ISSUES AND PARTY COMPETITION UNDER ALTERNATIVE ELECTORAL SYSTEMS

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ABSTRACT

Proximity and directional spatial models yield different predictions for mass-elite linkages under alternative electoral systems. Whereas the proximity or Downsian model predicts that parties are likely to adopt positions that are closer to their voters, the alternative directional model predicts parties will adopt more extreme positions in order to generate political support among an electorate that has diffuse policy interests (Macdonald and Rabinowitz, 1989; Macdonald et al., 1991; Rabinowitz et al., 1991). Theoretical arguments lead us to expect that the directional model is most applicable in plurality systems, while the proximity model is best for describing party and voter behaviour in multiparty systems. While others have examined these models from a cross-national perspective, we employ an alternative research design using candidate and mass opinion data from New Zealand, where voters have experienced a change in the electoral system.

KEY WORDS ▪ directional models ▪ New Zealand ▪ electoral systems ▪ proximity

Introduction

Although the spatial model of elections has been a predominant paradigm in election studies, it has been criticized because of an empirical anomaly that parties tend to take more extreme positions than those of their voters. Recent debates over the usefulness of the Downsian model to explain party and voter behaviour have highlighted alternative models that account for the disparities between voter and elite issue positions (Iversen, 1994; Macdonald and Rabinowitz, 1989; Macdonald et al., 1991; Rabinowitz et al., 1991). Whereas the proximity or Downsian model predicts that parties are likely to adopt positions that are closer to their voters, the alternative

directional model predicts that parties will adopt more extreme positions in order to generate political support among an electorate that has diffuse policy interests (Macdonald and Rabinowitz, 1989; Macdonald et al., 1991; Rabinowitz et al., 1991). Each model yields different predictions under alternative electoral rules.

In 1993, voters in New Zealand approved a referendum changing its electoral system from a plurality or 'first past the post' (FPP) to proportional representation (PR). Once characterized by Arend Lijphart (1984: 16) as a 'virtually perfect example of the Westminster model of democracy', New Zealand's adoption of PR represents a radical change from a majoritarian to a consensus democracy. The question of how electoral rules shape political behaviour is relevant to current debates over electoral reform.[1] Because such changes in stable democracies are rare, New Zealand's transition has prompted a great deal of scholarly interest. Recent studies have examined changes to the party system and parliamentary cohesion (Barker and McLeay, 2000), candidate selection (Gallagher, 1998), impact on political attitudes (Banducci et al., 1999), voting behaviour (Karp et al., forthcoming), political participation (Karp and Banducci, 1999) and opinion about the electoral system (Karp and Bowler, 2001; Vowles, 2000). Despite the burgeoning field, there are no empirical studies on how the change in electoral system has altered the relationship between elites and voters. This is unfortunate, given that much of the rhetoric surrounding proposals to adopt PR is based on the assumption of improved representation. In the following analysis, we compare the two models of elite-voter linkages in New Zealand under the two sets of electoral rules using data from elite and voter surveys before and after electoral system change. Such an approach provides an advantage over previous cross-national studies by allowing one to isolate the effects of the electoral system and control for factors that might otherwise have an influence. Therefore, not only does such an analysis provide insight into the changing nature of New Zealand politics, it may also help to illustrate how these models apply under different electoral systems.

Party Systems, Electoral Rules and Voting Models

The proximity model, which makes predictions about voter and party behaviour, is well established in the voting behaviour literature having been formalized (for example, Davis et al., 1970; Downs, 1957) and subjected to empirical tests in two-party systems. The assumptions and predictions of the proximity model are familiar in two-party systems: (1) a voter is able to identify his or her ideal position along an ideological continuum, (2) the position of the competing parties or candidates can be identified along the same continuum. A voter will choose the party or candidate with the position most proximate to his or her own. Parties or candidates wanting to win the election will take a position that captures a plurality of votes.

In contrast, the directional model assumes that parties will avoid taking positions in the centre of the ideological spectrum in order to distinguish themselves from the positions of their rival. The directional model, as developed by Macdonald and Rabinowitz (1989), differs from the proximity model in that issues for voters are bipolar. Whereas the proximity model assumes that a voter located at the centre of the ideological spectrum is moderate on the issue, the directional model assumes a centre position is a neutral position and that positions at either end of the spectrum represent intensity of feeling about the issue rather than ideological extremism. Likewise, parties reflect issue direction and neutrality or intensity along the same continuum.

