

11

Hungary: Holding Back the Tiers

Kenneth Benoit

Few voting systems in the world possess a feature set as rich as the Hungarian electoral law, which incorporates three distinct sets of districts, a mixed-member system, a two-round system (2RS) (using two different criteria for run-off qualification), two potentially separate legal thresholds, two different sets of rules for proportional representation (PR), plus a few additional twists related to the implementation of the PR formula apparently found only in Hungary. Act XXXIV of 1989 is something of a legend in the annals of the politics of electoral systems, both for the political circumstances responsible for its creation, as well as the complex and often unpredictable ways that political parties and candidates have evolved strategies in response to the incentives it exerts. In its thirteen-year existence, Hungary's electoral system has operated in four elections and seen four governments (although one was a rerun). It has been responsible for strange outcomes, like the fact that the party with the second most votes won the plurality of the seats in both the 1998 and 2002 elections, or the fact that even with a strong PR component and a compensatory list mechanically capable of supporting many parties, the tendency in the past two elections has been reduction to a near two-party system. In this chapter I explore and discuss these issues, starting with the general outlines of the Hungarian political system and then describing the origins and features of the Hungarian electoral law. I then discuss the consequences of the electoral law on voters, parties, and the system as a whole. The final section assesses the process and prospects for electoral system reform.

POLITICAL BACKGROUND

The Hungarian political system centres around the Parliament, Hungary's directly elected, single-chamber legislature. Consisting of 386 elected representatives elected to fixed four-year terms, the composition of Parliament determines which party or group of parties will form a government and elect, by a simple majority vote, a prime minister. The prime minister receives the powers of government through this vote and selects his own ministers, who do not have to be chosen from the legislature. The constitution provides for the possibility of a vote of no confidence, although in practice the provision is so restrictive as to nearly preclude

the possibility of a successful motion. Similar to the German system, this 'constructive motion of no confidence' can be raised only if at the same time another prime minister is proposed. Furthermore, the motion of no confidence can be raised only against the prime minister and not against his or her cabinet. In the post-communist period, Hungary has never experienced a successful motion of no confidence.

The parliament also elects, by two-thirds majority, the President of the Republic. The decision to elect the president indirectly was the subject of tremendous political debate and bargaining throughout 1989 and 1990, until the matter was settled following several constitutional amendments and referendums. The president serves a largely ceremonial role as the head of state, with real executive power invested in the prime minister and the government.

Hungary's party system began life as a six-party system, with five main parties emerging from the self-organized Opposition Roundtable in 1989, plus the outgoing Hungarian Socialist Workers' Party, which changed its name in late 1989 to the Hungarian Socialist Party. Moreover, the complicated, multilevel, mixed-member electoral system agreed to by the bargaining parties was designed to ensure continued legislative access to roughly the same six parties (Benoit and Schiemann 2001). This situation held through the 1998 elections, when despite a growing bipolar concentration, almost the same six parties that had been participants at the National Roundtable in 1989 formed groups in the legislature. This situation changed rather dramatically, however, in 2002, when just three parties gained access to the legislature, with the two main rivals holding nearly 95 per cent of the seats between them. Table 11.1 shows the parties winning seats in the legislatures in the four elections from 1990 to 2002, along with the governing coalitions. Only in 1994 did a single party win more than 50 per cent of the seats, when the Hungarian Socialist Party held a sixteen-seat majority and formed a coalition government with the Alliance of Free Democrats, together controlling more than two-thirds of the legislature. In the other three coalition governments, however, governing majorities have been much closer to 50 per cent.

The remainder of this chapter examines the consequences of the Hungarian system for the party system the parties themselves, the parliament as a whole, and the government. First, however, I briefly discuss the political origins of Hungary's electoral institutions.

ORIGINS OF THE ELECTORAL SYSTEM

The Hungarian electoral system originated in roundtable talks between the outgoing communist regime and the nascent opposition parties, held during several months of negotiations in the summer of 1989. Institutions bear the stamp of their designers' interests, and the Hungarian electoral system had multiple designers with plural and often competing interests. Hungary has a fairly long experience with the formal apparatus of elections, which also contributed to its choice of electoral institutions in 1989. Parliamentary democracy operated after the Second World War in the elections of 1945 and 1947. From 1949 to 1985 Hungary also held regular parliamentary

Hungary

233

Table 11.1 Parties in power, 1990–2002

	Election year			
	1990	1994	1998	2002
<i>Party</i>				
Hungarian Socialist Party	33	209	134	178
Alliance of Free Democrats	92	69	24	20
Hungarian Democratic Forum	164	38	17	0
Independent Smallholders' Party	44	26	48	0
Christian Democratic People's Party	21	22	0	0
Fidesz-Youth Democratic Alliance/ Hungarian Civic Party	21	20	148	188
Agrarian Alliance	1	1	0	0
Hungarian Justice and Life Party	4	0	14	0
Other	6	1	0	0
Independent	0	0	1	0
Total	386	386	386	386
<i>Governing Coalition Parties</i>	MDF FKGP KDNP	MSZP SZDSZ	FIDESZ FKGP MDF	MSZP SZDSZ
<i>Governing Majority</i>	59%	72%	55%	51%

elections, although these were purely formal and dominated entirely by the Hungarian Socialist Workers' Party. During the period of non-competitive communist elections, voting used a single-member district (SMD) system. The last communist election in 1985 actually introduced a limited form of competition, requiring multiple candidacies (even though all candidates 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 that 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.

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 fifty seats to be allocated from a national list using remainder votes. Socialist party leaders thought that a SMD system would reward the most organized and visible candidates—at the time the socialists—and they were reluctant to depart from decades of electoral experience. Most socialist leaders and members of parliament (MPs) initially favoured a completely candidate-based voting law, and were strongly against the

idea of doing away with SMDs altogether (for a detailed analysis, see Benoit and Schiemann 2001).

The opposition, meanwhile, had formed its own roundtable with different tendencies toward ballot structure and vote-counting rules. The historically based 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. The electoral laws of 1945 and 1947 had provided for district-based PR in much the same manner as the present territorial list system. 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. To many the pure list system represented Hungary's original, indigenously developed electoral system and symbolized a return to Hungarian democracy before its Soviet-engineered interruption.

