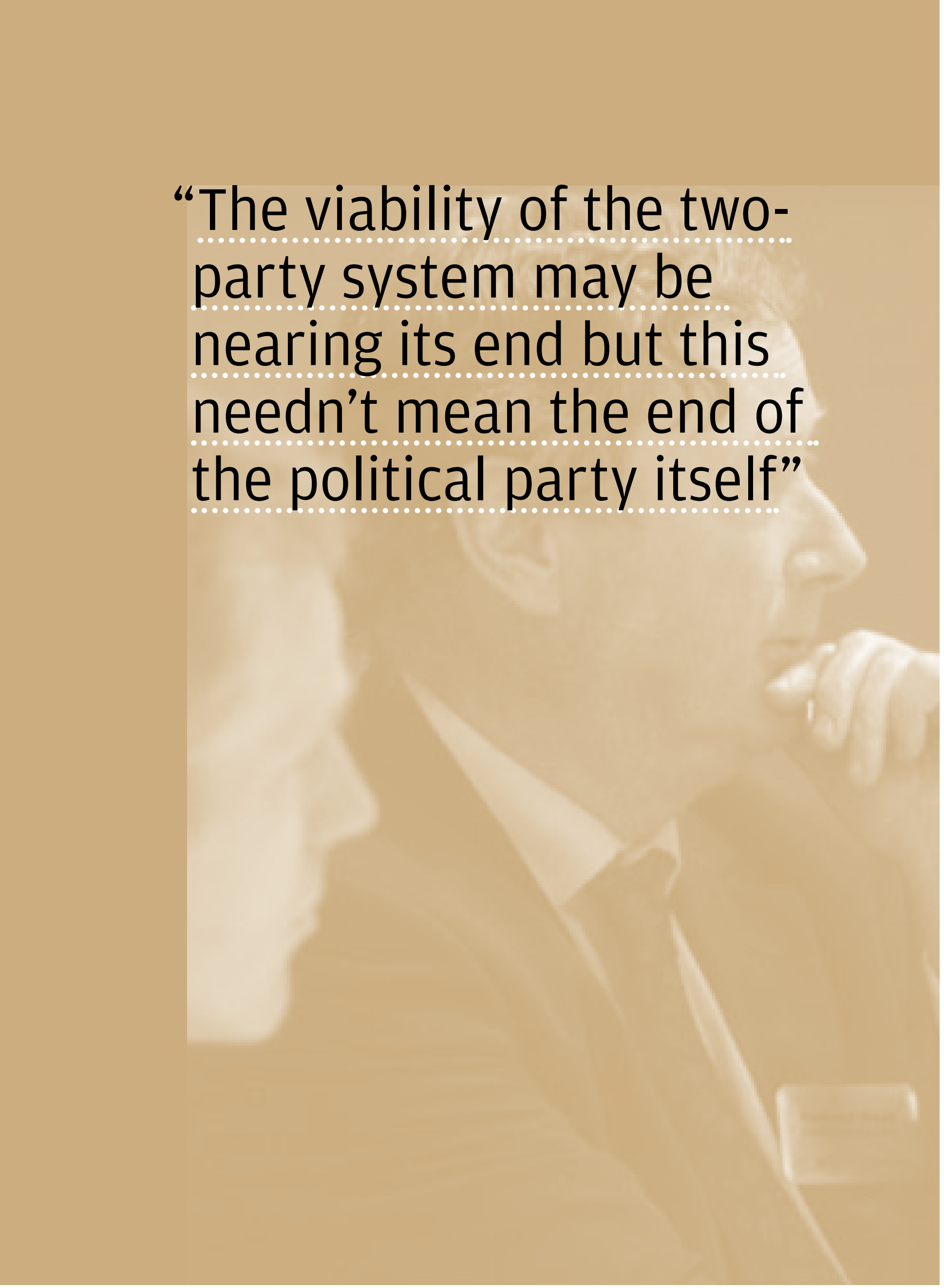

> “The viability of the two-party system may be nearing its end but this needn’t mean the end of the political party itself”

Chapter 6– Real Parties, True Elections

Few aspects of the political system investigated by *Power* received more hostile comment than the main political parties. The expert and practitioner evidence, the public submissions, and all of the research projects reveal a widespread sense that, at best, the main parties are failing in the basic function of connecting governed and governors, and, at worst, are serious obstacles to democratic engagement.

As Chapter 5 showed, the public submissions and research projects carried out by *Power* with members of the public display two significant negative perceptions and experiences of political parties.

- The main parties are very widely regarded as too similar in their core policies – particularly on economic matters – and are driven solely by the search for centre-ground votes rather than by basic principles.

- Many people find it difficult to express support for very broad programmes of policies, feeling that, while they may support some policies, they do not necessarily support them all.

In addition to these major problems we can also add the findings of *Power’s* research project with local political and community activists.

This found that those active in single-issue campaigns, community groups and even the parties themselves regarded the lack of influence and autonomy granted to local parties and party members as a very unattractive feature of the main parties. There was also a strong sense that local parties lack relevance and do not offer serious local activists a meaningful way to effect change. It should be stressed that we were surprised at quite how negative were the attitudes of local campaign and community activists towards local parties, and at how low morale was amongst local party activists. Extracts from *Power's* evidence expressing these views were presented in Chapter 5.

Inevitably, such hostility towards the main parties will feed alienation from the election process. The attraction of voting is bound to be severely reduced if the main parties vying for the vote are widely regarded as profoundly unappealing. This was a view upheld by *Power's* survey of those who did not vote in the 2005 General Election. The survey found that approximately 45 per cent of those who do not vote, do so because they do not like the main parties on offer.

This is a situation compounded by the electoral system. As Chapter 3 revealed, by far the most common reason cited for low turnout within submissions received from the public was the fact that so many votes have no chance of having an impact on the final outcome. Again, this is upheld by the non-voters survey which found that 49 per cent said they were more likely to vote if their preferred party had a 'real chance to win power'. Thus not only are the main parties unappealing to many voters but the electoral system ensures that casting a vote for a preferred alternative is widely seen as a waste of energy. The simple calculation made by millions of citizens is that the choice at election time is to vote for a party one dislikes or vote for a party that stands no chance of parliamentary representation, let alone a place in government. With such options it is not surprising that many make the rational decision to do something more meaningful with their Thursday.

