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PERCEPTIONS OF FAIRNESS AND SUPPORT FOR PROPORTIONAL REPRESENTATION

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This paper explores the causes and consequences of evaluations of the political system and support for electoral system change. In 1993, New Zealand voters adopted a referendum that fundamentally changed the way representatives are elected, moving from a plurality to a proportional (PR) electoral system. We examine the role of cynicism about the political system in adopting PR and how electoral change may shape evaluations of the political system. We expect that political minorities and those dissatisfied with the current performance of government are more likely to be cynical about the fairness of the political process and that these evaluations are related to support for PR. In turn, supporters of the referendum should judge the political system more favorably once the reform is implemented. Using panel data from the 1993 and 1996 New Zealand Election Studies, we find that support for PR is based on more general evaluations of the fairness of the political system and partisan self-interest. Those who supported PR and are politically aware are also more likely to have an increase in favorable evaluations of the political system.

Changes to electoral systems in stable democracies are rare. Yet major electoral reforms occurred in three countries in 1993—New Zealand, Japan, and Italy. Accounts of the reforms have attributed support for radical change in part to rising levels of discontent. For example, Vowles (1995, p. 100) identifies declining government accountability as one long-term cause of support for electoral reform in New Zealand. In an analysis of the 1991 Italian referendum on single preference voting, McCarthy (1992, p. 11) suggests that, given the complexity of the proposal, those voting in support of the proposal were protesting the lack of democracy and inefficiency in the current political system. Likewise, the vote for the 1993 Italian referendum on moving from a proportional to a majoritarian system should be read, according to Corbetta and Parisa (1995, p. 77), as a "plea for salvation" from the current crisis in Italian party politics. Similar expressions of the link between

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a loss of system legitimacy related to the political corruption of the ruling Liberal Democratic Party and support for political reform are cited as reasons for the adoption of electoral system reform in Japan (Otake, 1996).

However, these previous studies do not distinguish disenchantment with the political system, or a lack of political legitimacy, from disenchantment with current politicians and their policies. For example, although the lowest in Western Europe, indicators of system legitimacy have been increasing in Italy as more citizens agreed that democracy was working in 1991 than did in 1976 (Fuchs et al., 1995, pp. 343–344). Therefore, the structural reforms in Italy were adopted against a background of increasing satisfaction with democracy among the populace. If the reforms were adopted while political legitimacy was increasing, declining legitimacy cannot account for the changes. Perhaps the structural reforms are due to shorter-term forces such as the poor evaluations of incumbent politicians related to the publicity given to the widespread corruption among the political elite.

Voter anger can stem from disenchantment with the political process and institutional norms, from dissatisfaction with institutional outputs such as economic policy and, more generally, economic growth, and from disappointment in elected officials' responsiveness to ordinary citizens. These factors may not work exclusively of one another. For example, during rough economic times, citizens are more likely to demand responsiveness. Citizens may also be disenchanted when they believe the system itself produces unfair results. For example, critics of plurality systems argue that majoritarian electoral rules fail by reducing voter choices to parties that converge at the political center, effectively marginalizing citizens who have preferences outside the center (Lijphart, 1984, pp. 20–23; Amy, 1993; Guinier, 1994; Ritchie and Hill, 1996).

Given these differing interpretations, it is difficult to know whether support for political reform reflects citizens' feelings that the current political system is fundamentally unjust or whether they are unhappy with how the current members are responding to their wishes. Nevertheless, advocates of electoral reform implicitly argue that adopting a more inclusive and more representative electoral system will result in a happier citizenry. Indeed, this assumption motivates many to expect that changes in political processes that result in more proportionate electoral outcomes will facilitate improvements in civic life and increase confidence in democratic processes. Therefore, advocates of electoral reform are not interested only in fairer outcomes but also in renewing civic trust (see, for example, Guinier, 1994). Much of the discourse in the U.S. and the U.K. surrounding proposals to adopt proportional representation (PR) rules echoes these themes.

In sum, it is unclear whether support for electoral reform occurs when citizens question the legitimacy of the political system or when they are simply dissatisfied with specific policies or incumbents. If a loss in legitimacy is

responsible for support for reform, can the implementation of reform help renew a sense of legitimacy? We explore this question in the following analysis in the context of electoral reform in New Zealand.

THE 1993 NEW ZEALAND REFERENDUM ON MMP

New Zealand presents a useful and unique case for studying the relationship between political legitimacy and support for reform. Questions of political legitimacy usually arise in situations where revolutions are imminent, or major political or economic upheaval has occurred. New Zealand is a stable democracy where the electoral system has remained largely unchanged throughout the 20th century. In 1993, however, voters radically altered the existing system by approving a binding referendum that replaced the existing single-member plurality or first past the postsystem (FPP) with a mixed-member proportional system (MMP).[1] The adoption in 1993 and implementation in 1996 of a new electoral system presents a quasi-experimental test of the effects of institutional change. By comparing attitudes prior to implementation to those after, we can assess the impact of the new electoral system on evaluations of the political system. Given that the change from a plurality electoral system to a proportional system has only occurred once previously (France in 1975), New Zealand offers an outstanding opportunity to test theories about the effects of electoral system change.

