

Strategic Learning in Campaigns with Proportional Representation

Evidence from New Zealand

Richard Johnston and Jack Vowles

A CAMPAIGN IS LIKELY TO MATTER if strategic questions remain open when it starts. But the strategic possibilities of campaigns seem most obvious for single-member plurality or first past the post (FPP) systems. What of proportional representation (PR) systems? This essay explores the possibilities for strategic dynamics in New Zealand, once the ideal type of Westminster parliamentarism (Lijphart 1984) but now a thoroughly proportional system with coalition governments. The 1996 New Zealand election was the first fought under PR.

In the 1996 campaign, the strategic environment shifted with respect to two arenas:

the "threshold" for very small parties, especially parties that were potentially *pivotal* to the subsequent parliamentary coalition game; "strategic sequencing," votes cast with a mind to which one of two major or *nucleus* parties will get priority in forming a government.

We show that the environment shifted, how and the extent to which voters became aware of these shifts, and what difference updated expectations made to vote intentions.

Possibilities

On strategic possibilities in campaigns, the analytic literature now seems clear. All electoral systems harbor a "Duvergerian" equilibrium, in which the number of viable candidates or parties is never more than $M + 1$, where M is the district magnitude. Under certain highly restrictive conditions there may also exist a "non-Duvergerian" equilibrium, where candidates or parties may number $M + 2$. In either case, poll information should be vital. At the beginning of a campaign it may not be clear which contestants will be winnowed out in the move to a Duvergerian outcome. The non-Duvergerian case can turn even more on poll information: imagine an early campaign situation in which the margin between the second- and third-place parties is less than the 95 percent confidence interval for differences of proportions in the typical opinion poll.¹

These propositions seem most compelling in their implications for campaign effects under *strong* electoral systems (Cox 1997, 11), where the penalty for coordination failure is high. Strongest of all is the plurality formula. Voters in such systems should be highly attentive and responsive to poll information, a proposition borne out experimentally by Forsythe et al. (1993) and in the field by Johnston et al. (1992).

What about *weaker* systems? In general the more proportional the formula, the lower the penalty for failure. This implies that *strategically induced* movement in a campaign should be less marked under PR than under FPP.² But strategic incentives related to "wastage" of votes do remain under PR, even if they are weaker than under FPP, and other strategic considerations may take on greater force (Leys 1959; Sartori 1968).

The 1996 New Zealand election was conducted under a Mixed Member Proportional (MMP) electoral system, closely modeled on that of Germany. Citizens cast two votes, an "electorate" vote in a single member constituency and a "party" vote. The party vote is the critical one, for it alone determines the numerical allocation of seats. A party's electorate seats are banked toward its total entitlement, but the electorate vote plays no role in calculation of that entitlement (Blais and Massicotte 1996). The balance of seats is allocated from a national list according to the national popular vote. Compared to FPP, then, "wastage" should be small.

The idea of a wasted vote is still relevant at a *threshold*, another element New Zealand has borrowed from Germany. To enter the seat

allocation, a party must clear one or the other of two hurdles. If the party receives at least 5 percent of the party vote it is entitled to a proportional share of all seats allocated. If it wins at least one electorate, it will be similarly entitled to enter the calculation. It is thus possible for a party with close to 5 percent of the party vote but with little geographic concentration to get no seats even as another party with a smaller share but with enough concentration to win one seat wins at least that seat and possibly more. Parties around the threshold may be very relevant to the prospective coalition game, and their chances may be widely reported. Elite cues and voter response could evolve with the campaign.

The payoff for surmounting the threshold may be particularly high where the success or failure of a very small ally hovering at the threshold margin may mean the difference between a parliamentary majority or minority for a potential coalition or at least for an "ideological family" of the left or right. In this case, voters who would otherwise choose their most favored nucleus party may instead vote for the marginal pivotal party to assist it over the threshold (Cox 1997, 81–83). In New Zealand, as in Germany, such a vote may be cast either as a national party vote or in a strategic electorate that the pivotal party may be placed to win and so cross the threshold by that means.

