

Legislative and electoral coalition politics in MMP New Zealand: 1996-2003

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Background

Prior to its 1996 electoral reforms, New Zealand was regarded by many as the purest example of "Westminster democracy," in which two parties alternate control of the government. While other parties certainly competed in elections, and often got fairly substantial vote shares, the electoral system translated votes into seats such that the cabinet was always monopolized by one party, which had a majority of seats in parliament.

Since 1996, the electoral system known as 'Mixed Member Proportional' (MMP) has transformed the previous pattern of governance. Under MMP, New Zealanders have two votes: a nominal vote for a candidate to represent the voter's district ('electorate' in New Zealand parlance), and a party-list vote that determines the overall representation of their preferred party within Parliament. This system is described in Nielson's IR/PS Case Study (see also <http://www.elections.org.nz/mmp.html>).

Under MMP, parties are represented in close approximation to their national shares of the party-list vote, with a party's success in electing candidates in districts by nominal votes having little impact on the overall result. Thus, no one party is likely to obtain a majority, as under the former Westminster system. Nonetheless, not all patterns of party competition from the pre-MMP era have dissolved. The two parties that once alternated in power, Labour and National, emerged as leaders in a pattern of bipolar competition. Several smaller parties on the right and left, as well as parties that represent issues other than the classic socio-economic left-right divide have become critical players in the party system (see box, p 9). National has continued its effort to broadly reconcile agrarian and business interests. As described by Nielson, the Labour Party's governing experiences between 1984 and 1990 were characterized by government reduction, privatization and market liberalization—in sharp contrast to its previous

positioning. While the party, since the adoption of MMP, has not abandoned these liberal economic principles, it has returned to a more clearly center-left positioning in recent campaigns.

Among the important differences in party competition is the extent to which government formation relies on post-electoral bargaining. Under FPTP, the governing parties always obtained a majority of seats. As a result, the various interests represented by Labour and National governments were aggregated *prior* to the formation of the government. This also meant other parties (or proto-parties), and the social interests which they represented, had no opportunity for direct influence on government. With the shift to MMP, however, interests once operating within the two alternating governing parties have formed successful organizations of their own with direct representation in the form of minor parties, able to bargain in the legislature and seek to join a coalition. The table below illustrates the party balance that emerged under the first three MMP elections.

Election Results in New Zealand 1996-2002

	1996				1999				2002			
	% list votes	single-seat Districts	List Seats	total seats	% list votes	single-seat districts	List Seats	total Seats	% list Votes	single-seat Districts	List Seats	total seats
National	33.8	30	14	44	30.5	22	17	39	20.9	21	6	27
Labour	28.2	26	11	37	38.7	41	8	49	41.3	45	7	52
NZ First	13.4	6	11	17	4.3	1	4	5	10.4	1	12	13
Alliance	10.1	1	12	13	7.7	1	9	10	1.3	0	0	0
ACT	6.1	1	7	8	7.0	0	9	9	7.1	0	9	9
United Future	0.9	1	0	1	0.5	1	0	1	6.7	1	7	8
Green	--	--	--	--	5.2	1	6	7	7.0	0	9	9
Progressive	--	--	--	--	--	--	--	--	1.7	1	1	2
Others	7.5	0	0	0	6.1	0	0	0	3.6	0	0	0
Total	100	65	55	120	100	67	53	120	100	69	51	120

Pre-electoral and post-electoral coalition building: 1996-2001

Although incentives for electoral cooperation would appear to have diminished with the introduction of MMP, they have not been eliminated. First, in order to be electorally viable, minor parties must maintain 5% support nationally or win one constituency seat. The latter strategy can be made significantly easier if the major party with which a minor party competes for constituency votes will withdraw from the districts where that minor party could win a plurality without competition from the big party. However, Labour and National have been reluctant to engage in such pre-election withdrawal deals, especially in recent elections. Second, even minor parties without such immediate fears of losing their representation may wish to be associated, in a broader sense, with a major party so as to signal to their voters that they will be likely to influence coalition negotiations, if not formally join the government. Working powerfully against these factors, however, is the importance of competition for party-list votes under MMP in determining the final electoral outcome. The support for party lists in New Zealand depends to a large extent upon the maintenance of a party reputation distinct from those of other parties. Such efforts can be easily undermined by cooperation with erstwhile competitors.

