

Two-party to Multi-party System in Nepal: Causes and Consequences of Consolidation

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Social Science Baha Lecture Series CX

August 17, 2023

Two vs. Multiparty system: Transforming factors

- Societal Diversity
- Formal Political Institutions
 - Electoral System: First Past the Post (FPTP) vs. Proportional Representation (PR)
 - Unitary vs. Federal system
 - Parliamentary vs. Presidential System

Effective number of Parties, N

$$N = 1 / \sum S_i^2$$

Where S_i is (1) the proportion of seats of the i -th party

$$\mathbf{N \text{ for 2079 B.S.}} = 1 / (NC * NC + UML * UML + MC * MC + NFP * NFP + NDP * NDP + PSP,N * PSP,N + POP * POP + US * US + CFP * CFP + DSP,N * DSP,N + NWPP * NWPP + NPF * NPF + I * I)$$

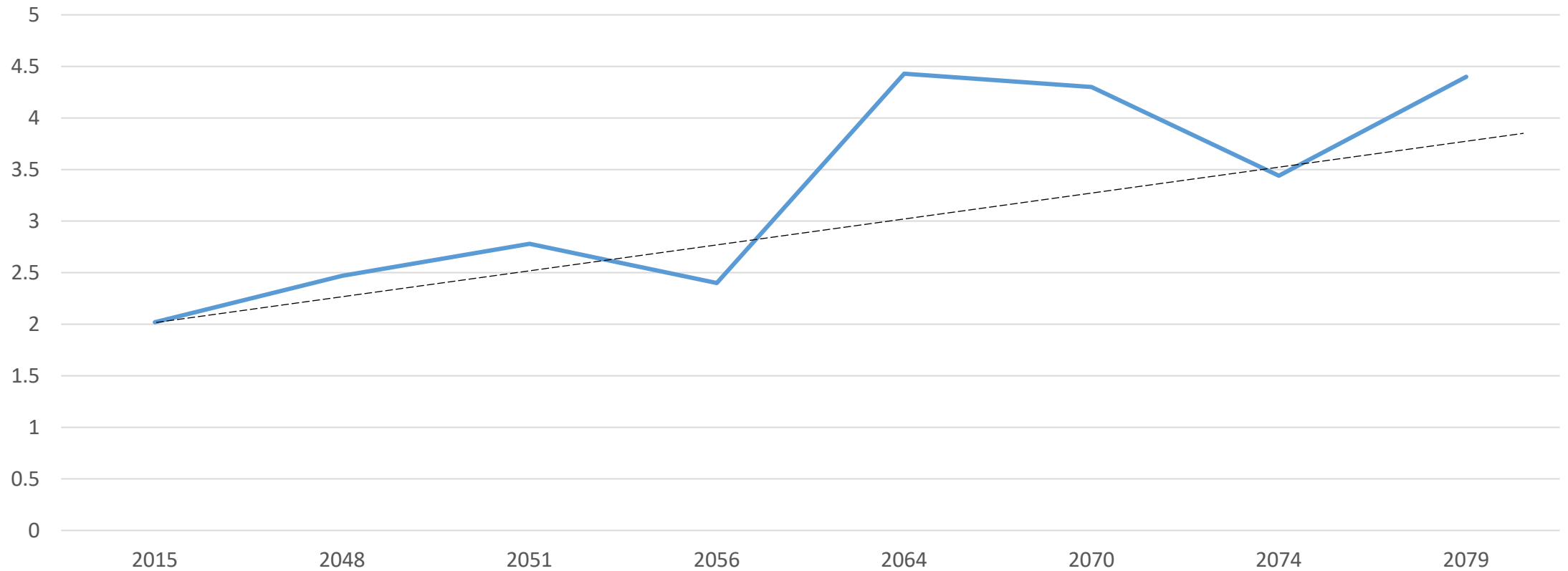
- (2) Proportion of votes of parties winning seats or
- (3) Votes of all parties competing in elections

Effective number of parties, 2079 V.S.

- Number of national parties = **7**
- Number of parties winning seats = **13** (independents counted as 1)
- **Parties contesting elections = 21**
- Number of registered parties at the Election Commission, 2023 = **112**
- **Effective number of parties, $N = 4.4$** (based on seats won)

Effective Number of Parties, 2015-2079 V.S.