For parties clearly above the threshold, expectations may also matter, although not for reasons of wastage. Here the issue is *strategic sequencing* (Cox 1997, 194). Some systems explicitly give first crack at forming a coalition to the nucleus party with the largest seat share. In these circumstances voters whose first preference lies with a small potentially pivotal party might vote strategically for a larger ally to ensure that that ally becomes the nucleus of a government coalition.³ Otherwise the coalition-formation sequence could be initiated by a party more hostile to the first mentioned small party. Strategic choice like this occurs in Israel, for instance (Felsenthal and Brichta 1985). The New Zealand situation, still tied in 1996 to Westminster assumptions, is more loosely defined, but the logic still holds. The existing government party, even if reduced to a minority, has a right to meet Parliament and try its luck. But that presumption must be conditional on the old government's continuing strength; not just any seat total will do. And the presumptive nucleus for an alternative coalition will almost certainly be a large party. In the alternative ideological "family" there thus may be pressure toward consolidation, if only to buttress one of its members' moral presumption. But which one? To the extent that the his-

tory of recent elections does not point to the likely leader, the "family" has a potentially severe coordination problem. Early polls and elite indications could be critical.

The Strategic Context for 1996

From 1935 to 1951, an almost pure two-party system prevailed in New Zealand. The center-right National Party competed against the center-left Labour Party across class and urban-rural cleavages. But pressure for change was evident in the 1950s, accelerated in the late 1970s, and went into a new gear in the late 1980s (Vowles 1994, 1997a, 1997b). By 1996, the party system was in an advanced state of breakdown.

The 1993 election marked a new peak in the system's fractionalization, with votes for the two largest parties falling just below 70 percent for the first time since 1928. Table 1 illustrates the main features of the 1993 and 1996 elections. It divides the parties into left and right blocs, with one center party. At the 1993 election, two new parties gained representation, with two members each. One, the left-leaning Alliance, had formed as a coalition of minor parties, including New Labour (with one member elected in 1990), the Greens, and the Liberals (a post-1990 election splinter from the National Party). The other, New Zealand First (NZF), was formed by dissident National member of Parliament (MP) Winston Peters in June 1993.

TABLE 1. Seat and Vote Shares in 1993 and 1996 (in percentages)

	Left, Right, or Center	1993 Election		1996 Preelection	1996 Postelection	
		Votes	Seats	Seats	Party	
					Votes	Seats
ACT ^a	R	—	—	0	6.1	6.7
National	R	35.1	50.5	41.4	33.8	36.7
Christians ^b	R	2.0	0	1.0	4.3	0
Conservative	R	—	—	1.0	0.1	0
United	R	—	—	7.1	0.9	0.8
NZ First	C	8.4	2.0	4.0	13.4	14.2
Labour	L	34.7	45.4	41.4	28.2	30.8
Alliance	L	18.2	2.0	2.0	10.1	10.8
Legalize cannabis		—	—	—	1.7	0
Independent		—	—	1.0	—	0
N		100	99	98 (1 vacant)	100	120

^aAssociation of Consumers and Taxpayers.

^bChristian Heritage 1993, Christian Coalition 1996 (Christian Heritage and Christian Democrats).

Between 1993 and 1996, four other significant parties were formed, three in Parliament. Both major parties lost members to smaller parties, each time in anticipation of the transition to MMP. The Christian Coalition had as one component the Christian Heritage Party, which gained 2 percent of the vote in 1993 but no seats. The other component was a sitting MP who had defected from National. The Conservatives and United were purely parliamentary creations, intended as potential coalition partners for a major party and also in part as a means of rescuing the careers of politicians unlikely to be selected for winnable seats or positions by their former parties.⁴ The Association of Consumers and Taxpayers (ACT) was set up outside Parliament as a neoliberal party to advance the views of Roger Douglas, the Labour minister of finance who had driven the market liberalization of the 1980s. Although led by a former Labour cabinet colleague of Douglas, Richard Prebble, ACT positioned itself on the ideological right.

Between the two elections of 1993 and 1996 a National government remained uneasily in power. Having won in 1993 with only a one-seat majority over all other parties, over the next three years National progressed through almost all possible parliamentary arrangements: single-party majority, majority coalition, minority single-party government, back to majority coalition on a different basis, and reverting to a minority coalition in the months before the 1996 election.

Over the same period, public support for the parties shifted dramatically. Support for the two left parties steadily fell, most strikingly when NZF rose steeply early in 1996, after Winston Peters's attacks on immigration and increased foreign ownership of New Zealand assets. On the eve of the 1996 campaign, the strategic implication of vote shares was uncertain, and their stability was problematic. National was the most popular party, but without enough support to form a single-party government and with no guarantee of a coalition partner to provide a majority. United, despite seven members in the house, was making no impression in the polls. National helped United out by declining to contest the electorate (Ohariu-Belmont) of the best-known United MP, Peter Dunne, virtually assuring United a single seat and opening up the possibility of United's gaining further list seats. The Christian Coalition and ACT were in sight of the 5 percent party-vote threshold, but not necessarily above it.