It is not surprising then that cooperation did not manifest in the first MMP election¹, where uncertainty over party strengths was at its highest. On the contrary, the two parties that emerged as the governing coalition in 1996, National and New Zealand First, campaigned against one another during the election, the former actively seeking to displace the latter (Vowles 1996). Since New Zealand First held the balance of power in the post-electoral arena, it was positioned to throw its support to either major party. After more than two months of closed negotiations with both major parties, NZF chose the National Party, to the surprise and disappointment of many of both parties' supporters (Vowles 2000; Miller 1998: 127-28). This outcome thus introduced New Zealand to two phenomena that had now become possible under MMP: post-electoral coalitions among electoral adversaries, and powerful "pivotal" parties. In the end, this arrangement proved unstable. In 1998, New Zealand First's leader was dismissed from the cabinet, setting in motion the eventual collapse of the National-led coalition. National was able to retain power only through the help of various defectors from other parties (including NZF)—a phenomenon that came to be known as "party hopping."

¹ The Alliance did however propose an arrangement with Labour, which was refused.

As time passed, the occasional importance of limited electoral cooperation became apparent. By 1999, the practice of major parties strategically aiding minor parties in obtaining representation was common. National had withdrawn its candidates from the constituency of potential partners ACT and United Future, ensuring these parties a place in parliament even if they failed to win 5% of the national party-list vote. Labour and the Alliance, now without the Greens, also cooperated.² These parties publicly committed to govern together if the election outcome made it possible.

Despite the clear effort to obtain a majority based on a pre-electoral coalition, an unusual series of events (whereby the Greens were revealed to have won representation weeks after the election as “special votes” were counted³) resulted in the Labour and Alliance coalition being a minority in parliament. In this instance, the Greens were not invited into formal post-electoral bargaining due to the fact that their seats emerged after the Labour–Alliance coalition agreement was in place. Yet, like New Zealand First before them, the Greens held the balance of power within Parliament. Although the Greens did not formally enter government, they did publicly commit to supporting the government on confidence votes and matters of money supply.⁴

The Labor-Alliance government and the 2002 election

The Labour-Alliance coalition in 1999 came to have significant pre-electoral and post-electoral components. On one hand, unlike the National–NZF coalition, the cabinet was controlled by parties who had allied during the election. This meant that control over policy implementation and much of the legislative process, was under the control of an identifiable electoral bloc from the campaign. The two parties had presented a relatively coherent platform and were in position to swiftly to implement it. In these respects, the 1999 government appeared as efficient, decisive and stable as New Zealand's earlier majority governments.

On the other hand, the coalition did not hold a majority. The support party—the Greens—acted as an informal coalition partner with whom there was the threat of post-electoral negotiations. Had this support come in the form of a formal coalition, whereby the party received

² Although they did not withdraw their candidate, Labour also informally encouraged support for the Green party's leader in her constituency seat.

³ Special votes are ballots cast outside the voter's precinct of residence—similar to absentee voting in the US.

⁴ See “You promised, Anderton tells Greens” *New Zealand Herald* October 19, 2001.

cabinet posts, the Greens would have enjoyed a proactive role in exchange for compromising their agenda.⁵ As a support party, the Greens achieved significant policy influence with less overt compromise, and less association with the government.⁶ The Greens effectively had veto power over any policy it deemed unacceptable enough to justify violating its public, if informal, pledge of support on confidence. This threat was credible, though, only to the extent that the Greens were genuinely willing to sacrifice the entire government to prevent it from enacting a particular policy.