Arguments in favor of the referendum focused on the existing system's disproportionate translations of votes into seats. Since 1969, the old majoritarian FPP system in New Zealand produced increasingly disproportionate results as smaller parties captured a growing share of the vote (Vowles et al., 1998). New Zealand's system is characteristic of a "a very late rise profile" in which no party with up to 20% of the votes obtains more than 2 percent of the seats (Taagepera and Shugart, 1989, p. 72). In 1990, small parties such as New Labour, Greens, and Christian Heritage received 17.7% of the vote, but garnered only 1% of seats in parliament. In 1993, small parties received just over 30% while gaining only 4% of seats. Despite declining vote shares, the country's two major parties governed with respective parliamentary majorities until 1993, with Labour forming the government through much of the decade of the 1980s and National through much of the 1990s.

During this period, pressure had been mounting for reform. Labour made a commitment prior to the 1984 election to establish a commission to review the electoral system but failed to act on its recommendations. National, in turn, promised a referendum during the 1990 campaign and delivered on its promise in September 1992 when it put electoral reform before the voters in a two-part referendum that gave voters several options, including retaining the existing FPP system. Voters approved MMP from several options on the

1992 referenda and this system was eventually adopted by way of a separate binding referendum held during the 1993 general election.

Implicit in PR advocates' arguments is the idea that the citizenry's dissatisfaction with politics has roots in electoral systems that produce disproportionate translations of votes into seats. But dissatisfaction with politics in New Zealand might also stem from the concentration of power in the hands of a majority that made it possible to implement a series of unpopular reforms in the space of just a few years—taking New Zealand from one of the most regulated to one of the most deregulated economies in the world. Implemented by a Labour government, these policies were seen as incompatible with the traditional beliefs and policies of the party. By 1990, support for Labour collapsed, contributing to a National victory. National's own policies furthered privatization, including the sale of New Zealand Rail, but National nevertheless disappointed its own supporters as it continued to pursue unpopular social policy reforms in health care and retirement income (Vowles et al., 1995, p. 7). Two of the strongest small parties contesting the 1993 election made direct appeals to voters over these issues—winning many votes but few seats. New Zealand First positioned itself as a center/right party that attacked National on the social insurance issue, while Alliance appealed to left-of-center voters disenchanted by Labour's move toward market-oriented policies. National still managed to win the 1993 election by leading all parties with 35% of the vote and formed a government with a one-seat majority.

New Zealand's electoral change can be seen as a prime example of a shift from a majoritarian system toward the more consensual form of democracy thought to foster greater appreciation of democratic institutions. Prior to the shift to MMP, New Zealand's system of governance was described as a "a virtually perfect example" of the Westminster model of majoritarian democracy characterized by its centralized system and the concentration of power in the hands of one of two major parties (Lijphart, 1984, p. 16). In contrast, consensual democracies incorporate a plural distribution of power via PR elections, and aim at restraining majority rule by encouraging the sharing of power between the majority and the minority (Lijphart, 1984). The transition to MMP in New Zealand thus leads to a major shift from the majoritarian end of Lijphart's spectrum toward the consensus end (Nagel, 1999).

EXPLAINING SUPPORT FOR ELECTORAL REFORM

Disproportionate election results, rising levels of cynicism, and a loss in political efficacy in New Zealand suggest that these factors may have influenced a voter's willingness to change the rules of the game. The extent to which support for PR in New Zealand is related to dissatisfaction with the political system rather than incumbent politicians suggests that public dis-

affection can undermine the legitimacy of the political system and can result in events more serious than dismissing the current government. Jackson (1993), referring to the 1992 nonbinding referendum on electoral reform, suggested that a vote for electoral change was a vote against the existing system rather than for an alternative electoral system. If voters were rejecting the existing system, which aspects were they rejecting? Conceptually, we distinguish political legitimacy from evaluations of current governmental policy performance. Political legitimacy taps into general and long-term evaluations of the political system and the electoral and representative processes. On the other hand, economic performance is a short-term evaluation about current governmental policy outputs. But concepts of political legitimacy and economic performance are not unrelated; economic evaluations and government performance are likely to influence evaluations of the political system (Weatherford, 1987). Also, if dissatisfaction with political actors or policy is intense and long lasting, there is the possibility that dissatisfaction may be generalized to the political system (Fuchs et al., 1995, pp. 326–327).

In New Zealand, declining government accountability has been linked to the state of the economy and the government's economic policies (see Vowles, 1995, pp. 100–102). In a bivariate analysis, Levine and Roberts (1994) find that assessment of those who approved of the government's performance were more likely to vote for the status quo; almost 81% who thought that the government's performance was very good voted for FPP while 78% of those who thought that the government's performance was very poor voted for MMP (p. 249). Therefore, we would expect those who believe that the economy has performed poorly to be more likely to support political reform.

Lack of representation suggests that minor party supporters are likely to be less trusting of the government, seeing it as less accountable and less responsive than supporters of the two major parties. Because they are more likely to be disaffected, political minorities may also be more likely to support reform intended to enhance their representation. Proponents of PR argue that under FPP, minority parties might gain a sizable amount of support but nevertheless be denied representation as was the case in New Zealand in 1990 and 1993 when third-party support exceeded 20%. Therefore, a sizable part of the voting population was denied representation in the government and in the opposition. We might also expect those on the extreme ends of the ideological spectrum to be left out of the political debate given the incentive for parties to converge to the ideological center in FPP systems (Downs, 1957). According to Fuchs and Klingemann (1995), the "government/opposition mechanism" serves to channel dissatisfaction. If a group of voters is left out of this process, the mechanism will not function in mediating the disaffection of political minorities. Furthermore, this lack of representation may have the effect of alienating citizens from the political system. Disproportional election

results, such as those produced under FPP, may affect perceptions of the government's responsiveness and legitimacy among small party supporters and, thus, indirectly influence support for reform.