Rather than choosing the most proximate party, directional theory assumes that voters will support the party that advocates the direction of policy they prefer. A voter who feels intensely about an issue will respond most favourably to the party that has the most extreme position in the same direction. If a voter is indifferent about the issue, the party position will not matter. Therefore, rather than the absolute difference (or Euclidean distance) between party and voter, the directional model relies on the product of the voter position and the party position (the scalar product) to measure preference for the party. Parties will then benefit from having extreme positions on issues and will thus avoid the centre. Macdonald et al. (1991) note that there is a limit to the extremity of the position and that parties taking extreme positions beyond the 'region of acceptability' will lose support. Therefore, the directional model assumes that parties will avoid the centre by taking more extreme positions than their supporters but will avoid taking positions that are unreasonable.

Macdonald et al. (1991: 1108–9; see also Aarts et al., 1999: 94–6) contend that there are theoretical reasons for expecting the performance of the models to vary by electoral system: 'The dichotomous nature of issues posited by the directional model may not be a general phenomenon but, rather, one restricted to two-party systems' (p. 1108). Where there are just two sources of political cues for voters, parties may be in a better position to emphasize their differences. In multiparty systems, where coalition governments are more likely, parties have less of an incentive to take strong issue positions. Coalition governments are also likely to rest on a broader base of support and provide steady, centrist policy-making that is more likely to be carried out successfully (Lijphart, 1999).

The predictions derived from the proximity model regarding party and voter behaviour in multiparty systems suggest a different scenario. We might argue that under a proportional electoral system, where multiple parties have the opportunity to gain representation without appealing to a plurality of voters, the strategy of political parties is likely to differ. Under these rules, parties have less of an incentive to widen their appeal to the largest group of voters, allowing them to maintain ideological purity. Thus, in a multiparty system, rather than converging toward the median voter, parties

will strive to distinguish themselves on ideological and policy matters (Downs, 1957: 126–27). In multiparty systems, parties tend to 'narrow the spread of their policies, differentiate their platforms more sharply, and reduce ambiguity' (138). This strategy will have the effect of appealing to the full spectrum of interests in the electorate rather than simply the median voter. In short, a transition to PR should result in a more diverse offering of parties competing for representation.

In a proportional electoral system, where multiple parties have the opportunity to gain representation without appealing to a plurality of voters, parties do not have an incentive to widen their appeal to the largest group of voters, which allows them to maintain ideological purity. Thus, in a multiparty system, parties will strive to distinguish themselves on ideological and policy matters and are more likely to reflect the issue positions of party voters rather than the median voter. This leads us to expect that parties will be distributed across the entire ideological spectrum rather than just at the extremes as the directional model would predict. In the New Zealand case, Barker and McLeay (2000) observe that the larger number of parties under PR meant that more voters' preferences were reflected in the policy process than under FPP, when one party was the sole significant source of policy.

While Macdonald et al. (1991: 1108) recognize that 'a multiparty system may be more congenial to proximity theory', they contend that the empirical evidence demonstrates that the directional model is superior to the proximity model even in multiparty systems, and, therefore, is universal. Empirical evidence from European political systems suggests that while most parties on the left or the right adopt positions which are more extreme than the median voter, their positions are not as extreme as the directional model would predict (Adams and Merrill, 1999; Dalton, 1985; Iversen, 1994). In The Netherlands, which is noted for its consociational system, Aarts et al. (1999: 86) find that parties took extreme positions in just one of the three elections examined. In Sweden, Gilljam and Oscarsson (1996) observe that the trend is toward consensus rather than polarization. In terms of voter-party agreement, Dalton (1985), in an analysis of nine European countries, finds greater congruence in countries with PR and more parties, suggesting that the directional model may be less applicable in multiparty systems.

When comparing issue voting under the directional and proximity models in a two-party system (the United States), Macdonald and Rabinowitz (1989) argue that the directional model outperforms the proximity model and accounts for the empirical anomalies of the spatial model. They also find strong support for the directional model in Norway (despite their initial expectations to the contrary) after examining support for seven parties in the 1989 elections. Others have found mixed results. Kramer and Rattinger (1997) find a slight advantage for the proximity model in West Germany and a slight advantage for the directional model in East Germany. In an

analysis of six Swedish election studies, Granberg and Gilljam (1997) find that, contrary to the directional model, voters leaning in one direction do not prefer an extreme party and centrists are not indifferent toward party positions. Yet hypotheses derived from the proximity model were not consistently supported either.

Merrill and Grofman (1999: 65) conclude that these studies demonstrate no strong, consistent preference for either the proximity or the directional model, but rather suggest that a mixed model may provide the best model for issue voting.

