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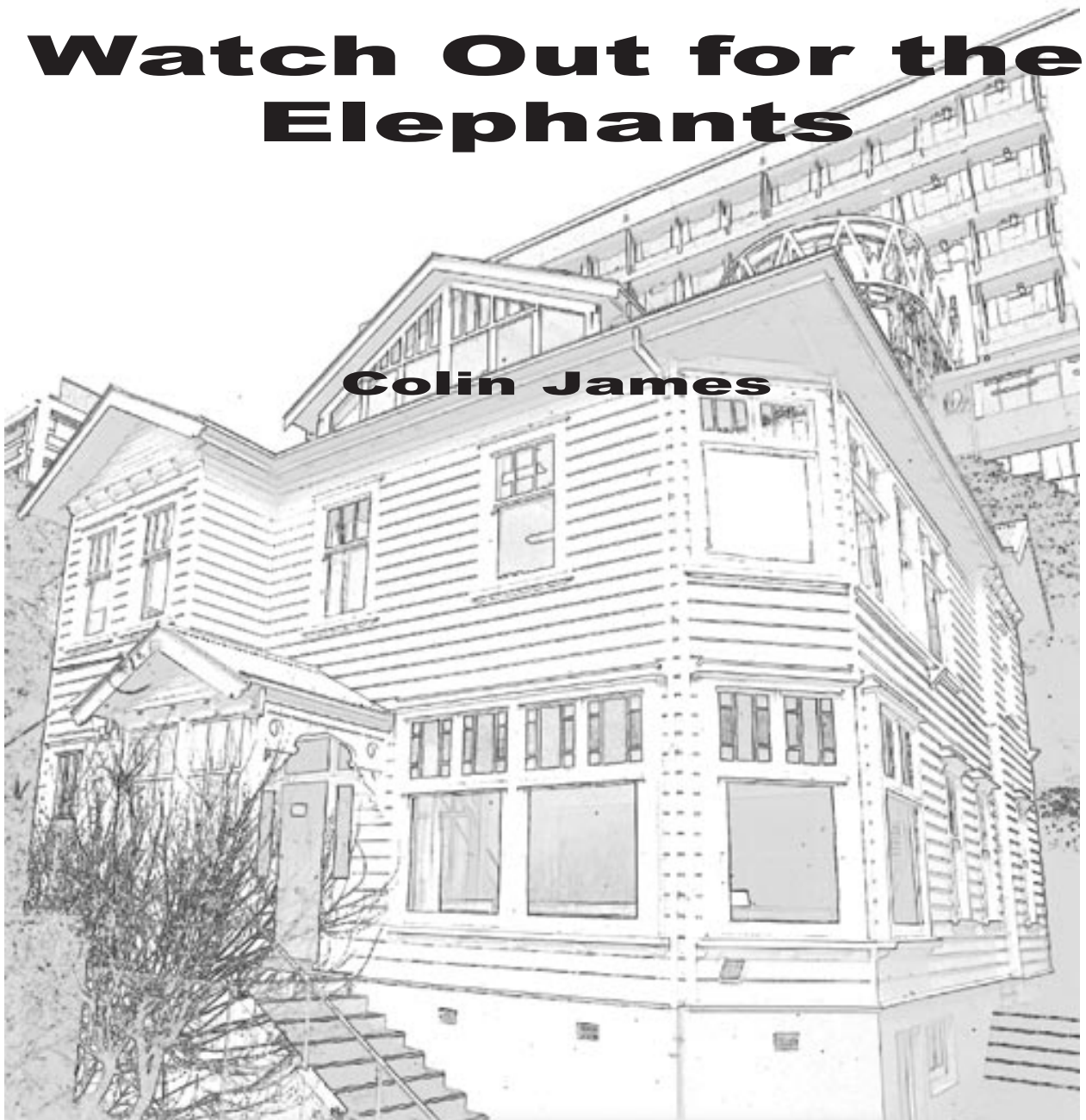
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Watch Out for the Elephants

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Watch Out for the Elephants

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Abstract

This speech was given by Colin James to the United Future conference, 16 November 2002. In it he gives a succinct account of recent New Zealand party politics, the place of niche parties, and the position of United Future.

