

# Labour government dumped in New Zealand elections

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12 November 2008

New Zealand's Labour-led government was ousted in elections held last Saturday, ending a nine-year period in office. Prime Minister Helen Clark and her deputy, Michael Cullen, immediately resigned their leadership positions. The new prime minister will be John Key, leader of the conservative National Party. A relative political novice, Key is a multi-millionaire former currency trader who was brought forward during an inner-party coup following National's failure at the 2005 election.

National's win was emphatic, and confirmed poll predictions that had consistently indicated Labour lurching deeply into unpopularity throughout this year. The final results saw National win 45 percent of the popular vote, with Labour reduced to just 34 percent. In terms of seats, National is up 11 seats to 59 in the 122-member parliament, with Labour down seven to 43 seats.

Responsibility for the outcome rests entirely with the Labour party itself, and its backers in the trade unions. Far from being a popular endorsement of Key and the National Party, the vote represents a clear repudiation of Labour and its pro-business orientation by significant layers of the working class.

In the country's major working class centres, the Labour vote collapsed as working people abstained from the elections *en masse*. Radio NZ's political editor Brent Edwards compared the voting turn-out with previous years, and found that in urban working class electorates, thousands fewer turned out for Labour than in 2005. They did not, however, vote for National. According to Edwards, what changed was "Labour's supporters stayed home. It was symbolic of the vote over much of the country where Labour's share of the vote was trimmed back, sometimes substantially," he reported.

A survey of voting figures in "heartland" Labour seats underscores this assessment. In the main city of Auckland, Labour lost 9,500 votes in the "safe" Mangere electorate, nearly 6,000 in Manurewa, 4,300 in Mt Roskill and 4,700 in New Lynn. In Clark's own seat of Mt Albert, it lost over 6,000 votes. Elsewhere, cabinet minister Lianne Dalziel saw her vote in Christchurch East more than halved, down by 6,400 votes, while in the Wellington/Hutt Valley region Labour dropped 7,600 votes in the Rimutaka electorate and 4,700 in Rongotai. Overall voter turnout was 79 percent—the third lowest figure for the past century.

The poll saw Labour suffering a number of significant losses. It surrendered, for the first time in its history, the "flagship" seat of Auckland Central, along with the mainly working class seat of Waitakere in west Auckland, previously held by former union official Lynne Pillay. Cabinet ministers Damien O'Connor (West Coast), Harry Duynhoven (New Plymouth) and Steve Chadwick (Rotorua) all lost their seats.

At the same time, there were notable shifts in the fortunes of the minor parties. The country's mixed-member proportional system (MMP) was introduced for the 1996 elections in a desperate attempt to avert popular disillusionment with a parliamentary setup dominated by two parties—Labour and National—with virtually identical policies. MMP provided for both electorate and "list" seats, the latter apportioned according to a party's share of the overall vote once it has cleared the five percent threshold. This established the basis for a proliferation of minor parties, from both the so-called "left" and the right, which have, since 1996, played a crucial role in propping up various coalition governments.

In this election, the right-wing populist, anti-immigrant New Zealand First Party—which was invited by Clark to join her government, was one of the major casualties. NZ First's vote slumped to less than five percent and it lost all its seven seats. Its high profile leader and NZ foreign minister, Winston Peters, lost his seat and is now out of parliament after a career going back to the early 1980s. Peters had been the subject of a series of highly publicised financial scandals at the outset of the campaign, over secret party funding deals. Although cleared in separate investigations by the police, the serious fraud office and the electoral authorities, Peters was effectively removed as a factor by the time of the poll.

Of the other parties, the Greens have six percent of the vote and eight seats (up two). The right-wing pro-big business party, ACT, which has five seats (up three), the Maori Party (five seats), Progressive (one seat) and United Future (one seat), all won relatively safe electorate seats.

Key has already announced that he will enter coalition arrangements with both ACT and United Future—whose leader Peter Dunne has jumped ship to align with National after serving as revenue minister under Clark. Included in the ACT line-up is 70-year-old former Labour finance minister Roger Douglas, who founded ACT in the early 1990s in order, he said at the time, to complete the "unfinished business" of market deregulation and privatisation left behind by the collapse of the government he led with David Lange in the 1980s.

Although the support of ACT and United Future will guarantee the National-led government a parliamentary majority, Key has announced he is seeking to engage the Maori Party in government. The Maori Party split from Labour over its Seabed and Foreshore legislation, which was designed to cut off Maori claims to indigenous rights over the inter-tidal zone. It then contested the 2005 election, winning four of the special Maori seats by posturing as the champion of the Maori population, which is one of the most impoverished sections of the working class. The Maori Party, however, is a right-wing formation that speaks for a thin layer of the Maori petty bourgeoisie who reaped the benefits of multi-million

dollar land settlements and built businesses and careers on the basis of Maori identity politics.