Other factors affecting support for MMP, such as self-interest and partisanship, have been explored elsewhere (Lamare and Vowles, 1996; Vowles, 1995; Vowles et al., 1995; Levine and Roberts, 1994). Although both of the major parties were successful in gaining representation, the National party appeared to benefit the most from the existing FPP system. In 1978 and again in 1981, the National party succeeded in winning a majority of the seats even though Labour had received more votes. By 1993, Labour had held office for only 12 of the previous 44 years (Lamare and Vowles, 1994). These results underscore the success that National had in retaining government and explain why there was little support for electoral reform within the National party. In contrast, some Labour elites, notably former Prime Minister Geoffrey Palmer, were instrumental in setting the agenda for electoral reform (Jackson and McRobie, 1998). Given this history, it seems reasonable to expect Labour supporters to be more cynical about the political process and consequently more likely to embrace electoral reform than their National counterparts. Of course, partisan self-interest might also motivate Labour supporters to change the rules of the game.

Underrepresented groups, such as Maori and women, might also be more supportive of PR given its potential to increase their representation. Under FPP, Maori representation was confined primarily to the four Maori electorates. Although the ruling National party altered the electoral law in 1967 to allow Maori to stand for European seats, few Maori contest seats outside the Maori electorates (New Zealand Royal Commission, 1986). Under MMP, the number of Maori electorates would be allowed to vary on the basis of their enrollment rather than remaining fixed at four. Thus, not only does MMP guarantee that Maori representation is proportionate, it provides an opportunity for Maori to increase their representation beyond proportionality through additional party list seats (Nagel, 1994, p. 528). Women also stood to increase their representation as PR systems produce, on average, twice as many elected women as FPP systems (Darcy et al., 1994, p. 141).

If declining political legitimacy influences the adoption of PR, once political reform has been implemented, we should expect to see a subsequent increase in political legitimacy. New Zealand's electoral reform advocates were concerned with enhancing the fairness in transferring votes to seats, but they were also aware that electoral system change could lead to qualitative improvements in democratic practices. The Royal Commission on Electoral Reform argued that voting under MMP would be more satisfying and democratic practice would be more legitimate because each citizen's vote would be more equal than under a plurality system (New Zealand Royal Commission,

1986, p. 56). Because PR reduces the proportion of voters who cast "wasted" votes, voters may be more likely to perceive their votes as "counting" (Banducci et al., 1999).

If voters are sensitive to this, and more aware or educated citizens may be more sensitive, their evaluations of the legitimacy or fairness of the political system should be more positive under PR. Therefore, by increasing the effective impact of individual votes, PR systems might be expected to have citizens with higher levels of trust in the political system (Amy, 1993). Others note that the flexibility of proportional systems not only allows for the possibility for political integration of minority groups, but also aids in the formation of protest parties that may enhance mass perceptions of system legitimacy by channeling discontent into the political arena (see Miller and Listhaug, 1990, pp. 364–366). Comparisons across countries with different electoral systems show that political minorities appear to be more satisfied with democracy under proportional systems than under majoritarian systems (Anderson and Guillory, 1997).

LEGITIMACY, PERFORMANCE, AND SELF-INTEREST: TESTING THE MODEL

We use panel data from the 1993–1996 New Zealand Election Study to examine the relationship between political legitimacy, governmental performance, self-interest, and support for the 1993 referendum on MMP in New Zealand.[2] Respondents were surveyed after the 1993 election when the MMP referendum was on the ballot and then again after the first MMP election in 1996. Given the adoption of MMP in 1993 and its implementation in the 1996 election, these panel data are ideal for modeling a relationship between evaluations of the political system and political reform. We hypothesize that political system evaluations at time $t-1$ influence support for reform at $t-1$. After implementation of the reform, we expect those who supported the reform to be more satisfied with the political system. Thus, when the process changes in accordance with citizen preferences, we would expect that citizen evaluations of the process would also change.

As a measure of system support, which is an aspect of political legitimacy, we use indicators that tap citizens' evaluations of the fairness of the political process (Weatherford, 1992, p. 160). Fairness of the political process is closest to the traditional political trust or cynicism scale used in previous studies (see Craig et al., 1990; Weatherford, 1992). According to Weatherford (1992), fairness is just one dimension of legitimacy orientations; however, it is one dimension that can be measured using data from the New Zealand Election Study. Fairness is measured by questions about how often citizens can trust government, whether they agree that government is run for big interests,

whether members of parliament are out of touch, and whether the respondent feels they have a say in government.[3] All indicators have been coded so that high scores indicate positive evaluations of the fairness of the political system.[4]

We are interested in separating support for reform due to general dissatisfaction with the political system from support due to more specific dissatisfaction with governmental policy performance. We hypothesize that short-term evaluations of the economy as well as political minority status and self-interest affect more general support for the political system. Therefore, we first model evaluations of the political system (fairness) in 1993 as a function of economic performance, self-interest, and political minority status. To assess how much of the support for MMP is due to low evaluations of the political system rather than poor evaluations of current governmental policy performance, we set up direct and indirect paths from the short-term evaluations and political minority status through fairness to support for MMP. Therefore, support for proportional representation (MMP) is a function of fairness and the direct and indirect effects of economic performance, self-interest, and political minority status. A diagram outlining the hypothesized paths of influence and the expected relationships is given in Fig. 1.

