Generations and the Referendum on MMP

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Introduction

Changes to electoral systems are rare. New Zealand's experience with electoral system change sets it apart from many other established democracies. Rarely do citizens have the opportunity to vote directly on legislation that proposes a change to the 'rules of the game'. The 2011 election was the sixth one held under the MMP system introduced in 1996. It also marked the third time in nearly 20 years that the electorate would be asked to vote on changing the electoral system.

One of the central assumptions of theories of electoral system change is that elites are rational and will only support a change in rules if it benefits them (Bowler, Donovan and Karp 2006; Riker 1980). So it is assumed that ruling parties have little incentive to change the rules of the game. Moreover, theories of mass opinion assume that elites shape public opinion, particularly on issues that are somewhat complex (Zaller 1992).

When changes do occur, they are assumed to be more accidental than calculated. Such is the account of electoral system change in New Zealand which rests on the assumption that Labour Prime Minister David Lange had either misread his briefing notes, or they contained a mistake, when he announced in a televised debate during the 1987 election that if elected a referendum would be held on electoral reform (Jackson and McRobie 1998). Three years later, however, National party leader Jim Bolger made a deliberate and calculated pledge to hold a referendum on electoral reform in order to exploit Labour's failings and offer a positive solution to growing discontent with the political system. The pledge, however, was seen as carrying little risk within the National party caucus because it was widely believed in 1990 that New Zealanders would never vote for radical electoral reform (Renwick 2010).

These expectations were based on the assumption that voters have an underlining preference to preserve the status quo. According to system justification theory, people have a tendency to defend the status quo in order to preserve the legitimacy of the social order. People may also have a tendency to support the status quo when they are uncertain about the outcome. As Magleby observed in the United States, citizens who are in doubt or lack information or who may be confused often vote 'no' to change on initiatives and referenda (Magleby 1984).

Of course, this is not how things played out. In 1992, voters approved a non-binding referendum by an overwhelming majority to replace the existing first-past-the-post

system, which had been in place since 1853.[1] A year later, voters approved a binding referendum to switch to MMP by a majority of 54%.

At the time, New Zealanders had no direct experience of any other electoral system. Arguments in favour of the referendum focused on the existing system's disproportionate translations of votes into seats. Since 1969 the old majoritarian FPP system produced increasingly disproportionate results as smaller parties captured a growing share of the vote (Vowles, Aimer, Banducci, and Karp, 1998). In 1990, small parties such as New Labour, Greens, and Christian Heritage received 18% of the vote, but won only 1% of the seats in parliament. In 1993, small parties received just over 30% of the vote but gained only 4% of the seats. As a result, National and Labour were able to govern with manufactured majorities until 1993, with Labour forming the government through much of the decade of the 1980s and National through much of the 1990s.

Why support MMP?

Four months before the 2008 election, the National party promised at its national conference to hold a referendum on MMP no later than 2011. Most members of the National party had long been sceptical about MMP, and National had advocated holding a referendum on MMP in every election campaign since 1996 (Taylor 2005; National Party 2001). The lack of enthusiasm for MMP within the National party is more likely to reflect an antipathy for power sharing arrangements that constrain decisive government than purely partisan self-interest (Karp and Bowler 2001). The first MMP election is a case in point. The National party returned to power but in a coalition with New Zealand First, an arrangement which neither side embraced (Miller 1998).

However, unlike the context in the early 1990s, in 2011 there did not appear to be a strong demand to change the status quo and there was no obvious alternative to MMP. When making the announcement, National party leader John Key acknowledged that it was unlikely that New Zealanders would support a return to first past the post (FPP) but he did think that there might be support for a different kind of proportional system (*New Zealand Herald* 2008). Of the various alternatives, the National party appeared to favour the Supplementary Member (SM) system which would almost certainly be less proportional than MMP. Under SM, 90 MPs would be elected from single member districts under first past the post and 30 MPs would be elected by proportional representation via party lists. The main difference between MMP and SM is that MMP guarantees proportional outcomes by using the party list vote to compensate for disproportional outcomes in electorate contests while SM would not.

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[1] Some MPs were also elected by first past the post in multi-member districts until 1903 when all MPs were elected in single member districts. In 1908 and 1911 a second election was held in electorates in which the winning candidate did not receive an absolute majority.