Meanwhile NZF and Labour, and, at times, even the Alliance, took turns as the most popular opposition party. It was assumed by almost all observers that NZF sought to defeat the government and that the most

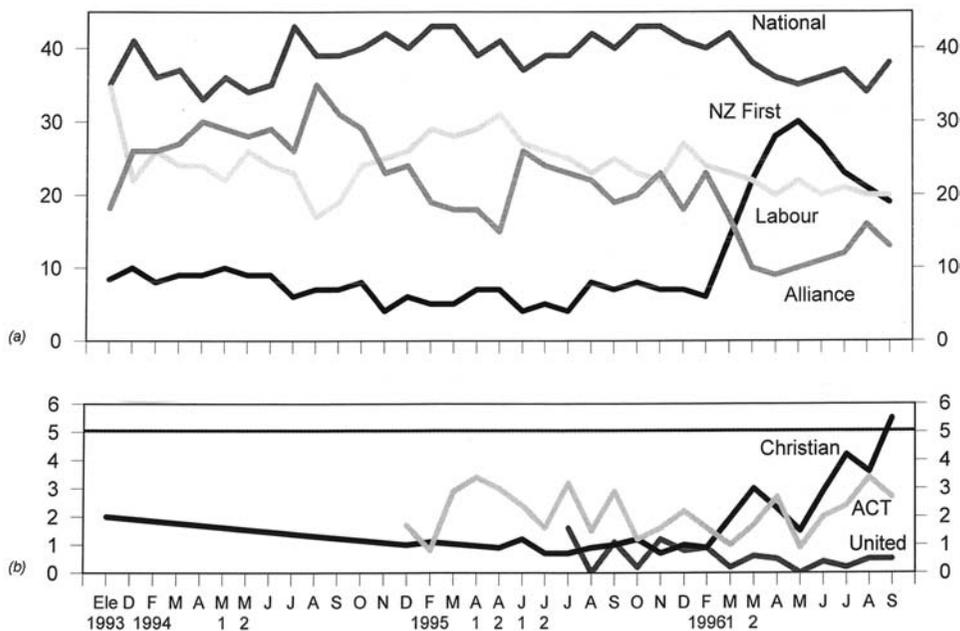


Fig. 1. Vote intentions, 1993–96: *a*, major parties; *b*, threshold parties. (Note: In some months there were two polls. Data from UMR-Insight, *National Business Review*.)

likely opposition coalition outcome would be a partnership of Labour and NZF. The Alliance indicated that in the absence of a preelection agreement it would not enter a coalition but would probably provide parliamentary support on confidence and supply for a non-National government.

This strategic environment defined the 1996 New Zealand election campaign as one of extreme uncertainty, fed by the volatility of the opposition vote and the electoral marginality of possible center-right coalition partners. National sought to reduce the marginality of United by effectively guaranteeing it representation in the new Parliament. But the prospects for the Christian Coalition and ACT appeared highly uncertain. In the best possible circumstances for the right, National, ACT, the Christian Coalition, and United might together gain enough seats for a parliamentary majority, but such a scenario was highly optimistic. On the other hand, although the three opposition parties were all certain to cross the threshold and might together command a parliamentary majority, their ability and willingness to sustain such a government were suspect. Labour's leader, Helen Clark, was unpopular among voters, and a vocal minority of

Labour MPs had been working against her since she displaced her predecessor, Mike Moore, just after the 1993 election. Although the experience of its parliamentary team and the residues of historical support for Labour should have been working in its favor, Labour entered the campaign limping and at a tactical disadvantage.

Figure 2 shows that the campaign eventually generated a Labour revival, but the opposition picture remained clouded until late September, when Labour finally pulled away from the others. Labour appears to have surged twice and fallen back once. Even with the late slump, Labour ended the campaign as the presumptive rival to National.

For the small parties, the prospect of clearing the 5 percent threshold was uncertain all along. United clearly was not going to, but retained the local advantage in Ohariu-Belmont (see previous discussion). Both the Christians and ACT toyed with the threshold all along. Until late September neither seemed more likely than the other to clear it. Then ACT surged and cleared the hurdle comfortably, but the Christians fell short.

Clearing the Threshold

For small parties, the question is whether the party will win *any* seats. As mentioned, under MMP a party becomes eligible for parliamentary seats either by winning at least 5 percent of the nationwide party vote or by winning at least one electorate seat. ACT eventually cleared both thresholds, but for much of the campaign its prospects seemed very much in doubt. United missed the 5 percent threshold by a wide margin but was virtually guaranteed an electorate seat by National's decision not to contest Ohariu-Belmont. The Christian Coalition flirted with the 5 percent threshold but had no realistic chance of winning any electorate seat.