Clearly, this alienation from the main political parties and the elections they dominate is a relatively new feature, like much of the disengagement explored by *Power*. We believe it is important to understand why the alienation has emerged now if effective recommendations are to be developed. As argued in Part One, we are most convinced by arguments which assert that the alienation is a function of the shifting identities, values and lifestyles of citizens in the post-industrial era. As we argued earlier in this report, the dichotomy represented by the two main parties reflects an industrial era division between the working class and managerial and professional classes which grew when manufacturing was at the heart of the British economy and when the public sector was rapidly expanding as a response to the problems and tensions generated by that division. In addition, those two parties were upheld in that era by a wide allegiance to the ideologies of democratic socialism on the one hand and to an anti-socialist conservatism which was more favourable to the free market on the other. The main parties thus clearly played a highly significant role in representing and shaping the interests and outlooks of vast swathes of the country's citizens. As a result, party allegiance was strong, membership was high and activism was widespread and energetic during the highpoint of the industrial era in the first sixty years of the twentieth century.

Whatever the exact trajectory of the decline of the industrial era and the rise of a post-industrial society in Britain over the last forty years, it is clear that the economic classes of that era and their associated identities and widely supported ideologies and values do not exist to anything like the same extent in Britain in the early twenty-first century.

Not surprisingly the two main parties have been stripped of the very characteristics which made them popular and which rooted them deeply in the society they governed. It is notable, with regard to those roots, that for many years the political parties were closely enmeshed in a wider network of equally vibrant civic associations which drew their own mission, identities and values from one or other of the big classes of the industrial era. For Labour it was the trades unions, working men's clubs, co-operatives, socialist societies and non-conformist churches amongst others. For the Conservatives, it was institutions like the Women's Institute, the Rotary Clubs and, to a certain extent, the Church of England. It is significant that all of these organisations have seen a slow decline in their own memberships and political influence in roughly the same time frame as those of the main parties. Some indicative figures are presented below:

- in 1983, half of the British workforce belonged to a union, this dropped to one-third by 2001;[126]
- in 1972, 27.6 per cent of the male population belonged to working men's or social clubs, this dropped to 17.9 per cent by 1999;[127]
- membership of the National Federation of Women's Institutes has dropped by 46 per cent from 442,000 in 1972 to 240,000 in 2002.[128]

Clearly, the decline of the ideological and class appeal of the main parties helps explain not only the decline in party allegiance but also why so many are now less keen to vote for the broad programmes offered by the parties. There is a school of thought that contemporary individuals are inherently more fragmented and eclectic in their outlook and naturally shy away from 'grand narratives' or 'big ideology'. There may be some truth in this. However, it may also be that the main parties no longer have the 'pitch' that persuades large sections of the population that their broad programmes of change can be trusted as a whole because they are based on a shared ideology or a shared class interest.

This latter approach may help explain why the other chief negative perception of parties – that they are too similar and lack principle

– has arisen. It may be that people are not necessarily hostile to a broad programme based on core values – indeed they may well be seeking it – but they either feel the parties do not offer this or that parties base their programmes on core values they do not find appealing.

In effect, this might suggest a citizenry in transition. The old political identities, allegiances and values have withered with the decline of the old social and economic conditions. However, no new political formulations have yet been developed which effectively represent and shape the new interests and values emerging in our post-industrial society. We have no doubt that such new philosophies will blossom because the yearning for compasses and lodestones to guide people through complex political thickets is very powerful. As it is, the parties are intentionally light on ideology.

None of this would necessarily be a major contribution to disengagement, was it not for the fact that our electoral system ensures that the two main parties are still the only serious contenders for power on offer to the electorate. It is as though two companies both selling an essential product maintained their dual grip on the market, even though their brands were widely perceived as inferior by the buying public. In such a market, one would not expect anything other than annoyance from the people forced to purchase those products.

Of course, the electorate does attempt to break the monopoly on occasion when the rare opportunity presents itself. This can be seen in the sudden and often unexpected bursts of support for independent candidates or small parties that effectively engage with the public and are perceived as standing a chance of winning. It can also be seen in the rise of tactical voting, as sections of the electorate realise that in some constituencies they can, at least, vote meaningfully against something they don't like, even if they can't vote meaningfully for what they do like.

The recent research of Patrick Dunleavy upholds the view that the two-party system is cracking under the pressure of its failure to represent adequately the more diverse or possibly less well-formed identities and values of the electorate. His research found that in the 2004 European election, which was held under a proportional system, voters in the "median British region" supported 5.3 'effective' parties. An 'effective' party for Dunleavy is one with a previously significant share of the vote, a potential for legislative representation at some level, office-seeking capabilities, endurance over time, and distinctive ideological positions which were not otherwise represented by differences between Labour and Conservative platforms. For Dunleavy, as he asserted in his evidence to the Commission, this suggested that:

> *We actually have a multi-party polity but the major party leaders are saying something self-evidently untrue to voters that it's a straight choice. It's not a straight choice and people don't like to be told "you must choose between us and them" when they don't want to do that. They want to vote Green or Liberal Democrat. That's a fundamental issue and it's really a difficulty almost unique to British political elites that they can't see any problem with that.*[129]

Dunleavy's assertion that this is almost unique to Britain is given extra support by the recent work of Pippa Norris – detailed in Chapter 5 – which finds that countries with proportional electoral systems, and thus with a wider array of parties and less wasted votes, have not suffered the same low levels of turnout as Britain.

The result of all this is that the *Power* Commission is now convinced that one way of reconnecting the British people with their political parties, and hence their elections, is to introduce much greater flexibility into the monopoly that is the present party system. Some of the Commission were resistant to any move away from a first-past-the-post electoral system until persuaded by the depth of the problem and the manifest change in our citizens. An electoral arrangement is needed that is sufficiently responsive to the much more fluid and diverse identities and values of the electorate. Such a change is necessary to ensure that large numbers of citizens feel there is something

on offer to them at election time.

This proposed reform may be a response to the inherently more fragmented and eclectic nature of today's citizen, or it may be an opportunity for formal democracy to become the crucible within which the unpredictable political alliances and ideologies of the future are recast to replace the withered alliances and ideologies of old. It may be something of both. Whichever it is, the necessary reform is still the same – responsiveness and flexibility on the part of the party and electoral system.

Or to put it another way, maybe it is time to offer voters the same sort of choice in politics that the main parties constantly tell those voters they desire in public service provision. In short, twenty-five years of deregulation in the public sector and the wider economy may be coming home to roost in the politicians' own back yards. Two parties is not much of a choice.

However, while we accept that the viability of the two-party system may be nearing its end, we do not believe that the era of the party per se is over, even if many public submissions to the Inquiry would seem to prefer this. We agree with the evidence provided by most of the experts and practitioners we heard from that parties fulfil a series of crucial functions in a democracy, many of which cannot be as easily or effectively carried out by other organisations.

Most notably, political parties are, when they are at their best, effective at presenting alternative ways to the electorate of aggregating diverse interests within their broad programmes and allocating resources to those interests. Campaign and interest groups do not do this – their goal is, of course, to espouse the supremacy of their particular cause and demand maximum resources to address that cause. They could enter into highly complex negotiations with other interest groups to further such causes, maybe facilitated by the state, but this would seem to be a less democratic, less transparent and possibly unending way of doing things.

