



Coalition government and satisfaction with democracy: An analysis of New Zealand's reaction to proportional representation

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Abstract. Following approval of a referendum in 1993, New Zealand replaced its first-past-the-post electoral system with proportional representation (PR). Although support for PR was initially high, less than a third expressed support for the new system a year and a half after its implementation. We examine two explanations for this decline. One theory assumes that dissatisfaction with the new system is the result of a growing alienation with politics, exacerbated by an unpopular coalition government that voters neither expected nor desired. Another theory assumes that evaluations of the new system are mediated by a preference for coalition or single party government. Our results indicate that a preference for single party government, guided primarily by partisan self-interest, has the largest impact. Nevertheless, negative evaluations of the performance of the coalition government helped contribute to a loss in support for PR suggesting that government performance can affect citizen's evaluation of political institutions, particularly when systems undergo radical change.

Electoral system change

In 1993 voters in New Zealand approved a referendum replacing its single member plurality or 'first-past-the-post' (FPP) electoral system with a proportional representation (PR) system modeled after the German two-vote system and referred to in New Zealand as Mixed-Member Proportional (MMP).¹ The referendum, in which MMP received 54 per cent of the vote, was preceded by a non-binding referendum held in 1992 where roughly 85 per cent of voters rejected first-past-the-post. Once described as 'a virtually perfect example' of the Westminster model (Lijphart 1984), New Zealand's rejection of FPP signals a move away from 'majoritarianism' or single party governments toward 'consensus' democracy characterised by multi-party politics and coalition governments (Vowles et al. 1995). Rejection of FPP took place in the context of growing disillusionment with politics caused in part by the perceived lack of accountability of single party government (Mulgan 1995).

The adoption of PR was seen by reformers as a way to instill greater confidence, in and satisfaction with, democracy (Royal Commission on the

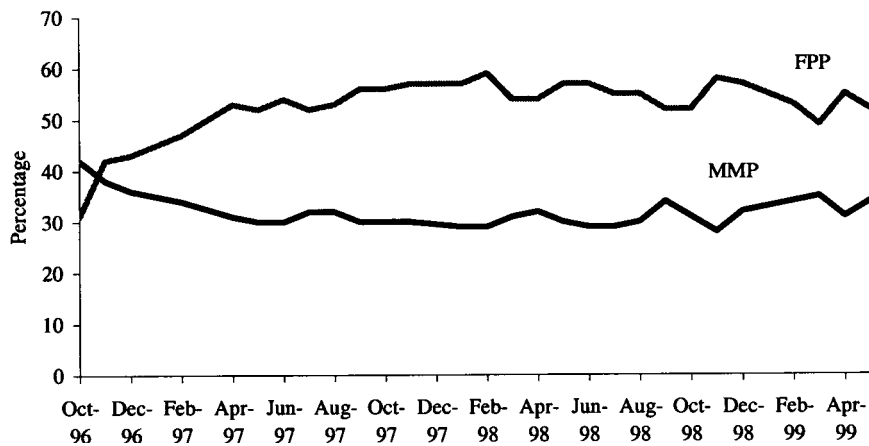


Figure 1. Preference for MMP and FPP October 1996–May 1999.

Source: *UMR insight*. Now that we have had experience of the MMP system and the first-past-the-post system which do you prefer?

Electoral System 1986). These expectations were based not just on theory and deliberation but also on empirical evidence. Cross-national comparisons suggest that PR systems enhance trust and attachment to the political system (Amy 1993; Lijphart 1984) and produce greater civic engagement (Powell 1980; Franklin 1996; Blais & Dobrzynska 1998) and that voters, particularly those not represented in government, are happier in PR systems than in majoritarian systems (Anderson & Guillory 1997).

Enthusiasm for the new electoral system, however, faded after New Zealand held its first election under proportional representation. As Figure 1 shows, support for MMP dropped shortly after the election. In October of 1996, when the first election was held under MMP, 42 per cent favoured the new system while just 31 per cent supported the old first-past-the-post system. Six months later the figures were reversed, with a majority (53 per cent) favoring FPP and 31 per cent favoring MMP. The shift in support marks a major reversal from 1992 when voters decisively rejected FPP in the first of two referendums.

This trend – if it continues – can be seen as troubling for New Zealand politics. One of the planks of a democratic polity is that its institutions receive popular support – or at least acquiescence. Along with the desire for electoral reform, surveys suggest a loss in system legitimacy. Following New Zealand's first election under proportional representation, nearly three quarters of the electorate expressed satisfaction with the democratic process. This level of support was on the high end compared to other advanced democracies as displayed in Figure 2. Since 1996, satisfaction with the way democracy