While previous studies have relied on cross-sectional data from a single country or compare two countries (for an exception, see Iversen, 1994), we examine the relationship between parties and voters over time within one country experiencing a transition from a plurality system to a proportional system. New Zealand is one of the oldest modern democracies, having had both full universal male and female suffrage since 1893 and a stable two-party system for most of that period. In 1996, New Zealand replaced its plurality system with PR and has so far held two elections under the new system. In the following analysis we compare voter and elite linkages before and after electoral system change. Such a design provides a more direct test of the impact of electoral rules on representation, allowing one to address the question of whether parties are closer to their voters in PR systems while controlling for country-specific factors that might affect the relationship between voters and parties.[2] In the next section, we consider the placement of New Zealand parties and the change in the party system since the introduction of PR.

Electoral System Change and Parties in New Zealand

In the comparative literature, New Zealand has always been characterized as a two-party system. Labour and National serve as the two major parties. Labour, the oldest, is centre–left, and has traditionally been the party of organized labour, with its roots in the trade union and socialist movements. However, many of Labour's neo-liberal policies implemented in the 1980s were incompatible with these traditional policies. National emerged in 1936, with opposition to socialism and market intervention as its unifying theme. National's traditional support is business and farmers.

The two most substantial smaller parties, Alliance and New Zealand First, were founded by disenchanted members of the major parties. New Labour, the dominant constituent party in the Alliance, was formed when MP Jim Anderton, frustrated by Labour's economic policies, broke away from the party. As a reaction to the neo-liberal economic reforms of the 1980s, New Labour adopted economic and social policies similar to those of traditional Labour. With the addition of the Greens and Mana Motuhake, the Alliance took up leftist positions on environmental and Maori issues.

The constituent parties have an uneven influence, so while the Alliance had elaborate environmental policies contributed by the Greens, little in the platform reflected the monetary policies of another constituent party, the Democrats (Jesson, 1997). The Alliance won 2 seats and 18 percent of the vote in 1993 under plurality rules and 13 seats (10 percent of the vote) under PR in 1996. In 1999, the Greens broke away from the Alliance and just managed to cross the 5 percent threshold, receiving a total of 7 seats while the Alliance won 10 seats (with 7 percent of the vote).

New Zealand First was founded by Winston Peters, who defected from National. New Zealand First, considered a centrist party, is often seen as populist, with its anti-immigration and anti-corruption policies and its economic nationalism (Miller, 1997). The party also has some support among the Maori community; it won one Maori seat in 1993, and Peters, who is of Maori ancestry, won his general electorate. In 1993, the party received 8 percent of the vote. Support could also be found among the elderly, as Peters' criticism of the government's surtax on superannuation was a factor prompting his defection from National. In 1996, New Zealand First garnered 13 percent of the vote, winning all 5 Maori electorates for a total of 17 seats. After forming a coalition government with National, support for the party evaporated and the coalition collapsed in August 1998. In 1999, New Zealand First managed to retain 5 seats in parliament by winning in Peters' electorate by 67 votes (the party failed to cross the 5 percent threshold).

Several other parties formed between the referendum on PR in 1993 and the 1996 election. During the 1993–96 Parliament, incumbent MPs and political parties positioned themselves for the upcoming PR election; 13 out of the 99 MPs left their respective parties to start new parties. Six MPs left National and Labour to form the United Party. United positioned itself as a centrist party that could form a coalition with either National or Labour (Vowles, 1998). However, it was unsuccessful in winning more than one seat, which was held by a former National incumbent. ACT New Zealand was the most prominent new party that was not formed by a defecting MP.

Table 1. Electoral outcomes for New Zealand political parties (%)

	1993		1996		1999	
	Votes	*Seats*	*Votes*	*Seats*	*Votes*	*Seats*
Labour	34.7	45.5	28.2	30.8	38.7	40.8
National	35.1	50.5	33.8	36.7	30.5	32.5
Alliance	18.2	2.0	10.1	10.8	7.7	8.3
New Zealand First	8.4	2.0	13.3	14.2	4.3	4.2
ACT New Zealand	na	na	6.1	6.7	7.0	7.5
Green	na	na	na	na	5.2	5.8

Source: Electoral Commission.

ACT grew out of the faction of the Labour Party that supported the neo-liberal economic policies of the 1980s and officially formed as a party in 1994. They promised more extreme economic reforms. In 1996, the party received 6 percent of the vote, winning a total of 8 seats. In 1999, the party managed to increase its support by about 1 percent, gaining an additional seat despite a swing toward the centre–left. In the next section we examine the placement of these parties on issues compared to voters.