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 mandates come from SMDs and half from a directly elected national list. This national list proposal introduced the mixed-member system and the idea stuck. The government and opposition forces eventually agreed to allocate some mandates to single-member districts elected by candidate-based ballots, and some mandates 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 issues became the numerical balances of mandates to be assigned to each of these three levels, plus the matter of formulae, district sizes, and legal thresholds—issues then resolved through give-and-take bargaining at the national roundtable talks.

Despite similarities to other electoral systems (e.g. the German mixed-member system or the French run-off elections), Hungary's electoral rules were primarily the product of an indigenous development. 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. Not only were some negotiators at the roundtable talks relatively unfamiliar with the details of comparative electoral laws, but also there were others who rejected the notion that Hungary should borrow directly from any foreign model. Finally, occurring quite early in the transition process that was to sweep eastern Europe in 1989 and 1990, the Hungarian electoral law negotiations were relatively shielded from both the Hungarian public and 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.

Hungary's electoral system combines elements which are rather unusual among its eastern European neighbours. Among the electoral systems chosen by the east-central European countries making the earliest transitions to democracy, only Hungary and Bulgaria chose mixed-member systems, and Bulgaria used this system only for its 1990 election. Lithuania and Russia (see Chapter 15) also use two-ballot systems for their parliamentary elections, yet these systems were not adopted until 1992–93, in Lithuania's case at least with international influences playing a much stronger role. Furthermore, the list component of those systems is drawn from a single, nationwide party list rather than a set of smaller districts. Hungary's upper-tier system is relatively unusual in that it was designed to, and in practice does, award the largest parties additional seats instead of compensating smaller parties in order to increase the overall proportionality of the result. Several other eastern European states use some form of compensatory mandates, but most (such as Poland's) are designed to distribute additional seats to small parties, not to give the largest parties an additional seat bonus as the Hungarian system tends to do.

HOW THE ELECTORAL SYSTEM WORKS

The Hungarian legislative electoral law is arguably the most complicated in the world. The system is a hybrid using elections from a combination of single-member districts, party lists, and a national compensation list. Of the 386 total seats, 176 are elected from SMDs, another 152 using PR from twenty districts ranging from four to twenty-eight in size, and a final fifty-eight reserved for proportional allocation from national lists. Voters cast two ballots each: one for an individual candidate in the SMD in which they are registered, and one for the party list in their PR district, whose boundaries conform to the nineteen county boundaries plus the capital Budapest. (For a sample of the ballot paper used see Figure 11.1.) The national compensation list automatically allocates the remaining seats using aggregated votes from SMD and list ballots that did not go towards electing candidates. Table 11.2 provides the seat breakdown by tier for the 2002 election, for the three parties that won seats.

The 176 SMDs also employ a two-round format wherein a run-off election is held should no candidate receive an absolute majority in the first round, similar to that used in France (see Chapter 5) and in other run-off systems around the world. Hungary's two-round format is a hybrid, however, a mixture of what Cox (1997: 123) calls the 'top-*M*' run-off system—since the top three candidates can compete in the second round—as well as a 'fixed standard' (Greenberg and Shepsle 1987: 525) run-off system, since any candidate with at least 15 per cent of the vote may also compete in the second round.¹ This provision was included in the 1989 draft of the

¹ In addition, for both the SMD and the list balloting, if fewer than 50 percent of the eligible voters cast ballots, then the election is held again for that district in the second round. This situation occurred in thirty-one districts in the 1998 elections.

ÖNKORMÁNYZATI KÉPVISELŐK LISTÁS VÁLASZTÁSA
1990. október 14.
SZAVAZÓLAP
Budapest főváros

MINTAPÉLDÁNY

Ipartestületek Budapesti Szövetsége	<input type="radio"/>	1. Rímóczi Sándor 2. Várkonyi József 3. dr. Nagy Balázs 4. Krjászter András 5. Illinger Ferenc
 Magyarországi Szociáldemokrata Párt MSZDP	<input type="radio"/>	1. dr. Borbély Endre 2. Bácskai Sándor 3. Maurer László 4. Kaszás Iván 5. Sprencz Ernő
 Fiatal Demokraták Szövetsége FIDESZ	<input type="radio"/>	1. Ungár Klára 2. Hankiss Agnes 3. dr. Szezlér Tibor 4. Winkler Márta 5. Németh László Ákos
 Magyar Szocialista Párt MSZP	<input type="radio"/>	1. dr. Szabó Lajos Máttyás 2. dr. Csiba Judit 3. Bubla Gyula 4. dr. Ajkay Zoltán 5. Kiss Péter
 Szabad Demokraták Szövetsége SZDSZ	<input type="radio"/>	1. dr. Demaszky Gábor 2. Polónyi Károly 3. Péterffy Agoston 4. Perczel Anna 5. Marschall Miklós
 Budapesti Városvédő és Polgári szervezetek Szövetsége VPSZ	<input type="radio"/>	1. dr. Dalmy Tibor 2. K. Horváth András 3. dr. Buza Péter 4. Katona Áron Sándor 5. dr. Radó Dezső
 Magyar Szocialista Munkáspárt MSZMP	<input type="radio"/>	1. Virág Ferenc 2. Kollár Pál 3. Hevesy László 4. dr. Hajdú József 5. Gyenge Sándor
 Független Kisgazda Földmunkás és Polgári Párt FKGP	<input type="radio"/>	1. Rácz Sándor 2. Bozsó Sándor 3. Gál József 4. dr. Bartal Ferenc 5. Mészlivecz Ferenc
 Magyar Demokrata Fórum MDF	<input type="radio"/>	1. Barsiné Pataky Etelka 2. Széles Gábor 3. dr. Zeley István 4. dr. Horler Miklós 5. Utó Endre
 Kereszténydemokrata Néppárt KÖZP	<input type="radio"/>	1. dr. Nagy Imre 2. dr. Rubovszky György 3. dr. Grigássy László 4. dr. Hólvényi György 5. Sonnevend Gyula

MINTAPÉLDÁNY

A listára szavazni a párt, társadalmi szervezet neve melletti körben elhelyezett két egymást metsző vonallal lehet, például: ⊕ ⊗

Figure 11.1 Ballot paper for district PR component of Hungarian election, 1990.