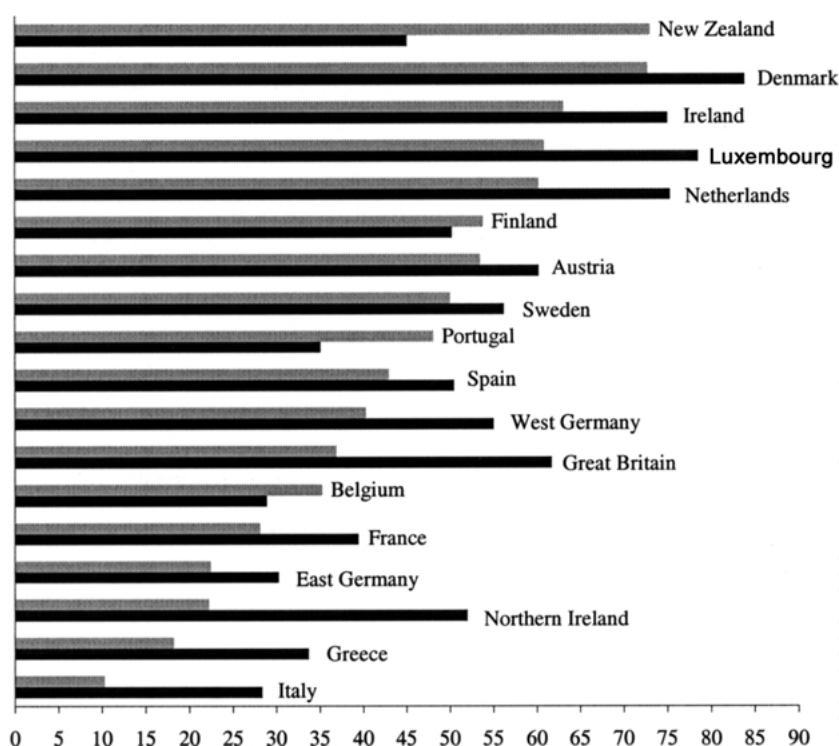


Figure 2. Satisfaction with democracy in New Zealand compared to EU countries 1996–1998. Darker bars indicate levels of satisfaction in 1998.

Source: New Zealand Election Study (1998); Eurobarometer 44.3 (Spring 1996) and 49.0 (Spring 1998).

works in New Zealand fell to 45 per cent in 1998 (Vowles et al. 1998) while satisfaction with the democratic process increased in 12 out of 15 countries in the EU. Such a substantive decline in support for the democratic system poses a challenge or even a crisis of democracy (see Fuchs & Klingemann 1995: 22). This is not just a concern to New Zealand but also has wider relevance to theories about and debates over institutional change.

The wider relevance of New Zealand's experience

Institutional upheavals such as New Zealand's change in electoral rules are rare but of major consequence. In fact it is the importance of the electoral system for democratic politics – for campaigns, elections and government formation – that makes electoral system changes of this magnitude difficult to bring about. Situations of change allow us some scope to discuss voter understanding and opinion formation since it is at these times voters are presented

with alternative institutional arrangements. Ordinarily citizens are presented with the same unchanging set of institutions. In these conditions whether, and how, voters think of institutions is hard to assess. New Zealand's change, then, gives us a rare opportunity to examine voter responses to institutions where voters know something of the differing alternatives.

The importance of these topics is further underscored given the role assigned to New Zealand in Lijphart's model of consensus democracy. In the first version of *Democracies*, Lijphart's (1984: 16) choice for the ideal type of a Westminster type system was not the UK but New Zealand which he calls a 'virtually perfect example of the Westminster model of democracy' because of its unicameral legislature, its centralised system, and the concentration of executive power in the hands of one of two parties. Within discussions of varying forms of democracy, then, pre-reform New Zealand represented an ideal type. This majoritarianism made it possible for governments to rule with the support of a minority of voters.² In 1978, for example, the National Party won 55.4 per cent of the seats with 39.8 per cent of the votes. In 1981, National again held onto a majority of the seats (51.1 per cent) with just 38.8 per cent of the votes.

The shift from majoritarian to consensus democracy thus marks a dramatic change in that country's status moving it from one theoretically important categorization to another. How voters respond to such shifts can tell us something about the ability for consensus institutions to take root in different historical and cultural settings. In a subsequent updating of his model in *Patterns of Democracy* (1999) Lijphart wonders if 'institutional and cultural traditions may present strong resistance to consensus democracy' (Lijphart 1999: 305). The shift towards consensus style democracy in New Zealand may also reveal how institutional frameworks influence political support. In an analysis of the impact of the consensus model on satisfaction with democracy, Anderson & Guillory (1997: 79) contend that New Zealand's adoption of proportional representation 'may provide a quasi-experimental setting that could produce important insights into how a change in democratic institutions affects citizens attitudes about democracy' making New Zealand 'an important test case of how the type of democracy affects the way people think about the system.' Given the centrality of proportional electoral rules to the consensus model, New Zealand's shift in rules, and in particular the citizen reaction to that shift, becomes a matter of some interest to this literature within political science.

Finally, whether New Zealand voters did, so to speak, 'marry PR in haste and repent at leisure' may allow us to draw lessons across other societies. This is especially relevant given recent experimentation with new electoral arrangements in, for example, Scotland and Wales with variants of a broadly

similar electoral model (see Reynolds 1999). Adoptions of MMP have recently taken place in a number of countries around the world (see Shugart & Wattenberg 2001). The New Zealand case has also served to stimulate interest in electoral reform in other mature democracies such as in Britain (see Jenkins 1998) and among scholars in Canada (see Milner 1999).

But even if – despite the very many historical, constitutional and cultural ties between New Zealand and Europe – lessons in New Zealand have only limited applicability to constitutional changes for Scotland and Wales, developing at least some models of New Zealand's experience can be helpful. At the very least, these models and hypotheses will help to establish ways to begin assessing changes in other countries. Thus, for a variety of reasons, primarily the theoretical importance of questions of institutional change and the implications for reform efforts elsewhere, the New Zealand case has relevance far beyond its borders.

Explaining the loss of support for MMP

One of the effects of MMP was to introduce coalition government into a previously majoritarian system in which single party government was the norm. New Zealand's only prior experience with coalition government in the postwar era was in 1996 when defections from the National Party led the party to enter into a brief coalition with United.³ The novelty of multi-party politics together with an unexpected electoral outcome may have contributed to a loss of support for the new electoral system.

Following New Zealand's first election under MMP, neither of New Zealand's two major parties – National and Labour – were in a position to form a government alone (as they had done in the past), having received 38 and 31 per cent of the seats respectively. While either party could have formed a single-party minority government, such efforts were forestalled by New Zealand First which held the balance of power. New Zealand First exploited its position, entering into protracted coalition talks with both National and Labour that lasted for almost two months. In the end, MMP delivered a coalition of National and New Zealand First – a result that neither party's voters wanted nor expected (Miller 1998).