Effective Number of Parties



A. Institutions

Institutions:

AI. Electoral Method - FPTP vs. PR

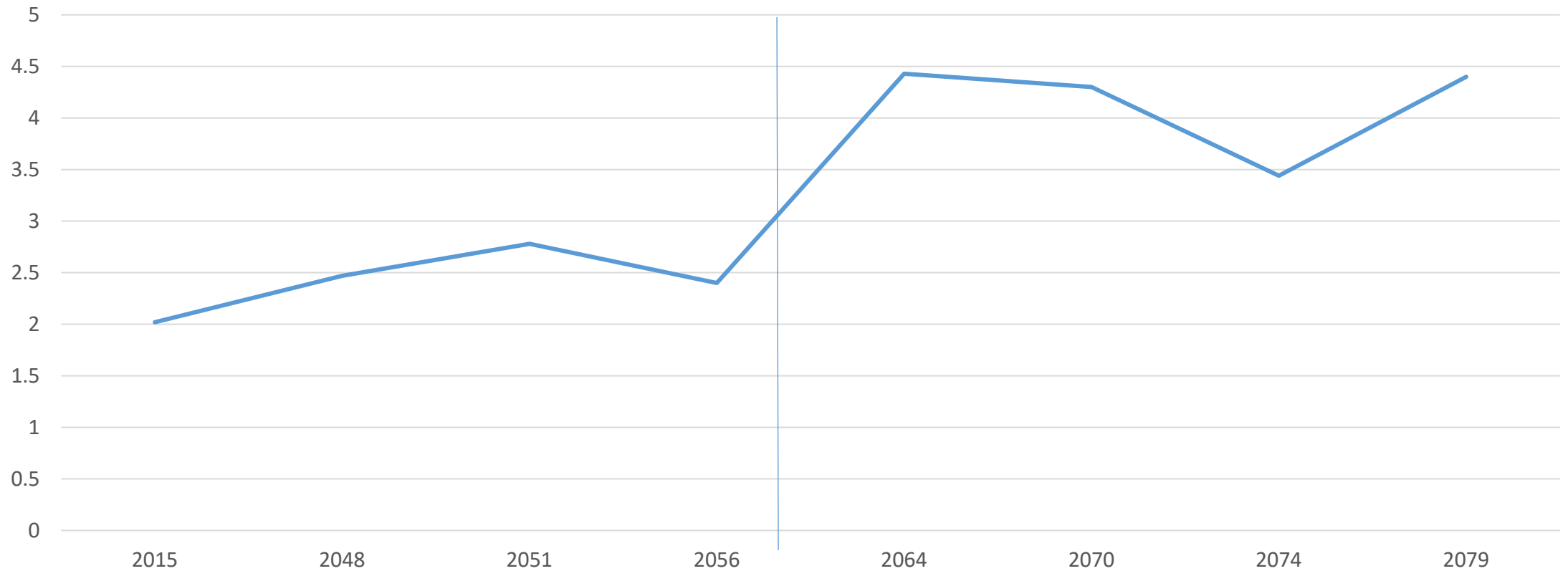
- Duverger's Law – Plurality/Direct/First Past the Post (FPTP) Method pushes for a Two-Party System
 - Creates artificial majorities at the cost of smaller parties
 - High disproportionality = difference between the seats obtained and votes received
 - Diverse countries like India are exceptions

F.P.T.P./Plurality vs. P.R. in a 100 person Parliament - Disproportionality

I. Political Party	II. Vote % (uniformly distributed over all country – assumption)	III. Seats, FPTP	IV. Seats, PR
Party A	40	100	40
Party B	30	0	30
Party C	20	0	20
Party D	10	0	10

Role of Proportional Representative (PR) Electoral Method in Nepal: 2015-2079 V.S.