Source: Andrew Reynolds ballot paper site at <http://www.unc.edu/~asreynol/ballots.html>.

Table 11.2 Results of Hungarian election, 2002

Parties	Single-member districts	Territorial lists	National lists	Total seats	% of Seats	Total votes	% of Votes
Fidesz-Hungarian Civic Party/ Hungarian Democratic Forum	95	67	26	188	48.70	2,306,763	41.07
Hungarian Socialist Party	78	69	31	178	46.10	2,361,997	42.05
Alliance of Free Democrats	3	4	13	19	4.90	313,084	5.57
Hungarian Justice and Life Party	0	0	0	0	0.00	245,326	4.37
Centre Party	0	0	0	0	0	219,029	3.90
Hungarian Workers' Party	0	0	0	0	0	121,503	2.16
Independent Smallholders' Party	0	0	0	0	0	42,338	0.75
Other	0	0	0	0	0	6,710	0.13
Total	176	140	70	386	100.00	5,616,750	100.00

election law at the insistence of the Socialist party, who at the time thought it would splinter the uncoordinated opposition by creating a series of run-off races between the regime and two candidates of the opposition (see Benoit and Schiemann 2001). But the rules do not bind qualifying candidates to participate in the run-off round, since they have the option of withdrawing, known in Hungarian as *visszalépés* or 'stepping back.' As I discuss below, this strategic option has been exercised with increasing frequency in elections since it first figured largely in determining the electoral outcome in 1998.

By law, each SMD contains approximately 60,000 residents, although districting has occurred only once, following the law's creation in 1989. The twenty PR districts for list allocation, on the other hand, follow county administrative boundaries and are assigned district magnitudes according to population, and would require reapportionment of these numbers to adjust for future population shifts.

Registration of candidates and lists begins with the registration of SMD candidates. To establish a candidacy in one of the 176 SMDs, a candidate (or party on behalf of a candidate) must collect 750 signatures from eligible voters in that district. Only parties can establish lists. To establish a list in one of the twenty PR districts, a party must have established candidacies in at least one-fourth of the SMD districts within the boundaries of that PR district, or a minimum of two. Finally, to establish a national list, a party must have established lists in seven of the twenty PR districts. For parties with smaller or more regionally based organizations, these requirements can be daunting. Finally, even though a party may have qualified its lists for the election, no party can receive any regional or national lists seats unless its list vote share reaches at least 5 per cent of the nationwide regional list vote. This national threshold prevents parties that are strong only in specific areas from winning seats through the list mechanism.

The second main component of Hungary's electoral system comes from PR, with each voter casting, in addition to the candidate-based ballot just described, a party-based ballot for electing representatives proportionally from party lists. Hungary's electoral system actually has two PR-based components, one for direct election from ballots cast in twenty PR districts, and the other a PR list established nationwide from compensation votes not used to elect candidates or parties in either tier employing direct balloting. Hungary's electoral system is clearly a mixed-member type, albeit a 'super-mixed' (Massicotte and Blais 1999) hybrid of two variants: a 'superposition' type coming from the direct PR at the district level, and a 'corrective' or compensatory variant due to the use of surplus votes to distribute compensatory national list seats.

The twenty regional lists vary in district magnitude from four to twenty-eight, with a median district size of seven. The allocation method for the regional lists is a modified version of the Largest Remainder–Droop PR formula (see Appendix A). The Hungarian allocation uses an unusual variant on the remainder allocation procedure, however, stipulating that no party shall receive a seat through the remainder allocation process whose remainder is less than two-thirds of the original quota. Remainder votes are transferred to the national vote pool, whether they were

Hungary

239

used by a party to win a seat in the remainder allocation or not. This means that for parties whose remainder votes won them a seat, the difference between the quota and their remainder is subtracted from that party's national list votes—a deficit vote transfer rather than a surplus.² The philosophy behind this rule is that each vote should be used only once, and that no seats should be given at a 'discount.' The application of the 'two-thirds limit' typically results in some seats being unallocated in each district, and these are added to the fifty-eight seats reserved for allocation from the national pool of seats. In practice this tends to swell the seats for national list allocation from the original fifty-eight to between eighty-five and ninety seats.

The final level at which seats are awarded in the Hungarian electoral system comes from national lists submitted by parties. As we have mentioned, any party that gains less than 5 per cent of the total (regional) party list vote is excluded from the national list allocation. There is no ballot at the national list level; instead, national list seats are awarded on the basis of compensation votes, defined as votes not used to allocate a seat directly in an earlier tier. These are the votes from the first round of the SMD votes cast for party candidates who did not win the seat, and from remainder votes transferred from the territorial lists as previously described. Once the votes for each party are established through transfers from the SMD contests and the regional list voting, all national seats are allocated using the D'Hondt highest average PR formula, a formula deliberately chosen to provide a bonus for the largest parties (see Appendix A). Because only the first round SMD votes of candidates losing in their districts transfer to the national list, and because most SMD districts are decided in the run-off round, the national list seats cannot be allocated until the SMD run-offs have occurred.

The Hungarian electoral rules permit individuals to be candidates simultaneously in each of the three electoral tiers. A candidate in an SMD contest may be listed on a regional list (although only one), and may also have a place on his or her party's national list. In the case of both regional lists and the national list, the identity and ordering of candidates is determined in advance by parties. Voters are not able to alter the order of candidate lists or to express preferences for individual candidates on the lists.

Hungary's electoral rules hence pose something of a challenge for students of electoral systems to classify, yet this same feature makes the system a rich one to study in terms of its consequences. The effects of Hungary's complicated electoral system forms the topic of the next section.

² An example: suppose a district has a quota of 10,000 seats, and after quota allocation, party A has 7,500 seats remaining, and party B has 6,500 seats remaining. Party A has the highest number of remainder votes, so it receives the next seat. Party B's remainder votes are less than the two-thirds limit (6,667), so it does not receive an additional seat at this level, and no subsequent allocation may be done. For party B, 6,500 votes are added to the national pool. For party A, 10,000 minus 7,500 votes are subtracted from its national total of compensation, equivalent to adding negative 2,500 votes.