To measure party preference, we employ a 5-point measure of each party ranging from strongly like to strongly dislike. Respondents' highest ranked party is classified as the respondents' first preference. If the preference is for a party other than National or Labour, the respondent is identified as having a preference for a minor party. Using party preference over vote has the advantage of including all minor party supporters, even those who may have been forced to cast a strategic vote for a major party. Additionally, party identification may not capture preferences for minor parties that have not been around long enough for voters to develop psychological attachments. Economic performance, our indicator of current governmental performance, is a scale formed from four questions regarding the current state of the economy and the government's performance on the economy; high scores indicate positive evaluations (see Appendix A for question wording). This scale is the mean value for these four questions and ranges from -1 to $+1$. Separate dummy variables also represent voters who placed themselves at the extreme ends of a 7-point left—right ideological scale, respectively. All dichotomous variables such as female, prefer minor party, prefer Labour, no party preference, Maori identity, and support for PR have been coded 0 when the characteristic is absent and 1 when it is present. As controls, we use age, in years, and education, which ranges from 0 to 6.

Hypothesizing that those who supported reform would be more likely to have an increase in support for the political system, we model fairness in 1996 as a function of support for proportional representation while controlling for

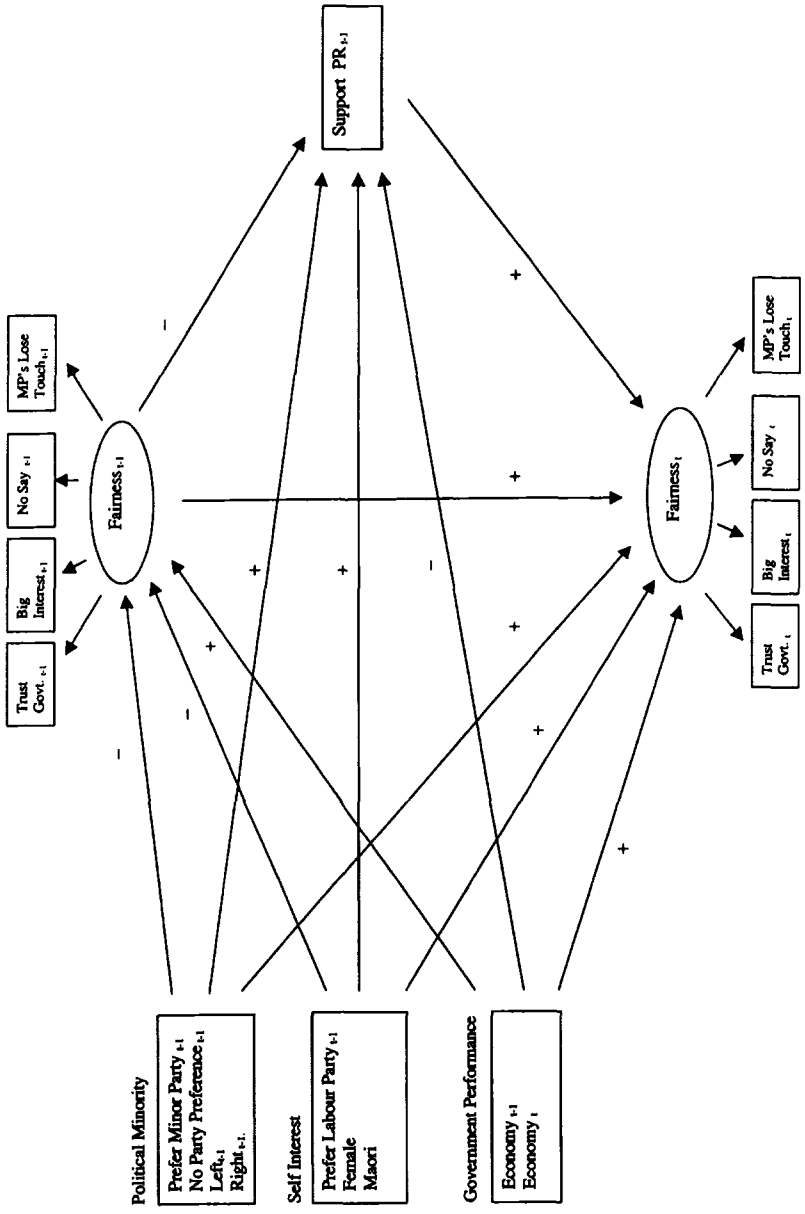

FIG. 1. Hypothesized relationship between fairness, self-interest, economic performance, and support for PR.

1993 levels of fairness. We expect that those who voted for MMP and who are most politically aware are most likely to change their view of the system. Those with high levels of education are most likely to follow politics and consequently more likely to be aware of the impact of electoral reform, particularly when the link between the electoral rules and election outcomes is not readily evident and the link between the electoral rules and the fairness of the system develops over time.[5] Given that the full effects of the new electoral system will not be felt immediately, we should not expect substantial changes among supporters who are unaware of its consequences.

