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Abstract

How do electoral systems affect legislative organization? The change in electoral systems from Single Member District plurality (SMD) to Mixed Member Proportional (MMP) in New Zealand can illuminate how electoral incentives affect the distribution of cabinet positions. Because in SMD the outcome of individual local districts determines the number of seats a party wins collectively, New Zealand parties deploy cabinet posts in order to shore up the electoral fortunes of individual members. In MMP, the total number of seats a party receives is determined by the votes in the proportional representation (PR) portion for the party, which eliminates the incentives to reward electorally unsafe members with cabinet positions. We show that strong cabinet members, measured through experience as prior terms in the cabinet position, are still likely to be retained.

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electoral system change, legislative organization, mixed-member electoral system, New Zealand

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Introduction

How do electoral systems affect legislative organization? Our article investigates this fundamental question. Specifically, we use the change in electoral systems from Single Member District plurality (SMD) to Mixed Member Proportional (MMP) in New Zealand to illuminate the way in which different electoral incentives affect how the country's governing parties distribute cabinet positions. Because in SMD the outcome of individual local districts determines the number of seats a party wins collectively, we argue that it should provide incentives for parties to deploy cabinet posts in order to shore up the electoral fortunes of individual members. In contrast, because in MMP the total number of seats a party receives is determined by the votes in the proportional representation (PR) portion for the party, we hypothesize that the incentives to reward electorally unsafe members with cabinet positions should disappear.

Parties face trade-offs in assigning cabinet positions. We assume that parties desire to win enough seats in elections to be assured of either a majority in parliament or, at the very least, enough seats to enable it to be the leading party in a governing coalition. We also assume that how cabinet positions are assigned could affect this outcome in several important ways. For example, parties could allocate posts in order to empower lawmakers who seem the likeliest to make best policy. The logic here is that by assigning the positions to able lawmakers parties will generate good policy. Good policy, in turn, will please the electorate and lead to the governing party's retaining power. Alternatively, parties could view cabinet positions as significant electoral assets for individual politicians, and strategically distribute the positions in such a way as to shore up the electoral prospects of shakier individual members. In this way, parties could seek to improve their electoral prospects by maximizing the number of legislators to win re-election. We hypothesize that the choice of these respective strategies will be shaped by the varied incentives of different electoral systems.

New Zealand used to be regarded as an archetypical 'Westminster' system with SMD electoral districts and two major centralized parties. As Lijphart has noted, 'the New Zealand political system before 1996' serves as an 'instructive example of how the Westminster model works' (1999: 21). However, in 1993, voters in a referendum chose to implement an MMP electoral system, similar to that in Germany, with the first parliamentary elections under the new system held in 1996 (see, for example, Boston et al. (1997) and Vowles et al. (1998)). In MMP, voters continue to vote in SMDs, but, crucially, they also have another ballot, which they cast for a political party in a PR tier. After the voting, seats are adjusted, where necessary, by adding Members of Parliament to a party's tally from the party's rank-ordered list of nominated candidates, so that the overall number of seats a party wins in parliament becomes roughly proportional to the PR percentages of votes it received (Electoral Commission, 1997: 14 f.).

We assume that the different incentives for parties of these two systems should shape the strategies they use to appoint members of the cabinet. We find that cabinet appointments before and after reform in New Zealand are indeed influenced by differing electoral incentives. SMD encouraged New Zealand parties to adopt the electoral asset strategy: relatively unsafe incumbents are advantaged in the allocation of cabinet positions under SMD. Under MMP, however, parties face different electoral incentives and adopt different strategies. Electoral concerns at the SMD level are no longer the significant determinants of who get cabinet posts. On the other hand, cabinet veterans are still likely to be retained in subsequent cabinets, as in the pre-reform Westminster period. We interpret this to show that parties continue to value experienced hands that are more capable in overseeing policy formation and implementation.

In succeeding sections, we first review the literature on electoral systems and parties, then we distill specific hypotheses to test in the case of New Zealand. The fourth section examines our findings and is followed by an examination of our conclusions.

Literature review

New Zealand has long been regarded as a prime instance of the ‘concentration of executive power in one-party and bare-majority cabinets’ (Lijphart, 1999: 21). This has been assisted by tight party discipline in the country’s two major parties. Almost half a century ago, it was pointed out that in New Zealand ‘party loyalty in the government party . . . is now required by constitutional convention . . . without it there would be no effective representative government’ (Scott, 1962: 29). One study of New Zealand politics was thus appropriately entitled *Government by Party* (Mitchell, 1966). A ‘rigidly disciplined two-party system’, in turn, ‘contributed to the concentration of power within the Cabinet’ (Levine, 1979: 25).

For the vast bulk of the twentieth century – from 1914 through to and including 1993 – elections to New Zealand’s House of Representative used the plurality formula in SMDs. For the first 17 of the 26 elections held during this period, the size of the House of Representatives was unchanged. It comprised just 80 members. For the final nine general elections (held between 1969 and 1993), however, the number of members in the New Zealand parliament gradually increased from 84 to 99. During the last four decades of the twentieth century, New Zealand cabinets – drawn solely from among the members of the House of Representatives – consisted of 20 people. In the mid-1980s, the convention of appointing government ministers who were members of the political executive but, at the same time, who were not members of the cabinet, took hold. This usually accounted for about half-a-dozen additional ministers and associate ministers.