POLITICAL CONSEQUENCES OF THE ELECTORAL SYSTEM

Impact on the party system

The effect of electoral systems on party systems operates in two classically identified ways, through the psychological effect on parties making decisions on whether and how to compete in elections, and through a mechanical effect that governs how the votes received by parties will be converted into seats.³ This section examines each in turn to draw some conclusions regarding the consequences of the Hungarian electoral system on political parties.

To gauge the psychological effect of the rules on party entry, it would seem a straightforward experiment to compare the candidacies among the list and SMD districts to observe the consequences of the different incentives exerted by each set of rules. According to Cox (1997), the equilibrium for party entry in a district is $M+1$ (where M refers to district magnitude). Taking M as the (typically) three places available in the run-off election, and bearing in mind that the minimum list-PR district magnitude is four, then we would always expect the number of parties entering lists to be greater than the number of parties entering candidates. In fact this is not the case, because of the linkage of SMD candidacies with the requirement for establishing lists in PR districts, and because of the compensatory national list which makes even losing SMD votes desirable. The electoral law states that for a party to establish a list in a PR district, it must first establish candidates in one-fourth of the SMDs contained in the larger PR district (with a minimum of two). This, combined with the knowledge that losing party candidates in SMDs will still contribute valuable votes for allocation on the compensation list, automatically leads to establishing as many lists as possible, something also necessary to collecting sufficient nationwide votes to meet the 5 percent threshold. This is why we observe nearly full candidacies and lists for the major parties, with the exceptions explained by either small parties facing organizational challenges, or some parties intentionally not fielding candidates because they have agreed with another party to do so in advance. For these reasons, the Hungarian district level makes a poor case to observe Duvergerian psychological effects on party entry. As Table 11.3 shows, the effective number of parties competing from the candidate-based districts is approximately equal to that from the list-based districts.

When comparing the mechanical effects between ballot types, however, we would expect to observe a difference, and in fact the effective number of parties elected from the lists is visibly higher than that elected from the SMDs. The difference has diminished with each successive election, but this is more a reflection of the shrinking number of competing parties and the concentration of the vote into two main forces than any change in the mechanical effect per se. Figure 11.2 graphs

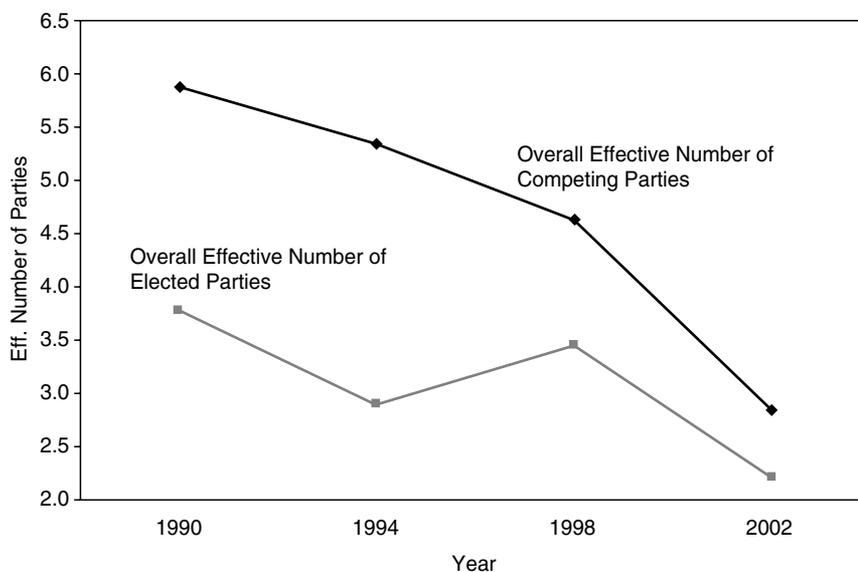
³ For more details on the characterization of, and difference between, Duverger's psychological and mechanical effects, see Blais and Carty (1991).

Hungary

241

Table 11.3 Psychological and mechanical effects on the party system

Quantity	1990	1994	1998	2002
<i>In 176 SMDs:</i>				
Mean Effective Competing Parties	6.7	5.6	4.9	2.8
S.D. Effective Competing Parties	1.5	1.1	0.8	0.3
<i>In 20 regional list districts:</i>				
Mean Effective Competing Parties	6.0	5.5	4.5	2.7
S.D. Effective Competing Parties	0.9	0.6	0.3	0.2
Overall Effective Competing Parties	5.9	5.4	4.6	2.8
Overall Effective Elected Parties	3.8	2.9	3.4	2.2
From SMDs	2.2	1.4	1.6	2.1
From Lists	5.1	4.3	2.6	2.3
Overall Least-Squares Disproportionality	15.9	16.3	8.6	7.6
Overall Loosemore-Hanby Disproportionality	40.4	42.2	27.9	23.3

**Figure 11.2** Trends in the effective number of parties, 1990–2002.

the reductive trend in the number of parties competing and elected, clearly showing the convergence in the effective number of parties and the reduction to a virtual two-party system—a rather striking trend of concern to many commentators on Hungarian politics.

The last two rows in Table 11.3 also compare the disproportionality of the outcomes at the aggregate level, using both the least squares and the Loosemore–Hanby

disproportionality indexes.⁴ The clear trend is that of a reduction of disproportionality in the four elections that have taken place since the regime change: in fact a reduction by half since the initial election of 1990. The reason for the increase in proportionality has been the convergence of the numbers of parties competing and parties winning seats—what might be considered a Duvergerian equilibrium had Duverger been able to imagine such a complex electoral system. The equilibration, furthermore, has compressed the party system into less than three effective parties, making it difficult for new entrants—such as the Hungarian Democratic People's Party (MDNP) in 1998, or the Centre Party (Centrum) in 2002—to gain either seats or sufficient numbers of voters.