Issue and Ideological Placement of Parties

We first examine the issue positions of voters and party elites and assess the applicability of the two models under plurality and PR rules. Most studies comparing the proximity and directional models rely on voter perceptions to measure party positions (see, for example, Aarts et al., 1999; Adams and Merrill, 1999; Kramer and Rattinger, 1997; Macdonald et al., 1991; for an exception, see Iversen, 1994; Maddens, 1996). These studies may lead to biased estimates of party placements because of rationalization or projection. Macdonald et al. (1991) believe that using the mean voter placement reduces the problem of projection. Others contend that the subjective voter placement is a more valid indicator (Kramer and Rattinger, 1997: 5–6) and that the use of mean voter placement biases the results in favour of the directional model, because random guessing by uninformed voters tends to draw mean placements toward the neutral point (Merrill and Grofman, 1999: 177–8). To avoid these problems, we rely on surveys from the candidates of each of the major parties. These were administered to coincide with the voter surveys and therefore allow us to compare elite and voter opinions on a range of issues.

Data necessary to test these hypotheses exist for two elections held under PR (1996 and 1999) and the last election held under FPP (1993). We compare the two elections farthest apart, setting aside the first election held under PR in 1996 because it can be viewed as a transitional election and has been analysed elsewhere (see Banducci and Karp, 1998). While one might argue that the last election held under FPP was also transitional in terms of the party system, the data necessary to examine voter and elite linkages prior to 1993 do not exist.[3]

Previous research has relied almost entirely on left–right ideology without recourse to specific issues (for an exception, see Aarts et al., 1999). In 1993, data were gathered using a 26-page questionnaire on candidates from four parties resulting in a dataset of 216 observations and an overall response rate of 57 percent.[4] A post-election survey of registered voters conducted by postal questionnaire in 1993 included a panel component, carried over from the previous election, with an overall response rate of 73 percent (see Vowles et al., 1995: 215–17 for further details on both surveys). In 1999, candidates from six parties were administered a 22-page post-election

questionnaire. The overall response rate was 62 percent (n = 282).[5] The 1999 post-election voter survey included a pre-election component and a panel carried over from previous elections. The survey was conducted by postal questionnaire and achieved a response rate of 58 percent.

We focus on seven of the major issues in New Zealand politics. These issues were prominent in both the 1993 and 1999 campaigns and consequently were asked in both years in the elector and party elite surveys. The typical bipolar scale used for issue variables has the potential to confound intensity with extremity (see Maddens, 1996). Four of the six issue variables specifically measure the intensity of preference and, therefore, overcome this limitation. For example, respondents are asked whether it should or should not be the government's responsibility to provide free education to polytechnic and university levels. They are also probed as to whether they think it should definitely be or not be the government's responsibility (for other issues, see Appendix). The remaining questions on taxes and the environment require respondents to place themselves on a 6-point scale. All issues are re-coded on a –1 to 1 scale, with 0 indicating a neutral or moderate position, –1 the strongest preference for government intervention and +1 the strongest preference for no government intervention (see Appendix for details).

The placement of parties and the mean voter on these issues are shown in Figure 1. The proximity model leads us to expect that parties will cluster around the mean voter, while the directional model predicts that parties will be more dispersed. Under FPP, with the exception of superannuation and the environment, parties tend to take more divergent positions, i.e. positions consistent with the directional theory. Under PR rules, the parties tend to be even more divergent. For example, the distance between the two largest parties, National and Labour, on taxes is greater under PR than under FPP. While Labour occupies the same position as it did in the past, National has moved more than twice as far away from the centre (0.25 to 0.64). In part, National's movement toward the right might be influenced by the appearance of the ACT, which occupies a more extreme position. Under directional theory, New Zealand First, which is the only party in the centre, should receive the least support. However, under proximity theory, the party is well positioned, since it is closest to the average voter. On health and education, two of the most salient issues in both elections, the pattern is similar and is consistent with directional theory, since no party occupies the centre. The average voter is far more committed on the issue of providing assistance to the elderly than on any other issue. The parties to the left of the average voter occupy the most extreme position, while those to the right are more moderate but on the same side of the issue. On the environment, the pattern is more consistent with proximity theory, with most of the parties close to both the neutral point and the voter. There appears to be little difference between FPP and PR, except for the presence of the Greens, who occupy the most extreme position. Differences between the two systems are less

noticeable on the ideological continuum, though the Alliance is farther to the left under PR than under FPP.

Neither model, however, appears to explain party positions on the issue of whether Maori should be compensated for land confiscated in the past. Contrary to the proximity model, parties are dispersed on the side of compensation, while the mean voter occupies a position to the right of all the parties. Despite the dispersion, voters are on the other side of the issue in 1993, a finding that is not consistent with the directional model. In 1999, the parties have become more committed toward compensation and the average voter has moved to becoming neutral on the issue.