Parties also simplify choices at election time – although, as previous evidence suggests, they oversimplify them at present. They are also effective at organising political debate, opposition and support within Parliament – although, once again, *Power's* evidence seems to suggest that this is currently done too stringently.

In addition, parties have played the vital role, historically, of being the main source of dialogue between governed and governors and in mobilising popular engagement with democracy. However, it is obvious from the wealth of data and evidence presented in Part One that they now fail at these tasks.

The political party as an organising principle cannot therefore be written off. Our political system would be more chaotic and less effective without political parties. None of this is to say, however, that parties as they are currently formulated cannot be radically rethought.

This understanding of parties, we believe, throws into relief those proposals which suggest that the decline in party membership and allegiance can simply be reversed by the use of more imaginative organisational structures and processes, such as primary-style elections for parliamentary candidates or more informal meetings for local parties. While we accept that such innovations may attract some extra members or support to local parties and should not be discouraged, we do not feel these can address the profound structural barriers to rebuilding the relationship between parties and people which are inherent in the wider party and electoral system as it is currently constituted.

The recommendations presented below have been developed primarily with the aim of introducing a greater responsiveness and flexibility into our party and electoral system in order to encourage more engagement between parties, candidates and citizens. A number of other issues have also arisen in *Power's* evidence which have a bearing on elections and parties and these are raised as necessary.

Recommendation 12: A responsive electoral system should be introduced for elections to the House of Commons, House of Lords and local councils in England and Wales.

Fundamental to the introduction of greater flexibility and responsiveness into the party system is the need for change in the ways our representatives are elected.

There has been a considerable amount of debate for many years in Britain about replacing our first-past-the-post system. The fundamental issue for those who favour change is the way first-past-the-post over-represents the two main parties' vote when allocating parliamentary seats, and under-represents smaller parties, in particular, the Liberal Democrats. Those who are against change point to a series of problems with proportional systems, most notably, that they can produce coalition governments which are unstable and lack a strong sense of direction. Many new arguments and counter-arguments have been developed by both sides over the years with no clear resolution.

From the point of view of the *Power* Commissioners, the need to change the electoral system is not based on arguments about what might make for fairer representation but on the fact that we have now reached a point in our political history where democracy is at risk because our electoral and party system has become such a major block to popular engagement with political decision-making. The argument for change is now as much about what is expedient for the future of democracy in Britain as it is a matter of principle.

The main concern is the way our current system has allowed two parties, which increasingly lack appeal for British citizens, to maintain their dominant political position and, hence, to damage the main ways by which citizens engage with formal democratic decision-making as members or supporters of a party and as voters in elections. This has been discussed in detail throughout this report.

As a result, we recommend that a new electoral system be introduced for the House of Commons, the House of Lords and local government in England and Wales. We note that other voting systems are already employed for the devolved institutions, for the European Parliament, and for local elections in Northern Ireland and we applaud the Scottish Parliament for its decision to introduce a new voting system for local elections from 2007.

Based on the Inquiry's observations about the need for much greater fluidity and responsiveness in the party system, and the expectation of citizens that they will have influence and choice over the key decisions that affect their lives, we recommend that any new electoral system should be designed to meet the following goals:

- to increase the number of parties or parliamentary alliances competing for the voter's support which have a serious chance of winning representation;
- to enable candidates who have no organisational allegiance a chance of winning a seat in Parliament;
- to allow voters a chance to express their preference for a particular wing of a party or a particular candidate;
- to ensure that all votes count by having some influence on the final outcome of an election.

Current thinking seems to suggest that such goals could be best achieved by the Single Transferable Vote system, but we have no firm views on this.

We have not seen any evidence to uphold the view sometimes heard that a change in the electoral system will automatically improve engagement. It is certainly the case that countries with proportional systems have generally started out with higher election turnouts, but these countries have also faced decline in turnout and share with us the other indicators of disengagement detailed throughout this report. Electoral reform is just one part of a wider 'jigsaw' of change required to re-engage the British people with their political system in as profound and sustainable a way as possible.

We have also heard the view that an electoral system as open as the one proposed here will lead to the demise of the political party, as candidates will increasingly find it more effective to campaign as individuals with their own programmes than as members of one party with a nationwide platform of change. This is the main reason why some argue that such open electoral systems may be appropriate for more deliberative chambers such as the House of Lords but not for those which seek to form governments.

We accept that such a system would probably lead to parties being looser associations of representatives built around core values or interests. But our evidence suggests that this is precisely what citizens would prefer. We do not, however, accept that it will lead to the loss of the party as a significant structuring feature of authority in Parliament or opinion in the country. This has not been the experience of those assemblies in Australia, Malta, Northern Ireland, and the Republic of Ireland which use the Single Transferable Vote.

We also feel that, given the strength of our evidence showing that citizens want both more influence over decision-makers and less stringent whipping in the Commons, it would be wrong to restrict a system which loosens parties and provides voters with significant power, to chambers which do not have a real say over who governs and how.

We are also aware that a significant fear regarding a change to such an electoral system is the possibility that extremist parties may win representation and so gain both influence and a platform for their views. The usual way of dealing with this is to introduce an election threshold which ensures that no party which fails to garner a certain percentage of the vote gains representation. However, given that we have specifically identified the need for a system that allows the emergence of new political alliances and approaches, using a method that might stifle the rise of small parties and independents may not be entirely appropriate.

We admit there is therefore no easy answer to this, except to be extremely vigilant. We note, for example, recent research work on the British National Party carried out by the Joseph Rowntree Charitable Trust.[130] This found that in areas where the BNP was building support it had done so because of its efforts to engage with local communities through face-to-face campaigning, unlike the main parties which had a low local profile. This may suggest that a system which reduced the security of safe seats, and thus required all parties and candidates to campaign vigorously, could prevent some of the surges of support for the BNP that have taken place in local communities in recent years. It also upholds the view put in Chapter 7 that the decline of engagement may provide opportunities for populist and anti-democratic forces to win support and that the obvious remedy to this is to take the serious, strategic approach of instituting a more responsive electoral system to reverse that decline.

Recommendation 13: The closed list system to have no place in modern elections.

Whatever form of electoral system is introduced, we believe it is vital to ensure that the system is based on open lists. Open lists allow voters to choose between candidates within the same party. This is in contrast to closed lists which require voters to choose a party rather than a candidate when making their mark on a ballot paper, the party leadership having already decided which candidates will enter Parliament should the party secure enough votes.

We particularly reject the use of closed party lists because they deny voters real choice to shape Parliament and other representative bodies in line with their emerging preferences. Closed party lists offer party leaderships just the type of top-down power which is proving so alienating to active members of society who might otherwise join or support a party.