The reductive trend evident in the Hungarian party system results stands out as curious not only because of the relative newness of Hungary's democracy, but also because even in more long-lived democracies mixed systems tend to promote multipartism. In the Hungarian case as a whole, several reasons exist to expect that Hungary's electoral law would produce and sustain a multiparty system. First, evidence from other cases generally suggests that mixed-member systems tend to behave more as PR than as SMD systems (Budge et. al. 1997). As Herron and Nishikawa (2001: 13) explain, the PR and the SMD components produce an 'interaction, or contamination, which undermines the acquisition of Duvergerian equilibria in the SMD component.' The expectation is therefore that in general, mixed systems such as the Hungarian system would sustain multipartism. Second, despite its favourability to the largest parties, we would nonetheless expect Hungary's compensatory PR list at the national level to mitigate the majoritarianism in the SMDs, causing an overall tendency of the system to behave more like a PR than a majoritarian system.⁵ Finally, two-round run-off systems, in general, are not expected to share the same reductive tendencies as first-past-the-post. Duverger's original prediction was that such systems would not produce the tendency towards a two-party system (1954: 240; see also Sartori 1994: 67). Cox (1997) takes this logic further and demonstrates that a top- M run-off system should lead to $M+1$ parties. For these reasons, therefore, it would not be out of line to expect multipartism in the Hungarian political system. The curious feature about Hungary then is precisely that this convergence towards fewer, even two, political forces is occurring despite these expectations.

The institutional reason for the concentration in the Hungarian party system lies in the peculiar arrangement of the single-member districts in the overall electoral system. First, because the SMDs are linked to the proportional parts of the system through registration requirements, only the parties large enough to field substantial numbers of candidates are able to enter lists and thereby benefit from the more proportional components of the system. Second, because it is the first-round SMD votes that are recycled into the national list, the reductive pressures that apply to the

⁴ For the calculations of overall disproportionality in Table 11.3, regional list vote shares won by each party were compared with total seats won.

⁵ This is similar to Lijphart's (1994) classification of these types of mixed electoral systems as PR.

Hungary

243

SMD votes also affect the ostensibly compensatory national list. In practice, the national list acts to reward the largest parties coming in at the second, third, or fourth place but does not offer any real benefits for smaller parties. Third, the run-off provision in the SMDs acts in effect to create two elections rather than one, where the first simply serves to narrow the field of candidates. Because it is rare that any candidate in the first round is declared the winner with more 50 per cent of the votes, the vast majority, sometimes nearly all, of the SMD seats are decided in the run-off round. The strategy of candidate withdrawal has thus become a major feature of Hungarian electoral strategy, requiring party coordination in the SMD tier that affects party competition in the PR tier.

In the other post-communist mixed-member systems, the SMD and list mechanisms operate independently. In the Hungarian system, by contrast, the SMD and list mechanisms are linked by rules which govern the qualification for candidacies and lists. In short, every party that runs a list has an incentive to field candidates in as many SMDs as possible. This creates a tight marriage between party lists and party candidates, causing parties to look first to the SMDs and secondarily to the lists. While the observed disproportionality of seats to votes comes predominantly from the SMDs, then, the psychological effect of the majoritarian SMDs acts to reduce the starting line-up of the overall race to serious contestants only. The reduction occurs not only in the effective number of elected parties, but also in the number of parties competing. Unlike in other mixed-member systems such as the Ukraine's that also allow dual candidacies (Herron 2000), the Hungarian SMD component does not encourage independent candidacies or loosen party discipline. Indeed, because of the incentives to forge 'stepping back' pacts in the run-off round competition, parties tend to maintain tight control over their candidacies to follow party coordination strategies with other parties. The result in Hungary is that the reductionary tendency of the SMD component has overtaken the PR component's tendency toward multipartism, affecting the overall structure of party alliances as well as the public perception for and support of these parties. While this result deserves to be examined more rigorously and in other contexts in order to be validated generally, the contamination effects of the mixed system appear to have worked opposite to that predicted. In effect, the mixed-member system and the two-round run-off format in Hungary have resulted in a consolidation of electoral competition into two main parties, even though either of these institutions could in principle produce proportional outcomes capable of sustaining multipartism.

Impact on the parties

It would not be an exaggeration to state that Hungary's electoral system was created for the parties, by the parties, and of the parties. Independent candidates are allowed to compete in SMDs, but this practice has been steadily declining. By design and in practice, only parties are eligible to win list seats. Furthermore, Hungary's SMD system, its relatively small PR district sizes, the two-thirds limit in the regional list allocation, and the compensatory national list all act together to reward larger parties

at the expense of smaller ones. Finally, it has become increasingly accepted that coordinated party strategy—both within and between parties—is necessary to successfully perform in the SMD tier. This section examines some of these electoral system effects and how they shape internal party life.

The Hungarian electoral rules directly shape party behaviour during electoral competition. The basic character of the Hungarian electoral system makes effective competition possible only through political parties. Only parties are eligible to win list seats, which comprise 55 per cent of the total seats. In addition, the threshold applying to list seats filters out parties with less than 5 per cent of the nationwide list vote, discouraging frivolous or tiny parties from entry. The rules also directly affect electoral competition through the pressure to forge non-competition agreements in the second-round SMD contests. In the 1998 and 2002 elections, Hungary's parties made extensive use of pre-round and between-round election pacts to coordinate electoral strategy. These took three forms. First, two parties, the main opposition party Fidesz and the (in 1998) electorally ailing Hungarian Democratic Forum agreed to combine forces to offer joint candidates and joint lists, an option permitted in the electoral law but used before only in 1990 by mostly minor parties and on a much smaller scale.⁶ Second, Fidesz, and the Socialists and the Free Democrats in a few cases, forged agreements not to compete against one another in several SMDs in the first round and urged voters of non-represented parties to support the allied party's candidate instead. Finally, and most importantly, between-round electoral coordination took place in the form of the agreements that voluntarily reduced the number of candidates competing in the second round. Although the rules permit the top three candidates to enter the run-off round, pairs of parties quickly realized that their chances were much better if they agreed between themselves that one qualifying candidate should withdraw so as to concentrate the vote on the remaining candidate.