On all but one of the issues Alliance is the party most committed to government intervention, while ACT is the least committed. The Greens are the most committed party on the environment, which is one of their key issues. On comparing the position of the parties with the mean position of the respondents, we see that National is to the right of voters on all issues (except for Maori compensation in 1993 and 1999), despite being to the left of the midpoint of the scale on issues such as superannuation. Labour, the major centre–left party, is to the left of the mean respondent.
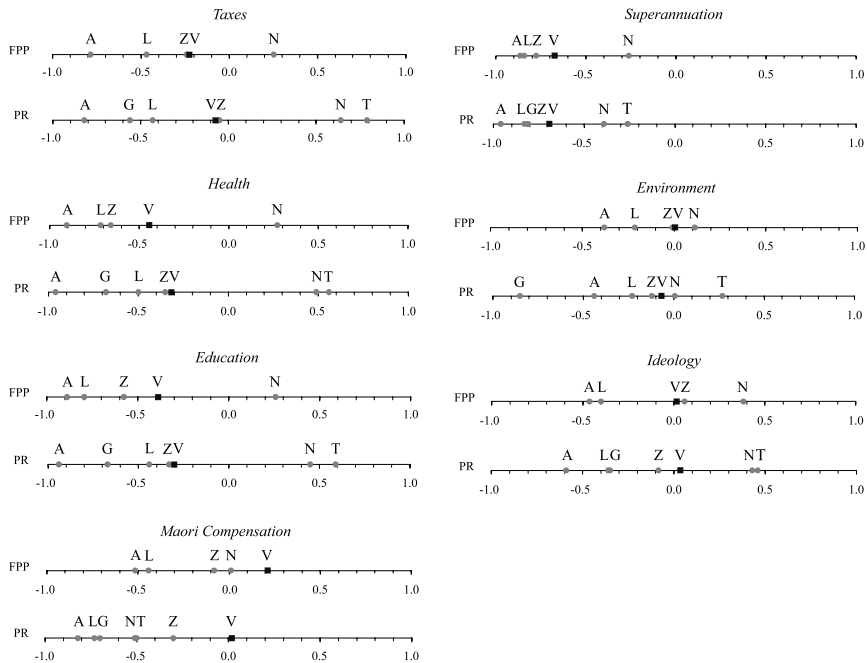

Figure 1. Party positions under FPP and PR rules
Source: New Zealand Election Study: Candidate Survey, 1993, 1999.
Notes: A = Alliance, G = Green, L = Labour, N = National, T = Act, Z = New Zealand First, V = Mean voter. Note that Act and the Greens do not appear under FPP rules because they did not exist then.

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Issues and Party Support under the Proximity and Directional Models

The strategies of the parties so far suggest a pattern consistent with directional theory. To examine how well these positions influence support for the parties, we test each scale in a multivariate model of party evaluations. The proximity model specifies that utility is the declining function of policy distance from the voter to party. Following the conventional operationalization, we use the quadratic proximity utility function, under which utility declines with the squared Euclidean distance between voter and party (see Merrill and Grofman, 1999: 20–1). A negative sign is used in defining this function so that utility declines with distance. Thus, each issue scale has a possible range from –4 to 0. Under the directional model, the voter's utility for a party is simply the product of the voter and party positions. To make this measure comparable with the proximity scale, the directional scale (which ranges from –1 to 1) is multiplied by 2.

The dependent variable in these models is how favourably the respondent ranks the party on a scale ranging from 0 to 10.[6] In addition to the issue dimensions, we include other independent variables known to influence party support. We use the respondent's recalled vote in the previous election to measure partisanship, which avoids conceptual problems associated with party identification (see Adams and Merrill, 1999). For those parties that were not formed in the previous election we use the vote for their constituent party.[7] To simplify the presentation of the results, we report only the coefficients for the issues. We also report the fit of both a reduced model, which includes just the issues, as well as the full model, which controls for other factors. The results for both models are summarized in Tables 2 and 3.

Table 2 indicates that the proximity model performs better under PR rules than under FPP. The differences in explained variance are greatest for the two small parties, Alliance and New Zealand First, and marginally better for Labour. Under both systems, the fit is best for the incumbent party, National, explaining half the variance. In the reduced model, which includes just the issues, the improved fit is best for Labour and Alliance under PR. Not only is the fit better under PR, the relative importance of ideology and issues in their influence on party support is apparent too. The effects of ideology are almost twice as great under PR than under FPP for all but New Zealand First. Issues also appear to be more of a factor explaining support for the parties under PR than under FPP. Whereas only Maori compensation is a significant impact on support for Labour under FPP, all the issues excepting the environment are significant under PR. A similar difference is apparent for the Alliance. However, some issues are more important than others. Taxes, for example, are more important for Labour and the Alliance under PR, while health is less important for National.