Recommendation 14: The system whereby candidates have to pay a deposit which is lost if their votes fall below a certain threshold should be replaced with a system where the candidate has to collect the signatures of a set number of supporters in order to appear on the ballot paper.

One further rigidity in the electoral system that is rarely commented upon is the financial blocks placed on candidates standing for Parliament. Currently all candidates must provide a deposit of £500 which is returned only if the candidate wins 5 per cent of the constituency vote, although the Electoral Administration Bill, currently being debated in Parliament, proposes reducing this to 2 per cent.[131] All other elections in the UK, with the exception of local and parish elections, have a similar deposit and percentage system. The Mayoralty of London is the most stringent, with candidates expected to provide a £10,000 deposit which is lost if 5 per cent of the vote is not achieved.

The evidence provided to *Power* by smaller parties and independent candidates is clear that this acts as a block on their capacity to participate as fully as they would like in the political system. It is certainly an unjust anomaly that as a result of the deposit system the smallest parties bear by far the largest financial burden resulting directly from their attempts to stand for Parliament. At the 2005 General Election, the biggest losers were the the Green Party, the UK Independence Party, and independent candidates who lost £393,000 between them, whereas Conservative, Labour and Liberal Democrats only lost £3,000 in total (and Labour, in fact, did not lose any deposits at all).[132]

This is a matter of concern, given that the Inquiry has found such hostility towards the main parties and, as mentioned above, the electorate now more regularly takes the opportunity to vote for small parties and independents when they seem to stand a meaningful chance of election. It is also an obstacle to the reformulation of party politics in Britain to allow for more accurate and vibrant representation and shaping of new values and interests in society. What may be a small party today could well be a big party tomorrow if it is allowed to connect with voters' genuine concerns.

In addition, of course, it is highly questionable whether the freedom to stand in an election should be limited by wealth.

It is recommended, therefore, that the current deposit system is abolished for all elections. However, we accept the reasoning behind the deposit system that there should be some bar to entirely frivolous candidates standing. It is thus proposed instead that the other requirement for candidates – gaining nominations by a small number of electors (ten in the case of elections to the House of Commons) – be expanded. The exact number required is open to debate but we feel the level would probably settle at approximately 0.25 per cent of the registered voters in the electoral area in which a candidate wishes to stand. This would equate to about 150-200 signatures in a Parliamentary constituency. Such a measure would probably require a high enough degree of credibility and effort to deter the frivolous but not enough to deter serious small parties and independents, and it would have the further advantage of encouraging a certain degree of active, face-to-face engagement with the constituency's voters by a candidate prior to actually standing.

Recommendation 15: The Electoral Commission should take a more active role in promoting candidacy so that more women, people from black and minority ethnic communities, people on lower incomes, young people and independents are encouraged to stand.

As pointed out in Chapter 7, a major element of disengagement is the variable rates of participation in politics across social class, gender and ethnic communities. This applies not only to party membership and voting but also to the holding of elected office. The figures speak for themselves.

In the UK Parliament, the total number of black and minority ethnic MPs was 6 in 1992, 9 in 1997, 13 in 2001 and 15 in 2005; as for women MPs, there were 199 in the 2001 Parliament and 128 in 2005.

If the make up of MPs were accurately to reflect the proportion of the British population there should be 51 MPs from minority ethnic backgrounds and 320 female MPs.[133] The average age of MPs was 51 in 2005.[134] Only 6.2 per cent of MPs come from a manual occupation, the vast majority have a business background (19.2 per cent) or a professional background – mostly lawyers, teachers, journalists or political workers (74.6 per cent). One third of MPs attended a private school compared to 8 per cent of the population as a whole.[135]

In 2002, there were no BME members in the Scottish Parliament and the Welsh assembly. However, both the Scottish Parliament and Welsh Assembly have achieved over 40 per cent representation for women.[136]

Representation by different groups within local authorities is equally varied. 70 per cent of local councillors in England are male, only 3.5 per cent are from a black minority ethnic community and their average age was 57 in 2004.[137]

The reasons for such variable participation in elected assemblies have been given in Chapter 7. The key debate about how to remedy it has coalesced around those who favour firm positive measures whereby a certain number of constituencies or wards are reserved for candidates from under-represented groups, and those who favour active encouragement, including publicity campaigns, financial support for candidates seeking selection and attempts to make party selection processes less exclusive.

We note that only the Labour Party's use of all-women shortlists in a prescribed number of safe seats before the 1997 General Election has actually had any substantial impact on women's representation in Parliament. We also note that the Conservative Party is now reserving for women half of the positions on a favoured list of candidates seeking selection.

However, neither of these approaches can address the fact that many locally active people, including those from under-represented groups who might otherwise consider candidacy, simply will not put themselves forward under current political arrangements. Most constituencies and council wards are safe seats held by the two main parties. Hence, the only way that candidates from under-represented groups can secure elected office is to join one of the main parties and then win an internal selection process in one of the safe seats which is becoming vacant at the next election. However, as the evidence presented in Part One showed, the two main parties are extremely unpopular and are regarded by many locally active people as either irrelevant or a positive block to wielding any influence by 'ordinary' citizens.

As a result, both campaigns of active encouragement and a quota-based system will achieve success only to the extent that they encourage candidacy by active members from the shrinking pool of the main parties' grassroots. It is, of course, possible that a quota system might motivate people from under-represented groups to join a party if they feel encouraged by the higher chance of selection, but the evidence to the *Power* Inquiry suggests that far larger numbers of locally active individuals would regard the joining of a party as a step away from their communities and a restriction on their freedom of action to bring about change.

As outlined above, we feel a far more beneficial approach, for democracy and engagement as a whole, is to establish a more responsive electoral system without financial deposits as outlined above. The great benefit of this is that it will allow independent or small party candidates with a reasonable base of support in a constituency to stand and have a chance of actually winning representation without having to align themselves with one of the main parties and without having to pass through an internal selection process. In short, under our proposal, anyone who can muster approximately 150-200 signatures on a nomination form will appear on the ballot paper and will have a serious chance of election.

It should also, however, be noted that in countries where systems such as the Single Transferable Vote are used, political parties tend to put forward a more diverse range of candidates, politically and socially, within constituencies, since voters are free to choose between candidates from one party. Thus, with Single Transerable Vote the main parties would actually have an electoral incentive to broaden and diversify their candidates rather than opt for the safe candidates which, arguably, first-past-the-post encourages.

This 'loosening' of the electoral and party system would offer a great opportunity to make the active-encouragement approach have a genuine impact. We do not believe that a shift, on its own, to a more responsive electoral system will necessarily address under-representation, but if combined with a well-resourced and active campaign by an organisation such as the Electoral Commission to encourage, train, and support (including financially) candidates from under-represented groups, it should, over a series of elections, have a major impact.