In 2001, just such an issue arose. For the Green party, whose list votes depended fundamentally on its reputation as a credible alternative, opposition to the commercial introduction of Genetically Modified Organisms (GMOs) was central to their platform and a crucial component of their electoral support. At that time, the Greens indicated their willingness to threaten the government if a strong and indefinite moratorium were not placed on GMO release. A two-year ban on the importation and release from containment of GMOs was eventually adopted, scheduled to expire in 2003—one year into the subsequent government's term. The debate over extending the moratorium, and GMOs more generally, threatened to dominate the upcoming 2002 elections and appeared to threaten the stability of the governing coalition. In the months leading up the election, the Greens unanimously voted in their annual conference to bring down the government if the moratorium were allowed to expire, a gesture that paid off for them in opinion polls. At the same time, the Greens signaled they were nevertheless more open than ever to general support of a future Labour government.⁷

The Greens' ultimatum and a split within The Alliance (which had also backed the moratorium)⁸, prompted Labour Prime Minister Helen Clark to call the 2002 elections several months early. Her hope was to capitalize on her current popularity and New Zealand's fleeting economic prosperity to shore up her party's own parliamentary representation and possibly obtain a majority to govern without support. Obtaining a majority is difficult for any single party in MMP since it requires expanding one's vote to a near majority by winning new supporters

⁵ A weakening of support for minor parties after joining the government had already occurred for both New Zealand First and The Alliance

⁶ However, even implicit support of the government has electoral costs as United Future learned after it became a Labour support party in 2002.

⁷ See "Greens given GM warning" *New Zealand Herald* March 6, 2002

⁸ During their coalition, many elements within the Alliance complained that their leader, Jim Anderton, was ineffective in promoting their party's more leftist agenda in bargaining with Labour, as well as with the public. The debate over GMOs exacerbated these tensions.

without losing existing supporters, for whom there are alternatives.⁹ This would seem to require balancing contradictory strategies: dominating the SMD pluralities by winning new votes from pragmatic stability-seeking voters of all stripes while simultaneously competing with smaller parties credibly targeting their electoral niches with uncompromising policy positions. Leading up to the election, Labour appeared to be accomplishing just that. Labour successfully attracted former Alliance supporters¹⁰, while maintaining an electoral pact with the Alliance's former leader Jim Anderton, now heading the smaller Progressive Coalition. Further, given the apparent weakness of the National Party, a significant number of its most pragmatic supporters were reportedly compelled to vote Labour in an effort to prevent the need for a potentially unstable Labour–Green coalition, an argument Labour made explicitly in its appeal for a majority. As a result, Labour was polling at 52.1% as the 2002 campaign began.

The Greens meanwhile capitalized on increasing GM skepticism and continued to emphasize their intransigence on the moratorium, benefiting from their adherence to this principle and distinction from the Labour government. Surveys during the election showed the Greens' support as high as 11%, while Labour's dropped to 46%, partly due to revelations that the government had already allowed some genetically modified corn to be imported two years earlier.¹¹ Support for the National Party meanwhile deteriorated further, to the benefit of the other minor parties—each positioning itself as a more credible standard-bearer for a component of National's once-successful center-right electoral coalition.

In the end, the election failed to produce a Labour majority. Labour and Progressive together won 43% of the vote and 54 of 120 seats.¹² Although the Green party had the 8 seats necessary to support those parties in a minority government, Labour leader Helen Clark sought to avoid again empowering them with a unilateral veto, particularly since she had no intention of compromising on the GMO issue and did not want to risk the government's collapse if Greens held firm to their commitment not to support a government that lifted the moratorium as

⁹ The thresholds in New Zealand's electoral-system reduce slightly the burden of achieving a majority vote. That is, if minor parties divide the opposition vote into fragments smaller than 5% and fail to win constituency seats, these votes will be ignored in the calculation of seats, allowing a large party potentially to win a majority of seats with less than a majority of vote.

¹⁰ See "Can Labour win big enough to go it alone?" *New Zealand Herald* June 15, 2002

¹¹ A scandal known as "Corngate." See "Editorial: Smaller Parties on the Go" *New Zealand Herald* July 17, 2002.