The repercussions of New Zealand First's decision were felt shortly after the announcement of the coalition. Electoral support for New Zealand First evaporated and support for the coalition government fell. In the months following the election, support for New Zealand First dropped from 13 per cent to less than five per cent while approval for the coalition government fell from a majority after the election to 25 per cent in February 1997 to 15 per cent in July 1998 (Vowles et al. 1998: 205; Vowles et al. 1998). In August

1998, the coalition government collapsed. Aided by former New Zealand First ministers, National formed a minority government that held on to power until its defeat in the following general election held in November 1999.

The experience of the National-New Zealand First government in the context of a transition between two electoral systems raises several important questions related to how citizens evaluate the political process. One question concerns whether dissatisfaction with an electoral outcome and coalition government contributes to a loss in political legitimacy which in turn may contribute to a desire for further reform. Another question is whether voters who disapprove of a coalition's performance exhibit greater support for single party government leading to greater support for a majoritarian system. The latter interpretation assumes that voters are able to link institutional mechanisms with political outcomes. While this may seem obvious in New Zealand's case, it nevertheless is a relatively subtle connection to make in that it brings an appreciation for what institutions *do* into voter cognitions (see Farrell & Gallagher 1999; Delli-Carpini & Keeter 1996). In our analysis the key step is to determine whether assessments of the electoral system are in fact mediated by a preference for majoritarianism or whether the effects are direct, in which case voters assess institutions in terms of the outcomes they produce.

Leaving aside for one moment the question of whether effects are mediated by a preference for coalition and majority governments, this discussion begs the question of how voters decide whether they like coalition governments in principle or not. To be sure, some of this assessment is likely to be based on whether their preferred party has enough support to govern alone. Aside from partisan self interest, concern over underlying processes might also motivate citizens' preference for coalition or single party government. These two sets of concerns lead to different sets of expectations.

We may group together, under the first set of concerns, those people who dislike the government or its leaders. It is likely, then, that partisans from those out of power are more likely to want to change the system than supporters of the governing parties. We may also add in those with more general grievances. Those voters who are just generally unhappy with the state of the economy may – rightly or wrongly – blame the government. This set of factors offers a fairly straightforward set of variables which contribute to or detract from, government popularity and are often included in various forms in studies on popularity functions.

A second set of factors taps the voters preference for single or multi-party government regardless of who is in power. Ethnic minorities are among those likely to have a preference for multi-party governments in which small sections of the community gain representation. Although Maori, who are the primary ethnic minority in New Zealand, were guaranteed seats under

the previous system, it was anticipated that under MMP, the combination of party lists and separate Maori electorates would offer Maori the ability to increase their representation dramatically. MMP delivered: Maori representation doubled from 6.5 to 12.5 per cent (Banducci & Karp 1998: 141). Aside from increased representation, coalitional politics offers Maori a greater chance to gain governing power and not simply representation. Similarly, supporters of minor parties are likely to favour multi-party governments (and hence a system which produces such governments) regardless of whether they are currently in power or not.

Support for single party government is likely to be strongest among National supporters, whose party held office for 32 of the previous 44 years and voted three to one in favor of FPP (Vowles et al. 1995). Although the National Party succeeded in retaining power under MMP, it is conceivable that they do not like sharing power with a minor party. In which case, despite 'winning' under the current arrangement such voters may well prefer a more majoritarian system. This is most likely to be seen among strong supporters who want specific and possibly quite radical policies. For such supporters, while their party may be in government, coalition politics means government programmes blunted by coalitional necessity. On the one hand, such a pattern of opinions implies a model for public opinion quite different from the first set of factors we outlined. In the previous argument, membership of government may lead to support for coalition government and implicitly suggests a gradual broadening of support for MMP since coalition governments (unlike governments under FPP) typically involve over 50 per cent of the electorate. By contrast, this latter argument suggests that members of a governing coalition may well still prefer a majoritarian electoral system. On the other hand, it is a pattern which can also be seen to fit, albeit a little uneasily, a model of public opinion towards institutions which is grounded in concerns of winning and losing. Here the concern for the relevant group of voters is not so much that they have won, but that they have not won *enough*.

Figure 3 presents a schematic view of the argument thus far. Demand for change is illustrated by two paths affecting assessments of system performance. In one case, demand for change is brought about by a loss in political legitimacy. In the other case, desire for electoral reform is associated with a preference for single party government over coalition politics. Each of these assessments, in turn, is assumed to be generated in quite different ways. Preference for single party government is likely to be affected by party affiliation and minority status. Both partisanship and self-interest were factors shaping support for the referendum (Lamare & Vowles 1996; Banducci & Karp 1999). Aside from these factors, performance of the coalition government is likely to affect support for single party government. In contrast, satisfaction with