We believe such an approach is preferable to those methods, such as reserving winnable seats for excluded groups, designed to be employed under the current system, which will always struggle against the very significant trend of disengagement from parties of the last thirty years. It is an approach which also has the considerable advantage of offering the chance of representation to those who have laid down deep roots of trust and engagement with a local community rather than those who have simply managed to secure for themselves the endorsement of a political party.

For example, we were deeply impressed by the witnesses who spoke up during our Manchester witness session. These local activists were people who work hard for the communities of which they themselves are a part. Unlike, sadly, most political representatives who have to do 'outreach' work to speak to some of the most disadvantaged communities, these activists live and work in such communities. Giving them a stronger voice within formal democracy and connecting them to decision-makers by making representative democracy work at its best would help address the devastation wrought for some by post-industrialisation, and would be of huge advantage to politics and society as a whole.

However, it was clear from the testimony heard by the Commission in Manchester, that parties and elections as currently structured will simply not allow that to happen. These highly active, intelligent citizens found today's politics and parties a source of positive alienation:

> *The real relationships that people want to build with each other, whether it be the political parties or whatever, are about equity. I don't want anybody just to tolerate me. I find it quite disrespectful, I don't want to be tolerated. We need to have a degree of respect and equity when we deal with each other and I think a lot of the political parties do not come over that way. They come over as very target driven and nobody wants to be a number, nobody wants to be a statistic.*
> Mandy Powell, Community Worker, East Manchester
> *I can't even remember right now any of the members of my community who got involved in party politics as such. … I think part of the reason, especially in the locality where I am is that to a great extent political parties are looked at as something for people who have probably made it and who are prepared to put up with the system. If I were a member of a certain political party, I think that I would feel a little bit more alienated from my own community politics.*
> Gaafe Ali, Sudanese Community Activist, Manchester

> *I have to be honest, I've said it myself and I've said it all the time with my work, that sometimes the political agenda in our cities undermines the good things that we're trying to do. And in fact I can't think of many examples where anything of a more formal political type, as it were, has actually helped.*
> Anne Stewart, Community activist working with women and disabled people, Manchester

We believe that the incalculable benefit of a more responsive electoral system combined with genuine practical and financial support for candidates, both inside and outside formal parties, would allow people, like those we heard from in Manchester to find more routes into representative politics. Of course, such a change would have to be combined with the creation of real power and influence for our representatives (as detailed in Chapter 6). For, one thing is very clear from all the community activists and workers to whom we have spoken: people are active because they want change and to have an impact. The holding of office for its own sake has no appeal and ultimately only adds to alienation.

Recommendation 16: Voting and candidacy age should be reduced to sixteen (with the exception of candidacy for the House of Lords).

We have been struck by the contrast between the very low involvement of young people in formal democracy and their very active and serious-minded involvement in the innovations in participation explored by the Inquiry, in the experiment in participatory budgeting undertaken by *Power*, and in the deliberations of the Inquiry itself.

Our own experience and evidence suggests that just as with the wider population, when young people are faced with a genuine opportunity to involve themselves in a meaningful process that offers them a real chance of influence, they do so with enthusiasm and with responsibility. We recognise that few people take an interest in a sphere of life or an area from which they have been deliberately excluded. Reducing the voting age to sixteen would obviously be one way of reducing the extent of such exclusion for many thousands of young people, and of increasing the likelihood of their taking an interest, and taking part, in political and democratic debate. We believe that given the very low involvement of young people in formal politics and the consequent effect this may have on their involvement in coming decades, it is vital to include them in the political process as early as is reasonably possible in order to sow the seeds of democracy and empowerment that will create a basis for more engagement later in life.

As such, we can see no reason why the voting and candidacy age is currently held at 18 years. The chief objection to lowering the voting age seems to be the assertion that 16 and 17 year olds are less able to take 'mature' decisions about political issues than those aged over 18. We have seen no evidence to support this assertion and our own experience contradicts it.

We have also heard the claim that reducing the voting age to 16 will drive down turnout figures as the youngest age groups have the lowest turnouts. This argument suggests that a significant reform should be rejected on the grounds that its results may embarrass politicians and reinforce the widespread view that the party and electoral system are disliked. This cannot be accepted by the Commission as an adequate reason to reject reform.

We note the recent rejection of a lower voting and candidacy age by the Electoral Commission. However, we also note that this recommendation was made alongside the recognition of the need for a wider review of the issue and an assessment of how 'contextual factors' may change over coming years. We believe that a major shift in attitudes to wider public engagement on the part of the polity and the possibility of rising engagement, following such a change, would be just such a significant contextual factor.

We also feel that the reduction of the voting and candidacy age will make a programme of political citizenship education in schools more effective. At present, those leaving school at 16 not only have to wait until the next election before they can exercise their vote but also have to wait until the next election which occurs when they have reached the age of eighteen. This means those unlucky enough to leave school in a government's mid-term period may have to wait six to eight years before they can cast a vote in a general election. This

is clearly likely to weaken the impact of citizenship education on the political consciousness of young people. Most young people aged 16 and 17 are still members of learning communities, either schools or colleges, where debate around elections and politics can take place. Once people have left education they are less likely to be exposed to any discussion about why voting might matter.

It is also worth remembering that we enlist 16 year olds into the armed forces and expect them to pay taxes if they are earning so they should be able to participate in the selection of those who govern them. We believe that any reform to encourage young people to engage politically will be very severely limited in its effectiveness while the current constitutional, party and electoral arrangements remain in force.

Recommendation 17: The introduction of automatic, individual voter registration at age sixteen. This can be done in tandem with the allocation of National Insurance numbers.

Failure to register as a voter is an often overlooked aspect of political disengagement. Although there are no conclusive figures, recent research suggests that almost 4 million people of voting age fail to register and that this figure has been rising since the early 1990s.

In addition, research has discovered that failure to register as a voter varies greatly across different social groups. Those on lower incomes, with lower educational attainment, or living in rented accommodation were more likely to fail to register. Younger people were also less likely to register.[138]

These estimates are a cause of great concern. They suggest not only that low levels of voter turnout are far worse than they currently appear, but also that disenfranchisement is far more likely to afflict those on low incomes and young people than others – two groups that already display the lowest levels of voter turnout.

We note that various reviews of registration have been or are being undertaken by the Electoral Commission, parliamentary committees and the Department for Constitutional Affairs. While we welcome this work, we believe that one option which is regularly overlooked is automatic national individual voter registration.

The Electoral Commission's recommendations to move away from household registration and towards individual registration, and the reasons given for this, are accepted by *Power*. In particular, it is felt that a system of household registration is wholly out of step with contemporary expectations that individuals should be free to take decisions for themselves and take responsibility for their own actions.

However, we believe more thought needs to be given by the relevant authorities to the possibility of introducing a system of automatic registration. This would undoubtedly ensure that the most basic of barriers to voting – ineligibility due to failure to appear on the register – would gradually dissolve. We believe any approach which ensures that involvement in formal democracy is as accessible as possible is worthy of exploration.