Turmoil in Party Politics

This time last week I was listening to a disorganised ramble by a former colleague of Peter Dunne's. Pauline Gardiner was urging on New Zealand First delegates zero tolerance of drugs. United Future would agree.

Pauline was one of the six serving MPs, four from National and two from Labour, who joined Peter in the United party in 1995. Peter served in the National cabinet in 1996. He had been a Labour party minister in 1990. Richard Prebble, a colleague of Peter's in that 1990 cabinet, defeated Pauline for the Wellington Central seat in 1996. He was leading ACT. Graeme Lee, a former National MP, led the Christian Democrats in that election. For the 1999 election the Christian Democrats renamed themselves Future New Zealand, which was the name Peter gave the party he formed in 1994 before later joining United. Peter was most put out about that usurpation of his party's name.

In all, in the 1996 election, Labour supplied the leaders of four significant parties, including itself. National also supplied the leaders of four parties, including itself and New Zealand First. Of those eight parties only four are still in Parliament in their original form.

There are two points in that for United Future to ponder. One is the turmoil of party politics in the 1990s. The other is the short shelf-life for parties that get it wrong.

The turmoil in party politics is not over. In large part it can be put down to MMP, which voters have still not really got on top of, though this year's election looked a lot more like an MMP election than the elections in 1996 and 1999. But that is not the whole story. The turmoil also in part reflects the disorientation of our society. Even if FPP had stayed I think there would have been a high probability of minority and/or coalition governments sometime in the 1990s – just as we did under FPP in the turbulent 1920s.

So my first point is that nothing is settled. We will see parties coming and going, rising and falling, for a time yet. United Future does not have some God-given place in the sun. Nothing is predestined in politics.

Catchment Areas and the Political Firmament

Next, I want to say something about where United Future has come from. It has come from two different regions in the political firmament.

One region is the centre, the space between Labour and National.

When Peter Dunne first discussed with me his inclination to form a new centre party back in 1994 I said there wasn't a space there. The centre had been the battleground between National and Labour for more than 60 years. The spaces for new parties were elsewhere. And the polls and two elections proved me right. United's vote stayed very small.

Nevertheless, Peter claimed the centre and in this year's election campaign he got more widespread recognition for his claim. The centre is now his. You might define it now, since the infamous 'worm', as the 'commonsense' region – a Goldilocks' place, not too left and not too right. It is still, I think, a very small space but I will have more to say about that later.

The second place United Future has come from is a region which for maybe 20 years has been unrepresented in Parliament. That is the moral conservative space. There have been individual moral conservatives in Parliament and National has its Christian wing outside Parliament, but there has not been a moral conservative party in Parliament. The Christian Coalition came close in 1996 but ACT headed it off in the race to be National's ally.

The reason there is space for a moral conservative tendency is that this country has over the past 35 years

become very liberal on moral matters. This is in accordance with the majority view. But a minority remains at odds with the majority's moral liberalism. This minority is a catchment for a moral conservative party. I don't know how big the catchment is but my guess is that it is maybe in the region of 10%.

That is a less contested region than the centre. My guess is that the majority of United Future's votes in July came from that region. I would put that down partly to the organisation and outreach of the churches that back the Future New Zealand part of United Future.

Be that as it may, however, a catchment is merely a pool of votes. The fact that a voter might be morally conservative does not mean that voter will vote for a moral conservative party. Other factors, such as the economy or tactical considerations, might attract or drive the voter to another party, which might even have a moral-liberal stance. A party has to work hard to win votes in its catchment.

To illustrate what I mean by a catchment, consider the Greens. In one form or another, Greens have been standing for Parliament for 30 years. The peak was in 1990 when the Green party, newly reconstituted from the Values party, averaged 9% in the 70 seats in which they stood and just under 7% overall. The nadir was Values' 0.1% in 1987 (if you don't count the two elections in 1993 and 1996 when the Greens were submerged in the Alliance).