Initially, we examine the relationship between support for MMP and changes in evaluations of the legitimacy of the political system using a cross-tabulation. Table 1 shows how assessments of fairness of the political system change after the implementation of PR for supporters and nonsupporters. The table reports the mean score of fairness for each group before and after the change by education. The fairness scale is constructed using the mean score of the fairness indicators and ranges from 1 to 5, with 5 being the most positive rating of the fairness of the political system. As expected, those with lower levels of support for the system were more inclined to support the referendum (for both years, a difference of means test is statistically significant, $p < .01$). While there has been a subsequent increase in 1996 among those supporting their referendum (see totals), the difference in change for nonsupporters is smaller but nevertheless significant at $p < .05$ (using a one-tailed test). The larger increases in perceptions of fairness are among the most educated supporters of PR. Those with medium and high levels of education who voted for the referendum experience a substantial increase in fairness, while there is little change among their counterparts who voted against the referendum. This initial analysis suggests that system change may have the greatest impact on evaluations of the political system among those supporters with high levels of political awareness. Therefore, we include an interaction term between education and support for PR in the full model.[6]

We employ a LISREL structural equation model to analyze the full model proposed in Fig. 1 for two reasons. First, LISREL statistical procedures are particularly appropriate for analyzing the proposed hypotheses because we have multiple indicators of our key concept—fairness of the political system. Second, LISREL models are a powerful tool for the analysis of panel data (Markus, 1979, p. 61). A LISREL model allows us to adjust for autocorrelated errors that occur in the same indicators over time in panel data. Therefore, we use information about the error structure in panel data to obtain more reliable and valid estimates of our multiple-indicator measures. However, Jöreskog and Sörbom caution that maximum likelihood LISREL estimates based on a matrix of product-moment correlations may not be appropriate for ordinal and dichotomous data that characterize most of the variables we use

TABLE 1. Changes in Perceptions of Political System Fairness After Electoral Change by Support for Reform and Education

		Fairness			
	Education Level	Before Reform (1993)	After Reform (1996)	Average Change	*n*
Supporters of PR	Low	2.14	2.21	0.06	333
	Med	2.37	2.56	0.19	231
	High	2.61	2.82	0.22	86
	Total	2.28	2.41	0.13	
Opposed to PR	Low	2.67	2.69	0.03	286
	Med	2.87	2.95	0.08	168
	High	3.03	3.08	0.05	86
	Total	2.78	2.82	0.05	

Difference in change significant at $p < .05$ (two-tailed).

(1989, p. 192). Therefore, we analyze a polychoric correlation matrix as this produces parameter estimates with little bias for ordinal data (Babakus et al., 1987, p. 227; Rigdon and Ferguson, 1991, p. 496). We stick with maximum likelihood estimates as this method tends to produce estimates with little bias (Rigdon and Ferguson 1991).[7]

RESULTS

The maximum likelihood results are given in Table 2.[8] The overall fit of the full model is reasonable, with a goodness-of-fit index of .88. The fit of the three structural equations is also reasonable: the estimated R^2 for the 1993 fairness model is .41, the R^2 for the support MMP model is less impressive at .23, and the 1996 fairness model is an exceptional .73 due largely to the explanatory power of the lagged measure of fairness. In order to estimate the model, the errors between the indicators of fairness in 1993 and in 1996 have been allowed to correlate.[9]

In discussing the parameter estimates, we first consider the determinants of fairness in 1993. The results indicate a strong degree of dissatisfaction among those who prefer the major party out of power (Labour) or minor parties in 1993.[10] Those who prefer Labour or a minor party are less likely to perceive the political system as fair compared to those who prefer the party in government—National. As one indication of how policy outputs affect evaluations of the political system, those persons whose ideological placement is consistent with the party in government, respondents who place themselves

TABLE 2. Structural Model: Fairness and Support for Political Reform

	1993 (t − 1)				1996 (t)	
	Fairness		Vote for MMP		Fairness	
Variable	Coeff	Std Coeff	Coeff	Std Coeff	Coeff	Std Coeff
Prefer Labour (t − 1)	−.09°° (.03)	−.11	.09° (.04)	.09	.05 (.03)	.06
Minor Party Preference (t − 1)	−.10°° (.03)	−.14	.16°° (.04)	.16	.02 (.03)	.02
No Party Preference (t − 1)	−.01 (.03)	−.01	.06 (.03)	.06	−.02 (.02)	−.02
Left (t − 1)	−.002 (.02)	.00	.12°° (.03)	.12	−.02 (.02)	−.03
Right (t − 1)	.17°° (.03)	.23	−.13°° (.03)	−.13	.01 (.02)	.01
Maori Identity	−.03 (.03)	−.04	.10°° (.03)	.10	−.05° (.02)	−.06
Female	.01 (.02)	.02	−.09°° (.03)	−.09	−.02 (.02)	−.03
Economic Performance	.30°° (.03)	.40	−.03 (.04)	−.03	.16°° (.02)	.19
Education	.08°° (.02)	.11	.20°° (.03)	.20	−.05 (.03)	−.06
Age	.07°° (.03)	.09	.14°° (.03)	.14	−.06°° (.02)	−.07
Fairness (t − 1)			−.35°° (.06)	−.26	.82°° (.04)	.72
Vote for MMP					−.13°° (.02)	−.16
Education × Vote for MMP					.20°° (.02)	.23
R^2	.41		.23		.73	
n = 1190[a]						

°°p <.01; °p < .05.

[a]Pairwise deletion was used to produce the correlation matrix so that the sample size reported is the average sample size for bivariate correlations. Bivariate sample sizes ranged from 1014 to 1305.

Note: Standard errors are in parentheses.

on the right, are more likely to believe the system is fair. Evaluations of the economy, another indicator of policy outputs, weigh heavily in evaluations of the political system. Those satisfied with the economic policies of the government are extremely likely to be satisfied with the fairness of the political

process, indicating that short-term forces affect evaluations of the political system.