According to figure 3, the campaign moved expectations toward the reality just described, but did so rather late and still left many respondents in the dark. For much of the campaign voters perceived ACT as hardly more viable than the Christians, with United seen as much the least viable of the three. In fact, a precampaign electorate poll had already indicated United on course to win Ohariu-Belmont, but most voters either did not have this information or, if they did, failed to absorb its threshold implications. Certainly, down to September 29, no enduring shift in threshold expectations occurred. Expectations seemed to drift: all three parties sagged around September 23–24 and then recovered, more or less. We have no explanation for

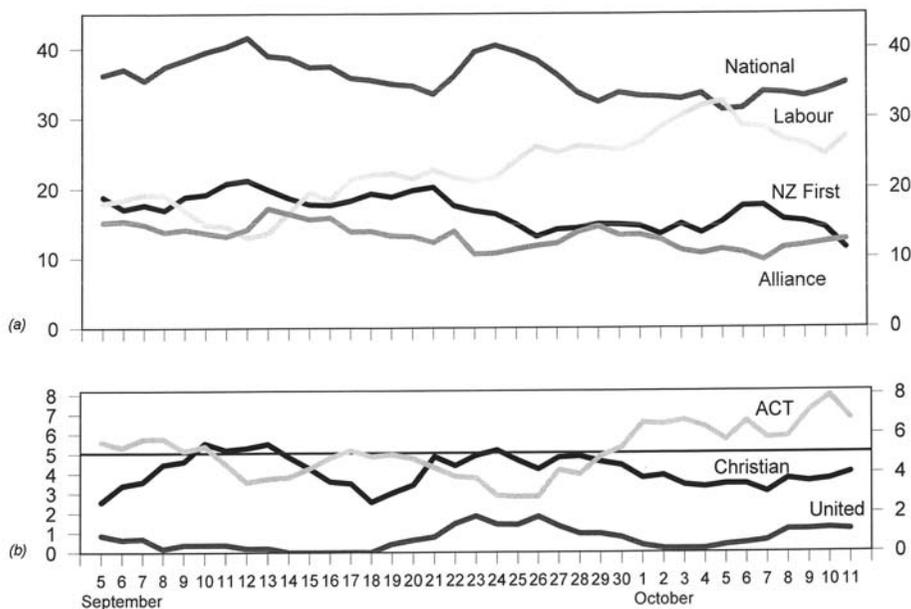


Fig. 2. Vote intentions in the 1996 campaign: *a*, major parties; *b*, threshold parties (five-day moving average)

the September 23–24 sag, but the general pattern is consistent with an electorate making straight party-vote calculations from national polls. Before September 28 the national numbers gave small parties little cause for optimism, and none suggested that either ACT or United had an advantage over the Christian Coalition. In four of the six polls published before September 28, the Christians outpolled ACT and in three, the Christians cleared the threshold. Only in the very first campaign-period poll (published September 14) did ACT's share exceed 5 percent.

Starting September 28, the informational situation shifted. That day saw the first electorate poll in Wellington Central, a seat contested by Richard Prebble, the ACT leader. This revealed a three-way race, with Prebble a close third. Essentially the same result was published on October 3, but the results of both of these polls had little circulation outside the lower North Island. On October 9 a Wellington Central electorate poll released on the most popular national TV news program gave Prebble a small plurality. On September 29 and 30, national polls suggested that ACT was at or above 5 percent. In four more national polls, ACT cleared the threshold twice and fell just short twice. Even where it fell short ACT outpolled

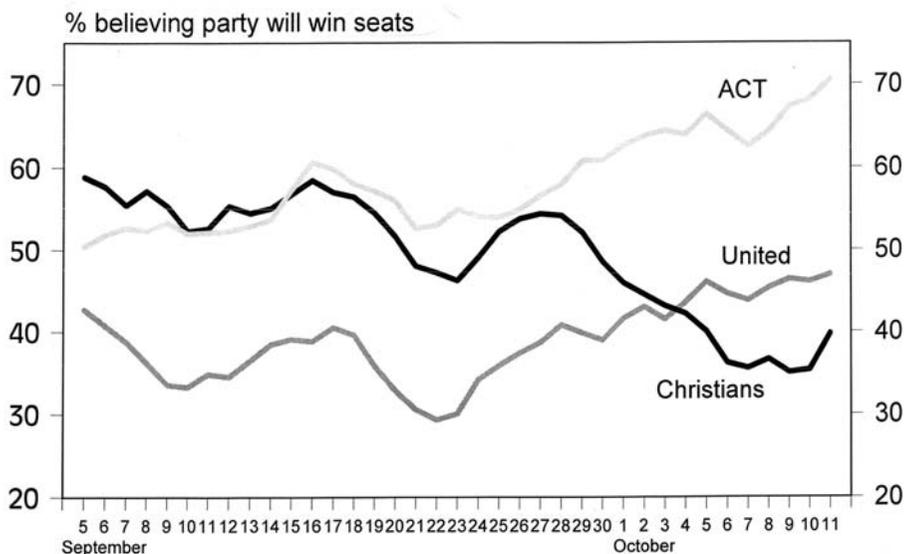


Fig. 3. Expectations for threshold parties (five-day moving average)