Table 3 indicates that the directional model also performs better under PR than under FPP. Indeed, the differences between the two systems are

greater for the directional model than for the proximity model. As in the results for the proximity model, the effects of ideology are greater under PR for all of the parties except New Zealand First. The size of the coefficients indicates that the effects of ideology are more important in shaping evaluations toward the parties under the directional model.

As for the relative impact of the issues, National support is expected to increase substantially for its position on the environment under PR (which is to safeguard income levels over environmental protection). Indeed National is the only party other than the Greens whose evaluations are significantly influenced by its position on this issue in that election. During the 1999 campaign, National made a concerted effort to attack the Greens for being out of step with most New Zealanders. While it appears that National may have been successful in increasing its own support, the effort also succeeded in increasing support for the Greens, as most tracking polls indicated a surge in support in the wake of National's attacks. The effects of health are less important for both National and Labour, but slightly greater for Alliance under PR.

None of the issues, except for Maori compensation, has a significant impact on support for New Zealand First.

As for the relative importance of the models, the fit of the directional model is better for all of the parties except New Zealand First. The improvement is best for ACT (+0.06) and the Greens (+0.05), both parties that take relatively extreme positions. A similar improvement of 5 percent is noticeable for the Labour Party. Using Norwegian data, Macdonald et al. found a minimum improvement in explained variance of 2.4 percent and a maximum of 8.1 percent (1991: 1119). A similar improvement was found in The Netherlands (Aarts et al., 1999: 82). In 1999, the maximum difference we find in the explained variances of the two full models is 6 percent (compared to 3 percent in 1993). In a model that includes only issues, the differences are larger, with a maximum of 10 percent (for Labour in 1999 and National in 1993).

Another consistent finding is that both models perform better overall for the party in government. The explained variance is much higher for National than for any of the other parties. Both the proximity and directional models do poorly in predicting support for New Zealand First, the party with the most centrist positions.

Discussion

The directional and proximity models yield different predictions for the behaviour of parties and voters under different electoral rules. In plurality systems, the proximity model assumes that parties will converge toward the centre and that voters will prefer moderate parties. Under PR, parties are assumed to locate themselves along the ideological continuum and that

Table 2. Proximity model: OLS estimates

| | National | | | | Labour | | | |
| | FPP | | PR | | FPP | | PR | |
	B	S.E.	B	S.E.	B	S.E.	B	S.E.
(Constant)	3.72**	(0.35)	3.89**	(0.27)	6.80**	(0.32)	6.75**	(0.26)
Environment	0.06	(0.15)	0.02	(0.11)	−0.01	(0.12)	−0.14	(0.10)
Taxes	0.56**	(0.11)	0.53**	(0.05)	0.05	(0.12)	0.47**	(0.07)
Health	0.27*	(0.11)	0.13*	(0.05)	0.17	(0.09)	0.15*	(0.07)
Education	0.29**	(0.11)	0.24**	(0.06)	−0.02	(0.10)	0.22**	(0.08)
Superannuation	−0.06	(0.21)	0.00	(0.14)	0.16	(0.14)	0.33**	(0.09)
Maori compensation	0.09	(0.13)	−0.08	(0.04)	0.18**	(0.06)	0.31**	(0.06)
Ideology	0.79**	(0.16)	1.65**	(0.09)	0.53**	(0.14)	1.27**	(0.09)
Adjusted r^2								
Issues only	0.25		0.37		0.09		0.24	
Full model	0.50		0.52		0.30		0.36	
N	1320		3317		1320		3314	

| | Alliance | | | | New Zealand First | | | | Act | | Greens | |
| | FPP | | PR | | FPP | | PR | | PR | | PR | |
	B	S.E.	B	S.E.	B	S.E.	B	S.E.	B	S.E.	B	S.E.
(Constant)	7.69**	(0.30)	6.19**	(0.30)	7.14**	(0.32)	1.76**	(0.28)	4.97**	(0.32)	7.33**	(0.33)
Environment	0.04	(0.09)	0.03	(0.09)	−0.09	(0.15)	−0.13	(0.12)	0.05	(0.10)	0.82**	(0.06)
Taxes	0.35**	(0.08)	0.58**	(0.05)	0.26	(0.16)	0.22	(0.12)	0.47**	(0.05)	0.38**	(0.08)
Health	0.11	(0.07)	0.21**	(0.04)	0.01	(0.09)	0.18	(0.10)	0.18**	(0.06)	0.02	(0.07)
Education	0.11	(0.06)	−0.28**	(0.05)	0.19*	(0.08)	0.06	(0.11)	0.30**	(0.06)	0.33**	(0.07)
Superannuation	0.47**	(0.12)	0.38**	(0.08)	0.29*	(0.12)	0.03	(0.09)	−0.11	(0.17)	0.22*	(0.11)
Maori compensation	0.11*	(0.06)	0.07	(0.04)	0.32**	(0.11)	0.13*	(0.07)	−0.22**	(0.05)	0.24**	(0.05)
Ideology	0.63**	(0.13)	1.25**	(0.08)	0.24	(0.22)	0.26	(0.15)	1.33**	(0.10)	0.97	(0.12)
Adjusted r^2												
Issues only	0.16		0.35		0.05		0.02		0.24		0.22	
Full model	0.20		0.41		0.16		0.21		0.33		0.27	
N	1312		3253		1309		3252		3192		3075	