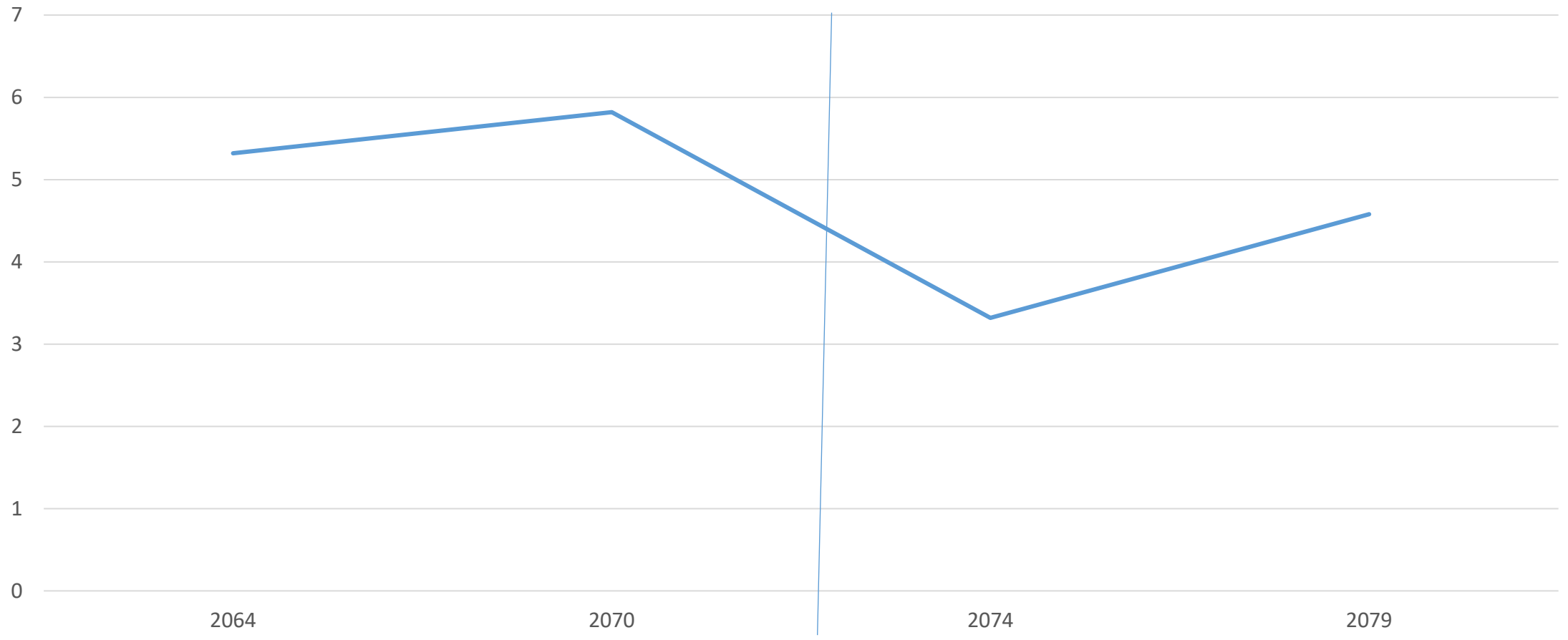
Effective Number of Parties



Role of Proportional Representation Method

Year	ENP FPTP	ENP PR	ENP TOTAL
2015 (1959)	2.02	0	2.02
2048 (1991)	2.47	0	2.47
2051 (1994)	2.78	0	2.78
2056 (1999)	2.4	0	2.4
2064 (2008)	3.22	5.32	4.43
2070 (2013)	2.88	5.82	4.3
2074 (2017)	3.22	3.32	3.44
2079 (2022)	4.68	4.58	4.4

60 % vs. 40 % P.R. with Threshold



Federalism and Multiparty System

- Space for regional parties in Federal system, more so for territorially concentrated ethnic/regional groups
- Example: Growth of regional parties in India, even under FPTP
 - Tamil parties, Telegu Desam, Asam Gana Parishad etc.
- Territorially concentrated small parties may win seats under FPTP

Federalism and party system in Nepal

- Less impact in Nepal
 - Pseudo federalism in Nepal
 - Mono-ethnic federalism
- Regional parties in provinces
 - Madhesh based parties
 - Tharu based party
 - Janata Samajwadi Party
- Why other parties have not emerged?