the Christians. The latter fell short of 5 percent in all six late polls. United's position also became very clear, as a September 30 poll in Ohariu-Belmont indicated that Peter Dunne was likely to receive an absolute majority.

Expectations moved toward reality, according to figure 3, as ACT and United moved up and the Christians dropped. For all the reality testing, however, perceptions still varied greatly at the end. To what extent did expectations reflect wish fulfilment, and did the campaign banish misperception?

Table 2 gives an account of factors governing expectations. Cross-sectional elements in the estimation are intended to do one or both of the following: stabilize other results or control for wish fulfilment bias. The two demographic variables, gender and age,⁵ appear to be sources of bias. Males expressed systematically higher expectations than females for the threshold parties. Older voters were more skeptical than younger voters of ACT's and the Christians' chances. Also seeming to impart bias was the ideological camp of party identification, "left" for Alliance and Labour identifiers and "right" for National, Christian, ACT, and United identifiers. The clearest pattern was for ACT expectations, where the left-right gap in belief that ACT would clear the threshold was about nine points. Christian Coalition expectations also evoked a pale reflection of this pattern. Claiming that the party in question

was closest on the most important policy also boosted the party's perceived chances. Was this really bias? This is a matter we return to in a moment.

The other terms in the table are longitudinal. Each party's standing in the most recently published national poll is entered.⁶ For ACT and United, dummy variables corresponding to release of electorate polls also appear, scored 0 for respondents interviewed before the publication of the poll and scored 1 for respondents interviewed on any later day. One poll gave the Ohariu-Belmont results for Peter Dunne of United, but there the race was not even close. As mentioned previously, three polls briefed voters on Wellington Central, and only the third indicated that Prebble of ACT held a plurality. National poll information had its greatest effect on the Christian Coalition, reflecting the deterioration in that party's standing. For ACT and United national polls had no effect. In United's case this is exactly as it should be, for the national polls were not relevant given the Ohariu-Belmont facts. It was the publication of the local poll that shifted expectations for United. For ACT, the key was the cumulation of information that Richard Prebble was on the rise in Wellington Central. This is indicated by the succession of positive coefficients on successive polls. These coefficients should be read cumulatively, later ones added to earlier ones. Over half the total rise in ACT expectations was attributable to the third electorate poll reported on national television.

TABLE 2. Factors in Threshold Expectations

	Expectations for Winning a Seat By					
	ACT		Christians		United	
Party % in last poll	0.01	(0.01)	0.06	(0.01)***	0.05	(0.03)
Electorate poll						
1	0.06	(0.03)	—		0.08	(0.02)***
2	0.02	(0.04)	—		—	
3	0.08	(0.04)	—		—	
Left identification—general	-0.02	(0.02)	-0.01	(0.02)	-0.01	(0.02)
Right identification—general	0.07	(0.02)***	0.03	(0.02)	-0.01	(0.02)
Threshold party closest on issue	0.27	(0.5)***	0.47	(0.07)***	—	
Male	0.05	(0.02)**	0.03	(0.02)	0.09	(0.02)***
Age (-18)	-0.17	(0.04)***	-0.06	(0.04)	0.07	(0.04)
Intercept	0.52	(0.06)	0.21	(0.05)	0.274	(0.025)
R ² -adjusted	0.04		0.03		0.02	
s _u	0.48		0.49		0.48	
N	2,927		2,927		2,939	

Note: Entries in parentheses are standard errors.