Under MMP the more proportional translation of votes into seats virtually guarantees small parties representation, provided that they can cross the threshold of 5% or win at least one electorate/constituency seat. These thresholds would prove to be critical. In 1999, Winston Peter's narrow win by 63 votes in the Tauranga electorate allowed New Zealand First to gain a total of five seats in parliament even though the party received only 4.3% of the vote. In 2008, New Zealand First won 4.1% of the party vote but did not win any seats in parliament because it failed to win a constituency seat. In contrast, in the same election the ACT party received 3.6% of the vote but managed to win an electorate seat, thereby winning a total of five seats in parliament. As for the larger parties, both National and Labour have each won three elections, but neither has been able to win a majority of seats under MMP. Thus under MMP, apart from providing representation to small parties, there are no clear winners, with electoral outcomes producing both centre-left and centre-right governments.

The New Zealand Election Study (NZES) has tracked support for MMP at the time of each general election. These trends are displayed in Figure 9.1. The proportion responding that they would vote to keep MMP has fluctuated somewhat over the years within a band of 45% to 55%. In 1996 a majority (54%) of those with an opinion replied that they would vote to retain MMP in a hypothetical referendum while the remaining percentage said they would vote to replace MMP with either FPP or another alternative. As is evident from Figure 9.1 support for MMP declined between 1996 and 1999 when National formed a coalition government with New Zealand First; it eventually collapsed in mid-1998. Monthly tracking polls showed that enthusiasm for the new electoral system faded rapidly and probably reached a low in mid-1998, when the coalition government collapsed. At the time just a third of the electorate said that they preferred MMP compared with a majority favouring FPP (Bowler and Karp 2001; Vowles, Karp, Banducci and Aimer 2002). Since then support for MMP has recovered, with a majority expressing a willingness to retain the system in 2002 and in 2011. Although not shown, support for FPP has also remained stable ranging from 29% to 38%. Figure 9.1 also tracks responses to a question asking respondents whether they are satisfied with the way democracy works in New Zealand. This question, which has been replicated in a number of countries, is assumed to measure political legitimacy (Klingemann 1999). As Figure 9.1 shows, support for MMP tracks with satisfaction with democracy, which remains relatively stable with about two-thirds expressing satisfaction.

It was in this context that the Electoral Referendum Act of 2010 was passed, setting the stage for a nonbinding referendum to be held at the same time as the 2011 general election. Like the 1992 referendum, the 2011 referendum had two parts. The first question asked voters if they wished to keep the existing MMP system. The second question provided voters with a list of four options if New Zealand were to change to another voting system: first past the post, preferential voting, single transferable vote, or supplementary member.

Figure 9.1: Support for MMP and satisfaction with democracy, 1996-2011
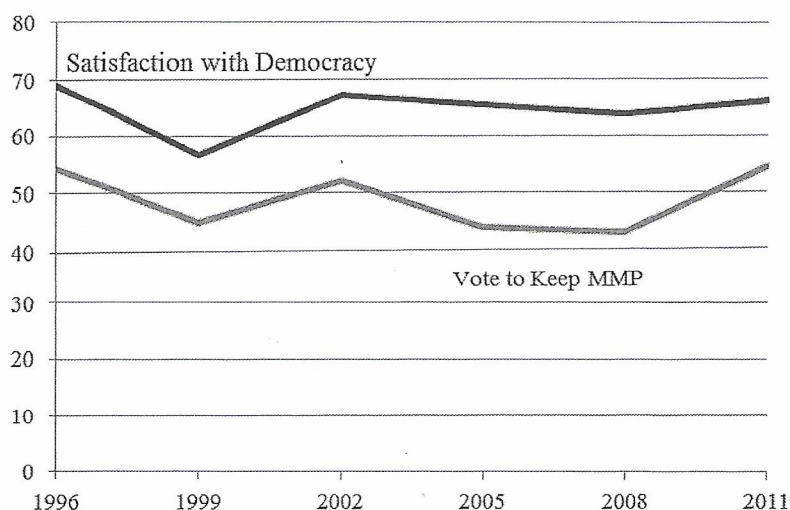
Source: NZES, various years.

The Act set up specific provisions for referendum campaigns. It limited the total amount of money that could be spent by unregistered promoters to $12,000 and $300,000 for registered promoters. Those spending over $100,000 were required to file a return of their itemized expenditures with the Electoral Commission. Unions representing the New Zealand Public Services Association and the New Zealand Educational Institute (NZEI) filed returns along with two groups organized to campaign for and against the referendum.