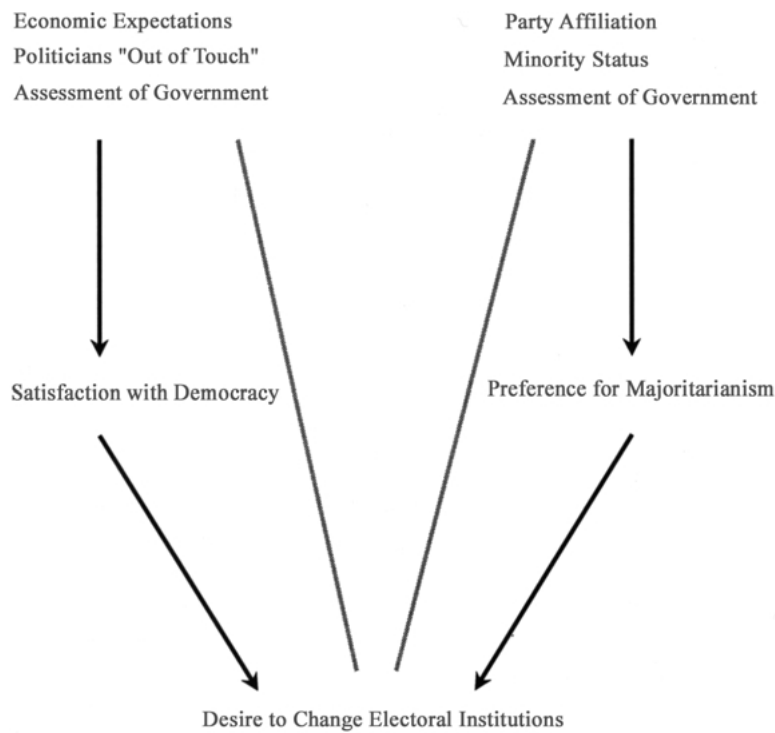


Figure 3. A schematic representation of the argument. Lighter lines represent indirect effects.

democracy taps into performance evaluations of the political system and the electoral and representative processes (see Anderson & Guillory 1997; Fuchs & Klingemann 1995). Consequently, the measure taps a more generalized attitude toward the political system beyond that of particular institutions and specific actors. In consensus systems, where power sharing is encouraged, the importance of winning or losing elections becomes less important. Minority status is also less likely to have an influence in a PR system where minority representation is more likely to be enhanced.

Political legitimacy is also likely to be influenced by short-term evaluations about current governmental policy outputs such as economic performance and governmental responsiveness (Weatherford 1987, 1992). Therefore, we anticipate that governmental responsiveness and economic evaluations will influence satisfaction with democracy. The lighter lines indicate that while one might posit direct relationships between the set of independent variables and the demand for change, our argument is that these direct relationships are not, in fact, significant on their own but are mediated by the assessments of system performance.

Data

To test these hypotheses, we rely on data from the New Zealand Election Study (NZES). The data consist of a nationwide computer-assisted telephone survey of 535 randomly selected New Zealanders of voting age conducted in July 1998, just before the coalition government's collapse.⁴ These are the only data available that measure evaluations of the National-New Zealand First coalition and the new electoral system.⁵

In Tables 1 and 2, we present the results of our model explaining assessments of system performance. In Table 1, the dependent variable measures preference for single party government and is based on responses to two questions. One question asks respondents whether they prefer single party government or coalition government. A majority, 57 per cent, expressed support for single party government. Due to the greater difficulty of achieving single party government under proportional representation, an additional question is used that forces a choice between proportional outcomes and single party government. In this case, the support for single party government drops to 44 per cent, while just more than half (51 per cent) felt that proportional outcomes are more important than single party government. The dependent variable in Table 1 combines these two responses in a scale with three categories ranging from zero (preference for coalition government and proportional outcomes) to two (preference for single party government and manufactured majorities). Using an additive index increases the reliability of the measure; 37 per cent support single party government even if it produces unfair results compared to 32 per cent who support coalition governments and proportional outcomes. The remaining 31 per cent who either supported single party government but not at the expense of proportionality or gave an ambivalent response to one of the questions are placed in the middle. As an alternative measure of system performance, the dependent variable in Table 2 estimates the degree to which New Zealanders are satisfied with democracy. The variable has five categories ranging from one (not at all satisfied) to five (very satisfied) with those who are ambivalent in the middle. Since these dependent variables are ordinal, we use ordered probit to estimate the models.⁶

We rely on party identification to measure support for the two major parties – National and Labour – that have dominated New Zealand politics since the 1930s. Just over half of the electorate express an identification with National and Labour (27 and 26 per cent respectively). In contrast, support for the smaller parties that managed to gain representation in 1996 is soft. Although the smaller parties managed to obtain 30 per cent of the party vote in 1996, just five per cent identified with any of the parties eighteen months after the election. To measure support for the three smaller parties

Table 1. Preference for single party government over proportional outcomes (ordered probit)

Small	−0.48***	(0.17)
Strong National	1.01***	(0.32)
Weak National	0.26**	(0.12)
Strong Labour	0.54**	(0.21)
Weak Labour	−0.12	(0.12)
Out of touch	−0.03	(0.05)
Education	−0.07**	(0.03)
Female	0.02	(0.10)
Maori	−0.35*	(0.19)
Shipley	0.07***	(0.03)
Peters	−0.05*	(0.03)
Disapproval w/coalition government	0.10*	(0.06)
Economy	0.03	(0.06)
Cut 1	−0.01	
Cut 2	0.75	
<i>n</i>	524	
Log likelihood	−538.162	
Pseudo <i>R</i> ²	0.06	

Standard errors are in parenthesis.

*** $p < 0.01$; ** $p < 0.05$; * $p < 0.10$.

represented in parliament we employ a ten-point measure of each of the five parties ranging from ‘strongly like’ to ‘strongly dislike’.⁷ Respondents who did not identify with Labour and National and gave any of the three small parties the highest rating are classified as having a preference for a small party.⁸ To measure evaluations of the National-New Zealand First coalition, we use a measure that taps whether respondents disapprove of the way the coalition government is handling its job. We also use a thermometer rating ranging from zero to ten to measure support for the two party leaders – Prime Minister Jenny Shipley from the National Party and Deputy Prime Minister Winston Peters from New Zealand First. Economic evaluations are based on responses to the question, ‘What do you think about the state of the economy these days in New Zealand?’ The five-point scale ranges from ‘very bad’ to ‘very good’. Reflecting the impact of the Asian crisis, two thirds of the electorate rated the economic performance as either ‘bad’ or ‘very bad’. This represents a fivefold increase since the election.⁹ Finally, we use the measure, ‘Do you agree or disagree that MPs are out of touch?’ to estimate perceptions of government responsiveness.