McLeay has argued that:

[T]he small parliament restricts the real choice of ministers . . . [T]he eligible and unsuccessful are relatively few in number, making ‘failure’ obvious, and discounting institutionalized, respected, alternative opportunities for political advancement within the institution for the ambitious (say chairing select committees). (1995: 49 f.)

McLeay's study of cabinet power in New Zealand thus found that '[s]eniority is the single most powerful predictor of who is chosen [to be a] minister' (1995: 48). This is complemented by her finding that 'the composition of cabinets' is distorted 'towards those who come from the party strongholds, the safe seats' (p. 47). In this article, we test McLeay's findings by examining alternative hypotheses using data from the final years of the era of plurality SMD politics in New Zealand.

In the early 1990s, however, New Zealand discarded its plurality voting system in SMDs as the basis for its parliamentary elections and adopted German-style proportional representation instead (see Boston et al. (1996) and Levine and Roberts (1997)). The size of the House of Representatives was increased to 120, but the existence of 'overhang' Members of Parliament – the equivalent of *überhangmandate* in Germany (Shugart and Wattenberg, 2001: 23 f.) – has meant that the New Zealand parliament has twice had more than 120 members (it had 121 members following the 2005 election and has had 122 MPs since the general election held in November 2008). The New Zealand House of Representatives has two types of Members of Parliament: district MPs (known as electorate MPs in New Zealand) and list MPs. There are currently 70 electoral districts in New Zealand. Each returns one member elected by plurality (in the same way that members of the US House of Representatives and members of the UK House of Commons are elected). The remaining seats (currently 52 including two overhang seats) are allocated to parties proportionately on the basis of the number of votes each party receives if it has qualified for a share of all the seats in Parliament by meeting one of two criteria – either a party must gain at least 5 percent of all the valid party votes cast in an election or a party must win at least one electoral district seat. In the 2008 general election, for example, the Green Party won none of the country's 70 electoral districts, but because it gained 6.7 percent of the votes cast for political parties it was entitled to 9 Members of Parliament (7.4 percent of the total). All nine Green MPs thus entered Parliament directly from the Green Party's rank-ordered list of candidates. The Labour Party (which lost office in 2008 after leading a series of minority coalition governments for the previous nine years) won 34.0 percent of the party votes and was entitled to 43 seats in Parliament (35.3 percent of the total) on the basis of the party votes it had received. Because the party won only 21 of the country's 70 SMDs, it gained another 22 members from its rank-ordered party list (Chief Electoral Office, 2008: 10).

Expectations and hypotheses

The preceding section provides a basis for us to extract several hypotheses to test in the case of New Zealand. Our first two hypotheses follow an explicitly electoral logic.

In parliaments elected by the plurality formula in SMDs, the quality of cabinet decisions is crucial to the chances of a government surviving at the next election (i.e. being re-elected). This requires ministers with experience both in making decisions that will be palatable to voters (and even, possibly, popular with them) and also in articulating the basis for their decisions (i.e. promoting the government's policies). Governments gain more by creating an aura of competence than by risky behaviour. As a result, we expect parties in SMD plurality elections to reward experience and stability – and that cabinet ministers will come disproportionately from the ranks of those standing in safe seats and

from those with long tenure in the legislature. In this regard, it is a case of success breeding success. Our first hypothesis is thus framed as follows:

Hypothesis 1a: Under the SMD plurality electoral system, incumbent legislators who win election easily (incumbents in safe and fairly safe districts) will be more likely to receive cabinet positions.

Alternatively, because cabinet positions are electoral assets and because the party winning a majority depends upon winning as many local districts as possible, and this in turn depends upon the voter finding the party's candidate appealing, winning a cabinet position allows the legislator to credit claim more effectively. The position also signals to the voter the legislator's influence in the party. Because of its desire to win as many seats as possible (and no election in New Zealand was so uncompetitive that 'winning too many' seats was a possibility – indeed, no party there has won more than half the votes cast in a parliamentary election since 1951), parties are more likely to give a cabinet position to a legislator who narrowly won election. This is because awarding a cabinet position to that legislator makes it more likely that she will win re-election. A legislator who safely won election, on the other hand, does not need the extra help as much. The party stands to gain more by doling out positions to a 'marginal incumbent'. *Ceteris paribus*, we expect that parties in SMD will seek to shore up shaky incumbents by awarding them cabinet positions. Accordingly, we frame an alternative hypothesis:

Hypothesis 1b: Under the SMD electoral system, incumbent legislators who narrowly won election (marginal incumbents) will be more likely to receive cabinet positions.

Or the reality may be somewhere between these two stylized cases. A highly centralized cabinet system like the one in New Zealand requires stability, so cabinet ministers should be from relatively safer seats than those very marginal MPs who barely win their seats. On the other hand, parties may still rationally use legislative rewards to shore up relatively weaker winners on the Treasury benches, while ignoring extremely dominant winners from parties' regional strongholds. These combined lead us to expect that parties in SMD will seek to support MPs with the middle level of electoral performance:

Hypothesis 1c: Under the SMD electoral system, incumbent legislators who won election with the middle level of electoral performance (relatively unsafe but not very unsafe incumbents) will be more likely to receive cabinet positions.