*p < 0.05 **p < 0.01 ***p < 0.001

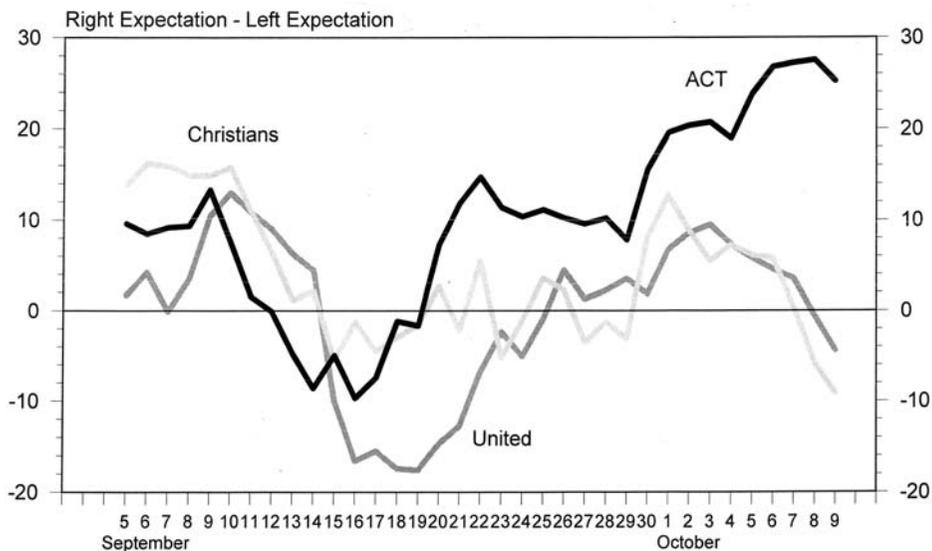


Fig. 4. Ideological differences in threshold expectations (seven-day moving average)

All longitudinal variables in table 2 are vulnerable to being styled as nothing more than time relabeled. For ACT and the Christians the national poll variable crudely divides the campaign into early and late, with only modest variation within halves of the campaign. The electorate poll variables, as dummies, divide the campaign even more crudely. But they derive credibility both from inspection of figure 3 and from common sense. The coefficient on the third Wellington Central result is not significant by the conventional test and criterion, but it is nearly so. More to the point, the null hypothesis refers to the difference between this poll and the immediately preceding one, a very stringent test, not between this poll and the period before any poll was published. By the latter criterion, the impact of the third poll is highly significant.

Ideological differences in strategic reckoning warrant closer attention. This could be just wish fulfilment, with no real motivational relevance. Or it could be that voters on the right have more incentive to weigh the prospects of small right and center-right parties with care. Time of campaign is relevant to distinguishing these processes and is controlled in figure 4, which presents week-by-week left-right differences in the percentage claiming that a small party will win a seat. The pattern is basically

consistent with motivationally differentiated reality testing, although with a wrinkle. Most striking is the contrast between ACT and the other two parties. For the Christian Coalition and United, the left-right difference was large early and essentially null late. This is consistent with the spread of common knowledge, in this case, knowledge of weakness. For ACT, the left-right difference widened as the campaign progressed. In fact, *only* right-party identifiers saw ACT gain viability.⁷ It is hard to fault their perceptions, as late polls and accounts of the race in Wellington Central all pointed to the party's strength. If this was bias, it was bias on the left, but there, bias was irrelevant; nothing hinged on it.⁸

This brings us to implications for the vote. Table 3 presents estimations for right-party identifiers only, as they had the clearest incentive to take strategic action at the threshold. Two strategic factors enter the estimation, the threshold expectation for the small party in question and the expectation for the National Party share of parliamentary seats.⁹ For prediction to the impact of threshold expectations, strategic reasoning arguably cuts both ways. On the one hand, there is little point wasting a vote for a party with little chance of winning so much as one seat; the vote is better given to a more viable ideological ally. On the other hand, the greater the small party's chance of winning, the less necessary is any strategic action. Strategic action is most necessary when the ally is right at the threshold: if it falls below, the ideological family's combined seat share may

TABLE 3. Threshold Expectations and the Vote, Right Identifiers Only (N = 586)

	Party					
	ACT		Christians		United	
<i>Expectation for the threshold party</i>						
Expectation	0.07	(0.02)***	0.02	(0.01)*	0.01	(0.006)
<i>Expectation for the National Party</i>						
"Time-series"	-0.008	(0.006)	-0.004	(0.003)	0.000	(0.002)
"Cross-section"	0.006	(0.006)	-0.003	(0.003)	0.001	(0.002)
Threshold party closest	0.39	(0.05)***	0.33	(0.04)***	—	—
Threshold party ID	0.57	(0.09)***	0.68	(0.04)***	—	—
Male	0.04	(0.02)*	-0.02	(0.01)*	0.01	(0.01)
Age (-18)	-0.07	(0.005)	0.04	(0.03)	0.03	(0.02)*
Intercept	0.13	(0.34)	0.12	(0.12)	-0.04	(0.07)
R ² -adjusted	0.26		0.63		0.01	
s _e	0.25		0.12		0.07	

Note: Entries in parentheses are standard errors.
 *p < 0.05 **p < 0.01 ***p < 0.001

be less than that available were the votes properly coordinated.¹⁰ The National Party expectation carries a clearer indication: the greater the National share, the less the need for bolstering by small allies.