Table 2. Satisfaction with democracy (ordered probit)

Small	-0.23	(0.15)
Strong National	0.20	(0.28)
Weak National	0.03	(0.12)
Strong Labour	-0.11	(0.20)
Weak Labour	-0.09	(0.12)
Out of touch	-0.17	(0.05)
Education	0.09***	(0.03)
Female	-0.16*	(0.10)
Maori	0.19	(0.17)
Shipley	0.10***	(0.02)
Peters	0.01	(0.03)
Disapproval w/coalition government	-0.13**	(0.05)
Economy	0.10*	(0.05)
Cut 1	-2.50	
Cut 2	-1.12	
Cut 3	-0.11	
Cut 4	-0.02	
Cut 5	-1.70	
<i>n</i>	524	
Log likelihood	-679.462	
Pseudo R^2	0.08	

Standard errors are in parenthesis.

*** $p < 0.01$; ** $p < 0.05$; * $p < 0.10$.

Results

The results in Table 1 are consistent with standard expectations. Minor party supporters like coalition governments more than major party supporters. Maori are also more likely to prefer coalition government. Greater support for coalition government among Maori is also affected by the fact that New Zealand First, which won all five of the Maori seats, held the balance of power after the election. In contrast, supporters of National, the main governing party, are among those most hostile to coalition politics. And this hostility is seen particularly among the most loyal National voters. Hence, approval of the Prime Minister significantly influences support for single party government while approval of the Deputy Prime Minister is negatively associated with support for single party government. Strong Labour identifiers are also more likely to prefer single party government, more so than weak National identifiers.

As can be seen by comparing the results in Tables 1 and 2, the two assessments of system performance are largely motivated by different factors. Support for single party government over proportional outcomes is largely influenced by partisan self-interest. Strong identifiers from both National and Labour prefer single party government, though the coefficient for National is almost twice as large as Labour. In contrast, small party supporters are likely to prefer a system that ensures proportional outcomes. None of these variables significantly influences satisfaction with democracy. In contrast, satisfaction with democracy is largely driven by evaluations of government and economic performance.

The NZES used several measures to assess support for MMP. Despite differences in question wording, the results from the study were generally consistent with other surveys (see Figure 1) indicating that about 35 per cent would vote to keep MMP while 58 per cent said they would vote to replace it with an unnamed alternative. It is worth noting that the same proportion of those who favoured MMP favoured a return to FPP indicating that while more people may be dissatisfied with the new electoral system they do not necessarily favour a return to the old system.¹⁰ In another version of the question, respondents were asked whether they considered the adoption of MMP to be a disaster, a success, or whether it was too soon to tell. If given the option, 47 per cent of New Zealanders are apparently willing to allow more time to pass before giving their verdict on MMP while just five per cent believed it was a success. Differences between the two responses may suggest support for referendums in principle rather than an intense concern to have an electoral system referendum soon. Given the differences in question wording we estimate two models using each of the measures as dependent variables. Since one measure is dichotomous and the other is ordinal, we use logit and ordered probit to estimate support for MMP in Table 3.

The results from the two models in Table 3 show three things. First, we see little difference in the size of the coefficients between the reduced model where just the two assessments are estimated and the full model that includes the effects of the additional independent variables. Furthermore, in the full model few of the independent variables that were significant in Tables 1 and 2 are significant. This suggests that the effects of the independent variables are largely indirect, being mediated by assessments of coalition governments and of satisfaction with democracy. Second, of the two assessments, assessment of coalition politics has the largest impact as is illustrated in Figure 4. Taking the information in column 1 of Table 3 and assessing the two variables at their means gives a baseline probability of keeping MMP of roughly 0.30. Keeping assessment of coalition government constant and maximising satisfaction with democracy raises the probability to 0.42, an increase of 0.12.

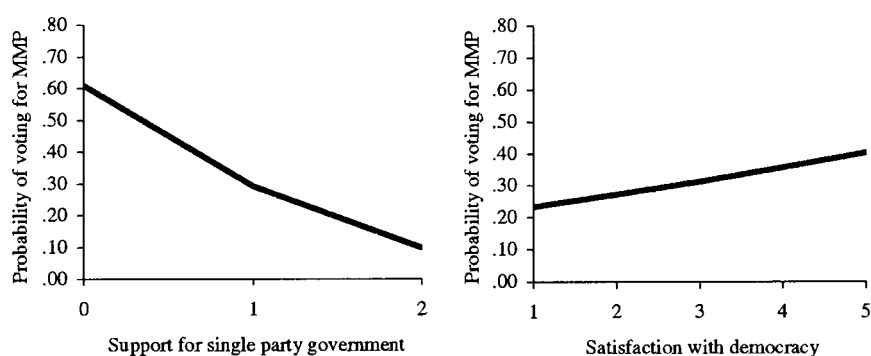


Figure 4. Impact of preference for single party government and satisfaction with democracy on retaining MMP (in a hypothetical referendum). Probability estimates are derived from Table 3 (model 1).

By contrast, keeping satisfaction with democracy constant and maximising a preference for one party government drops the probability of wanting to keep MMP to 0.09. Thus the effects of single party government are almost twice as great as that of satisfaction with democracy. Third, the patterns we see are broadly consistent across the two models suggesting that few effects are due to question wording.

Changes in political support after a second election

Recent work by Anderson & Guillory (1997) has emphasized the importance of institutions on political support. They find consistent differences between winners and losers in attitudes towards the political system, differences that are moderated by the nature of the political system. Specifically both winners and losers in consensual systems exhibit generally higher levels of satisfaction with democracy than under majoritarian systems. New Zealand's change from majoritarian to consensus thus forms an interesting test case of the Anderson and Guillory hypothesis over time (their own results are based on a cross sectional analysis). Their results would suggest that we might find greater levels of political support over time as citizens in New Zealand experience an additional election that produces a more consensual (and expected) outcome.

