

Wealthy areas switched support to Labour Party in New Zealand election

John Braddock, Tom Peters**28 October 2020**

After being re-elected on October 17 with 49.1 percent of the votes, the New Zealand Labour, led by Prime Minister Jacinda Ardern, is the first party able to govern alone since 1996. An estimated 480,000 special votes (from overseas voters and late registrants), accounting for about 17 percent of all ballots, are still to be counted. The final tally will be known on November 6.

Despite the Labour Party being expected to get at least 64 seats in the 120-seat parliament after its best result since 1946, the formation of the new government has been delayed for two weeks to accommodate negotiations between the Labour Party and the Green Party to secure its ongoing support.

Pseudo-left groups including the International Socialist Organisation, the trade union funded *Daily Blog*, and *Jacobin* magazine in the US, falsely claim that the election result is a victory for “the left” and that workers stand to win significant gains. In reality, the ruling elite is demanding drastic austerity measures to pay for historic bailouts of big business and the banks, as well as increased military spending.

The Labour Party's election campaign, which was predominantly conducted by Ardern alone, announced no significant new policies, with the party claiming the pandemic made it too difficult to plan ahead. This was to provide free rein to implement the demands of business onto a population already significantly impoverished as a result of Labour's previous three years in office. Labour's promises in 2017 to address child poverty and homelessness have been exposed as lies, with poverty and unemployment skyrocketing.

In the 2017 election, despite winning just 36.9 percent of the votes—well below the rival National Party's 44.4 percent—Labour was chosen by the right-wing nationalist NZ First Party to join it in a coalition. The Labour-NZ First deal, supported by the Greens, was backed by the United States, which saw these parties as more reliable instruments to strengthen New Zealand's alliance with Washington as it prepared for war against China. Labour and NZ First had for years sought to demonise Chinese immigrants and attacked the 2008-2017 National Party government for building closer business ties with China.

In 2020, the Labour Party benefited significantly from the crisis in the National Party, which has been profoundly destabilised by the US and media anti-China campaign. This year, the conservative party had two leadership changes in four months and multiple senior MPs have resigned. Its support collapsed to 27 percent, its second-worst result ever.

Labour gained votes at the expense of National, which was not seen as a viable alternative either by workers or among its own core supporters including large sections of the upper middle class and businesses.

Both National and NZ First also bled votes to the far-right ACT Party, which has gone from 1 MP to 10. NZ First only got 2.7 percent, below the 5 percent threshold needed to re-enter parliament. The Greens increased their share of votes from 6.3 to 7.6 percent, giving the party 10 seats. The Greens' support largely came from middle class electorates such as Wellington Central and Auckland Central.

There are undoubtedly illusions in Labour among workers, reinforced by a barrage of media propaganda praising Ardern as the embodiment of compassion who purportedly defeated COVID-19. New Zealand implemented a relatively strict lockdown in late March and has so far not experienced deaths on the catastrophic scale seen internationally. This was not due to Ardern's foresight or benevolence, however, but because the government feared a mass movement beginning to develop in the working class demanding a lockdown.

The support for Labour is being significantly exaggerated in the media. One important fact buried in the coverage is that, according to preliminary figures, almost one in four people, 877,674, did not vote for any party. The Electoral Commission estimates the turnout to be 82.5 percent of those enrolled, compared with 79.8 percent in 2017. However, when one accounts for 7.5 percent of eligible people who were not enrolled as of October 16, and 15,645 informal ballots in which the voter's choice of party is “unclear,” the turnout drops to 75.89 percent.

This reflects widespread hostility towards the entire political establishment. Large numbers of workers and young people correctly see Labour and National as two parties of big business and war.

Under New Zealand's mixed member proportional system, voters have a party vote and a candidate vote. The party vote determines the overall proportion of seats held by each party, while the candidate vote decides which MP represents an individual electorate. People who identify as Maori can choose to vote in one of the seven Maori electorates instead of the general electorates.

Particularly low voter turnout has been reported in the Maori electorates of the East Coast with 71 percent, and Waiariki with just 54 percent. In the latter seat, Labour's sitting member lost to

Rawiri Waititi from the right-wing Maori Party, which represents indigenous business interests and wants a complete end to immigration. Working class Maori are among the most exploited in society, disproportionately affected by homelessness, incarceration, poor health and lack of education.