These evaluations of system fairness have a strong impact on voters' willingness to change the rules of the game; those who regard the system as unfair are more likely to want to change it. While fairness has the strongest impact on support for PR, there is also evidence to support the interpretation that self-interest structures support for electoral reform. Minor party supporter has a strong effect on support for the referendum, indicating that those who are dissatisfied with the lack of minor party representation under FPP are more likely to support a change in the electoral system that would lead representation in parliament to be based on proportionality. Self-interest also appears to be in play when considering the effect of Labour party preference on support for electoral reform. Indeed, without the votes of Labour supporters, the referendum would not have passed. As the reference category, National party supporters are the least likely to support reform consistent with the assumption that the incumbent party under FPP has the most to lose by changing the system. We expected those on both ends of the ideological spectrum to be more likely to support PR. We find support for this hypothesis with respect to those on the left side of the ideological spectrum. Those on the right, however, are less likely to support change. Most likely this reflects satisfaction among those on the right with the pace of deregulation and the policies of the incumbent government.

While we find support for partisan self-interest, the results for group-based self-interest are less clear. Bivarate results show that Maori supported the referendum by two to one, and these differences hold up after controlling for other factors. Women, however, are no more likely to question the fairness of the political system than men and, contrary to our expectations but confirmed in an earlier study (Lamare and Vowles, 1996, p. 343), are less likely to support the referendum.

Short-term evaluations of economic performance do not appear to influence support for the referendum. While economic evaluations affect support for the referendum indirectly through fairness, there is little evidence to suggest that support for reform is a backlash against poor policy performance.

Turning to the part of the model that predicts fairness evaluations in 1996, a high correlation between fairness in 1993 and fairness in 1996 is evident, showing overtime stability in evaluations of the political system. Nevertheless, the interactive effects between support for the referendum and education that were evident in Table 1 remain strong in the multivariate analysis. Whereas supporters who are less politically aware experience a decline in fairness, those with higher levels of education experience a substantial increase. The differential effects associated with education indicate that the potential for political reform to instill greater confidence, at least in the short run, is limited to those with higher levels of political awareness.

The positive effects for supporters with higher levels of education may also be based on their motivation for supporting reform. Those with higher levels of education are more likely to be politically aware and thus have the information necessary to maximize their self-interest (Delli Carpini and Keeter, 1996, pp. 238–254).We examined the interactive effects of education and the self-interested explanations and found support for this hypothesis. The effects for political minorities are strongest for those with higher levels of education. For example, over three fourths (76%) of those preferring minor parties with high levels of education voted for the referendum compared to two thirds (62%) with low levels of education. Since PR succeeded in increasing the representation of minor parties, it makes sense that those who supported the referendum for that reason would be more satisfied with the fairness of the political system. On the other hand, unless there was a perceived improvement in the economy, we would not expect those who supported the referendum as a backlash against poor policy performance to be more satisfied. As the positive coefficient indicates, those who believe the economy improved in 1996 are more likely to see the system as fair. Controlling for past levels of fairness, economic evaluations are the largest contributor to current levels of fairness. Finally, the coefficient for Labour is approaching statistical significance, indicating that Labour supporters became more positive about the fairness of the political system. The increase may be attributed to postelection optimism that Labour would enter into a coalition with New Zealand First.[11]

DISCUSSION

Comparative data from the United States shows that discontent there is due more to perceptions of "procedural injustice" (Hibbing and Theiss-Morse, 1995) rather than to the culmination of policies that are out of step with the wishes of voters. While there is a tendency in the United States for discontent to be higher among those who say they are worse off financially compared to a year ago, the relationship is not strong (Craig, 1993, p. 47). Analysis of New Zealand panel data suggests that short-term factors such as economic policy have the strongest effect on explaining change in evaluations of the fairness of the political system. The existence of a stronger link between economic performance and perceptions of fairness of the political system in New Zealand and not in the United States may be attributable to a parliamentary government where the enactment and implementation of policy occurs much more quickly than in federal systems with separated powers. The structure of New Zealand political institutions makes it easier to assign credit and blame for economic and policy performance. Therefore, for citizens, performance evaluations may be more easily linked to evaluations of

political institutions and process, making it easier for voters to know whom to reward and punish.

Some scholars believe that rising levels of discontent serve to undermine the legitimacy of the political system, prompting movements for political reform (Miller, 1974), while others believe that such discontent represents dissatisfaction with persons in government, and, therefore, is not a threat to the legitimacy of the political system (Citrin, 1974). Depending on one's perspective, the consequences of declining political legitimacy can range in severity. At the less extreme end of the spectrum, disenchanted citizens could pull away from the political process, becoming less engaged in the polity. Somewhere in the center of the spectrum, the electorate may throw the current party or regime out of power. This scenario may indicate disenchantment with the outputs of the government. As a more extreme option, citizens may choose to change the rules by which the game of politics is played by revising the constitution or changing the electoral system. Rather than becoming alienated from the polity (as in the first scenario), citizens seek to change the political process and support reforms intended to promote fairness. Finally, political violence and revolution would be the most extreme option.

The question raised in this paper regards the dynamic relationship between institutional change and citizens' evaluations of system performance. Our results suggest that voters are more willing to support reform when they perceive the political process as unjust and that dissatisfaction with current government performance indirectly affects support for reform through evaluations of the political system. Past research shows that political dissatisfaction is linked to protest activities in several Western European countries (Dalton, 1996, pp. 79–81). While supporting electoral system change in a referendum vote does not qualify as a protest activity in accounts of unconventional political behavior (Marsh, 1977; Muller, 1972), it does signify a rejection of the current electoral system and is somewhere further along the continuum of protest voting than casting a vote for a nonincumbent party. To the extent that support for electoral reform is linked to dissatisfaction with the political system rather than the current party in power or its policies, the implementation of PR does seem to have a positive influence on evaluations of government.