Unlike the previous election, both Labour and the Alliance had made their coalition intentions clear and pre-election surveys suggested (and later confirmed) that the centre-left would have enough support to govern. Given that support for PR in New Zealand has been stronger among Labour's supporters than National's, one might expect support for PR to increase further under a Labour-Alliance coalition. We might also expect support for MMP to increase

Table 3. Support for retaining the new electoral system (MMP)

	Vote on hypothetical referendum logit model		Opinion of MMP ordered probit model	
	Model 1	Model 2	Model 1	Model 2
Single party government	-1.35*** (0.14)	-1.38*** (0.15)	-0.68*** (0.07)	-0.64*** (0.07)
Satisfaction w/democracy	0.20** (0.08)	0.17* (0.09)	0.13*** (0.04)	0.12*** (0.05)
Small Party		0.39 (0.33)		0.35* (0.18)
Strong National		0.23 (0.69)		0.01 (0.33)
Weak National		-0.08 (0.27)		-0.11 (0.13)
Strong Labour		0.40 (0.48)		-0.10 (0.24)
Weak Labour		0.50* (0.26)		0.22 (0.14)
Out of touch		-0.24** (0.11)		-0.09 (0.06)
Education		-0.04 (0.07)		0.05 (0.04)
Female		-0.05 (0.21)		0.01 (0.11)
Maori		-0.09 (0.36)		0.18 (0.20)
Shipley		-0.02 (0.06)		-0.02 (0.03)
Peters		0.05 (0.06)		0.06* (0.03)
Disapproval w/coalition government		-0.04 (0.12)		-0.03 (0.06)
Economy		0.04 (0.12)		-0.004 (0.06)
Constant	-0.10 (0.26)	1.00 (0.95)		-0.71 (0.48)
Cut 1			-0.59	
Cut 2			1.50	1.42
<i>n</i>	535	524	521	510
Log likelihood	-280.43	-270.09	-390.8	-374.7
Pseudo <i>R</i> ²	0.19	0.20	0.14	0.16

Standard errors are in parenthesis.

*** $p < 0.01$; ** $p < 0.05$; * $p < 0.10$.

among National supporters. Although National lost control of government, the results would have been far worse for National under FPP. National lost eight of its 30 electorate seats while Labour increased its number of electorate seats from 26 to 41 (out of a possible 67 electorate seats in parliament). Since the party vote corrects for disproportional outcomes that may occur in the electorate contests, National received an additional 17 list seats, almost twice that of any other party in parliament (bringing its total to 39 out of 120 seats in parliament). Thus, National's representation in parliament would have certainly been diminished under FPP. National's likely coalition partner, ACT, won a total of nine seats (all from the party list) giving the centre-right a total of just 49 out of a possible 120 seats in parliament.¹¹ New Zealand First's support evaporated and the party failed to cross the five per cent threshold. However, Winston Peters' was narrowly reelected by 67 votes which provided the party with a total of four seats in parliament. The Greens also gained representation, winning one electorate seat and six list seats. These parties' narrow entry into parliament deprived Labour and Alliance of a majority by two seats.¹²

Table 4 reports the results for our main variables of interest among those surveyed by the NZES both before and after the election.¹³ The data reveal that the election outcome appears to have furthered institutional support amongst all party supporters. Overall satisfaction with democratic performance increases substantially from its 1998 levels. The election outcome is responsible for about half the change, up almost nine points from prior to the election with the largest increases experienced by those who intended to vote for the parties on the left. While satisfaction among Labour voters increases by 18 points, satisfaction drops by just five points among National voters. The result is that both of the large party voters have similar levels of satisfaction. These changes in political support following an election are consistent with Anderson & Guillory's (1997) findings from other consensual democracies in Western Europe where the differences in political support between winners and losers are smaller than in majoritarian systems.

The data presented in Table 4 also demonstrate that partisan self-interest continues to structure attitudes about the electoral system. Preference for single party government drops slightly after the election, mostly among Labour and Alliance voters who entered into a coalition after the election. Despite the failure of the National-New Zealand First coalition, half of the electorate continued to express a preference for coalition government prior to the election. Preference for coalition government increases somewhat after the election for both coalition partners while decreasing for all other party supporters. Preference for proportionality over single party government increases most for the Alliance and decreases for National voters.

However, support for single party government among National voters remains unchanged after the election. Most likely this reflects the fact that National voters would prefer a Labour government to a centre-left coalition government, where the far left is able to extract policy concessions.

The proportion of the electorate believing that MMP was a disaster fell among all partisan groups from 35 to 25 per cent and a majority were now willing to withhold judgement, a small but nevertheless significant increase from 1998. While dissatisfaction among National voters drops after the election, National supporters as well as ACT voters (the party to the right of National) remain the most sceptical about MMP. This suggests that while self-interest motivates evaluations of the system there might also be an ideological component shaping these attitudes.

Discussion

Initial dissatisfaction with PR in New Zealand may have been partly affected by raised expectations (see also Nagel 1999). Advocates of the new system argued that PR would not only be fairer than FPP but would also provide better representation by delivering a politics of consensus, a stark contrast to the adversarial nature of politics under FPP. Data collected just after the first MMP election in 1996 revealed that there were significant aggregate shifts toward more positive attitudes about politics in New Zealand. In particular, more voters came to see that their votes really mattered, fewer thought that their MPs did not care or were out of touch, and fewer thought that government was run by a few big interests (Banducci et al. 1999). As seen in Figure 2, satisfaction with democracy in New Zealand in 1996 was also high compared to other European democracies. These positive trends during the transition to proportional representation can be seen in part as a reflection of growing optimism about the new system. However, eighteen months later, 76 per cent of the electorate believed that MPs are out of touch, an increase of 20 per cent.¹⁴