The Campaign for MMP was established in 2010 to mobilize support for MMP and was headed by Sandra Grey, a lecturer at Victoria University and the president of the Tertiary Education Union. The group produced a series of billboards featuring citizens from various parts and sectors of New Zealand being quoted on aspects of MMP. For example, Glenn Turner, a Cricketer from Wanaka, was quoted 'I believe in power sharing. MMP gives more people the chance to be represented.' And Erin Polaczuk from Raglan was quoted as 'Let's not go back to FPP when the old boys always won! Only under MMP can women leaders get a chance'. Thus, the campaign for MMP aimed at reminding voters that women's representation has increased under MMP, which can largely be attributed to the adoption of party lists as observed in chapter 6.

The campaign opposing MMP 'Vote for Change' was set up by Peter Shirtcliffe who also fronted the 1993 anti-MMP campaign and was primarily made up of conservative business people, politicians on the right, and National and ACT activists. One of the exceptions was former Labour party president and Waitakere Mayor Bob Harvey who resigned after allegations were made that one of its founding fathers was involved in a white supremacist group (Donnel 2011). The group was not well organized and employed a poster of Winston Peters with the heading 'Your Choice Not

His!', and a billboard featuring a photograph of Peters asking 'Trust Winston to choose the next PM?' (Stuff 2011)

The campaigns for and against the referendum were not highly salient. Very little money was spent on either side and there was almost no coverage on television either in advertising or televised debates. In total the Campaign for MMP spent $157,000, outspending the Vote for Change by nearly a margin of two to one (New Zealand Electoral Commission 2012). The single largest expenditure was for radio advertising, followed by billboards, and print advertising. Nearly half of the $80,000 spent by Vote for Change went to 'outdoor advertising'. The Electoral Commission also conducted a public information campaign and produced a detailed guide to voting on the referendum that was delivered to all New Zealand households in October as well as an EasyVote pack delivered to all voters a week ahead of the election. However the Commission struggled to get much of a take-up of its information campaign. Meanwhile many of the more prominent elites, including Prime Minister John Key, sat on the sidelines of the debate.

Political knowledge

Data from the NZES indicate that nine out of ten citizens (89%) were aware of the referendum before the election and 83% had heard, seen, or read about the alternatives to MMP. When asked how much they knew about MMP, a majority responded either 'a lot' or 'moderate'. Unexpectedly, more people believed that they knew more about first past the post which may suggest that FPP appears on the surface to be easier to understand than MMP. Indeed MMP does require some sophistication on the part of the voter. When it was adopted there were concerns that the system had the potential to confuse voters given the nature of the mixed system, which combines two sets of rules to translate votes into seats in different ways. (Karp 2006). In Germany, which served as a model for MMP and where the system has been in place since 1953, there has appeared to be confusion caused by the labelling of the party list vote as the 'second' vote, which implied that it was less important. For these reasons the Electoral Commission has made a considerable effort to educate voters about how MMP works. While voters with high levels of political knowledge are likely to have learned to understand MMP from one election to the next, voter education for those with lower levels of knowledge is still needed prior to each election. This combination of learning and reminding helps explain why many citizens express some confidence in their knowledge of the system.

Table 9.1: Subjective knowledge of electoral systems by generations (%)

	MMP			FPP		
	FPP Gen	MMP Gen	Gap	FPP Gen	MMP Gen	Gap
A lot	19.8	15.9	-3.9	34.2	11.4	-22.8
Moderate	43.6	28.5	-15.1	35.1	26.8	-8.3
Little	27.6	33.6	6.0	19.9	31.4	11.5
Nothing at all	4.8	14.2	9.4	6.6	20.8	14.2
Don't know	4.2	7.8	3.6	4.3	9.6	5.3

Source: New Zealand Election Study, 2011

Nevertheless there are substantial differences across generations. The 'FPP generation', defined as those who were old enough to have voted in at least one FPP election (i.e. those born up to 1975) are far more confident of their knowledge of both systems than the 'MMP generation'. The gap in self-assessed knowledge about FPP is substantial. Just over a third of the FPP generation expressed confidence that they knew 'a lot' about FPP compared to just 11% of the MMP generation. About 20% of those in the MMP generation responded that they knew 'nothing at all' about FPP and 14% expressed no knowledge of MMP either. In comparison, just 5% of the FPP generation expressed no knowledge of either system. Similar patterns are evident on objective levels of political knowledge. When asked about how MMP works, a majority of the FPP generation correctly indicated that parties could cross the threshold necessary to gain representation in parliament by either winning 5% of the vote or winning at least one electorate seat. About a third of the MMP generation could not answer the question compared to a fifth of the FPP generation.