Although there has not been a great deal of public debate on the issue of automatic registration, we accept there will be some significant objections. Firstly, there is the practical matter of how voters' details are to be identified and placed on the register. It is accepted that an attempt to automatically register all eligible voters now would probably require an exercise in data-sharing so vast, expensive and possibly unreliable as to make it unrealistic. However, if the voting age were reduced to 16 years as we propose, then there would be the very great advantage that individuals could be registered while they are still at school. This means that their details could be identified, and individuals then informed of their registration, as part of the same process used to inform them of their National Insurance numbers.

This would mean that automatic registration would take considerably longer to have an impact on the whole population, but it would almost certainly prove far simpler. It also means that the NI number could be the key identifier when voting, as is currently the case in Northern Ireland.

There are, of course, some major legal and ethical objections to using the national databases in this way. These would require investigation by the Electoral Commission and the Department of Constitutional Affairs to see if they could be allayed by the detail of registration procedures. For example, it may be that the Electoral Register need only include details of the constituency and ward in which a voter lives, to allay fears about addresses being made available to government officials.

In this regard, we also accept that those who find the notion of automatic registration too intrusive should be free to remove themselves from the register if they wish. In doing so, they will, of course, lose the right to vote but there should be no bar to them returning to the register in the future.

The ongoing task of electoral registration would not then be to draft people onto the register but to ensure that the constituency and ward identifiers of those on the register were as up to date as possible. This could be done through publicity campaigns to encourage individuals to keep electoral registration officers informed of any change in residence. Such campaigns could be particularly high profile in the lead-up to an election.

Applications for postal votes, proxy votes and, in the future, possibly online or mobile phone voting, would obviously require their own procedures but would also be based on the name, constituency and ward details provided on the national electoral register.

Obviously, it will take some time for this method of registration to become common for the whole population. In the meantime, we welcome the changes currently being proposed in the Elections Administration Bill to make electoral registration more proactive and simpler.

One important aspect of this automatic approach is that it addresses the concern that individual registration will drive down the numbers on the electoral roll. In fact, through this method, electoral rolls would gradually rise until nearly every British citizen of voting age would be on the register.

Recommendation 18: The citizenship curriculum should be shorter, more practical and result in a qualification.

The evidence presented in Part One of this report showed that many people feel they do not have adequate information or knowledge about the political system and that this is a block to participation.

We therefore welcome the Government's decision to introduce a citizenship curriculum into schools which contains instruction in politics and the democratic system. However, the Inquiry's own evidence and research carried out by the National Foundation for Educational Research reveals some worrying aspects of the way the curriculum has developed.

- Citizenship is poorly taught in schools, often by teachers who are not properly trained.
- Citizenship classes are often not taken seriously by pupils.
- The element of the citizenship curriculum that is least taught is that dealing with politics and democracy as opposed to those dealing with personal rights or welfare.
- Many teachers, pupils and educational organisations feel that the citizenship curriculum is wrong not to place a central emphasis on learning through practice.

We therefore recommend that a new approach to political education is taken in schools. To coincide with 16 year olds reaching voting and candidacy age and being automatically entered on to the electoral register, a short, practical course in politics should be delivered to pupils in their final year at school. These three elements would together amount to an 'initiation into democratic politics' for Britain's young citizens centred on their place of learning.

The emphasis of the political education course would be on understanding why and how citizens might get involved in a range of political activities. This could be taught, not through abstract discussion about procedures and structures, but by encouraging pupils to reflect on political issues of actual concern to themselves and to investigate the range of ways they might address those concerns through democratic political activity.

If possible, this short course should be assessed and lead to a qualification. This would help prevent the subject being taken less seriously by pupils.

Party Funding

The ways in which political parties in Britain are now funded have become a major obstacle to re-engaging citizens with democratic processes and institutions. The *Power* Commission identified four aspects of party funding which are proving particularly damaging.

1. There is a widespread perception that donations to parties can buy influence or position. The media and political storms that have surrounded controversies such as the Bernie Ecclestone affair and the continuing claims that peerages are offered to party donors may or may not be unfounded. However, it is clear that a system of party funding that relies increasingly on very sizeable donations from a handful of wealthy individuals or organisations creates an environment in which the perception spreads that democracy can be bought. This can only enhance the widespread view that the ordinary British citizen has an unequal share of influence over government policies and decisions when compared to business.

Professor Patrick Seyd, the leading specialist on party membership in Britain, explained to the Inquiry how this aspect of party funding has a very direct effect on engagement by weakening the citizen's sense of influence:

> *The funding scandals of recent years have impacted badly on parties in general and therefore specifically on party membership. If potential members feel that their contributions to a party will be relatively insignificant, as compared with the 'millionaire donors',*

> *then they are unlikely to join a party. Individuals need to feel that their contribution to a party – whether it be money, time or support – is going to be of value.*

2. Evidence was also presented to the Inquiry which indicated that the increasing reliance of political parties on large donations from individuals and organisations has reduced the need to expand membership and seek small donations from a large number of individuals, and that this is thus reducing party engagement with the wider public. This is a circular process. Clearly as political parties have found it harder to maintain and win members, they must find money to fund their now very expensive election campaigns from elsewhere. As they succeed in this task, the incentive to make serious and innovative efforts to secure new members and financial supporters lessens.

As such, we now face a situation where membership subscriptions play a very small role in party finances. Members' dues now make up approximately 30 per cent of Liberal Democrat finances, 10 per cent for the Conservative Party, and only 8 per cent for Labour. The rest is predominantly raised through large donations from organisations or individuals.[139]

3. Despite the success of the two main parties in securing large donations, it is clear from the evidence presented to *Power* by specialists in this field that wider party activity in Britain is underfunded and skewed towards the two main parties. The considerable incomes of the Conseravtive and Labour parties are increasingly spent on election campaigning and party administration at a national level rather than local engagement activities designed to promote dialogue between party leaders, members and the wider public. In addition, while the two main national parties can draw on multi-million pound budgets, other parties and the constituency organisations of the main parties must manage with a tiny fraction of these amounts (see box). This is yet another rigidity in the political system that maintains the position and power of political parties whose declining appeal to British citizens is not satisfactorily challenged.

Comparative budgets (year ending 2004) of six political parties with national profiles and representation at national or European parliamentary levels

	Income	Expenditure
Labour Party	£29,312,000	£32,109,000
Conservative Party	£20,041,000	£26,238,000
Liberal Democrats	£5,060,121	£4,614,418
UKIP	£1,744,659	£1,702,549
Respect	£497,565	£589,789
Green Party	£473,224	£506,543

4. These rigidities are exacerbated by the fact that significant state funds are distributed to those parties which dominate Parliament. The Electoral Commission has calculated that approximately £25 million of public funds are given to political parties in a normal year and £111 million in a year when a general election is called. The great bulk of this subsidy is distributed in a fashion that benefits the main parties and weakens the relative capacity of smaller parties and independent candidates to build their profile.[140]

Most of this state subsidy comes from three areas.