On the other hand, however, New Zealand's new electoral system – MMP (Mixed Member Proportional representation) – does not provide parties with a clear 'electoral bonus' from shoring up marginal or relatively unsafe incumbents. Instead, MMP provides incentives for the party to maximize its nationwide vote, because the party vote in the PR tier determines the ultimate number of seats the party wins. Therefore, party image is more important in influencing the party's seats gained than the individual candidate's image in vulnerable districts. There is much less incentive, therefore, for cabinet positions to be awarded for electoral purposes to marginal incumbents, but instead

greater incentive to distribute them to maximize the party's overall policy-making ability – which will win it more votes on the crucial nationwide party vote (which determines the overall number of seats to which parties are entitled). Unlike the situation under SMD reviewed in terms of Hypothesis set 1, then, we expect that under MMP parties will not advantage certain types of district seat incumbents in the naming of cabinet positions.

Hypothesis 2: Under the MMP electoral system, electoral results at the SMD level are no longer the significant determinants of who get cabinet posts.

It is essential to understand that Hypothesis 2 directly contradicts findings by Pekkanen et al. (2006) with respect to the parallel voting system used in Japan. Contrary to the way MMP operates, list seats in Japan's mixed member majoritarian (MMM) electoral system are not used to compensate parties for disproportional results in the SMDs. In Japan, the party vote affects the distribution of only the 180 list seats in the Diet (which account for 37.5 percent of the seats in the country's 480-member parliament). In New Zealand, on the other hand, party votes (as is also the case with *zweitstimme* in Germany) determine the allocation of *all* the seats in the legislature. Thus, as Pekkanen et al. put it:

In Japan ... [t]he parallel nature of the proportional representation seats means that ... every seat lost in an SMD is one fewer seat for the party in parliament. (2006: 186)

As a result, they hypothesized that '[e]lectorally weak MPs will be overrepresented in the allocation of posts that will improve their electoral performance' – an hypothesis that was amply 'supported in [their] analyses' (Pekkanen et al., 2006: 186, 190).

Our next hypothesis is drawn from a related deduction. Under MMP, parties succeed best at the polls by having strong policymakers in the cabinet. Parties can best work towards re-election by having effective policy, and therefore generating both support for the party itself and an appealing party leadership image, which wins votes in the national PR list. Parties can improve their chances of generating good general policy by keeping proven policymakers in their cabinet positions. Moreover, experience will be valued in cabinet members, because it means the legislators will likely be better at policy formulation and implementation. It is possible to interpret this hypothesis as meaning that MMP 'frees up' parties to choose an experienced hand. We frame this hypothesis as:

Hypothesis 3a: Members with previous cabinet experience will be more likely to hold their positions under the MMP electoral system than they would be under the SMD plurality system.

Our review of the literature on New Zealand also generated a contrary hypothesis; namely, that the centralized nature of parties and policymaking in New Zealand (its 'Westminster system') might be important enough to trump the electoral system reforms (Barker and McLeay, 2000). We based Hypothesis 3a on our understanding of how the electoral system in theory should shape the incentives facing political parties for distributing their cabinet positions. As has already been shown, however, New Zealand

experts have emphasized the country's strong cabinet governance and centralized parties. It is possible that these factors could trump the electoral system effect. In other words, parties in New Zealand might have already faced strong incentives to fill cabinet spots with strong policymakers, because voters would hold them accountable for policy very strictly. As Barker and McLeay put it:

Electoral system change certainly played its part in weakening the power of the political executive by allowing a greater presence in parliament of parties that were previously underrepresented. Nevertheless, the primary pressures towards executive dominance of the policy process remained as they were under FPP. (2000: 143)

The incentive to field a veteran cabinet minister again would *already* have existed in New Zealand under SMD, not because of the electoral system, but because the highly centralized parties and strong cabinet governance had already created those incentives anyway. We formulate this contrary hypothesis as below:

Hypothesis 3b: Members with previous cabinet experience will be equally likely to hold their positions under the MMP and the SMD electoral systems.

Finally, it should be noted that the highly disciplined nature of New Zealand's parliamentary party system means that neither Shepsle's distributive theory of legislative organization (1986) nor Krehbiel's information theory (1992) is of real relevance to a study of legislative organization in New Zealand. As Kelson has noted, 'Voting discipline [in New Zealand] is even more rigid than in the United Kingdom' (1964: 128). Combined with cabinet dominance of the legislature, the New Zealand House of Representatives is the antithesis of the US House of Representatives, in which there is both weak party discipline and no executive dominance. Unlike the situation in the Japanese Diet, where the key committees were in the ruling Liberal Democratic Party rather than in the parliament itself, and contrary to institutional arrangements in the United States Congress, 'the answers' in New Zealand, to use Krehbiel's words, do *not* 'invariably center on committees' (1992: 32). Once again, a summary by Kelson is instructive: 'The cabinet ultimately controls policy in New Zealand' (1964: 130). And it is thus the New Zealand cabinet, and specifically the cabinet's role in legislative organization in New Zealand under both SMD and MMP voting systems, that is the focus of this article.¹

Data analysis

Description of the dataset

Our data cover all the Labour legislators when Labour was in power (1984, 1987, 1999, 2002 and 2005) and all the National legislators when National was in power (1981, 1990, 1993, 1996 and 2008). These have long been the two major parties in New Zealand, and really the only significant parties prior to election reform. Our data cover five elections before the 1993 electoral reform (1981–1993) and five elections after the reform (1996–2008). As Table 1 shows, both Labour and National formed the government at least twice in both the pre- and post-reform periods.

