

New Zealand election stalemate exposes deep social divisions

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Provisional results from Saturday's New Zealand elections have put neither of the two major parties, Labour or National, in a position to form a government. The incumbent Labour Party leads by a narrow margin of 23,000 votes with 218,000 special votes still to be counted. As it stands, the result gives Labour 40.7 percent of the vote (50 seats) and National 39.6 percent (49 seats). Both would need to stitch together a shaky coalition with more than one of the minor parties to guarantee the 62 seats needed for a parliamentary majority.

The other parties that won seats on election night are the anti-immigrant NZ First (5.8 percent, 7 seats), the Greens (5.1 percent, 6 seats), the newly-established Maori Party (2 percent, 4 Maori electorate seats), United Future (3 seats), ACT (2 seats) and the Progressives (1 seat). As special votes cannot be counted for another 10 days, there are at least two weeks of horse-trading in store as negotiations take place behind the scenes. The Greens remain vulnerable. With no constituency seats secured, the party could be out of parliament if it falls below the 5 percent threshold. If, on the other hand the Greens gain an extra seat, it will be at National's expense.

Labour is in the best position to begin negotiations, with the most likely outcome a minority coalition government forced to rely on other parties on votes of confidence and supply. United Future leader Peter Dunne promptly announced that he and NZ First's Winston Peters would be the "king-makers". Dunne and Peters previously committed themselves to talk first to the party with the most seats, meaning Prime Minister Helen Clark is able to open talks in her bid to win a third term as prime minister.

As the *New Zealand Herald* has already predicted, the next government could well be the "frailest and most unwieldy governing arrangement in living memory". National leader Don Brash claimed that, on the current figures, any Labour government is likely to fall apart within a year, forcing another election. The same, however, could be said of a National-led coalition.

Labour went to the election with the Greens as its preferred coalition partner, but both NZ First and United Future have declared they will not support any coalition government with the Greens. National and the minor right-wing parties—NZ First, ACT and United Future—do not have the numbers to form a government without support from the Maori Party, which is opposed to National's promise to abolish the Maori seats. The Maori Party has not ruled out talking to National, saying it will see what is "put on the table".

Despite dropping only a small share of the overall percentage vote and two parliamentary seats, the result is a setback for Labour. According to prominent commentator Colin James, Clark should have "cantered home" in the prevailing economic conditions. Underscoring the poor showing, cabinet ministers Jim Sutton, Rick Barker, Dover

Samuels and Mita Ririnui lost their seats, though they return to parliament via the party list. John Tamihere, the former rising star of Labour's Maori caucus, was knocked out of parliament.

In the 2002 election, Labour was returned to government with a 20-seat majority over National. Up to January this year, National appeared to be a spent force, languishing at around 20 percent in the polls and apparently destined to become one of the minor parties. At that point, Labour appeared to have succeeded in positioning itself as the "natural" party of government and the favoured representative of the ruling elite.

The decline in Labour's electoral position is a product of its anti-working class policies over the past six years. It came into office by appealing to widespread popular opposition to the previous National government's pro-market offensive on jobs and living standards throughout the 1990s. Once in power, Labour adapted to the demands of big business. While the commercial sector recorded record profits and share market gains, the living standards of ordinary people continued to decline. Government spending on essential public services and infrastructure was sacrificed to business demands for "prudent" fiscal policies and budget surpluses. Social inequality became more entrenched, with child poverty persistently among the highest levels in the OECD.

Under these circumstances, the various right-wing parties were able to capitalise on growing discontent with Labour by blaming immigrants, Maoris or declining moral values for falling living standards. This was seen in the anti-immigrant demagoguery of NZ First, appeals to "family values" by United Future and open hostility to Labour's social program from the increasingly politicised religious right on such questions as homosexuality and prostitution.

The National campaign was based on a similar orientation. National's fortunes initially revived 18 months ago when Brash delivered a right-wing speech on the race question, saying that policies promoting affirmative action for Maori and Pacific Islanders were producing a double standard of citizenship. Brash went on to raise a populist call for "equal treatment for all before the law".

In July this year, big business roundly criticised Labour's budget for failing to produce sufficient tax cuts. A media campaign promoting National as a credible alternative government catapulted it into contention, with tax cuts presented, falsely, as the means for increasing the take-home pay of the majority. While it was able to almost double its vote from 2001, National failed to win overwhelming support for a program that would inevitably mean deep inroads into public sector jobs and basic services such as health, welfare and education.

Some commentators have concluded that the result shows the

electorate has “swung to the right”, but the outcome points to a sharply polarised society. There is a growing alienation of large sections of the population from the official political structure. Despite confident predictions of a high voter turnout, 80 percent of registered voters cast votes—only slightly up on the 77 percent who voted in 2002. The increase was partly due to the efforts made by the new Maori party to enrol and activate greater numbers of Maori voters concerned over the continuing erosion of their social position.