This realization became widespread practice in 1998 with the first widespread use of candidate withdrawals before the second round (see Table 11.4). With the objective of unseating the incumbent Socialist–Free Democrat coalition, Fidesz and its allies on the right, namely the Smallholders and the HDF, used the stepping-back strategy to actually move Fidesz from second place in the first-round result to first place in the final seat allocation, successfully enabling the formation of a Fidesz–HDF–Smallholders government. The key to this success was widely seen to be the significant withdrawals made by the Smallholders, which withdrew its candidates from more than 60 per cent of the 116 districts in which it had qualified for the run-off, stepping back wherever it had received fewer first-round votes than other opposition candidates. The Christian Democrats and the Hungarian Democratic People's Party each withdrew all but one of their qualifying candidates from

⁶ In 1990 there were seventeen joint candidates, mostly between the SZDSZ and Fidesz and between the Agrarian Alliance and its partners, and four of these won seats (Toka 1995). Five joint candidates competed in the 1994 elections, and one won a seat (Benoit 1999). In neither of these two previous elections, however, were the joint candidacy agreements as widespread or as formal as in 1998.

Table 11.4 Candidate withdrawals before the second SMD round, 1990–2002

Party	1990		1994		1998		2002	
	Qualifying Candidates	Withdrawn (%)						
HDF	162	5	99	1	25	88	—	—
Free Democrats	149	10	161	1	83	42	78	90
Smallholders	78	10	46	0	116	61	3	100
Socialists	61	3	174	0	175	3	131	5
Fidesz	19	47	10	50	169	11	131	0
Christian	29	21	18	0	29	1	0	—
Justice and Life	—	—	—	—	32	3	17	100
Workers**	—	—	—	—	27	4	8	100
Other	44	18	9	11	70	103	26	77
Independent	31	68	6	50	—	—	—	—
Total Qualifying Candidates	573		523		726		394	
Weighted Mean % Withdrawn		13		2		35		27

the second round, encouraging their voters to support Fidesz, HDF, or joint HDF–Fidesz candidates instead.

The realization of the importance of the coordinated strategy of stepping-back agreements has only strengthened a pre-existing tendency for centralized party control. In the 1998 election when the stepping-back strategy was employed party-wide for the first time by the Independent Smallholders, party leader Torgyán unilaterally declared to his party candidates across the country that they would withdraw from the second-round contests where it had been agreed to do so in negotiations by Torgyán and the Fidesz party leader Viktor Orbán. Despite some initial resistance from rural candidates, eventually, nearly all stepped back. In negotiations between rounds by the MSZP and SZDSZ leadership in both the 1998 and 2002 elections, party control from the centre was even more evident. In both cases it was agreed by party leaders precisely whose candidates, in which districts, would withdraw, and these agreements were once again carried out fully by individual candidates. By the time of the highly polarized 2002 election, stepping-back agreements formed a large part of election dialogue even during the campaign. With an extremely close result between the Socialists hoping to return to power and the incumbent Fidesz party, after the first round nearly all of the trailing candidates stepped back from the third-round contests, leaving a total of 131 districts where, with only a handful of exceptions, the run-off rounds were contests between two candidates. The effect was indeed to bring Fidesz forward in many districts where it had come second place in the first round—just as the effect had worked in 1998—but the overall result was not quite sufficient to prevent it from being replaced by a Socialist–Free Democrat alliance government.

Impact on parliament

The electoral system has had several effects on the organization of political life in the legislature. The distribution of power in parliament is defined along partisan lines, with party size determining relative shares of committee seats, speaking time, and other legislative goods and privileges. According to parliamentary rules, a party needs at least fifteen seats in the parliament to be entitled to form an official group, entitled to formal legislative privileges. This encourages party MPs who have broken off from existing parties—as has happened previously from the Democratic Forum, the Christian Democratic People's Party, and the Smallholders' Party—either to be prepared to form a fifteen-member fraction, or to quickly join another party fraction. Non-affiliated MPs in the Hungarian parliament are effectively powerless.

Hungarian party discipline is relatively strong, encouraged by the constant threat of withdrawal of party support during the next election. Not only is the organization of SMD candidacies and signature collection in practice led through party effort, but also the parties determine the composition of lists in advance and in private. The result is not only a political competition that is heavily, almost exclusively, centred around parties, but also a highly centralized party system where leaders exercise strong, top-down control.

Hungary

247

The possibility of simultaneous candidacies in multiple tiers—permitting candidates to run simultaneously in one SMD, in a district list, and on the national compensation list—gives parties strong control over the election of their leaders and other party elites. In practice very few candidates stood in SMDs only; much more common is for SMD candidates—more than three-quarters in fact—to stand also on at least one list. Parties therefore tend to place their leaders and other 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. For this reason, the lists are often criticized because they place a great deal of power in the hands of parties and party leaders, often leading to the election of individuals from lists who would probably not have won a direct contest with other candidates.

Each party's national list tends to mirror its top-leadership rankings. Indeed, the practice for several elections has been to name prime ministerial candidates to the first place on the national list only, thereby avoiding the embarrassing possibility of becoming prime minister after losing a direct contest in a district. Parties learned well the painful lesson of ex-communist Imre Pozsgay—widely favoured in 1989 to become the first elected president of Hungary—who lost his 1990 SMD race and entered parliament only because of the party list. Even candidate selection at the SMD level reflects a significant amount of party strategy driven by national, rather than local concerns, with parties searching 'methodically for the best tactics and the best candidates, having learned from their own experience and from that of other parties both national and foreign' (Ilonski 1999).

Some mixed-member electoral systems—those of Russia and the Ukraine, for example—commonly result in the election of many independent candidates in the single-member constituencies, in contrast to the lists seats which only parties are eligible to contest. In Hungary, by contrast, this phenomenon is virtually non-existent because the structure of political competition is dominated by political parties, a legacy which dates to the transition itself negotiated by political-party representatives in closed meetings. These parties also designed the electoral rules heavily to favour parties and to discourage independent candidacies, disqualifying non-party candidates from well over half of the seats. In addition, parties have a strong incentive to recruit would-be independents in order to gain additional compensation votes even should these candidates lose their SMD contests. Finally, individuals running as party-list members have a triple chance to be elected—assuming they compete in an SMD and on both regional and national lists—whereas running as an independents would leave only the SMD option available. As a consequence, independents candidacies since the first election in 1990 have been steadily declining. In the 1990 election, only 199 of 1,623 candidates ran as independents, and only six independents won their contests. These levels dropped to 103 independent candidates in 1994, with no victories, and to fifty-three in 1998, with just one gaining a seat. In 2002 there were forty independent candidates, winning no seats.

