direct target for either reason. Objections tend to focus instead on the institutional features that require a second ballot, such as the disproportionality of the SMD contests, which if done away with would lead to a system with a single (party-list) ballot. Critics of PR propose similar reforms which might logically lead to a single candidate ballot.

Yet in the official discourse on electoral system reform the two-ballot system has never been a direct issue. The complexity to which it contributes has long been a general issue, but this discussion centres on the multiple tiers and the vote-counting rules rather than the two-ballot feature. The use of two ballots is required because the Hungarian electoral institutions are multilayered, and the only way to change it would be to modify significantly the electoral institutions as a whole. And there currently exists no incentive to do so. The system can provide a parliamentary majority for a party with less than a third of the national vote, as demonstrated in the 1994 elections; hence the largest party is reluctant to change the law. Likewise the system rewards the second and third parties by giving them the largest pay-offs from the national compensation lists, causing them to resist tampering with these mechanisms. The wishes of smaller parties are at this point irrelevant,

since a two-thirds majority is required to amend the electoral law. As a result Hungary is likely to be voting with two ballots well into the foreseeable future.

Announcement

Elections in Australia, Ireland and Malta under the Single Transferable Vote

**A conference to be held at the Hotel Laguna
Laguna Beach, California
14 - 15 December 1996**

Co-organised by:

Bernard Grofman
University of California, Irvine

Shaun Bowler
University of California, Riverside

Sponsored by:

UC Irvine Center for the Study of Democracy

STV is used in relatively few national elections, but its use is more common in private organisations and in local communities. Much less well known, however, is how the system of STV operates in practice. While STV is applied, broadly speaking, in the same way in different settings, its effects and operation can vary quite widely. Building upon the idea of embedded institutions, that is, the operation of institutions must take account of local practices and contexts, this conference presents the first systematic cross-national and cross-setting look at STV in practice. The conference will bring together experts in the operation of STV in a variety of settings in order to explore the differences and similarities in the operation of the system.

Participants in the conference currently include:

Kathleen Barber, John Carroll University
Richard Engstrom, University of New Orleans
David Farrell, University of Manchester
Michael Gallagher, Trinity College, Dublin
Bernard Grofman, UC Irvine
Wolfgang Hirczy, University of Oklahoma
Colin Hughes, University of Queensland
J. Paul Johnston, University of Alberta

Michael Laver, Trinity College, Dublin
Arend Lijphart, UC San Diego
Michael Maley, Australian Electoral Commission
Michael Marsh, Trinity College, Dublin
Michael Regenwetter, McGill University
Matthew Shugart, UC San Diego
Kaare Strom, UC San Diego
Steve Swindle, UC San Diego & University of Trondheim

For those interested in more information about the conference please contact either of the two organisers:

Professor Bernard Grofman
School of Social Sciences
UC Irvine
Irvine, CA 92717
USA
phone (714) 824-6394, 5361
bgrofman@uci.edu

Professor Shaun Bowler
Dept. of Political Science
UC Riverside
Riverside, CA 92521
USA
phone (909) 787-5595
fax (909) 787-3933
bowler@wizard.ucr.edu