¹² Only two of these seats came from the Progressive Coalition Party. The PCP and Alliance polled less only 3% collectively, less than half of their 1999 total. The "left alternative" entities within these parties had seen a steady decline in independent political relevance following their close electoral and governing partnership with Labour government. Jim Anderton, meanwhile, survived mostly on his personal reputation and safe district seat.

scheduled in 2003. Clark thus hoped to win the support of both the Green party and the United Future, with 9 seats, ensuring that the government could count on majority support over a variety of issues, including GMOs. While an agreement with United Future was reached, the Greens refused to provide support on confidence in continued protest of Labour's GMO stance.

In doing so, the Greens lost influence over policy in the short term. In the long term, they helped solidify another important asset: their ideological reputation. Though branded as practicing "the absolutist politics of true believers" by one editorial¹³ for their obstinate stance, the Greens have pursued a strategy aimed first and foremost at maintaining their independent identity. United Future, also keenly aware of the danger that a well positioned niche party faces when associating with one of the major "governing" parties, hoped to benefit from the role in stabilizing the government. Although UF managed to secure from the government a visible part of their policy agenda—the creation of a Commission on the Family—they faced criticism from their socially-conservative supporters for the relatively few concessions they demanded overall in exchange for pledging to support the government on confidence and supply.

A year later, the Greens seemed to moderate their strategy somewhat, suggesting that they would not prevent the formation of a Labour-led government on the basis of the GMO issue (despite their leader having openly mused about this very possibility in 2002). Indeed, when Government bills came to the floor, the Greens willingly joined the government in areas of agreement with Labour. When United Future refused to support the Government's Accident Compensation legislation, for example, a floor coalition with the Greens enabled its passage.

Epilogue

The GMO release emerged again as an issue in the fall of 2003, when a restrictive policy allowing only some commercial release of modified organisms was proposed by the government. Only the Green party opposed the bill.

¹³ "Colin James: Greens have to give ground but Labour still needs them" *The New Zealand Herald* May 27, 2003

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Box: Emergence of Minor Parties in New Zealand

ACT New Zealand, a staunchly pro-market party, grew out of a lobby group founded by former Finance Minister Roger Douglas in 1993. Douglas resigned as leader of the party in 1996 and was replaced by Richard Prebble, who represented the party from his Wellington Centre constituency after the 1996 election. After Prebble's retirement in 2002, Rodney Hide was selected by the party as its new leader.

Alliance was founded in 1991. Its principal founding leader was Jim Anderton, at the time a Labour MP from central Christchurch who had defected in 1989 to form the New Labour Party as a counter to his old party's movement towards free-market principles. The Alliance brought together several smaller parties, including Green, Mana Motuhake and the Democrats, in addition to New Labour. Alliance split in 2002, and Jim Anderton left to form Jim Anderton's Progressive Coalition.

The Green Party (officially known as the Green Party of Aotearoa New Zealand) traces its history to the Values Party, founded in 1972, that was one of the world's first environmentally oriented parties. In 1990, the Values Party and other environmental organizations joined together to create the Green Party, which then merged into the Alliance in 1991. In 1997, the Greens left the Alliance to become an independent party. Greens co-leader Jeanette Fitzsimons is believed to be the first Green candidate in the world to win a first-past-the-post election (in 1999, though she later lost it).

New Zealand First is best described as a populist party that emphasizes issues such as immigration limits and "law and order" as well as the preservation of pension benefits for the elderly. It is led by Winston Peters, a member of parliament every year since 1978, except for 1981–84. Originally a member of the National Party, Peters was dismissed as Minister for Maori Affairs after a policy dispute in 1991. He resigned from the National Party and his parliamentary seat of Tauranga in 1993, and fought and won a by-election as an independent. Shortly afterwards, he established the New Zealand First party.

United Future derives from the merger of a Christian conservative party, Future New Zealand, and the United Party, which had been formed by Peter Dunne, previously a Labour MP first elected in 1984.