Table 1. When Labour and National were in power

	Labour	National
Pre-reform	1984	1981
	1987	1990
		1993
Post-reform	1999	1996
	2002	2008
	2005	

Our basic observation unit is a legislator right after the elections. As explored in the theory section (above), we are interested in how parties allocate cabinet positions to ruling party MPs. We should note the difference between the Labour and the National in appointing cabinet ministers. As McLeay (1995) and Palmer and Palmer (2004) describe, in the case of National, ministers are chosen by the Prime Minister, and the Prime Minister also allocates portfolios. In the case of Labour, cabinet ministers are selected by the party's caucus, while the Prime Minister chooses ministers outside cabinet and allocates portfolios. However, with Elizabeth McLeay (2006: 208) we argue that 'The different methods [of selecting cabinet members] have little effect on the calibre of cabinets'. We are looking at parties as a whole. No matter how parties choose who will be in their cabinets (either by balloting or by letting the Prime Minister make the choice on behalf of the party) the aim of the parties is the same: political survival.² In addition, both parties allow the Prime Minister to allocate portfolios to members of the cabinet (as well as to members of the executive who are not in the cabinet).

The dependent variable is whether or not a legislator is given a cabinet position as a full minister (i.e. not simply a role as an Associate Minister or ministers outside the cabinet). A notable characteristic about the New Zealand system is that ministers in the cabinet have a clear rank ordering, with the Prime Minister ranked at the top. The leader of a ruling party assumes the post of Prime Minister and other leaders get the top 10 (or so) important ministerial posts in the cabinet. Meanwhile, relatively junior members have chances to receive ministerial positions ranked below the top 10 level, allowing the party as a whole to use prestigious cabinet positions to reward certain members in the party.³ In other words, we suspect there are two different logics applying to the cabinet rank-ordering mechanism in New Zealand: higher-rank ministers tend to be allocated to very important MPs with seniority, while lower-rank ministers may be allocated more strategically. So we need to differentiate positions in the cabinet.

Thus we define top-10 ministers as 'high-rank' and other ministers as 'low-rank'. In the Appendix we present a snapshot of average 'high-rank' and 'low-rank' ministerial posts for the Labour and National governments in both the pre- and post-reform periods. The threshold of the 'top 10' may sound arbitrary, but note that the results are robust and hold when we slightly change the threshold to 'top 8' or 'top 12'. Our dependent variable has different categories, but we suspect these categories may not have clear rank-ordering, because different logic might apply in allocating 'high-rank' and 'low-rank' posts. Central party leaders might simply dominate important ministerial posts in the cabinet given the highly centralized New Zealand parties, while central party leaders may be more strategic in allocating 'low-rank'

posts to their party members. This leads us to use multinomial logit estimations.⁴ Specifically, we assume the following equation:

$$\Pr(y_i = j) = \frac{\exp(X_i\beta_j)}{1 + \sum_{j=1}^J \exp(X_i\beta_j)}$$

and

$$\Pr(y_i = 0) = \frac{1}{1 + \sum_{j=1}^J \exp(X_i\beta_j)},$$

where i is our observation unit (an individual MP), y_i is the observed outcome (0 = no post in the cabinet as the comparison category, 1 = a low-rank minister and 2 = a high-rank minister), X_i is a vector of independent variables and β_j is a vector of parameters to be estimated.

The main independent variable, Vote Share, is designed to capture the effects of a legislator's electoral performance on the leadership's posts allocation strategies. It straightforwardly measures a legislator's share of the vote to all the votes cast in his/her district.⁵ Our Hypothesis 1a suggests that there should be the positive relationship between Vote Share and the likelihood of assuming a minister, while Hypothesis 1b suggests the negative relationship. On the other hand, Hypothesis 1c suggests we expect the variable Vote Share to have non-linear effects on the likelihood of assuming a minister, especially a low-rank one. Legislators with around 60 percent shares would be the ones who could benefit most from a low-rank ministerial post, while legislators with only slight margins may be deemed as very marginal; for legislators with over 70 percent of the vote a low-rank ministerial position is not going to add relatively as much value to their electoral fortune in the future. Therefore we add Vote Share Squared to our specifications. In contrast, the variables Vote Share and Vote Share Squared should have no significant impact on the likelihood of assuming a minister after the reform.

In order to test Hypotheses 3a and 3b, we include a dichotomous dummy variable Former Minister, coded 1 if a legislator previously served as a full minister in the past, otherwise 0.⁶ In general, Former Minister should have a positive sign, but whether it has a larger coefficient in the post-reform period is an empirical question. We also include Terms, measured as the number of terms served by a legislator in the Parliament. Beyond a certain point in a legislator's career, it might be meaningless to reward him/her with cabinet posts (e.g. former Prime Minister staying in the Parliament as an MP), so very senior legislators may be less likely to have seats in the cabinet. In order to control for this effect, we include Terms Squared. Seniority should also have a bell-shaped curve, so Terms should have a positive sign and Terms Squared a negative sign.