Table 9.2: Objective knowledge of MMP by generations (%)

	FPP Gen	MMP Gen	Gap
Win 5% of all party votes OR win at least one electorate	54.2	45.1	-9.1
Win 5% of all party votes AND win at least one electorate	23.6	22.7	-0.9
Don't know	22.2	32.2	10.0

Note: Based on responses to the following question: What does a party have to do to cross the party threshold?

Source: New Zealand Election Study, 2011

Who supports MMP?

A majority of 56.2% voted to keep the MMP voting system in the first part of the ballot while 42.1% voted to change the system, 2.7% casting informal votes (in most cases participating in the general election but not voting in the referendum). In the second half

of the ballot, about a third of all the votes cast were classified as informal votes in which no clear option was chosen. But indifference rather than confusion or lack of knowledge contributed to the largest pool of informal votes on the alternative systems (92%). These were people who had voted to keep MMP and presumably saw no need or did not wish to pick a replacement (New Zealand Electoral Commission 2012). Of the alternatives, about a third chose first past the post, followed by the supplementary member system with 16% of the vote. The single transferable vote was supported by just 11% while less than 10% selected preferential voting. Why did a clear majority of New Zealanders vote to keep MMP?

Several theories lead to different answers to this question. If one assumes that self-interest structures support for electoral reform, one would expect supporters of small parties to be more likely to support MMP, given that these small parties would not be guaranteed representation under either FPP or a less proportional system. In addition, while MMP has produced both centre-left and centre-right governments, the Labour party had less success than National under first past the post, governing in just 12 out of the last 44 years under FPP. The vote in the 1993 referendum on MMP reflected these partisan interests with those sympathizing with National voting three to one in favour of retaining the system (Vowles, Aimer, Catt, Lamare and Miller 1995). If MMP is still viewed in terms of partisan self interest, Labour supporters should be more supportive of MMP than National supporters. Similarly, we should also expect Māori and women to be more supportive of MMP given that the system has helped to improve the representation of women and Māori, which is consistent with the empirical evidence from elsewhere that party lists help to facilitate the election of women and minorities (Vowles, Banducci and Karp 2006).

Aside from self-interest, values may also play a role in shaping attitudes about electoral systems. Those on the left and the right offer competing views of an ideal political process with those on the left favouring more inclusive policies while those on the right favour majoritarian policies. One of the obvious consequences of MMP recognised by both proponents and opponents was that it would produce coalition governments (Vowles, Banducci and Karp 2006). Preferences for coalition government, which are clearly associated with support for MMP, increased from 46% in 1999 to 58% in 2011. In contrast, support for single party government has dropped from 42% in 1999 to 32% in 2011.

A third theory assumes that attitudes about MMP are likely to be influenced by age. System justification theory assumes that those who are socialized under one system are likely to be predisposed to defend and accept the status quo (Jost, Banaji and Nosek 2004). Therefore, those under the age of 35, who have no experience of any other system should be more supportive of MMP than the older generations who were socialized under FPP.

Table 9.3: Explaining the 'YES' vote for MMP referendum

Self Interest	(%)
Labour	77
National	36
Green	85
NZ First	74
ACT	7
Female	57
Male	52
Māori	80
Non-Māori	51
Values	
Right	34
Middle	55
Left	80
Prefer coalition governments	72
Prefer single party government	19
Socialization	
MMP generation	61
FPP generation	52
University degree	65
No university degree	52

Source: New Zealand Election Study, 2011 (voters only)

The results in Table 9.3 show the distribution of the reported vote on the referendum by variables capturing each of the three theories. There appear to be clear partisan differences with three quarters of Labour voters (77%) supporting MMP compared to just a third (36%) of National supporters.[2] Support is also high among all small party supporters except for those supporting ACT, who overwhelmingly voted against MMP. Māori and, to a lesser extent, women also appear to be more supportive. Self-interest,

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[2] Party preferences are measured by the following question: 'On election day, which party did you like the most?'