Large numbers of people have some green tendency – maybe about pollution or recycling, maybe about energy or nuclear power, maybe about possums or whales, maybe about safe or organic food, maybe about war and peace. But for the great majority of these this green tendency is a secondary issue. Their vote is determined by other matters, particularly now that a greenish Labour party leads the government. True greens, who worry daily about the biosphere or the planet or want a blanket ban on GM or reject war totally, number perhaps no more than 2%. In between are people for whom green issues are pretty important but not a life-and-death matter. That is the Greens' catchment and it maybe totals somewhere in the 10 to 15% range. That is one-and-a-half times to twice the Greens' actual vote this year – and that actual Greens' vote would also have included some who voted for the party on other than green grounds (such as a demonstrative youth v oldies vote).

Now consider New Zealand First. It does have policies across a wide range of topics. But ask most New Zealanders what it stands for and the answer you would get would be: to stop, or at least drastically slow, immigration, especially of Asians.

There is definitely a catchment for an anti-immigration party. How much, I cannot be sure, but the 45% who told the Insight pollsters they are against more Asian immigrants gives us one clue and New Zealand First's 10% vote in the election this year gives us another. If New Zealand First is to grow to 30%, as Winston Peters grandly postulated last Sunday, it is going to need to broaden public perceptions of what it stands for. Last weekend's convention was not a good start on that.

Anti-immigration is a niche in electoral terms. It is a bigger niche than five years ago because immigration has surged recently and tens of thousands of ethnic-Chinese students throng central Auckland – but it is a niche still. A niche by definition is not 30%.

New Zealand First and the Greens are niche parties. So is ACT, pushing classical liberalism of the Enlightenment variety. So is Christian Heritage, competing for the moral conservative vote. So was the Alliance, arguing for a 1970s brand of socialism. Niche parties are distinctly different from catch-all parties. Usually a political system can accommodate only two catch-all parties and for the moment they are Labour and, despite its disaster in July, National.

United Future is a niche party. In fact, it is a two-niche party, which I will come back to later. For the moment the point I want to make is that United Future is not a catch-all party like Labour or National. It does not reach across a wide swathe of society and opinion. At least, not yet.

The Success of Niche Parties

Let me now ask which party has been the most successful niche party in elections over the past 50 years. New Zealand First, which got 13% of the vote in 1996 and then was in coalition with National? No. The Alliance, which got 18% of the vote in 1993 and was in coalition with Labour in the 1999-02 term? No. The most successful niche party in elections in the past 50 years was the Social Credit Political League.

In 1981 Social Credit got 21% of the vote – roughly what National got this time and three times what United Future got. It got only two seats for that 21% because those were the days of FPP but it was within a whisker of a lot more than that because the peculiar arithmetic of FPP suddenly tips a lot of seats to a party as it goes from about 22% to about 25%. Even so Social Credit was crucial to the National government getting some measures through. But in 1984 it dropped to 8% and in 1987 dropped out of Parliament.

Social Credit's 1981 success took half a century. It started as an 'educational association' in the 1930s pushing an idea – monetary reform – to established parties. It gave up on them in 1954 and stood its own candidates. Its 11% in that election led many to expect a soaring trajectory but the league took another 12 years to get its first MP, who lasted just three years, then another 12 to get its second MP.

Social Credit owed its success in 1978-87 principally to three factors. One was a growing disenchantment with the two old parties, Labour and National, which could no longer corral the overwhelming majority of voters as they could in 1949. But that did no more than create an opportunity. To grasp that opportunity, Social Credit made two crucial changes, which are the other two factors.

The first was that from the early 1970s, when Bruce Beetham took over as leader, it built up a branch organisation, set in place regular money-raising procedures (notably some very successful house games) and developed a competent electoral organisation. Dead boring, all that, nuts and bolts – but it was the foundation for a sustained campaign against huge odds and through disappointments.

The other main ingredient in Social Credit's success was that it added a wide range of other policies, including even an environment policy, to its monetary reform idea. Some of those policies looked nearer to National than Labour and some looked nearer Labour than National. It was a reassuringly centrist party to voters disgruntled with the big old combatants.