The models testing the post-reform period will also include PR Ranking to control for the effects of a legislator's list ranking in the PR tier on cabinet positions. An MMP system like that of New Zealand puts much greater emphasis on the list tier compared to an MMM system, because the ultimate seat shares of parties are determined by how many votes parties get in the list tier. Seats in the nominal tier do not affect final outcomes unless

there are some ‘overhung’ seats, but the possibility of getting more SMD seats is negligible for the two major parties in New Zealand, where district magnitude for the list tier is 120 (the entire country) and there are 70 SMDs. In order to gather votes across the country, high PR ranks are much more likely to go to important, well-known, leaders signifying parties. For the variable PR Ranking in the empirical models below, we use Absolute PR Ranking, which is coded simply as 1 divided by a candidate’s list ranking. If a legislator is not nominated in the PR tier, then the variable is coded 0, meaning that he/she had zero possibility of getting elected in the list tier. These variables can range from 0 to 1, with 1 being the safest in the list and therefore signifying the significance of a candidate in the party. We expect that in the context of an MMP system safe seats in the list tier represent party image and therefore are likely to get cabinet positions.

We also control for the effects of district characteristics, by including Effective Number of Candidates and SF-Ratio in a legislator’s SMD. Effective Number of Candidates is the number of candidates weighted by the size of each candidate (Laakso and Taagepera, 1979). SF-ratio is the second best loser’s vote share divided by the best loser’s vote share (Cox, 1997: 85). If a district is characterized by two-party competition, it gets close to 0, while if there is a viable third candidate it gets close to 1. We do not have a priori expectations about these variables. In a more competitive district with more than two parties, the uncertain nature of the district makes leaders think that a cabinet position would not help their candidate get elected and therefore may not consider it worthwhile to give it. Or the very uncertain nature may drive leaders to give cabinet posts to their candidates.

To offset the difference in the two major parties, we include Labour, a dichotomous dummy coded 1 if a legislator was from the Labour Party. Year-specific effects are also controlled by including sets of periodical controls that are now shown in the tables below.

Results

The results are shown in Table 2. Note that Model 1 uses legislators in the pre-reform period as the sample, while Models 2 and 3 use those elected in the post-reform period.

First of all, legislators’ electoral performance in SMDs is a significant predictor for receiving cabinet posts in the pre-reform period. The sizes of the coefficients for Vote Share and its squared term suggest that the likelihood of getting a cabinet post reaches its maximum around 60–65 percent. We used CLARIFY to conduct 1,000 simulations based on the results obtained in Model 1 (Tomz et al., 2001) and calculate the changing probabilities of being a minister in the pre-reform period (see Figure 1).⁷ The figures look largely confirmatory with our Hypothesis 1c: A legislator is most likely to assume a minister when his/her vote share is around 55–70 percent, while very marginal legislators with less than 50 percent of the vote or invincible legislators with over 70 percent of the vote are much less likely to get posts. This is probably because a low-rank ministerial position is not going to add to their electoral fortune in the future.

For the post-reform period, how electoral performance in an SMD affects cabinet appointments becomes very inconsistent throughout the models. Even Vote Share and its squared term lose statistical significance in the models. This conforms to our Hypothesis 2. Under MMP, the single most important variable in determining a party’s electoral fortune is nationwide vote shares in the list tier, not individual candidates’ SMD

Table 2. Multinomial logit estimations for assuming cabinet ministership in New Zealand

	Model 1		Model 2		Model 3	
	Pre-reform		Post-reform		Post-reform	
	Low-rank vs. No-rank	High-rank vs. No-rank	Low-rank vs. No-rank	High-rank vs. No-rank	Low-rank vs. No-rank	High-rank vs. No-rank
Vote share	37.14** (15.01)	44.21** (18.46)	6.37 (9.34)	-3.14 (12.20)	8.13 (10.19)	26.91 (22.36)
Vote share squared	-29.49** (12.32)	-33.71** (14.93)	-3.78 (9.92)	5.30 (13.08)	-5.91 (10.87)	-36.12 (25.73)
Absolute PR ranking					9.64** (4.91)	53.30*** (11.87)
Former minister	0.87** (0.43)	1.46*** (0.46)	1.30*** (0.41)	2.34*** (0.55)	0.93** (0.47)	0.44 (0.91)
Terms	1.73*** (0.33)	2.98*** (0.54)	1.22*** (0.32)	1.31*** (0.43)	1.24*** (0.37)	3.94*** (0.40)
Terms squared	-0.19*** (0.036)	-0.29*** (0.053)	-0.14*** (0.036)	-0.11*** (0.039)	-0.14*** (0.043)	-0.37*** (0.12)
Effective no. of candidates	-0.76 (0.93)	-0.049 (1.06)	-0.31 (0.42)	-0.44 (0.66)	-0.42 (0.44)	-2.09* (1.24)
SF-ratio	1.48 (0.92)	1.22 (0.99)	3.09*** (0.94)	2.14* (1.27)	3.03 (1.00)	4.97*** (2.27)
Labour	0.035 (0.58)	-0.18 (0.66)	0.087 (0.46)	-1.18* (0.61)	0.14 (0.49)	-1.34 (1.00)
Constant	-13.75** (5.79)	-21.61*** (7.54)	-4.77** (2.20)	-3.36 (2.68)	-5.12** (2.35)	-12.72*** (4.46)
N	278	235	235	235	235	235
Log likelihood	-179.31	-160.31	-160.31	-160.31	-120.73	-120.73
Wald chi	90.86	89.07	89.07	89.07	71.06	71.06

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Year dummies not shown.