- The Short and Cranborne money distributed to opposition parties in the House of Commons and Lords in proportion to the number of seats and votes won at the last election. Most of this money goes to research support for front bench spokespeople, assistance in the whips' offices, and staff for the Leader of the Opposition.

- Payment to the Post Office to distribute candidates' election addresses.

- Payments in kind in the form of free airtime for the transmission of party political broadcasts.

It is a matter of concern that only the second of these subsidies benefits smaller parties and independent candidates in any significant way. The first clearly aids those parties which benefit from the distortions in the electoral system which over-represent the two main parties in terms of parliamentary seats and encourages voting for those two main parties at the expense of smaller parties.

Although the third is not a direct state subsidy as the broadcasters receive no payment for the transmission of party political broadcasts, its method of distribution again benefits the established parties. Currently, any party fielding candidates in one-sixth of contested parliamentary constituencies qualifies for a broadcast at election time. In effect, this means that parties who are able to raise and risk losing approximately £50,000 in election deposits can buy themselves significant airtime which would normally cost millions. This clearly benefits wealthier parties, no matter what their genuine levels of support are, nor whether they have any real capacity to widen debate or to engage with citizens. The *Power* Commission's recommendation to abolish the financial deposit system (see above) would help deal with this iniquity.

As a result of these concerns, the *Power* Commission is convinced that a major overhaul of party funding is vital if democratic re-engagement is to occur.

The Commission is aware that there has been a great deal of debate about party finance that has led to a long series of reviews to make the system more transparent, less open to abuse and fairer.

Much of this debate now centres on the desirability or otherwise of state funding of political parties, caps on spending and caps on donations. In coming to its conclusions about these issues, we were mindful of the following factors.

- Genuine efforts to engage by all parties requires money, but the great bulk of money raised or provided to parties is spent by the Labour and Conservative parties in particular on administration, short-term campaigning at election time and their work inside Parliament. There is, therefore, a need to distribute money in a way that encourages engagement and will allow a fairer allocation of resources.

- Many of the specialists who spoke to the Inquiry felt the need for some form of state funding for parties but also doubted whether the public would support such a move. However, we feel this ignores the fact that tacit but significant state subsidy to the main parties already exists and that the quantitative evidence on public support for state funding is inconclusive. In addition, any public opposition exists in a period of extremely high alienation from parties and politicians. If this alienation was effectively tackled through the implementation of the other recommendations in this report, then such opposition would wane. It is also felt that if significant influence over state funding of parties could be offered to citizens themselves then this would allay the distaste that exists towards spending public money on apparently undeserving parties.

- The reliance of the main parties on a small number of large donations is not conducive to democratic engagement or transparency. It also offers significant opportunities for the wealthiest members of society to buy influence over government policy. However, we fear that any attempt to ban political donations would introduce new and unintended rigidities into the political system that will disallow smaller or newer parties from forging links with civil society organisations which might allow them to challenge the established power of the bigger, wealthier parties. We note the fact that the funding of the emerging Labour Party by the Trade Unions in its early days aided that party to challenge the

> monopoly on power held by the wealthier Conservative and Liberal parties and gave a democratic voice to the industrial working class. We feel it is important that regulations do not prevent the development of similar processes in the future, given the currently sclerotic nature of the party system.

We believe, therefore, that any new proposal for reform of the system of party and candidate funding must achieve a number of things. It must:

- place strict limits on the capacity of wealthy people and wealthy organisations to buy political influence;
- continue to allow parties to forge links with civil society organisations through a financial link;
- prevent the reliance by parties on large donations from a small group of wealthy individuals or organisation;
- be fully open and transparent;
- encourage rather than discourage engagement between political parties and citizens particularly at the under-funded local level;
- continue to allow some level of state funding to provide parties with a reasonably stable income to enable them to build local structures and engagement processes alongside that which already exists to support election campaigning and activities in Parliament
- ensure that both state funds and donations are open to some degree of democratic control and oversight.

To achieve these diverse goals, we recommend a two-part reform of party funding. The first is a more closely regulated approach to party donations, the second is a truly open and democratic form of state funding.

Recommendation 19: Donations from individuals to parties should be capped at £10,000, and organisational donations should be capped at £100 per member and subject to full democratic scrutiny within the organisation.

Under this proposal, a cap would be placed on all donations from individuals of £10,000. However, to ensure that parties can continue to build links with civil society organisations – such as trade unions and campaign groups – such organisations would be able to donate sums of up to £100 per member. These figures are, of course, only indicative rather than firm proposals. Any membership organisation would be required to ensure that such donations are fully subject to processes of democratic scrutiny and control within their own structures.

We note that most large businesses have now stopped donating to political parties. However, if a business did wish to do so, it would face the same restrictions as any other organisation. It could donate up to £100 per shareholding member but, as with all other organisations, the decisions would be subject to full democratic scrutiny and control.

We accept that no system is perfect and wealthy individuals and organisations may well develop ways to evade these controls. However, we do feel that this approach will place limits on the undue influence which the current uncontrolled system offers to those in possession of considerable wealth. It would also ensure that a much higher degree of democratic accountability and control was introduced into the process. A further benefit is that it should encourage parties to engage more effectively not just with a larger number of individuals but also with more civil society organisations.

Recommendation 20: State funding to support local activity by political parties and independent candidates to be introduced based on allocation of individual voter vouchers. This would

mean that at a general election a voter would be able to tick a box allocating a £3 donation per year from public funds to a party of his or her choice to be used by that party for local activity. It would be open to the voter to make the donation to a party other than the one they have just voted for.

The second part of our proposal draws on the Council of Europe's Green Paper, *The Future of Democracy*. Under this scheme each registered voter is allocated a nominal voucher which could be worth approximately £3 of public funds per year. During a general election, each voter is provided with a form listing all the registered parties and independent candidates in their constituency. Voters can then tick which party they wish to receive their allocation of £3 of public funds each year until the next general election. Those voters who do not wish to see their money spent on political parties can tick a box indicating 'none of the above' or can simply fail to complete the form. Unallocated monies are then reabsorbed back into mainstream public spending.

Importantly, we suggest that this money is restricted to activities conducted by parties or candidates within their constituency. This would solve the current problem of national parties increasingly spending large sums on national campaigning and leaving local parties with no funds to engage with citizens or campaign locally. In effect, this will probably mean that money raised through donations will be spent nationally while money raised through state funding will be spent locally.