Another common basis for assessing electoral-system effects on parliaments is the proportion of female representatives. Hungary's record in this regard is

comparatively poor: in the 2002 election, only 34 of the 386 MPs elected were women (9 per cent). Relatively more women were elected from territorial lists than from SMDs: 47 per cent of male MPs (164) were elected from SMDs, compared to 35 per cent (12) of the women MPs, while 35 per cent (124) of the elected men were elected from regional lists compared to 47 per cent (16) of the women. The differences, however, were not statistically significant. Approximately equal relative proportions of male MPs (18 per cent or sixty-four) were elected from the national list as for female MPs (18 per cent or six). Without a more systematic examination of candidacies by gender, of course, it is not possible to draw conclusions about the relative probability of election given gender and district characteristics, but the analysis of elected MPs reveals no particularly strong differences according to electoral mechanism.

Some research has attempted to investigate whether legislators elected from SMDs behave differently from those elected on lists. Informal evidence certainly suggests that legislators tend to respond to their parties more than to their particular districts, although this should be tested with evidence such as individual voting records or scores of constituency service. On the whole Hungarian parties tend to maintain a good measure of party discipline, although personality disputes have divided and even crippled some parties in the past, particularly those of the right. It remains untested however, whether legislators elected from lists tend to observe greater party discipline than their SMD-elected colleagues.

Legislators could also be compared, of course, on the basis of constituency service according to whether they were elected in SMDs or from party lists. Certainly there exists informal evidence to indicate that SMD-elected MPs are loaded with small tasks that are difficult for government or central office officials to fulfil (Ilonski 1999). To date, however, there has been no systematic evidence gathered on constituency service by Hungarian MPs, making this proposition also impossible to quantify or even verify.

Government formation

The norm in Hungary has been majority coalition government by a majority of parties, typically between a large party and a smaller coalition partner. Coalitions in Hungary are typically determined in advance of the election through strategic pacts designed to restrict competition for seats between potential coalition partners. The strategic pacts take the forms already described of stepping-back arrangements, or parties establishing joint candidates or lists. For such parties, voters are well aware in advance of election day which parties present potential coalition governments. Furthermore, these coalition packages are de facto fixed regardless of the final balance of seats reached by individual parties. Following the 1994 election in which the Hungarian Socialist Party won an absolute majority of seats, for instance, it still took the Alliance of Free Democrats as a coalition partner (see Table 11.1). The resulting government, however, gave the ruling coalition more than two-thirds of the seats in the legislature, surpassing the super-majority necessary to effect constitutional-level changes.

The politics of coalition pre-commitment was also responsible in the 2002 election for a coalition government between the second and the third largest parties (the Socialist Party and its junior coalition partner the Free Democrats), since it was deemed politically impossible for a viable coalition to have been formed between the first-placed party, the Fidesz–Hungarian Civic Party and the Free Democrats. Without another party in the legislature willing to join them, no government proposed by the plurality Fidesz–Hungarian Civic Party—just five seats shy of the 194 seats needed to constitute a majority—would have been ratified by the majority parliamentary vote required to approve a government.

THE POLITICS OF ELECTORAL REFORM

Electoral reform in Hungary is possible through an act of Parliament, although amendments to the electoral law require a two-thirds supermajority for passage. Since 1989, no significant change to the law has occurred, except for a decision in 1993 to raise the minimum electoral threshold from four to five percent. All other modifications have been minor, aimed principally at improving fairness and transparency of existing procedures such as candidate registrations and ballot counting.

Periodic discussion of electoral reform takes place in Hungary, but almost never comes before the legislature for a vote. Proposals to change the electoral system that have failed in the planning stages have included adding thirteen guaranteed seats for national and ethnic minorities and further complicating the vote counting by linking the list distributions to the SMD seats which a party wins. The latter proposal, put forward by the Free Democrats in 1997, would have been aimed at redistributing the spoils from larger to smaller parties by adding further linkages between the SMD and list results. For obvious reasons, however, this proposal failed to garner support among the Socialists, who despite being the Free Democrats' coalition partners also had their large-party interests to consider.

Another reform discussed by the Fidesz government elected in 1998 concerned a plan to reduce the size of parliament from its current 386 to between 200 and 250. Needless to say, the draft proposal was unpopular with the sitting MPs who would have been asked to vote to eliminate between a third and half of their own positions. Another proposal that resurfaces periodically is the elimination of the run-off round, put forward first by the Socialists in 1994, pointing to the same reform that had changed mayoral elections from a two-round to a single first-past-the-post format. This suggestion has been revived following the successful use of coordination between rounds by the coalition of the right in 1998 and again in 2002, a strategy that both times worked against the Socialist party candidates. Given the very thin governing majority of the Socialist–Free Democrat coalition, however, this reform will be impossible to pass unless conditions change dramatically.

The relative stability of its electoral system makes Hungary an exceptional case in eastern Europe, a region where electoral rule change has occurred quite frequently since the relatively recent transitions to democracy in that region. The resistance to electoral reform of the Hungarian electoral law stems from the mode of its adoption

and the party interests whose operation it reinforces. Despite being overly complicated, producing possibly irregular results—like giving the plurality of seats to a party that came in only second place in the total votes (as it did with Fidesz in both the 1998 and 2002 elections)—and overly representing large parties at the expense of smaller interests, the Hungarian electoral institutions are quite resistant to change. By requiring a two-thirds majority to effect electoral rule change, the law makes it necessary to secure the support for reform of the largest parties. Yet it is precisely the largest parties whose interests are best served by the existing law, thereby making significant reform highly unlikely.