Expectations are broken into cross-sectional and time-series parts. We cannot assume as a matter of principle that the longitudinal and cross-sectional elements in expectations (or in many other factors, for that matter) operate the same way. At any given time there may be a strong positive relationship between expectation and intention. The overall surface of expectations may shift with no or little concomitant shift in intentions or vice versa. If we estimated a single coefficient for impact of expectation on intention we might capture a mainly cross-sectional effect. Using this coefficient to calculate the impact of the net shift in expectations would almost certainly yield an overestimate. Where possible, then, we separate longitudinal from cross-sectional variation as follows:

First we derive a normalized seat expectation. For the National Party this is just the number of seats the respondent expects National to win divided by the total number the respondent expects for the four largest parties.

The mean seat expectation for the respondent's interview date is subtracted from his or her normalized expectation.

This sequence has the following effect. The second variable retains cross-sectional information but is purged of longitudinal variance. With both variables in the estimation, the second captures only cross-sectional impact, leaving the first to capture only longitudinal impact. The coefficient on the first is the estimated dynamic effect, and the sum of the two coefficients captures the cross-sectional effect. In principle, this is not the best way to separate time-series from cross-sectional variance, but it is the only way available for expectational data.¹¹ For the threshold expectation itself, measured as a simple dummy variable, this method asks too much of the data, so we make no distinction between longitudinal and cross-sectional. Also in the estimation are two demographic variables, gender and age, together with two obvious substantive motives for choosing a party, whether or not it is the closest party on policy and whether or not the respondent identifies with it.

In actual results, threshold expectations play a simple role: the greater the expectation, the greater the likelihood of support for the party in question. One reading is this: no one is deluded that small-party success

is so certain that strategic vigilance need not be kept; the effective range of the distribution is from subjective certainty of failure to diffident optimism, with the latter being a necessary minimum condition to unlock the vote. This was true for both ACT and the Christians but was most forcefully true for ACT. Threshold expectations had no impact on the United vote. But then, United, alone among these parties, never needed help.

Expectations for the National Party seat total may have mattered for the ACT vote and the Christian vote, but the estimation is unstable. For these parties, expectations coefficients are about the same size as or slightly larger than their respective standard errors, with the time-series coefficients slightly more so. Most noteworthy is the time-series coefficient in the ACT estimation. It indicates that, as expectations for National's seat total weaken, the likelihood of supporting ACT increases and vice versa. The coefficient suggests that a one-point drop in the expected National share yields an eight-tenths of a percent increase in the ACT vote, other things being equal. The indication is similar but weaker for the Christian vote. The estimates further indicate that the impact on the ACT vote is entirely longitudinal.¹²

Expectations and "Strategic Sequencing"

"Strategic sequencing" takes place where votes are cast with a mind to which putative nucleus party gets priority in attempting to form a government. Before they could think in those terms, voters had to resolve a prior question: which party would be the opposition nucleus, Labour or NZF?

Why not Alliance? It is true that, in the aftermath of the 1993 election, the Alliance share surged, such that that party seemed like National's chief rival for some months (fig. 1), and as recently as February 1996 the Alliance rivaled Labour. But the Alliance declined sharply before the campaign, and only for a few early days did Labour's share fall below the Alliance one. In these circumstances, the Alliance was reduced to being a pivot, and even that role was diminished twice over: first, by the Alliance's unequivocal preference for Labour over National, and, second, by its commitment only to support a Labour government, not to join it.¹³

The main beneficiary of the Alliance's 1996 decline, seemingly, was NZF, whose share grew three- to fivefold between February and May 1996. Although NZF fell back, it was level with Labour on the eve of the campaign (fig. 1) and outpolled Labour for some of the campaign's early days

(fig. 2). Winston Peters made his prime ministerial ambitions clear and, like Labour, rejected a preelection coalition agreement. Up to the campaign, and often during it, Peters reserved his main attacks for the National government, giving the clear impression that NZF intended to participate in, and preferably form, an alternative government. Toward the end of the campaign, as his party stalled, he began to sound more like a pivot than a nucleus. For much of the period under study, however, NZF could be seen as locked in a struggle for primacy with Labour.