Voters would not have had the opportunity to express this dissatisfaction with the political system if not for the activities of political elites. Party leaders and the Electoral Reform Commission put political reform on the agenda and gave voters the opportunity to express frustration. Similarly, a combination of elite activity and the existence of the initiative process put legislative term limits in the United States on the agenda, allowing voters to express their discontent (Karp, 1995). Our results suggest that once placed before the voters, low evaluations of the fairness of the political process are directly linked to support for reform, and dissatisfaction with the current government's policy

performance is indirectly linked to support for reform. These results help to place the role of legitimacy orientations in the debate over political reform and to show that it can help to explain support for reform that is short of revolution but greater than replacing the incumbent party.

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APPENDIX A

Indicators of **Fairness** (1993 and 1996):

a. **Trust Government:** You can trust the government to do what is right most of the time. 1 = Strongly disagree; 2 = Disagree; 3 = Neither; 4 = Agree; 5 = Strongly agree.
b. **Big Interest:** The New Zealand government is largely run by a few big interests. 1 = Strongly agree; 2 = Agree; 3 = Neither; 4 = Disagree; 5 = Strongly disagree.
c. **No Say:** People like me don't have a say about what government does. 1 = Strongly agree; 2 = Agree; 3 = Neither; 4 = Disagree; 5 = Strongly disagree.
d. **MP's Lose Touch:** Most members of Parliament are out of touch with the rest of the country. 1 = Strongly agree; 2 = Agree; 3 = Neither; 4 = Disagree; 5 = Strongly disagree.

Fairness Measurement Model:
1993–1996 New Zealand Election Study Panel

	Fairness ($t-1$)		Fairness (t)	
	Loading	Std Loading	Loading	Std Loading
Trust Government	0.74	0.56	0.66	0.56
Big Interests	1.00	0.75	1.00	0.85
No Say	0.77	0.57	0.81	0.69
MP's Lose Touch	0.94	0.70	0.87	0.73

All factor loadings are statistically significant at $p < .01$.

Vote for MMP: If you did vote in the electoral referendum, which option did you choose: First Past the Post (FPP) or Mixed Member Proportional (MMP)? 1 = MMP; 0 = Did not vote/ FPP.

Measures of Party Preference were constructed from the following question: Regardless of what their chances were at the 1993 election, how do you feel about these (National, Labour, Alliance, New Zealand First, Green, New Labour, Christian Heritage, Mana Motuhake) political parties? 5 = strongly support; 4 = can't support; 3 = Neutral; 2 = oppose; 1 = strongly oppose; 0 = can't say.

Prefer Labour. 1 = Labour Party received highest ranking or equal preference was given for Labour and a minor party (Alliance, New Zealand First, Green, New Labour, Christian Heritage or Mana Motuhake); 0 = otherwise.

Minor Party Preference: 1 = Minor party or multiple minor parties received highest ranking; 0 = otherwise.

No Party Preference: 1 = No party ranked above 2 or indifferent between 4 or more parties; 0 = otherwise.

Ideological Scale: In politics, people often talk about the "left" and the "right." If you think about politics in this way, generally speaking, where would you put your views on the scale below, where 1 is most left and 7 is most right? **Left:** 1 = Respondent marked 1 or 2; 0 = otherwise. **Right:** 1 = Respondent marked 6 or 7; (0) otherwise.

Maori Identity: 1 = Maori; 0 = otherwise.

Female: 1 = Female; 0 = Male.

Economic Performance (1993 and 1996) is a mean scale of the following four questions:

a. How does the financial situation of your household now compare with what it was 12 months ago? −1 = A lot worse; −.5 = Little worse; 0 = Same; .5 = Little better; 1 = A lot better.
b. How do you think the general economic situation in the country now compares with what it was a year ago? −1 = A lot worse; −.5 = Little worse; 0 = Same; .5 = Little better; 1 = A lot better.
c. Compared with a year ago, would you say that the government's policies have had a good effect, bad effect, or that they have not really made much

of a difference to the financial situation of your household? −1 = Bad effect; 0 = No difference 1 = Good effect.

d. And what effect do you think they have had on the general economic situation in the country as a whole? −1 = Bad effect; 0 = No difference 1 = Good effect.

Education: Which one of the following is your highest formal educational qualification?
0 = No qualification; 1 = School Certificate in one or more subjects; 2 = Sixth Form Certificate or University Entrance in one or more subjects; 3 = University Bursary or Scholarship; 4 = Overseas or other school qualification; 5 = Nondegree professional or technical tertiary qualification; 6 = University degree.

Age: in years.