What stopped Social Credit cracking the parliamentary code? It lacked a stable and committed voting base beyond the tiny number of believers in its monetary reform message. Its voters were defectors from Labour and National. And the centre proved to be a very unsafe place. Rising votes for Labour,

then National, during the 1980s, squashed the squirt in the centre.

I should perhaps explain why, if Social Credit got 21% in 1981, I could nevertheless argue to Peter in 1994 that the centre was a very small space. In 1981 there were no other credible repositories of disenchantment with National and Labour. In 1984, when there was such an alternative, the short-lived New Zealand party, Social Credit's vote plunged. In other words, a large portion of that 21% was not a centrist vote, even though Social Credit's policy positioning was centrist. When both Labour and National were firm, the true size of that space in the centre was shown to be small.

The only way Social Credit could have held its ground was to get bigger and squeeze out one of the big two. That has never been done from the centre in our system.

The only party that has graduated from a niche party to a big 'catch-all' party is Labour, which in the 20 years from 1916 to 1936 came from the left flank to supplant the Liberals, squashing them between itself and the conservative Reform party with which they merged.

That is no easy feat. In the 1990s the Alliance thought it could do to Labour what Labour had done to the Liberals: Bruce Jesson, the Alliance's thoughtful resident philosopher, wrote as much in a learned British journal and some Labour notables thought he might be right.

Jesson had overlooked the internal contradictions the Alliance's five distinct parties created within the Alliance. These five parties all had different natural constituencies and different catchments. Moreover, even the core party, New Labour, itself came from two different places: one was radical socialist of a 1960s or 1970s variety; the other was traditionalist Labour, looking to draw Labour back towards its tradition, not preaching revolution. When the pressure went on in government, the Alliance split.

There is another party which split under the pressures of government. New Zealand First also came from two different places. One was conservative, white middle New Zealand, people who had been scarred by economic reform and scared by Maori militancy and Asian immigration. The other had strong sympathies with Maori militancy.

Political Splits are Good Fun

Which party in the current government sphere comes from two places, as NewLabour did and New Zealand First did? United Future.

Critics and observers are waiting to see United Future split just like those other parties. Splits are good fun. Unity politics is not great sport. Why has the National party been roasting United Future MPs in the House? Partly because Nationalists are furious that United Future has sided with Labour. But also because Nationalists have much to gain if United Future splits. If it sheds votes, National can expect a goodly share.

In any case, United Future is fighting an uphill battle just to hold the votes it got in July. Sure, there was growing interest in United Future in June and early July. Sure, there was the underpinning of the churches which backed the Future New Zealand component. But that it got eight seats and not two or three is an accident of Television New Zealand's 'worm' and the peculiar circumstances of a peculiar election. National could not form a government, according to the polls. Labour and the Greens had fallen out badly. And there was widespread discomfort with the idea that Labour-plus-Jim-Anderton might get a majority.

In other words, the negative drivers in United Future's vote in July were strong. The positive drivers were weak. The task for United Future, as for all small parties before it, is to turn that around. If United Future is to become a durable party, its vote must come mainly from positive drivers.

That requires United Future to do three things.

One is to organise: set up a branch structure that reaches throughout the country, raises money, attracts good candidates and holds its MPs to account. That is dead boring stuff but no party succeeds long term without it. Providence is a oncer. The rest is sweat.

The second thing United Future must do if it is to become a durable party is to join up its two regions: the centre and the moral conservative tradition. This is not impossible since they are contiguous. Otherwise, United Future would not have got together. And the current formula seems so far to have worked: the formula is that United Future is a liberal party in the sense that individual MPs have a variety of views but those personal views are not the views of the party and are subordinated to the party's position. But that essentially is a centrist or right-centre position and at some point it will chafe on the moral conservatives.

The third thing United Future must do is to work out how to work with Labour. So far, from all I hear, it is going well from both sides. This is not surprising: the arrangement offers both Labour and United Future very big opportunities if it can be made to work.