The lack of experience with coalition politics together with the formation of a coalition that was neither expected nor desired fuelled criticism of the new system. As the experience of the National-New Zealand First coalition suggests, disillusionment may occur when a coalition forms that is contrary to the expectations created by the election campaign. Such perceptions seem to have furthered the belief that politicians were out of touch, and this directly affected citizens' willingness to vote to change the system. Dissatisfaction with the coalition government also indirectly affected support for PR by increasing the preference for single party government. In a stark contrast to the protracted coalition talks and the ensuing National-New Zealand First

Table 4. Changes in attitudes and support for MMP between pre and post election studies, 1999

Intended vote	Satisfaction with democracy		
	Before	After	Change
Alliance	44.3	57.9	13.5
Labour	46.9	66.2	19.3
National	68.7	66.6	-2.1
New Zealand First	38.1	47.8	9.8
Act	63.5	61.9	1.7
Green	38.1	65.9	27.7
Total	52.3	62.8	10.5

Intended vote	Preference for single party government			Preference for coalition government		
	Before	After	Change	Before	After	Change
Alliance	27.5	20.1	-7.4	69.8	73.5	3.7
Labour	46.7	40.2	-6.6	50.7	52.1	1.4
National	63.0	61.4	-1.6	33.9	30.8	-3.1
New Zealand First	22.9	41.4	1.5	57.2	52.2	-5.0
Green	16.9	9.9	-7.0	78.3	76.5	1.8
Total	45.9	41.9	-4.0	49.9	49.6	-0.2

Intended vote	Preference for single party over proportionality		
	Before	After	Change
Alliance	23.3	18.4	-4.9
Labour	38.6	36.2	-2.3
National	47.7	50.4	2.7
New Zealand First	26.4	28.1	1.7
Act	35.8	34.0	-1.8
Green	9.8	11.1	1.4
Total	36.8	36.6	-0.2

Intended vote	MMP is a disaster			MMP is a success			Too soon to tell		
	Before	After	Change	Before	After	Change	Before	After	Change
Alliance	21.1	11.2	-9.9	19.1	20.2	1.1	55.0	64.9	9.9
Labour	34.7	21.6	-13.1	11.2	12.1	0.9	49.5	59.0	9.5
National	48.6	37.9	-10.7	4.8	5.8	1.0	42.3	48.0	5.7
New Zealand First	26.9	21.1	-5.9	17.9	15.8	-2.2	52.6	59.6	7.1
Act	43.7	33.8	-9.9	10.7	15.0	4.3	43.7	49.4	5.7
Green	23.2	13.4	-9.8	22.3	24.4	2.1	49.1	56.1	7.0
Total	37.1	26.1	-11.0	10.5	11.6	1.0	47.5	55.0	7.5

Source: New Zealand Election Study, Pre and Post Campaign Surveys, 1999, $n = 6015$.

coalition, Labour and Alliance had established a working relationship prior to the election and took only a few days to formalise a coalition agreement and allocate ministerial positions (16 to Labour, four to the Alliance). The Greens, who gained representation in parliament only after special votes were counted were not included in the coalition negotiations. While having expressed an interest in participating in a centre-left government, they appeared comfortable with a support role, but indicated they expected regular consultation with the government. Thus, the second election provided New Zealanders with quite a different experience of coalition politics that appears to have furthered institutional support amongst all party supporters. In particular, satisfaction with democracy increases while fewer claim that MMP is a disaster. Yet overall, preferences for single party government and proportionality remain largely fixed, indicating that partisan self-interest continues to structure citizens evaluations of electoral institutions. As seen in Figure 4, these preferences have the largest impact on support for MMP.

Given the relative rarity of such changes we have to be wary of overinterpreting the general relevance of our findings in the case of New Zealand. Having said that, it seems unreasonable to simply ignore such cases: what voters think of the institutions that govern them is an important issue for democratic governance (Wenzel et al. 2000; Farrell & Gallagher 1999; Delli-Carpini & Keeter 1996). Taken together these models are consistent with the argument that voters are able to reason about the institutions which govern them. These results provide some comfort for theories of democratic legitimacy which depend on voter ability to reason in such a manner. Furthermore, voter reaction to the workings of democratic politics, and in particular to the performance of coalition governments, can affect voter assessments of the system as a whole. These findings have relevance for the likely path of MMP not just in New Zealand but also in other countries, such as in the UK and Canada, where variants of MMP either have been recently implemented (as is the case in the Scotland and Wales) or recommended. While electoral engineers hope that institutional arrangements will bring immediate benefits, it may take more than one or two elections for reform to make a difference. In particular, a transition from a Westminster-style system to consensual government will be met with some resistance from major party supporters with strong attachments.

While our analysis has been restricted to just one mature democracy undergoing a transition between two electoral systems, these results may nevertheless be applicable to other more established PR systems. Further research is needed to investigate whether citizens elsewhere exhibit greater support for coalition government and electoral institutions when coalition arrangements are not only anticipated but also seen as the result of principled

rather than opportunistic bargaining. To date, the measures needed to test such hypotheses have not been widely implemented (for an exception see Curtice et al. 2000). It is our hope that results from this study will encourage researchers to consider adopting similar measures that will make it possible to examine how citizens view institutional arrangements in other countries.

Appendix

Single Party: The dependent variable in Table 1 and independent variable in Table 3 – is based on answers to the following questions. ‘At the next election, what sort of government would you prefer – a government made up of a single party or a coalition government made up of more than one party?’ ‘Which of the following is most important to you? That one party has more than half the seat in Parliament so that it can govern on its own? OR that parties have about the same share of seats in Parliament as their shares of votes?’ Measure ranges from 0 to 2

Satisfaction with democracy: Based on answers to the question ‘On the whole, are you satisfied or not satisfied with the way democracy works in New Zealand? (PROBES FOR EACH RESPONSE EITHER): Very satisfied or fairly satisfied? Or not at all satisfied or not very satisfied?’