however, is only part of the story. Values also appear to play an important role in structuring support with those who place themselves on the left side of the ideological spectrum favouring MMP by 80% compared with 34% of those on the right.[3] These ideological differences could explain why supporters of ACT, a small party to the right of National which has much greater potential to gain representation under MMP, would nonetheless vote against it. There is also a clear relationship between preferences for coalition governments and support for MMP, indicating that voters understand MMP produces coalition governments. The results in Table 9.3 also suggest that political socialization plays a role. Those who have voting experience only under MMP are clearly more supportive than the older generation, who have experience with both systems. These findings are largely consistent with theoretical expectations and are in line with previous studies (Karp and Bowler 2001; Karp and Aimer 2002).

Figure 9.2 breaks down support further by electoral experience, defined by the number of elections that citizens have had an opportunity in which to participate. As the Figure reveals, electoral experience is associated with stronger opposition to MMP. Fewer than 20% of those who were voting for the first time opposed MMP while nearly 50% voted in support. Although more supportive, those with less experience are also less likely to vote. Nonvoting drops off dramatically for those old enough to vote in both MMP and FPP elections, and then remains relatively constant regardless of experience suggesting that MMP has not succeeded in socializing newer citizens to become engaged in the political process. It also suggests that the gap in support for MMP between generations may have been greater if the 'MMP generation' were more engaged.

Of course, it is possible that the generational differences observed above can be attributed to other factors. It is likely that older voters who were socialized under FPP have stronger ties to the larger parties while the MMP generation may have a stronger preference for smaller parties. It is also possible that party preference structures attitudes about coalition government. Smaller parties are likely to prefer coalition arrangements. A multivariate analysis is needed to control for these factors. Logit is used to estimate the results given that the dependent variable is dichotomous.

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[3] Ideology is measured by the following question, 'In politics, people sometimes talk about the 'left' and the 'right'. Where would you place these political parties on a scale from 0 to 10, where 0 means the most left and 10 means the most right? (If you don't know, tick there).' Left is coded as those placing themselves at 0-3 and those on the right coded as 7-10.

Figure 9.2: Electoral experience and vote for MMP (%)
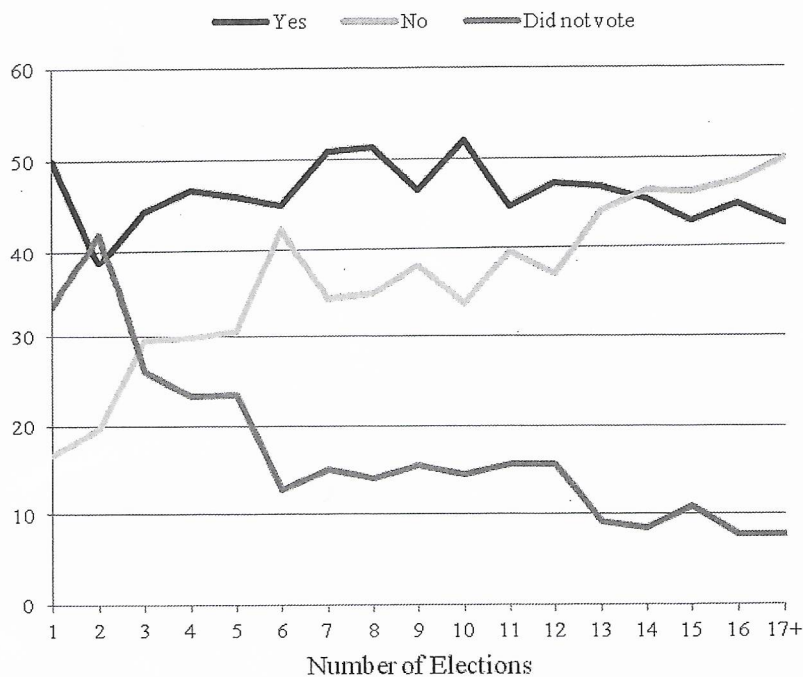
The results are reported in Table 9.4. For simplicity all of the variables are coded as dichotomous so the interpretation of their relative effects is straightforward. To ease the interpretation of the logit coefficients, expressed in terms of the log odds, the probabilities for each of the independent variables are estimated at their minimum and maximum values, holding all other variables constant at their mean values. With the exception of gender and small party voters, all of the variables are statistically significant. However some are clearly more important than others. A preference for coalition government emerges as the strongest predictor of support for MMP. Specifically, the probability that a citizen who prefers coalition government will vote for MMP increases by .32 compared to a citizen who prefers single party government. The results for the variables representing self-interest are mixed. There are no significant differences between small and large parties. However the differences between the large parties are substantial. A citizen who prefers the National party has a probability of voting for MMP of .50 compared to a Labour party supporter whose probability is .67, controlling for all other factors. Similarly, while women are no more supportive than men, Māori are substantially more supportive than non-Māori. Finally there is some evidence to suggest that generational differences are important. The MMP generation is more likely to vote for MMP than the FPP generation but the differences are not great. In addition, education emerges as an important predictor. Those with university degrees are more supportive than those without (for similar findings see Vowles 2008).