The turnout was significantly lower than the 90 percent common in elections before the imposition of pro-market restructuring programs under Labour and National over the past two decades. A key feature of the campaign was the volatile polls, which swung from one day to the next. Even 24 hours before the election some 20 percent of voters were still registering as undecided, indicating the breakup of firm party loyalties. The two major parties, which dominated New Zealand politics for most of the past century, now rest on a narrowing base of less than one third each of the voting age population.

In the end, Labour clung on by standing on its record as a stable government and the party of unity. Its main slogan “Don’t put it all at risk” sought to play on widespread fears and uncertainties over Brash’s policies. Labour’s support came from the urban working class areas and the central Wellington electorates that are home for the majority of public servants. It was buttressed by deep hostility to Brash, with many people voting for Labour, not out of conviction but because it was seen as the lesser evil.

For their part, the Greens have progressively lost support the more they have been identified with Labour. In this election the Greens, who supported the Labour government from outside the cabinet for six years, dropped from 9 parliamentary seats to 6. This process mirrors the fate of the Alliance, a former “left” coalition partner with Labour, which split apart after supporting the invasion of Afghanistan and now attracts only a handful of votes.

National consolidated the right-wing vote by attracting support from the minor parties—ACT, NZ First and United Future—taking 20 seats from them. National’s biggest gains came in the rural areas and provincial centres, as well as in the better-heeled electorates in the largest city of Auckland. National also successfully appealed to the emerging religious right. The Christian-based United Future lost votes and 5 MPs to National, while the Destiny Church won less than 1 percent of the vote.

In the wealthy Auckland seat of Epsom, the ACT (Association of Consumers and Taxpayers) leader Rodney Hide upset National’s Richard Worth by appealing to voters to keep his party in parliament, after its support plummeted to 1.5 percent in the polls. Under the proportional system, electors get two votes, one for the electorate MP and one for their party preference. Hide appealed to National supporters to give their electorate vote to him, as Worth was already guaranteed a seat through the National Party list. ACT retains two seats in parliament, ensuring its survival as a mouthpiece for the most extreme anti-tax and anti-welfare program.

The highly polarised electoral map in New Zealand has parallels with that which emerged in the US after the last elections. Labour is for now politically dominant in the major urban centres and across the middle of the North Island which is the centre of the forestry, pulp and paper and tourism industries. The major city of Auckland is sharply divided on class lines, with the working class electorates in South and West Auckland returning Labour and the eastern suburbs and North Shore siding with National. Outside this, National controls all the South Island, the rural East Coast and the main farming areas of the

lower North Island.

Labour’s longstanding hold on the Maori seats appears to have been broken by the Maori Party. The party was set up 15 months ago by cabinet minister Tariana Turia, who quit Labour in protest at the government’s decision to accommodate to Brash by annulling a court ruling that would have recognised traditional Maori rights in the seabed and foreshore. The party won four of the seven Maori seats. Labour has lost Maori seats only once before—in 1996 when a protest vote delivered them briefly to NZ First.

The Maori Party campaigned on the platform of giving Maori an “independent voice” in parliament. The party advocates the further entrenchment of the Treaty of Waitangi, signed in 1840, as the country’s “founding document”, and the recognition of the “special status” of Maori as the country’s original inhabitants. It was able to capitalise on the hostility generated by the impact of Labour’s economic policies on Maoris, who form one of the most oppressed sections of the working class.

Labour and the Maori Party fought a bitter campaign, with Clark saying that in terms of possible coalition partners, the Maori Party would be “the last cab off the rank”. The results, however, not only give the Maori Party leverage in the formation of a government, they also show a majority of Maori voters, while voting for Maori Party electorate MPs, gave their party preference to Labour. This forced Clark to moderate her tone and angle for Maori Party support.

Despite its radical pretensions, the Maori Party represents a layer of the Maori elite that has been the real beneficiaries of policies of ethnic empowerment. It advocates the establishment of more Maori businesses and self-help schemes, and the further inroads of privatisation into health and education under the control of Maori entrepreneurs. Co-leader Pita Sharples is on record as calling for more private prisons. During the 12 months Turia spent as the party’s sole MP, she voted more often with National than with Labour.

The ruling elite is making it clear what Labour will be expected to do if it retains office. Colin James used his *New Zealand Herald* column to advise Clark that it was time for her to “rethink important policies”—including personal tax, moral issues, Maori policies—and turn to promoting “nationhood” and “managerial politics”. Business spokesmen have warned that the result is not a mandate for things to stay “as they are” and have called on Clark to press ahead with market reforms. The head of Business New Zealand demanded that in the absence of major tax cuts, the government should step up its workplace productivity program—in other words deepen attacks on the working class in the interests of profit.



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