

ELECTORAL
REFORM



BACKGROUND # 2

The role of referenda in electoral reform:
best choice when done properly,
otherwise the worst

April 2019

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CMIS

CMIS brings together people from labour, business and the community who believe our economic success and social well-being depend on adopting a proactive industrial strategy that:

- Recognizes governments have an essential coordinating and enabling role to play in the economy.
- Is a true partnership involving government, labour, business, community, academic institutions and other stakeholders.
- Reduces inequality by creating good jobs and putting people and nature at the heart of the economy.
- Goes beyond the sterile debate between “high tech” and “smokestack” industries and provides the tools different sectors need to be a vibrant part of a modern economy.
- Puts long-term needs ahead of short-term considerations.

Our activities include:

- Providing a forum for discussion of what should be part of a modern industrial strategy.
- Conducting research and analysis of public policy issues related to a modern industrial strategy.
- Providing access to research and information.
- Advocacy with government and in public forums for adoption of a modern industrial strategy.

CMIS is a partner organization of [the Canadian Labour Institute for Social and Economic Fairness](#) (CLI).

CLI

The goal of CLI is to strengthen Canadian society and contribute to positive social change by providing progressive research, analysis and insights into the lives of everyday working Canadians, policy development based on what we find, and by initiating and planning campaigns in support of efforts to achieve social and economic fairness for all.

CLI works for:

- the expansion of labour rights for workers and unions
- maintenance of quality public services
- the development of a modern industrial strategy which is environmentally sustainable.
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CLI is a non-profit research institute for the purposes of:

- undertaking statistical and social research in labour rights, public services, and industrial strategies
- promoting progressive public policy and campaigning in its support
- holding conferences for the discussion and exchange of views thereon
- establishing research projects and any other complementary purposes that are consistent with these objects.

**Both CMIS and CLI
gratefully acknowledge the support of
[NUPGE Canada](#).**

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BACKGROUNDERS #2: THE ROLE OF REFERENDA IN ELECTORAL REFORM:
BEST CHOICE WHEN DONE PROPERLY, OTHERWISE THE WORST

The role of referenda in electoral reform: best choice when done properly, otherwise the worst is # 2 in a series of electoral reform backgrounders produced by [Canadians for a Modern Industrial Strategy](#) (CMIS). It was researched and written by Matthew Byrne, a PhD candidate at the University of British Columbia.

Other backgrounders in this series are:

[*#1 - A closer look at electoral systems*](#)

[*#3 - Why political parties that form government in Canada are resistant to electoral reform*](#)

[*#4 - An overview of the 2018 electoral reform process in British Columbia*](#)

The CMIS electoral reform backgrounder series also complements a comprehensive paper produced by CMIS entitled [*Spoiled Ballots: Electoral Reform—The broken Trudeau promise and what to do about it.*](#)

The paper and all four electoral reform backgrounders can be downloaded from the CMIS website.

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CANADIAN GOVERNMENTS, both federal and provincial, have faced calls for electoral reform over the past few decades. They have typically responded by ignoring these calls, investigating the issue or launching a referendum to gauge public support. On the surface, a referendum appears to be a very democratic approach. It allows the public to directly vote on the outcome. There are, however, two problems with this approach. The first is that governing parties are the primary beneficiaries of the status quo. They have a heavy stake in avoiding change. The second is that referenda can be easily manipulated by governments to favour the status quo. In so doing, the illusion of a democratic process is created without significant risk of change.

The most democratic approach would be for a party to campaign on electoral reform. If elected, they then have the mandate and ability to make the change. After two elections under the new electoral system, the public would have developed an understanding based on experience. A referendum could then properly assess public opinion.

Status quo bias on complicated questions

There are a number of reasons why referenda unfairly hinder electoral reform. First, the public demonstrates a bias towards voting for the status quo. This can be a rather logical position (Lupia 1992). People are typically risk averse because they weigh the risks of change as greater than the benefits (Kahneman 1991). This is especially true of people who have little information on a subject (Magleby 1984). If the wording even points out which option is the status quo, then it can give that option up to an 8%-point advantage (Barber, Gordon, Hill and Price 2017). The potential status quo bias looms large in electoral reform and motivates disingenuous calls for a referendum.

Status quo bias in design

Another form of status quo bias comes from referendum design. One common option suggested for referendum wording is to simply list five possibilities and have the public vote on them. This option has the veneer of fairness, but in fact it is an attempt to manipulate the public to favour a referendum design that significantly leans towards first-past-the-post (FPTP), the existing system.

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In this case, failure of one option to pass a 50% or often 60% threshold results in a win for the status quo. In other words, if FPTP is last, but none of the other options exceeds the threshold, then it still wins. This problem is made worse because proportional representation is a family of electoral systems. Presenting three of them significantly splits the proportional system vote.

Political parties bias information about electoral systems

To make matters worse, political parties, including the governing party, have a huge interest in the outcomes of electoral reform. As a result, the information parties provide is often framed to persuade the public towards their desired outcome. In much political or governance discourse, this isn't a serious problem, but when the issues are significant and the public has little good information to begin with, it is quite problematic (Hobolt 2009). Given the complexity of electoral systems, the quality of information being provided to the public is a valid concern.

As an example, the argument that proportional representation empowers extreme parties is a remarkable overstatement. First, this is not unique to proportional systems; majoritarian systems have the same problem. Consider the Tea Party's control over the Republican Party or the Donald Trump victory. While extremism may more readily develop in proportional systems than majoritarian ones, minimum electoral thresholds help to prevent it. When the thresholds do not work, mainstream parties can work together to keep the extreme parties out as occurs in Germany.

Unfortunately, when a voter hears the extreme party argument first, they have a major uphill battle overcoming this frame of thought and developing a balanced point of view.

These problems present electoral reformers with a major challenge. How can the public get enough information to overcome status quo bias without partisan framing? The most honest option is for government to simply change the electoral system to something proportional and then after two elections hold the referendum when the public has experience with both the old and new systems. This option is particularly desirable now because the Liberals

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were given a mandate in the 2015 election to select a proportional system and implement it. The BC NDP government promised a referendum on electoral reform. Not surprisingly the results were predictably for the status quo.

Conclusion

These problems present electoral reformers with a major challenge. How can the public get enough information to overcome status quo bias without partisan framing?

The recent BC referendum on electoral reform failed. It is hard to imagine that the public fully understood the implications of their options—only having experienced FPTP—or that the framing of proportional representation as ideal for extremism did not play a role in that outcome.

The only effective option is for government to simply change the electoral system to something proportional and then after two elections hold the referendum when the public has experience with both the old and new systems.

This option is particularly desirable now because the Liberals were given a mandate in the 2015 election to select a proportional system and implement it.”

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