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

Source: New Zealand Election Study: Elector and Candidate Surveys, 1993, 1999.

Note: Other variables included as controls in the model are previous vote, age, gender, education, married, urban, rural, economic evaluation, Maori, home-ownership, unemployed, working full-time, university degree, manual laborer, farmer, receive benefit.

Table 3. Proximity model: OLS estimates

	National				Labour			
	FPP		PR		FPP		PR	
	B	S.E.	B	S.E.	B	S.E.	B	S.E.
(Constant)	3.68**	(0.33)	3.09**	(0.25)	6.76**	(0.37)	5.18**	(0.25)
Environment	0.40	(0.41)	7.46*	(3.63)	0.09	(0.24)	−0.01	(0.16)
Taxes	1.15**	(0.22)	0.53**	(0.06)	0.04	(0.13)	0.59**	(0.08)
Health	0.64**	(0.20)	0.10	(0.07)	0.30*	(0.09)	0.14*	(0.07)
Education	0.43*	(0.20)	0.31**	(0.08)	0.03	(0.10)	0.12	(0.08)
Superannuation	−0.73**	(0.27)	−0.20	(0.13)	0.11	(0.10)	0.30**	(0.06)
Maori compensation	0.09	(4.04)	−0.03	(0.06)	0.22	(0.10)	0.24**	(0.04)
Ideology	1.60**	(0.21)	2.44**	(0.10)	1.62**	(0.22)	2.32**	(0.13)
Adjusted r^2								
Issues only	0.35		0.44		0.13		0.34	
Full model	0.53		0.55		0.31		0.41	
N	1320				1320			

	Alliance				New Zealand First				Act		Greens	
	FPP		PR		FPP		PR		PR		PR	
	B	S.E.	B	S.E.	B	S.E.	B	S.E.	B	S.E.	B	S.E.
(Constant)	6.18**	(0.32)	4.16**	(0.28)	6.20**	(0.34)	1.47**	(0.29)	4.42**	(0.30)	4.97**	(0.32)
Environment	0.19	(0.12)	0.10	(0.09)	1.29*	(0.59)	−0.62	(0.35)	0.19	(0.16)	0.92**	(0.06)
Taxes	0.30**	(0.07)	0.56**	(0.05)	0.73**	(0.24)	0.40	(0.82)	0.48**	(0.05)	0.42**	(0.08)
Health	0.12*	(0.06)	0.16**	(0.04)	0.04	(0.08)	0.19	(0.11)	0.17*	(0.07)	−0.08	(0.06)
Education	0.11	(0.06)	0.15**	(0.04)	0.13	(0.07)	−0.11	(0.12)	0.24**	(0.07)	0.25**	(0.06)
Superannuation	0.31**	(0.08)	0.33**	(0.06)	0.19*	(0.09)	0.07	(0.07)	−0.92**	(0.22)	0.20**	(0.08)
Maori compensation	0.21**	(0.08)	0.06	(0.04)	0.72	(0.52)	0.28*	(0.11)	−0.18**	(0.07)	0.29**	(0.05)
Ideology	1.00**	(0.16)	1.79**	(0.09)	0.53	(1.40)	−0.51	(0.65)	2.33**	(0.12)	1.86**	(0.16)
Adjusted r^2												
Issues only	0.20		0.41		0.09		0.02		0.34		0.29	
Full model	0.23		0.45		0.16		0.21		0.39		0.32	
N	1312				1309							

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

Source: New Zealand Election Study: Elector and Candidate Surveys, 1993, 1999.

Note: Other variables included as controls in the model are previous vote, age, gender, education, married, urban, rural, economic evaluation, Maori, home-ownership, unemployed, working full-time, university degree, manual laborer, farmer, receive benefit.

voters will prefer the party closest to them. In contrast, the directional model assumes that parties will take more divergent positions and that voters will prefer parties with more extreme positions. These models were developed and largely tested in the context of the two-party system and plurality elections of the United States and in the multiparty system of Norway, though recent research has tested these models in other contexts. While valuable, these cross-national studies cannot control for factors that might co-vary with the electoral system, such as political culture, political history, etc. New Zealand's transition from plurality to PR thus provides a unique opportunity to examine the influence of the electoral system on party and voter behaviour.