Table 9.4: Model of support for MMP referendum (Logit coefficients)

	Coef.		S.E.	Min	Max	Change
National	-0.94	**	(0.12)	.67	.50	-.17
Small party preferred	-0.13		(0.13)	.61	.59	-.01
Female	0.11		(0.10)	.59	.61	.02
Māori	1.21	**	(0.13)	.55	.75	.20
Left	0.68	**	(0.16)	.58	.70	.11
Right	-0.31	*	(0.12)	.62	.56	-.05
Don't know (ideology)	0.45	**	(0.14)	.59	.66	.07
Prefer coalition government	1.62	**	(0.10)	.40	.72	.32
MMP generation	0.35	*	(0.15)	.59	.65	.06
University degree	0.42	**	(0.12)	.58	.65	.07
Constant	-0.71	**	(0.14)			
Pseudo R^2	0.25					
n	2771					

**p<.01; *p<.05

Source: New Zealand Election Study, 2011

Note: Voters only

Conclusion: Why change the status quo?

The referendum provided New Zealanders with another opportunity, after six elections, to change the electoral system. Unlike the early 1990s a majority of New Zealanders expressed contentment with the status quo. Clearly, political values played an important role in structuring support for MMP. Those who place themselves on the left side of the ideological spectrum were far more likely to vote to retain MMP while those on the right were more likely to vote against MMP. There is also a clear relationship between preferences for coalition governments and support for MMP, indicating that voters understand well that coalition governments are more likely under MMP. Along with values, political socialization also appears to have played a role in shaping public opinion on the electoral system. Those who have no experience other than voting under MMP are clearly more supportive than the older generation who experienced first past the post, and who have more knowledge of it. This suggests that voters who are socialized under an existing system and lack knowledge about alternative systems may have a greater incentive to preserve the status quo.

While it has long been assumed that self interest helps to shape public opinion on a range of issues, the evidence in this case is somewhat mixed. In part this can be explained by the low salience of the campaign and the lack of obvious partisan cues. Of the two largest parties, Labour supporters are just as enthusiastic about MMP as small

party supporters. While MMP has produced no clear winners in terms of which party leads the government, Labour is nonetheless better off than it was under FPP. In contrast, supporters of the ACT party, which would fair no better under FPP are nearly united in their opposition of MMP. Although some women may have been reminded of the benefits of MMP in terms of female representation, there do not appear to be any significant gender differences. On the other hand, Māori, whose representation was enhanced under MMP are more supportive of MMP than non-Māori.

Although a majority voted to retain the existing system, the 2011 referendum nevertheless triggered an independent review of MMP by the Electoral Commission. As chapter 10 describes in detail, after receiving submissions and conducting hearings, the Electoral Commission recommended lowering the party threshold to 4% and abolishing the provision for overhang seats. It also recommended removing the coat-tailing provision, which allows parties to bring in extra MPs without having to cross the 5% threshold. Labour and the Greens backed the Electoral Commission recommendations but ACT said it did not support them and New Zealand First opposed lowering the threshold for winning seats in parliament. National also opposed lowering the threshold. In May of 2013 the government announced that it would not implement the changes for the next election due to a lack of political consensus (Chapman 2013).

The experience helps to illustrate why changes to electoral systems are rare events. Parties that win under existing rules are often reluctant to change them. Under pressure, elites may allow voters the opportunity to decide whether to change the rules but as the New Zealand experience suggests, such opportunities may be limited to voting on non-binding referenda. Voters may also be reluctant to change the status quo. While partisan self-interest may motivate responses, values also appear to play a large role. Finally socialization appears to be a factor that helps to promote the preservation of the status quo.