Of the 72 electorate seats, Labour won the party vote in all but four. Across the South Island Labour won the party vote for every single electorate, with only a few seats retained by individual National MPs. Labour swept all electorates in both Wellington and Christchurch.

In a breakdown of voting published by *Stuff*, which divided the country into 1,635 localities each with one or two polling booths, Labour got more votes than any other party in 77 percent of neighbourhoods.

In many working class suburbs, Labour increased its majority significantly. In Aranui, Christchurch, Labour's winning margin increased from 46.76 percent to 63.09 percent. In Porirua East, north of Wellington, Labour won by 62.39 percent, up from 33.55 percent. In South Auckland, Labour's margin in Mangere Bridge increased from 13 to 29.3 percent, Manukau Central from 15.7 to 51.8 percent, Manurewa Central from 21.7 to 46.9 percent and Onehunga Central from 10.6 to 37.2 percent.

At the same time, in 663 areas including wealthier suburbs and conservative regions, Labour overturned previously comfortable National Party majorities.

National Party leader Judith Collins notably lost the party vote in her "safe blue" electorate of Papakura, where Labour won 40.3 percent to National's 38.7. National's deputy leader Gerry Brownlee lost his Christchurch seat of Ilam after 25 years, by over 2,000 votes. In Ilam North, a National margin of 27.9 percent in 2017 switched to Labour by 4.2 percent.

In Seatoun, Wellington's second most expensive suburb, Labour won by a margin of 18.12 percent—in 2017 National won by 19.32 percent. In Herne Bay, which according to the *New Zealand Herald* has Auckland's most expensive houses with a median price of \$2.56 million, the National Party got 35.89 percent of the votes, which was only 0.76 percentage points ahead of Labour, compared with a 28.14 percent lead in 2017.

The bloodbath recalls a previous swing by layers of the business elite and upper middle class to Labour in the 1987 election. The Labour government that came to power in 1984, led by Prime Minister David Lange, launched a sweeping program of market liberalisation, including tax cuts for corporations and the rich, the privatisation of public assets and mass redundancies for the working class.

Like the Lange government, the Ardern government is carrying out a brutal redistribution of wealth from the poor to the rich. The social layers that benefited from Labour's right-wing policies over the past three years include share market players, landlords and property investors. In August, a survey by MYOB found that for the first time Labour was the preferred party of small and medium business owners, with 38 percent indicating support for Labour and 35 percent for National.

According to financial analyst Frances Sweetman, the NZX 50 gross index rose 53 percent during the three years of the Labour-led government, compared with a 36 percent rise for the US S&P

500. Property values have skyrocketed, fuelled by record low interest rates and the Reserve Bank's quantitative easing policy. House prices escalated by 27 percent during Labour's term, vastly exacerbating inequality and social hardship.

Using the pandemic as a pretext, the government has handed tens of billions of dollars to corporations in so-called wage subsidies, tax concessions and bailouts. The Reserve Bank is printing up to \$100 billion in a quantitative easing program, buying government bonds from private banks. The same businesses that benefited from these policies are making tens of thousands of people redundant, and slashing work hours and wages, with the collaboration of the trade union bureaucracy. This year has seen a drop in median incomes of at least 7.6 percent, and nearly 12 percent of the working age population is now on welfare.

Labour's appeal to the more privileged was boosted by an election promise of a meagre rise in income tax for only the richest 2 percent of earners and Ardern's insistence that Labour would not impose a wealth tax. The government last year abandoned a major promise to implement a Capital Gains Tax, previously declared necessary to tackle the overheated housing market.

In her election night victory speech, Ardern made a point of thanking former National Party voters "who may not have supported Labour before." She promised Labour "will be a party which governs for every New Zealander." This mirrors statements by US Democratic presidential contender Joe Biden, who has appealed for support from right-wing Republicans against Trump.

Labour returns to office under conditions of rapidly widening social inequality and class polarisation. In response to the growth of working class struggle, the political establishment in every country is lurching rapidly to the right and towards more brutal and authoritarian forms of rule.

New Zealand is no exception. Significant struggles have already taken place under the Ardern government in 2018-19 when nurses, teachers and thousands of other workers held nationwide strikes over pay and conditions, which were betrayed by the unions.

The economic crisis that now exists is far more acute than prior to the pandemic, requiring accelerated attacks on the conditions of workers. The next round of austerity, assaults on democratic rights and preparations for war will trigger broader and more sustained eruptions. Whatever illusions exist in Labour and Ardern will be shattered by these events.



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