Under plurality rules, parties in New Zealand appear to have taken more divergent positions than the proximity model would predict on a range of issues. This finding is largely consistent with the directional model. Although we find that voter preferences are better explained by the directional model, the fit is not noticeably different when controlling for factors other than issues that might also influence support.

Parties that emerged during the transition to PR tend to take more extreme positions on a range of issues, and all but one of the parties locate at positions outside the centre on most issues. The exception is New Zealand First, which typically occupies a position at or near the centre. While New Zealand First was successful in attracting support in the transition election in 1996, the first election held under PR, it soon lost support when it proceeded to engage in coalition talks with both National and Labour during a 9-week period. In the second election held under PR, the party performed poorly, suggesting that a party occupying the political centre may not be viable.

While we expected the directional model to be less applicable under PR, we find that it actually performs better. Parties on average took more divergent positions than they had in the past and support for these parties appears best explained by taking into account the intensity of preference. The differences in the explanatory power of the models, though, tend to be only slight. Overall, both of these issue-based models of party rankings perform better under PR than under FPP, suggesting that congruence between voters and parties on issues (however measured) improves under PR.

Appendix

Question Wording and Coding

Left–Right Scale

In politics, people sometimes talk about the left and the right. Where would you place yourself on a scale from 0 to 10, where 0 means the left and 10 means the right (10-point scale)?

Extreme left = –1
Neutral or Centre = 0
Extreme right = +1.

Environment

On this scale, 1 means we should concentrate more on protecting the environment, even if this leads to considerably lower incomes, and 7 means we should safeguard our income levels before we seek to protect the environment (6-point scale).

Should protect environment even if it leads to lower incomes = –1
Neutral or centre = 0
Should not protect environment if it leads to lower incomes = +1.

Taxes

Where would you place your view on this scale from 1 to 7 (6-point scale)?

We should tax rich people more and redistribute income and wealth to ordinary people = –1
Neutral or centre = 0
Rich people should keep their own income and wealth because their taxes are too high now = +1 (7-point scale).

Health

Generally, do you think it should be or should not be the government's responsibility to provide free health care for all?

Definitely should = –1
Should = –0.5
Shouldn't = +0.5
Definitely shouldn't = +1

Education

Generally, do you think it should or should not be the government's responsibility to provide a free education from pre-school to polytechnic and university levels?

Definitely should = –1
Should = –0.5
Shouldn't = +0.5
Definitely shouldn't = +1

Superannuation

Generally, do you think it should or should not be the government's responsibility to ensure a decent living standard for all old people?

Definitely should = −1
Should = −0.5
Shouldn't = +0.5
Definitely shouldn't = +1

Maori Compensation

Do you strongly agree, agree, disagree or disagree strongly that Maoris should be compensated for land confiscated in the past (5-point scale)?

Strongly agree = −1
Neutral or centre = 0
Strongly disagree = +1

Support for Parties

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 meaning you strongly dislike that party and 10 that you strongly like that party. If you haven't heard about that party, or don' t know enough about it, please tick 'don't know'.

Notes

1 See, for example, *The Report of the Independent Commission on the Voting System*, which examines electoral system reform in the UK, or *Towards a Better Democracy: Report of the Royal Commission on the Electoral System*, which advocated a switch to PR in New Zealand.
2 Of course, factors other than the change in the electoral system may influence changes in this relationship between the two observed elections. Barker and

McLeay (2000: 148–9) note, for instance, that the culture of parliament and the adversarial nature of politics are also major influences on the New Zealand party system. While such factors may be important, they are not directly relevant to the analysis in this paper.

3 As discussed earlier, the rise of new parties began prior to the adoption of PR in 1996. Our primary focus, however, is not on the party system but on examining differences between electoral systems, and 1993 and 1999 present two different elections under two different electoral systems.

4 Response rates varied by party: Alliance (79 percent), Labour (55 percent), National (39 percent), New Zealand First (52 percent).

5 Responses from parties were as follows: Labour (64 percent), National (52 percent), New Zealand First (40 percent), ACT (72 percent), Greens (72 percent).

6 The original scale used in 1993 ranged from 0 to 5. It has been recoded to coincide with the 10-point scale used in 1999.

7 For the Greens, we use reported vote for Alliance. For Alliance in 1993 we use reported vote for New Labour. For New Zealand First in 1993 we use reported vote for National.

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