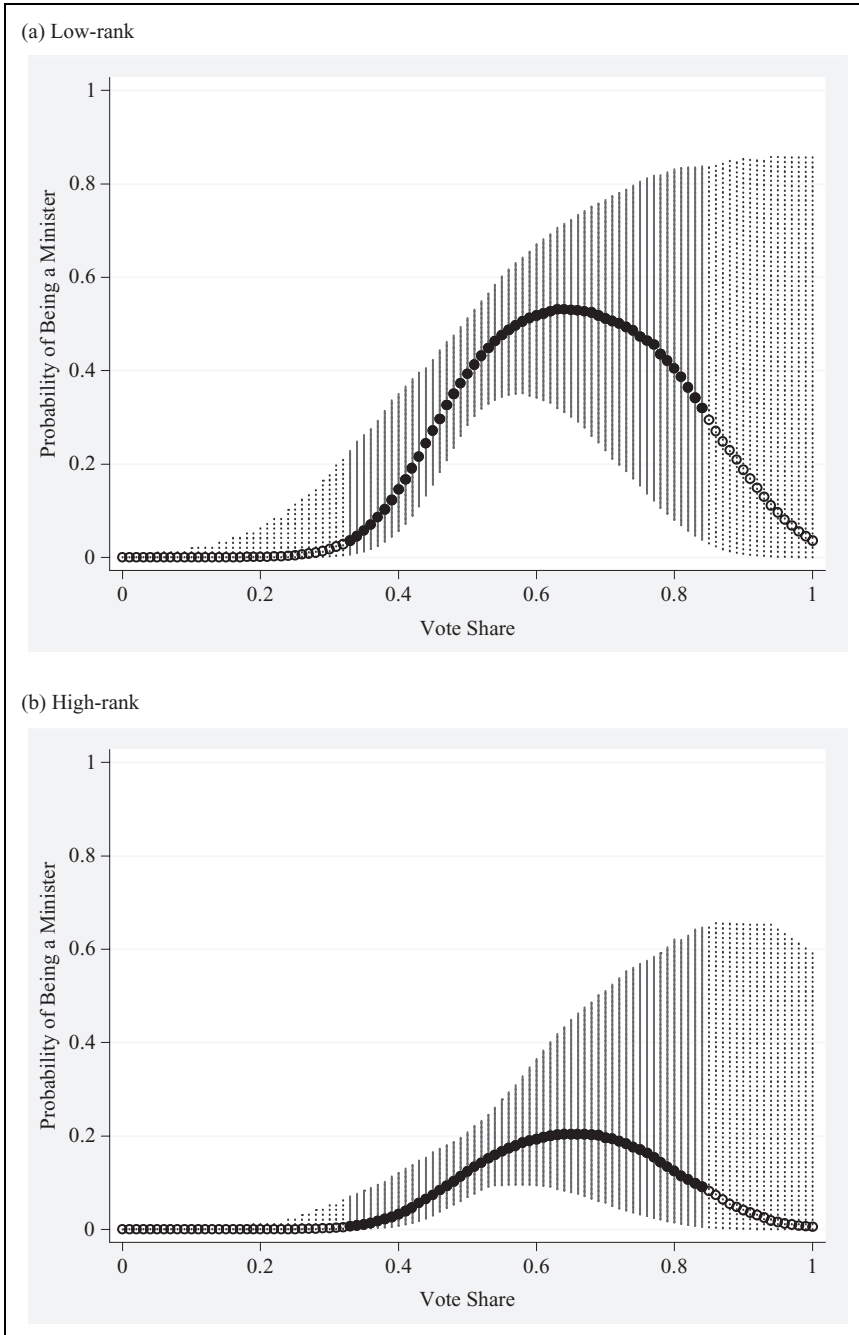


Figure 1. Vote share and probability of being a minister, before 1993

Note: Based on Model 1 in Table 2. The lines indicate the 95% confidence intervals and markers the median values.

performance, as evidenced by the significant impact of the Absolute PR Ranking variable in Model 3. There is no institutionally rational reason for the central leadership to reward electorally unsafe legislators with governmental privileges, while being ranked highly on the list signifies a candidate's position inside the party.

As to our Hypotheses 3a and 3b, the table shows that a former experience in the cabinet has positive impact on getting a cabinet position, whether it is low-rank or high-rank and whether it is the pre-reform or post-reform period. The variables Terms and Terms Squared also consistently show the significant signs before and after the reform, suggesting that experienced veterans are still equally valued as useful policymakers in the New Zealand cabinet. This confirms our Hypothesis 3b. Under the most Westminster-like system of New Zealand, the leadership's incentive to field policy experts with prior cabinet experiences and long-term parliamentary services again existed under the SMD system and survived the reform.