For United Future the opportunity is to build a role as an adjunct party to Labour governments initially and potentially parlay that into an arbitrator's role between Labour and National, deciding which shall govern.

For the moment that is not an issue because National is not a contender to lead a government. In fact, a good part of United Future's success in July can be put down to National's retreat from the battle against Labour, opening up space in the centre, mostly to the right of the centre line, into which Peter Dunne, the centrist politician and one-time National ally, was able to expand.

Two things follow from that.

One is the lesson Social Credit learnt: when the elephants recover, they squash the mouse in the centre. If National does claw back to catch-all party status of 35 to 40%, it will by definition have taken United Future votes in the process of adding that 15 or 20% – especially since voters who defected from National to United Future this year are not likely to have done so to support a Labour government as United Future is doing in Parliament. Their tactical motive can only have been to constrain Labour.

The obvious deduction to be made from that is that United Future's moral conservative region is more likely to supply a stable source of votes than the centre region – unless National stays weak. If National recovers, it is likely to tip the balance in the moral conservative region's favour – and in so doing tip United Future into National's camp. In that event United Future would be much less an arbitrator between Labour and National than an ally of National.

So to seize its opportunity, the parliamentary team must handle its supporting role for Labour with great skill. Fortunately, it has time to develop that skill: National looks very unlikely to be a serious contender to lead a government in 2005 and, unless Labour disintegrates, the omens for 2008 do not look too good at this stage either.

Might United Future take over National's leading spot on the right and become a contender to lead a government in its own right? Social Credit couldn't. And, for as long as United Future is an adjunct to Labour, it will not even take the first step down

what would be a long march to broaden its pitch enough to gain catch-all status.

Moreover, as an adjunct to Labour, it will be the centrist tendency within United Future that will be uppermost. The longer the arrangement goes on, the more the moral conservative catchment may come to feel once again unrepresented. Labour and the Greens are moral-liberal parties. That is a recipe for tension in United Future ranks and between it and some of its supporters.

Obviously, this tension would not necessarily develop if United Future was a supporting party of a recovered National party: both the centrist and moral conservative wings could fit in more easily with a catch-all party of the right than with one of the left. But for the next three and maybe six years, that is not an option. In cahoots with a moral-liberal Labour party in the meantime keeping the show together poses much bigger problems.

I think the show can be kept together if two present conditions stay in place. One is that the Labour party, its left and its Green party and union supporters continue to settle for gradual and modest steps down the social democratic and environmentalist paths on the principle that it is better for all those groupings for Labour to be in government than not. The other condition is that United Future settles for modest tweaking of Labour's policy stances in a moral-conservative direction on the basis that over time if it plays its cards well it will cement its hold on a parliamentary presence. The first would enable United Future to stay in and stay influential; the second would allow Labour and its allies to live with some United Future influence.

Indeed, that influence might actually be useful to Labour. Its danger is to be seen by its suburban supporters as a sort of latte Establishment, 'insiders' distant from the suburban 'outsiders' predicaments and pre-occupations amid the turmoil of rapid economic and social change. That is part of Winston Peters' appeal. If United Future influences Labour to put more emphasis on social stability, that might well help Labour strengthen its connections with those 'outsiders'.

My sense is that the Labour leadership, moral-liberal though it is, has understood this and the opportunity it brings. Moreover, the opportunity Parliament's current configuration offers is huge: a long-running government that reaches over the centre-line and locks National into a fragmented right and

perpetual impotence. That is the Swedish matrix, which all the top members of the Labour party have studied and envied.

So it is no surprise Labour is hugging United Future very warmly and wants United Future to get some wins and claim those wins – even exaggerate them. My guess is that Labour's hugging will continue a while yet and will end only if United Future's moral-conservative wing gets too pushy and Labour's leadership has to tend to its activist core.

Will it come to that? I don't know. It is far too early for predictions in what is a new political landscape, one I didn't predict. What I do know is that the election result has rekindled my interest in politics in a way I did not expect. So I shall watch United Future with great interest.

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