If the voucher was set at £3 per year, this would mean that if 30 million people voted in a general election, there would be a potential pot of £90 million available to fund local party political and candidate activity. In practice, however, many voters would probably fail to allocate their £3 voucher, so reducing the pot.

This method, though radical, has a number of attractions for the *Power* Commissioners.

- It creates a strong financial incentive for political parties and candidates to engage with voters, in the hope that they could persuade as many voters as possible to allocate their £3 voucher to them. £3 seems negligible but if a local party were able to secure 10,000 vouchers for example this would bring £30,000 per annum into a constituency party's coffers. This would make a huge difference to the activities which could be organised. Alternatively, it could cover the salary of a full-time organiser.

- It helps address one of the chief findings of *Power* that citizens want more direct influence over political decisions – this approach gives citizens a direct say over political funding.

- It overcomes popular objections to state funding of parties by allowing voters the option of allocating their tax money earmarked for party funding to be used for mainstream public spending instead.

- It will allow voters to direct state funds to those parties that are not raising money from business and large individual donations, should this be a matter of concern to the voter.
- It allows voters to vote for one party while directing funds to another party which they feel may offer interesting alternatives in the future but is not quite ready for power yet. The system therefore allows the voter to play a sophisticated role in shaping the responsiveness of the party system to emerging voter interests and values.

Recommendation 21: Text voting or email voting should only be considered following other reform of our democratic arrangements.

We feel that there is a good case for governmental authorities to continue investigating and piloting changes to voting procedures. Expert evidence presented to the Inquiry and the Inquiry's own research indicates that changes to voting procedures such as more postal voting, voting by computer or mobile phone, or changing the day on which elections are held, would have a small but worthwhile impact on turnout.

The Inquiry's survey of non-voters in the 2005 General Election found that 44 per cent of respondents stated that if voting was made more convenient, they would be "very likely" or "likely" to vote. In addition, a fair proportion of submissions to our public consultation on voting and elections cited improved voting procedures as a key way to raise turnout, although this was not nearly as commonly mentioned as 'political' issues such as the nature of the electoral system and the similarity of the main parties. The expert and practitioner evidence received on voting procedures generally concurred with the public point of view. It was broadly felt that such changes would bring the system into line with citizen expectations about convenience and choice and would ensure that the chance to vote was not hampered by the diverse working, leisure and family lives of citizens today.

However, in line with all the expert and practitioner evidence we heard, we strongly feel that such changes should be implemented only when voting security can be guaranteed. In addition, it is also vital that choice remains a feature of all elections and that no one method of voting is employed to the exclusion of any other, as in recent postal voting pilots, since this defeats the very object for which a wider range of voting techniques might be introduced.

Most importantly, we believe that significant change to voting procedures should be introduced only after the types of major structural reform outlined elsewhere in this report have been undertaken by government, and only after general engagement with formal democracy has begun to improve. We are fearful, given previous government practice, that such changes to voting procedures could be introduced as an alternative to genuine structural change.

There was also a strong feeling in the Commission that voting should be a public moment. Some of us still have the emotional gulp as we put our cross on the ballot paper remembering the long hard struggles for the vote which took place here and still take place around the world. It is not very long ago since some of our grandfathers did not have the vote because they were not property owners and our grandmothers were disenfranchised because they were women. Collective memory is increasingly short. As a result there was a feeling that turning the process into a Big Brother phone-in should be resisted. In fact there was some enthusiasm for turning voting day into a Democracy Day, perhaps on a Sunday to maximise opportunities to participate.

Recommendation 22: The realignment of constituency boundaries should be accelerated.

We recognise that a more responsive electoral system cannot be genuinely responsive to voters' changing values and interests if the constituencies within which elections are fought reflect out-dated demographic boundaries. Expert evidence presented to the Inquiry indicates that the process of determining new boundaries for election constituencies is extremely slow and laborious and that the recommendations for change often do not come into force for eight to ten years. In an era when geographic mobility is high and shifts in population profiles can be very rapid, such delays mean that there can be no guarantee that 'new' constituencies still meet the criteria which led to the recommendation for boundary change in the first place.

We recommend, therefore, that the Electoral Commission, the Department for Constitutional Affairs and Parliament rapidly consider how the process of determining boundaries can be speeded up. These considerations should aim primarily to understand how recommendations for boundary changes can be implemented in time for the election immediately following those recommendations.

Further Points

'None of the Above' option on ballot papers

We have received considerable comment on the introduction of a 'none of the above' category on ballot papers (that would enable voters positively to reject all the candidates rather than negatively to abstain). The evidence received by the Commission suggests this is a very popular option with the wider public but less so with experts and practitioners. We feel that under the responsive electoral system recommended above there would be no need for a none-of-the-above category as the greater range and diversity of parties that should result, combined with the fact that no vote would be wasted, should satisfy nearly all voters.

However, if the first-past-the-post system were to remain in place then a none-of-the-above category should be seriously considered. The major problem of first-past-the-post today, as identified by the Inquiry, is that it requires large numbers of voters to choose a party from a very restricted menu of options and even then leaves many of those votes with no impact on the final result. It is vital that such a system provides an option for voters to express their dissatisfaction with the restricted menu on offer in the hope that this might counter some voter alienation and encourage the main parties to broaden their appeal through greater diversity.

Nevertheless, we feel the introduction of a none-of-the-above category is very much a 'second best' option to the establishment of a properly responsive electoral system.

Compulsory Voting

We reject recent calls by some politicians and commentators to introduce compulsory voting. Any legislation designed to compel people to take part in a process which they feel is meaningless avoids the real issue of structural failings in the political system; it will cause greater resentment, and it may well prove unworkable.

Compulsory voting is based on the assumption that voters require compulsion because they are apathetic or lack sufficient levels of civic duty. This is a perspective which the report has rejected in detail in Part One.

The more recent argument that compulsory voting would force parties to pay more attention to the interests and demands of those who are less likely to vote – such as some ethnic communities, those on low incomes, or young people – is far from proven. We feel the best way to require parties and others in positions of power to listen to these groups is to take the strategic approach presented in this report of encouraging more diversity in political parties and in elected representatives, and by changing the culture and structures of political decision-making.

Incentives for voting

The notion of providing incentives to voters, such as retail vouchers or lottery tickets, is totally rejected by the Commission. All the evidence considered by us shows that this would trivialise elections and would be very unlikely to boost turnout.

The survey of those who did not vote in the 2005 General Election found that only 24 per cent said a material incentive would make them "more likely" or "likely" to vote. A tiny fraction of submissions to the Inquiry mentioned incentives as a way of increasing turnout. The experts and practitioners we spoke to about the idea were almost unanimous in their rejection.

As with compulsory voting, it is a response based on a misunderstanding of the causes of disengagement. It assumes that today's citizens can be motivated only by appeals to their self-interest. Once again, the evidence presented in Part One denies this assumption.