All in all, the results largely look confirmatory with our Hypotheses 1c, 2 and 3b (and thus not 1a, 1b and 3a). Under the previous Westminster system, the leadership tended to reward somewhat marginal legislators with governmental privileges, or low-rank cabinet posts. This electoral incentive is now gone with the introduction of the MMP system, where electoral performance in SMDs adds almost nothing to large parties' seat shares in the legislature. Meanwhile, as Fiona Barker and Elizabeth McLeay (2000) and others suggest, the New Zealand cabinet after the reform still continues to value experiences in the government and parliament when appointing ministers. Consistency and stability in policymaking, an important feature for the Westminster system, is equally required in the MMP system, where parties compete on programmatic policy platforms.

Conclusions

Our examination of how parties distribute cabinet positions in New Zealand adds further evidence on the ways in which electoral systems influence political parties. Our results indicate that political parties in New Zealand respond to shifts in the electoral system by recalibrating their strategies for allocating cabinet positions. Labour and National cover a wide ideological spectrum and have diverse support bases. The fact that both parties responded in similar ways to the electoral system change increases our confidence that this phenomenon is not limited only to New Zealand.

Under nominal electoral systems such as SMD, as we have shown here in pre-reform New Zealand, and MMM (as has been shown in Japan), parties use cabinet positions to shore up the fortunes of electorally unsafe legislators. This makes sense, as parties want to win as many seats as possible at the polls. Under MMP, parties do not reap the same benefits. Instead, they have other prizes to claim through selective distribution of cabinet positions. Under MMP, parties face equally strong electoral incentives as under SMD to produce effective policy. Accordingly, cabinet positions are distributed in order to facilitate the production of effective policy. This means that strong cabinet members, measured through experience as prior terms in the cabinet position and the parliament, are likely to be retained as in the previous Westminster system. The job they do – making policy – is too important. Even the famously centralized parties of New Zealand, working in a strong cabinet governance system, have bowed to this electoral reality.

Notes

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1. Some scholars argue that the importance of parliamentary committees in the policymaking process has increased after electoral reform (Barker and McLeay, 2000). But cabinet government continues to be very influential compared to committees.
2. Of course, balance in gender, ethnicity, factions, regions and different skills could work as factors influencing the choice of ministers. Nevertheless, appointing 20 ministers out of 50–60 party members still allows great leeway. And, even taking into account any such considerations, parties will still relentlessly pursue their goal of holding power.
3. The rank-ordering of a cabinet post may not always correlate with its importance, but, as shown in the Appendix tables, several very important positions, such as the Prime Minister, the Deputy Prime Minister and the Ministers of Finance and Foreign Affairs, tend to be ranked highly.
4. Choosing between multinomial logit and probit models cannot be so straightforward because of the IIA property. However, note that the results based on multinomial probit are identical with what we present here.
5. Note that many of the list MPs in the post-reform period were dual-listed and therefore we can still code this variable for them. Specifically, the National government (1996 and 2008) had 105 MPs and the Labour government (1999, 2002 and 2005) 152 MPs. Of these 257 MPs, 235 (or 91.4 percent) ran in SMDs as dual candidates (listed in the PR tier) or pure SMD candidates (not listed in the PR tier). Also, note that we tested many different variables for MPs' electoral performance at the district level: vote margins; third-party voting and candidates' performance relative to partisan swings. But we could not find any of these variables significant, while Vote Share and Vote Share Squared kept showing the significant signs across different specifications.
6. Here 'full' ministers means those with full ministerial responsibility or portfolio (i.e. not simply Associate Ministers).
7. CLARIFY is a program that conducts Monte Carlo simulations to make statistical results more intuitive and easy to understand. Here, all the other variables are set at the median values. Also, see King et al. (2000).

Appendix

Table A1. Average Labour Party ministerial rankings in pre-electoral reform and in post-electoral reform New Zealand governments headed by Labour Party prime ministers, 1981–2009

Average ranking in the 1984 and 1987 Labour governments ¹	Ministerial posts held by Labour Members of Parliament ²	Average ranking in the 1999, 2002 and 2005 Labour-led coalition governments ³
1.0	Prime Minister	1.0
2.0	Deputy Prime Minister	2.0

(continued)

Table AI (continued)

Average ranking in the 1984 and 1987 Labour governments ¹	Ministerial posts held by Labour Members of Parliament ²	Average ranking in the 1999, 2002 and 2005 Labour-led coalition governments ³
2.0	Minister of Justice	6.7
2.0	Attorney-General	13.0
3.0	Minister of Trade	6.7
4.0	Minister of Finance	2.3
4.5	Minister of Education	7.0
4.5	Minister of Foreign Affairs	5.0
5.0	Minister for the Environment	16.0
5.0	Minister of Pacific Island Affairs	13.7
6.0	Minister of Maori Affairs	10.7
8.0	Minister for Disarmament and Arms Control	11.3
8.5	Minister of Conservation	13.0
8.5	Minister of Health	6.7
8.5	Minister of Tourism	15.3
9.5	Minister for Sport and Recreation	8.0
10.0	Minister of Broadcasting	8.7
10.0	Minister of Defence	11.7
10.0	Minister of Local Government	12.3
11.0	Minister of Forestry	8.5
11.0	Minister for Land Information	14.7
11.5	Minister of Research, Science and Technology	7.7
12.0	Minister of Transport	17.3
12.5	Minister of Agriculture	7.5
12.5	Minister of Fisheries	9.5
13.5	Minister of Labour	10.7
13.5	Minister of Police	11.3
13.5	Minister of State Services	7.7
13.5	Minister of Statistics	18.7
14.0	Minister of Civil Defence	13.7
14.0	Minister for Arts, Culture and Heritage	1.0
14.0	Minister of Internal Affairs	14.0
14.5	Minister for Social Development and Employment	7.3
15.0	Minister of Immigration	14.3
16.0	Minister of Energy	12.3
16.5	Minister of Consumer Affairs	22.3
18.0	Minister of Veterans' Affairs	14.0
18.5	Minister of Housing	16.0