APPENDIX B. Polychoric Correlation Matrix

	Vote for MMP	Trust $Govt_{t-1}$	Big $Interest_{t-1}$	No Say_{t-1}	MP's Lose $Touch_{t-1}$	Trust $Govt_t$	Big $Interest_t$	No Say_t	MP's Lose $Touch_t$
Vote for MMP	1.00								
Trust $Govt_{t-1}$	−.26	1.00							
Big $Interest_{t-1}$	−.34	.44	1.00						
No Say_{t-1}	−.09	.25	.39	1.00					
MP's Lose $Touch_{t-1}$	−.22	.40	.51	.47	1.00				
Trust $Govt_t$	−.24	.46	.38	.21	.35	1.00			
Big $Interest_t$	−.28	.35	.69	.36	.48	.43	1.00		
No Say_t	−.12	.21	.39	.55	.38	.31	.56	1.00	
MP's $Lose\ Touch_t$	−.12	.29	.46	.39	.52	.38	.59	.51	1.00
Prefer $Labour_{t-1}$	.03	−.04	−.12	−.16	−.12	−.03	−.07	−.10	−.07
Minor Party $Preference_{t-1}$	.19	−.12	−.14	−.02	−.09	−.13	−.16	−0.001	−.06
No Party $Preference_{t-1}$	−.11	.04	.18	.08	.09	.08	.13	.06	.06
$Left_{t-1}$	.25	−.13	−.17	−.03	−.10	−.18	−.18	−.03	−.05
$Right_{t-1}$	−.29	.28	.39	.23	.30	.22	.36	.23	.24
$Maori_{t-1}$	.14	−.16	−.19	−.24	−.29	−.18	−.23	−.18	−.25
$Female_{t-1}$	−.04	−.05	−.08	−.06	−.07	−.15	−.09	−.06	−.13
Economic $Performance_{t-1}$	−.29	.40	.42	.29	.36	.32	.44	.29	.35
Economic $Performance_t$	−.23	.25	.35	.20	.28	.33	.43	.29	.31
$Education_{t-1}$	.04	−.03	.16	.26	.24	.04	.22	.28	.28
Age_{t-1}	.06	.12	−.04	−.06	.02	.05	−.09	−.16	−.07
Education*Vote for MMP_{t-1}	.88	−.29	−.26	0.004	−.12	−.22	−.19	.02	−.02

NOTES

1. The new MMP system in New Zealand is similar to Germany's electoral system. Voters cast one vote for their local member of parliament (MP) and another for a party. Parties receiving more than 5% of the vote are represented in parliament in proportion to their vote. Of the 120 MPs in parliament, 65 seats are held by MPs elected in single-member constituencies by first-past-the-post. The remaining 55 seats are held by MPs on party lists.
2. For a description of the data, see Vowles et al., 1998 (Appendix A).
3. Given the questions asked in the 1996 NZES, we are not able to fully replicate Weatherford's (1992) measure of fairness. Two of our four fairness indicators, trust government and government run by big interests, are included in Weatherford's (1992) measure of fairness. The two other items, MPs out of touch and no say in politics, reflect Weatherford's (1992) construct of evaluation of representational procedures. We have chosen to include these additional two measures in our fairness index because they are highly correlated with one another. All indicators reflect judgments of system performance according to Weatherford (1992).
4. The estimates for the measurement of fairness at time t and $t-1$ are given in Appendix B. The high factor loadings for each variable indicate that the four indicators are tapping similar evaluations. For the 1993 fairness scale, alpha = .69, for the 1996 fairness scale, alpha = .74.
5. Education and political awareness are related. Delli Carpini and Keeter (1996) report a correlation of .64 between education and their measure of political knowledge that contains a series of information questions about American government and politics.
6. For the use of interaction terms in LISREL models, see Bollen (1989, pp. 128–129).
7. The drawbacks are that the standard errors may be overestimated and the fit statistics are poor (Babakus et al., 1987; Rigdon and Ferguson, 1991). Both of these produce conservative tests for the significance of paths and the fit of the model.

APPENDIX B. (*Continued*)

Prefer Labour$_{t-1}$	Minor Party Preference$_{t-1}$	No Party Preference$_{t-1}$	Left$_{t-1}$	Right$_{t-1}$	Maori$_{t-1}$	Female$_{t-1}$	Economic Performance$_{t-1}$	Economic Performance$_{t}$	Education$_{t-1}$	Age$_{t-1}$
1.00										
−.51	1.00									
−.27	−.38	1.00								
−.06	.16	−.08	1.00							
−.17	−.07	.10	−.37	1.00						
.15	.10	−.18	−.03	−.26	1.00					
.05	−0.004	−.02	−.04	−.19	.19	1.00				
−.15	−.14	.14	−.21	.44	−.37	−.13	1.00			
−.08	−.15	.13	−.14	.30	−.17	−.07	.48	1.00		
−.15	.04	.06	.05	.25	−.26	−.15	.24	0.21	1.00	
−.05	.05	−.03	.08	−.02	−.30	.03	−.15	−0.18	−0.32	1.00
−.03	.21	−.05	.30	−.30	.05	−.09	−.23	−0.16	0.46	−0.11

8. We report both unstandardized and standardized coefficients. Because standardized coefficients rely on the standard deviation for interpretation, they are sensitive to the variation in a particular sample. For a discussion on the difficulties of using standardized coefficients, see Bollen (1989, pp. 124–126). The parameters for the model were estimated using a correlation matrix as input and missing values have been deleted on a pairwise basis. Therefore, the sample size varies from 1150 to 1305.
9. The error covariance between 1993 and 1996 measures of trust government, big interest, no say, and MPs out of touch are .22, .16, .27, and .10, respectively. All are statistically significant at $p < .01$.
10. We also estimated the model using ranking of the National party on a preference scale from 0 to 10 as an indicator of incumbent government performance. However, this was highly correlated with party preference, so we have dropped it from the final model.
11. Both Labour and National entered into coalition talks with New Zealand First, which held the balance of power after the election. These talks lasted for two months and resulted in a coalition between National and New Zealand First.

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