C. Societal Diversity

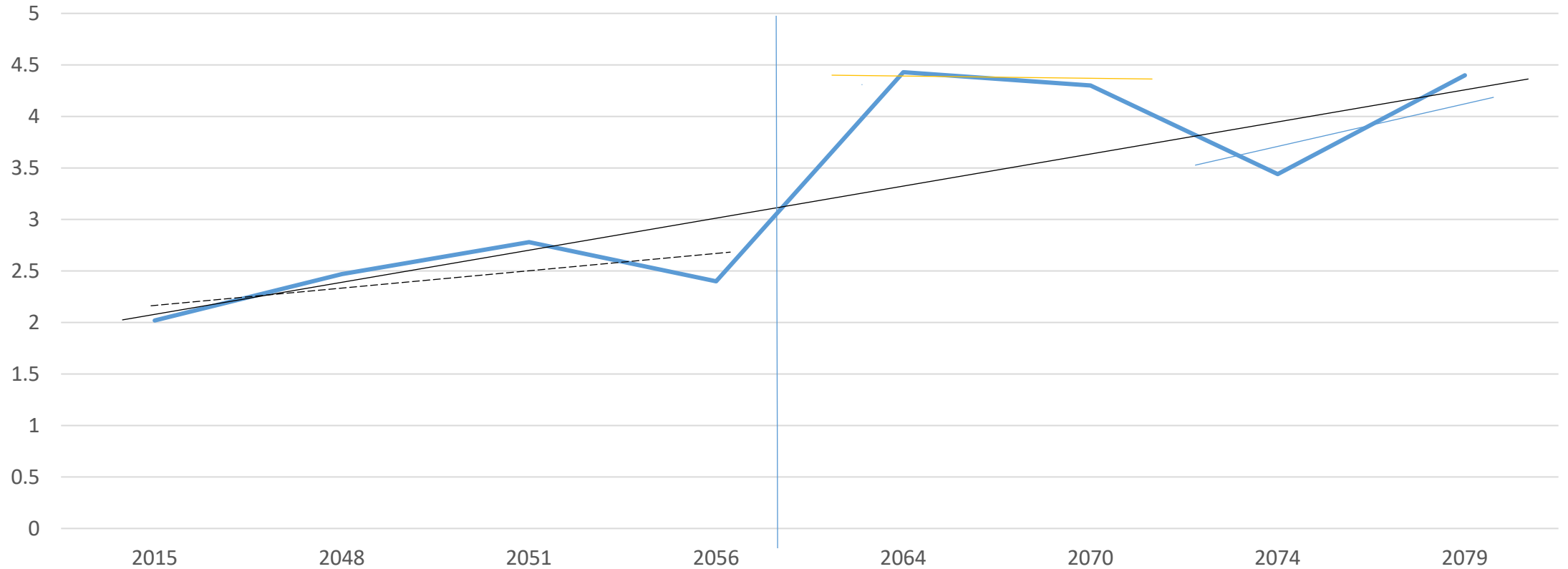
- Multiparty system India, even under FPTP
- Effective number of parties in India over – 10 elections, till 2010
 - Lowest Effective number of parties= 2.51
 - Highest Effective number of parties= 6.53
 - Mean Effective number of parties= 4.80
- Regional parties, government formation, and party durability

Societal diversity and rise of “Ethnic” parties in Nepal

- Madhesh based parties in Nepal –concentrated in Madhesh
- Rise of Tharus in Tharuhat in 1979 elections
 - Political parties of other ethnic/nationalist groups concentrated in different regions
 - NWPP – shrinkage in other areas except Bhaktapur due to lack of concentration
- CPN-UML and Nepali Congress: Mono-ethnic parties
 - Mono-ethnic leadership and policies
 - Mono-ethnic large parties pushing for “ethnic” parties to emerge

Expansion of Parties under FPTP & PR

Effective Number of Parties



Explicitly Self-identified “Identity” Parties

	Parties winning seats #	PR vote %	PR seats	FPTP vote %	FPTP seats	Total Seats	Total seats %
2074	2	9.88	12	9.82	23	33	12.72
2079	4	11.88	10	9.67	13	23	8.36

Consequences of Multi-party system

Stability or Instability? Prosperity?

Country	Mean ENP (at least 10 elections)	Electoral Method	Diversity
1. Switzerland	5.2	PR	Diverse
2. Israel	5.18	PR	Diverse
3. Finland	5.04	PR	Semi Diverse
4. Netherlands	4.87	PR	Semi Diverse
5. Italy	4.84	PR	Semi Diverse
6. India	4.80	FPTP	Diverse
7. Belgium	4.72	PR	Diverse
8. Denmark	4.57	PR	Less Diverse
11. Norway	3.64	PR	Less Diverse
12. Japan	3.62	PR	Less Diverse
18. Germany	3.09	PR	Semi Diverse
26. USA	2.39	FPTP	Semi Diverse
30. UK	2.16	FPTP	Less Diverse
36. Botswana	1.38	FPTP	Less Diverse

Stability and Prosperity?

- Representation of diverse issues, ideology and groups
 - Emergence of Green Parties and Under-represented groups
 - Less disproportionality
- Rich countries in the world have multiparty system -Prosperity
- Countries with multiparty system are durable and stable
 - India and emerging stability
 - Initial instability but since then coalition governments have been stable
- Institutions vs. political culture
 - Multiparty system is here to stay in Nepal
 - Coalition based elections and coalition governments will be the norm in Nepal
 - Healthy coalition culture needs to be developed