(continued)

Table A1 (continued)

Average ranking in the 1984 and 1987 Labour governments ¹	Ministerial posts held by Labour Members of Parliament ²	Average ranking in the 1999, 2002 and 2005 Labour-led coalition governments ³
19.5	Minister of Customs	22.0
21.0	Minister of Revenue	2.5

¹ The figures in this column are the average rankings of ministerial posts in the governments led by Prime Minister David Lange that assumed office following (i) the 14 July 1984 New Zealand general election, and (ii) the 15 August 1987 New Zealand general election. Both were single-party majority governments and thus all the ministerial portfolios (inside and outside Cabinet) were held by Labour Party Members of Parliament.

² The names of the ministerial posts in New Zealand change from time to time. The names used in this column were current during the final year of the 2005–08 Labour-led government.

³ The figures in this column are the average rankings of ministerial posts in the governments led by Prime Minister Helen Clark that assumed office following (i) the 27 November 1999 New Zealand general election, (ii) the 27 July 2002 New Zealand general election, and (iii) the 17 September 2005 New Zealand general election. All three were minority coalition governments, and the average rankings in this column are only for ministerial posts (inside and outside Cabinet) held by Labour Party Members of Parliament.

Table A2. Average National Party ministerial rankings in pre-electoral reform and in post-electoral reform New Zealand governments headed by National Party prime ministers, 1981–2009

Average ranking in the 1981, 1990 and 1993 National governments ¹	Ministerial posts held by National Members of Parliament ²	Average ranking in the 1996 and 2008 National-led coalition governments ³
1.0	Prime Minister	1.0
2.0	Deputy Prime Minister	2.0
2.5	Minister of Pacific Island Affairs	9.0
2.7	Minister of Finance	3.0
3.3	Minister of State Services	5.0
4.0	Minister of Foreign Affairs	7.0
4.7	Minister of Labour	19.5
5.0	Minister of Fisheries	16.0
6.0	Minister of Agriculture	9.5
6.0	Attorney-General	8.5
7.7	Minister of Trade	10.5
8.3	Minister for Disarmament and Arms Control	9.0
9.7	Minister of Energy and Resources	11.0
9.7	Minister of Health	9.5
10.3	Minister of Defence	10.5
10.3	Minister of Veterans' Affairs	7.5
11.0	Minister of Research, Science and Technology	14.5

(continued)

Table A2 (continued)

Average ranking in the 1981, 1990 and 1993 National governments ¹	Ministerial posts held by National Members of Parliament ²	Average ranking in the 1996 and 2008 National-led coalition governments ³
11.0	Minister for the Environment	9.0
11.3	Minister of Justice	5.0
11.3	Minister of Forestry	9.5
11.7	Minister for Sport and Recreation	14.5
12.0	Minister of Education	9.5
12.3	Minister for Arts, Culture and Heritage	9.0
12.3	Minister of Local Government	22.0
13.0	Minister of Police	10.0
13.0	Minister of Transport	9.5
13.3	Minister of Immigration	19.0
13.3	Minister of Tourism	9.5
13.7	Minister for Social Development and Employment	18.0
15.0	Minister of Customs	21.0
15.7	Minister of Housing	17.5
16.0	Minister of Conservation	17.5
16.0	Minister for Land Information	18.5
17.0	Minister of Civil Defence	18.0
17.0	Minister of Internal Affairs	22.0
17.3	Minister of Statistics	18.5
19.3	Minister of Broadcasting	19.0

¹ The figures in this column are the average rankings of ministerial posts in (i) the government led by Prime Minister Robert Muldoon following the 28 November 1981 New Zealand general election, (ii) the government led by Prime Minister Jim Bolger following the 27 October 1990 New Zealand general election, and (iii) the government led by Prime Minister Jim Bolger following the 6 November 1993 New Zealand general election. All three were single-party majority governments and thus all the ministerial portfolios (inside and outside Cabinet) were held by National Party Members of Parliament.

² The names of the ministerial posts in New Zealand change from time to time. The names used in this column were those current during the first year of the 2008–11 National-led coalition government.

³ The figures in this column are the average rankings of ministerial posts in (i) the government led by Prime Minister Jim Bolger following the 12 October 1996 New Zealand general election, and (ii) the government led by Prime Minister John Key following the 8 November 2008 New Zealand general election. Both were coalition governments, and the average rankings in this column are only for ministerial posts (inside and outside Cabinet) held by National Party Members of Parliament.

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