CONCLUSION

The contribution of this brief look at the politics of Hungary's unusual three-tiered electoral system has been threefold. First, I have attempted to explain how the Hungarian electoral rules operate, as well as explain how this complex set of rules came to be chosen. Second, by examining the strategic incentives presented by the law and tracing the evolution of electoral strategy by political parties, I have shed some light on why Hungary's ostensibly multiparty rules have resulted, after four elections, in a virtual two-party system. Finally, the evolution of strategic-withdrawal pacts from the second round has explains such curious results such as how, on the aggregate level, a party coming first in total votes may place only second in total seats. By judiciously consolidating voters through voluntarily withdrawal from the second-round contests, the opposition parties were able to concentrate votes efficiently, beating the coalition parties in districts where coalition candidates had led in the first round. On a more general level, the analysis of Hungary's electoral outcome has shown how coordination among parties can affect outcomes in the relatively unusual top- M run-off electoral contests. It also demonstrates quite clearly that a high level of strategic coordination among parties is possible in post-communist democracy, even in ones where rules are complex and electoral experience limited to little more than a decade of competitive elections.

The avenues briefly explored here suggest several interesting directions for future research. A first area that remains to be explored is the effect on strategic behaviour of interlocking tier rules in mixed-member electoral systems. While Herron and Nishikawa's (2001) analysis suggests that mixed-member systems encourage multi-partism, the results from a decade of experience in Hungary suggest that this is not always the case. The Hungarian case is unusual in that its multistage electoral system links electoral tiers by qualification requirements and the national compensation list. The combination of the majoritarian SMDs, with their incentive for strategic coordination in order to win the second-round contests, and the highly party-centric orientation of the system cause the majoritarian impulse to dominate, encouraging strategic coordination among the largest parties into a bipolar axis of competition. The results reinforce Mair's (1997: 220–1) observation that changes in party systems come not only from shifts in the electorate, but also from changes in elite behaviour and party strategy. These changes in elite strategy and the

consequent stabilization of interparty competition indicate that a process of democratic learning has taken place. As the study of the Hungarian case has demonstrated, the incentives presented by the electoral system and the way that it conditions strategies for successfully contesting elections play a key role (Toole 2000). Future research on the consequences of mixed-member systems might compare Hungary's party system to other systems both with and without linked electoral-system tiers, in order to more fully explore the mechanism of this relationship and to test whether it might hold in other systems.

Another interesting direction for future research would be the relationship of parties' ideological positions to their success in compelling voters to follow strategic cues. The alliance between the economically liberal SZDSZ and the socialist MSZP is not without its tensions over policy, a tension perceived by many supporters of these allied parties. On the right, the Fidesz–MPP and the HDF alliance has attempted to consolidate all other parties of the right, including the far-right Justice and Life Party, but this has also involved a balancing act between keeping centre-right voters while still appealing to those on the far-right. In other words, there is some evidence that the supply of programmatically distinct political parties may be more restricted than potential voter demand. Beyond the implications for representation and democracy, this development has implications for the way that electoral strategy operates as parties balance incentives offered by the electoral system with preferences from the electorate. The possible divergence between elite response to electoral system incentives, and the psychology of voter response to party strategy, is an important aspect of electoral politics in Hungary that deserves more systematic investigation.

REFERENCES

AQ1

- Benoit, K. (2001). 'Evaluating Hungary's Mixed-Member Electoral System', in M. Shugart and M. Wattenberg (eds.), *Mixed-Member Electoral Systems: The Best of Both Worlds?* Oxford: Oxford University Press.
- Benoit, K. (1999). 'Votes and Seats: The Hungarian Electoral Law and the 1994 Parliamentary Elections', in G. Tóka and Z. Enyedi (eds.), *Founding Elections in Eastern Europe: Elections to the 1994 Hungarian National Assembly*. Berlin: Sigma.
- and Schiemann, J. W. (2001). 'Institutional Choice in New Democracies: Bargaining Over Hungary's 1989 Electoral Law.' *Journal of Theoretical Politics* 13(2, April): 159–88.
- Blais A. and Carty, R. K. (1991). 'The Psychological Impact of Electoral Laws: Measuring Duverger's Elusive Factor', *British Journal of Political Science*, 21: 79–93.
- Budge, I. et al. (1997). *The Politics of the New Europe*. New York: Addison-Wesley Longman.
- Cox, G. (1997). *Making Votes Count: Strategic Coordination in the World's Electoral Systems*. Cambridge: Cambridge University Press.
- Duverger, M. (1951). *Political Parties: Their Organization and Activity in the Modern State*. New York: Wiley.
- Greenberg, J. and Shepsle, K. (1987). 'The Effect of Electoral Awards in a Multiparty Competition with Entry', *American Political Science Review*, 81: 525–537.

- Herron, Erik S. (2000) 'Mixed Systems And Mixed Incentives: Electoral Influences On Legislative Behavior In Ukraine'. Paper presented at the 2000 Annual Meeting of the American Political Science Association, Mariott Wardman Park, Washington DC, August 31–September 3.
- and Nishikawa, M. (2001). 'Contamination Effects and the Number of Parties in Mixed-Superposition Electoral Systems', *Electoral Studies*, 20 (March): 63–86.
- Hibbing and Patterson (1992). 'A Democratic Legislature in the Making: The Historic Hungarian Elections of 1990', *Comparative Political Studies*, 24(4): 430–54.
- Hungarian Electoral Law XXXIV of 1989.
- Ilonski, G. (1999). 'Legislative Recruitment: Personnel and Institutional Development in Hungary, 1990–1994', in G. Tóka and Z. Enyedi (eds.), *The Election to the Hungarian National Assembly 1994*. Berlin: Sigma.
- Laakso and Taagepera (1979). '“Effective” Number of Parties: A Measure With Application to West Europe', *Comparative Political Studies*, 12: 3–27.
- Lijphart, A. (1994). *Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies 1945–1990*. Oxford: Oxford University Press.
- Mair, P. (1997). *Party System Changes: Approaches and Interpretations*. Oxford: Clarendon Press.
- Massicotte, L. and Blais, A. (1999). 'Mixed Electoral Systems: A Conceptual and Empirical Survey', *Electoral Studies*, 18: 341–366.
- Sartori, G. (1994). *Comparative Constitutional Engineering*. New York: New York University Press.
- Toole, J. (2000). 'Government Formation and Party System Stabilization in East Central Europe', *Party Politics*, 6(4): 411–61.

Author Queries

- [q1] Please provide citations for : Benoit (2001); Duverger (1951) Hibbing and Patterson (1992); Hungarian Electoral law XXXIV of 1989; and Laakso and Taagepera (1979).