Support for MMP: The dependent variable in Columns 1 and 2 of Table 3 based on answers to the question ‘Some people say that MMP has been a disaster and we should get rid of it as soon as possible. Others say that MMP has been a success and we should keep it. Others say that it is too soon to tell. Which is closer to your view?’

Support for MMP: The dependent variable in Columns 3 and 4 of Table 3 is based on answers to the question ‘If there was another referendum on the electoral system held today, would you vote to retain MMP or would you vote to replace it with an alternative electoral system?’

Strong National, Weak National, Strong Labour, Weak Labour: These are dummy variables based on answers to the following questions ‘Generally speaking, do you usually think of yourself as National, Labour, Alliance, New Zealand First, ACT or some other, or don’t you usually think of yourself in that way?’ ‘How strongly (PARTY NAMED), do you feel? Very strongly, fairly strongly or not very strongly? (TO THOSE WHO DON’T THINK IN THIS WAY): Do you generally think of yourself as a little closer to one of the parties than the others?’

Small party: Based on answers to the question ‘We would like to know what you think about each of these political parties. Please rate each party on a scale from 0 to 10, where 0 means you strongly dislike that party and 10 means that you strongly like that party.’ Dummy variables were created for

those who did not identify with Labour or National and gave the Alliance, New Zealand First, or ACT the highest rating.

Out of touch: Based on answers to the question ‘We’d like to know how much you agree or disagree with each statement. After the statement is read, please tell me whether you strongly agree, agree, disagree or strongly disagree with the following statement: Most Members of Parliament are out of touch with the rest of the country. 1. strongly disagree, 2. disagree, 3. neither agree nor disagree, 4. agree, 5. strongly agree’.

Education: 1. Incomplete primary education/no formal education, 2. Primary school completed, 3. Secondary education without university entrance qualification, 4. Complete secondary Education (university entrance qualification), 5. Nondegree professional, trade or technical tertiary qualification, 6. Incomplete university education, 7. University degree.

Female: 1. Female or 0. Male .

Maori: 1. Identify as Maori or 0. do not identify.

Shipley: Based on answers to the question ‘Now I have a question about the performance of the Prime Minister. How much do you approve or disapprove of the performance of Jenny Shipley? Give me a score of between 0 and 10, 10 if you strongly approve, and 0 if you most strongly disapprove’.

Peters: Based on answers to the question ‘How about the performance of the Deputy Prime Minister. How much do you approve or disapprove of the performance of Winston Peters? Give me a score of between 0 and 10, 10 if you strongly approve, and 0 if you most strongly disapprove’.

Government disapproval: Based on answers to the question ‘Do you approve or disapprove of the way the PRESENT Coalition Government is handling its job? Do you strongly approve or disapprove? 1. strongly approve, 2. approve, 3. neither approve or disapprove, 4. disapprove, 5. strongly disapprove’.

Economy: Based on answers to the question ‘What do you think of the state of the economy these days in New Zealand? Would you say that good or bad, or bad? Is it very good or very bad? 1. very bad, 2. bad, 3. neither good nor bad, 4. good, 5. very good’.

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Notes

1. Voters cast one vote for their local MP and another for a party. Parties receiving more than 5 per cent of the vote are represented in parliament in proportion to their vote. Of the 120 MPs in the first MMP parliament, 65 seats are held by MPs elected in single-member constituencies by first-past-the-post. Five of these seats are reserved for Maori representatives elected by those Maori choosing to enrol on a separate roll. The remaining 55 seats are held by MPs on party lists.
2. From 1954 to the last FPP election in 1993 not one of the fourteen governments was elected with an absolute majority of the votes cast.
3. Prior to World War II, New Zealand had a coalition government consisting of the United and Reform parties from 1931 to 1935.
4. Residential telephone numbers were randomly sampled for the survey by Telecom, and respondents were randomly selected within households. Initially 1251 numbers were drawn of which 174 were either ineligible, unable to complete the survey, or not in service. Of the remaining 1077 numbers, 532 either refused to participate or were not available contributing to a response rate of 50 per cent. Within expected error margins the sample is broadly representative of adult New Zealanders. Similar findings on support for political parties and preferences for political leadership as other currently published polls confirm the representativeness of the sample. Funding for the survey was provided from the Foundation for Research, Science and Technology, the University of Waikato School of Social Science, and the department of Political Science and Public Policy, University of Waikato.
5. The post election survey conducted in 1996 was administered prior to the announcement of the coalition government. The collapse of the coalition precluded questions about its performance from being included in the 1999 election survey.
6. The model in Table 1 was also estimated using each of the measures separately which produced essentially the same results.
7. In addition to National and Labour, the NZES asked respondents to rank New Zealand First, Alliance, and ACT on a scale from 0 to 10. Aside from these five parties, the United party managed to gain one seat in parliament in 1996, largely to the popularity of the candidate and the decision by National not to contest the seat.
8. A few who expressed preference for the smaller parties also identified with either National or Labour. We have coded these as those identifying with National or Labour.
9. Specifically, 11 per cent of the electorate rated the economy as either bad or very bad compared to 52 per cent who rated the economy as good or very good in the post election survey.
10. The absence of a forced choice between MMP and FPP reduces support for first-past-the-post considerably as compared to other surveys.
11. This includes a single electorate seat held by the United Party which had supported the National government.
12. Labour won eight list seats, bringing its total to 49. Act and Alliance each won nine list seats, the Greens received six list seats and New Zealand First, four list seats. The Alliance, Greens, New Zealand First, and United each won electorate seat.
13. Vote on a hypothetical referendum to retain MMP is not reported in the table because the question wording changed in the post-election survey.
14. Compared to 1993, the difference is not as substantial. The proportion of those who believe MPs are out of touch was 64 per cent (Vowles et al. 1995).

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