Unsurprisingly, the New Zealand and Australian media immediately trumpeted the election result as a turn to the “right” by the population at large. Meanwhile, the media’s house “radical” commentator Chris Trotter, spokesman for a clique of pro-Labour “lefts” went even further. Trotter used his column in the *Sunday Star Times* the day after the election to vehemently denounce working people as “gutless, witless, passionless creatures of the barbecue-pit and the sports bar” who “just couldn’t cope with the idea of being led by an intelligent, idealistic free-spirited woman”, and so “voted Helen Clark out of office”.

None of this bears any resemblance to the truth. Clark was never anything more than a conventional bourgeois politician who cut her teeth as a cabinet minister in the infamous “pro-market” Labour administrations of the 1980s. And contrary to the pronouncements of the “lefts” she was never a “socialist”. When Labour was returned to office in 1999 amid deep popular hostility to the right-wing policies of the previous two decades, Clark promptly reassured big business of her party’s loyalty to its interests.

For the past nine years, Clark and Labour have assiduously worked to carry out the essential requirements of New Zealand and international capitalism. Labour’s record is one of relentless attacks on the living standards of the working class at home, and the pursuit of imperial interests abroad. During the period through to 1995, a booming share market saw business leaders boasting of “rivers of gold”, while record profits were extracted from high international commodity prices.

There was no commensurate improvement, however, in the lives of ordinary people. While Labour implemented a few cosmetic “reforms”, such as meagre increases to the minimum wage, changes to industrial law and the holidays act, it did nothing to incur the ire of the business sector. As a result, the social position of working people continued to decline. Labour’s legacy is one of the highest rates of inequality, and highest levels of outright poverty, in the OECD.

In the international sphere, Labour supported the Bush administration’s “war on terror” to the hilt, in order to establish, in tandem with the right-wing Howard government in Australia, a quid-pro-quo for its own operations in the Pacific. Labour sent warships and army engineers to Iraq and SAS troops and ongoing occupation forces to Afghanistan. It was singularly successful in re-establishing relationships with Washington, after the freeze that followed the anti-nuclear posturing of the 1980s. Former US Secretary of State Colin Powell fulsomely described the two countries as “very, very, very good friends”. New Zealand currently has troops and police contingents operating neo-colonial occupations in both Timor and the Solomon Islands.

As a result, the policies of Labour and National were virtually identical. Any minor differences detectable at the beginning of the campaign were quickly over-ridden when the international economic crisis erupted, and the policies of both parties converged to prop up the financial sector and place the burden of the unfolding recession squarely on the backs of working people. While Key released a tax cut package based on plundering the “KiwiSaver” retirement scheme, Clark declared a moratorium on spending promises. The party’s “total focus”, she insisted, would be an “economic stimulus package for growth”, i.e., financial backing for business.

Vast numbers of Labour voters stayed at home because they felt they

had no-one to vote for. Their effective boycott of the polls represented a stand against the current state of affairs and the official political set-up—from which they feel totally alienated and disenfranchised. To the extent that Key and National attracted any positive support, it was by appealing to a widespread desire for “change”—even to the point of trying to identify with Obama’s victory in the recent US elections.

The lack of any progressive alternative for working people was inadvertently underscored in an election eve editorial in the *NZ Herald*. Stressing the essentially bipartisan character of NZ politics, it declared: “Yet whatever the result, some important policies will endure. Our political cycle over the past generation seems not to lead to wholesale reversal, but selected change and a more general accretion of policies.

“When Jim Bolger’s National team swept to power in 1990 it adopted core initiatives of the Fourth Labour Government: economic deregulation, the Reserve Bank Act, state-owned enterprises, Tomorrow’s Schools. Similarly, come 1999 and Helen Clark kept not only the past new-right innovations of her own party but also National’s Fiscal Responsibility Act, reduced welfare benefit levels and the privatisation of Contact Energy and commercialised state power companies...

“Should John Key’s National form a government after tomorrow, many of the Fifth Labour Government’s innovations will continue...”

In other words, as the international financial and economic crisis intensifies, so too will the austerity measures carried out by the incoming administration. This will lead, sooner rather than later, to a sharp intensification of the class struggle.

As for Labour, it is preparing an even further turn to the right, with the uncontested installation on Tuesday of Phil Goff as party leader. Goff is another product of the 1980s Labour cabinet. Most recently, as Clark’s defence minister, he was responsible for Labour’s rapprochement with Washington and for overseeing the continuing neo-colonial occupations of Afghanistan, Timor and the Solomon Islands by New Zealand troops, a task he has particularly relished.



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