If Labour naturally presented itself as a traditional party of government, there was serious question at the start if this pretense was sustainable. Helen Clark's credibility was also clearly tied to her ability to draw votes, at the start much in doubt. The biggest story of the campaign was her personal rehabilitation, which was linked to her ability to clarify Labour's position on key issues (Johnston 1998). This story will inevitably poke through this essay's analysis and narrative, especially in the guise of control factors in multivariate estimations, treated subsequently.

Here, though, the factor of interest is voters' expectations for Labour and NZF, as described in figure 5, and what lay behind them. From the beginning, expectations for Labour were high, while expectations for NZF were realistically low, possibly even discounted. Respondents never projected a Labour seat share below 25 percent, even when fewer than 20 percent of those same respondents declared a Labour vote intention. As Labour's vote share rose, so did expectations. The two lines met at about 30 percent, accompanied each other into the low 30s, and then parted company. Where Labour's own vote fell back in the last week, expectations continued to drift up. Expectations for NZF drifted down over the campaign but were always fairly close to reality. The party was arguably discounted at the start and finish. In between, though, NZF expectations slightly outran intentions.

Some voters were more clear-headed in their expectations than others. For both Labour and NZF, partisans of the left and right got the race in clearer focus than did centrists. Centrists had the rank order of Labour and NZF roughly correct but updated their evaluations hardly at all. In the end, they discriminated the parties much less than did noncentrists; the image is of a random draw, somewhat modified by historical fact. The critical link is between left identifiers and expectations for Labour. At the start, left- and right-wing voters expected Labour to get between 25 percent and 30 percent of the seats. Starting in mid-September, however, left identifiers—and

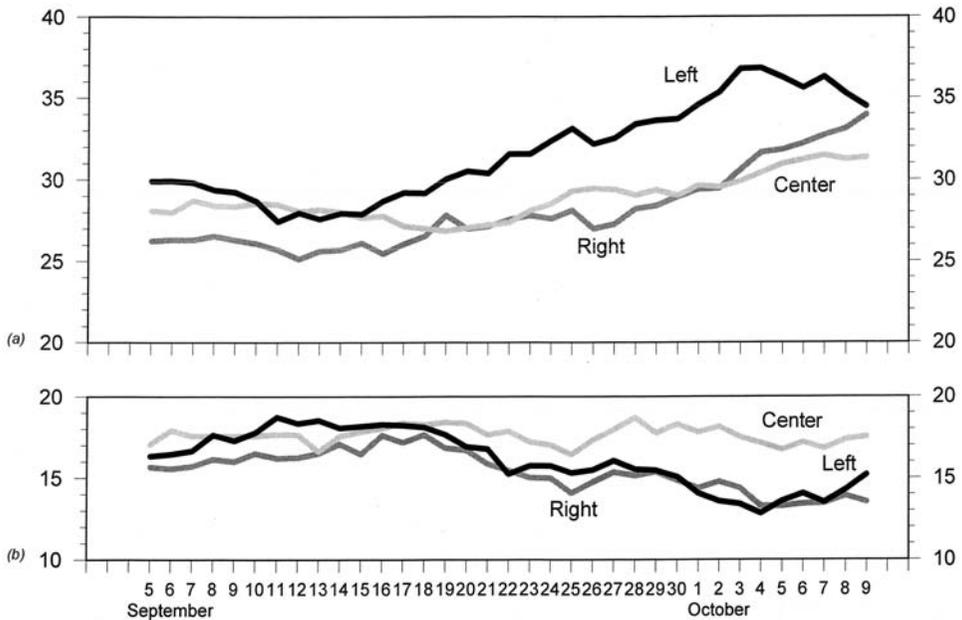


Fig. 5. Nucleus-party expectations by “ideological family”: *a*, Labour; *b*, NZF (seven-day moving average)

only this group—began a rapid reevaluation of Labour’s chances. There was a further acceleration of expectations after the first debate. Right identifiers also began upgrading their expectations at this point. But it will prove critical to the argument later in this essay that expectations on the left were already going up before the debate.

Table 4 attempts to account for expectations, with a mix of cross-sectional and longitudinal elements. Party identification terms are almost purely cross-sectional, as little systematic movement in the distribution occurred over the sample period. Issue and leader ratings tap both kinds of variation. The percentage choosing Helen Clark as the best prime minister surged at midcampaign, as did the percentage saying Labour was closest on the most important issue.¹⁴ Poll information, of course, is purely longitudinal.

Expectations were clearly colored by predispositions, as indicated by party identification coefficients. For each of Labour and NZF, the most sharply contrasted identification groups were about 4.5 points apart, most optimistic being those identified with the party in question. Leader and

issue evaluations also affected expectations, especially for NZF. Although we feel uncomfortable trying to separate longitudinal from cross-sectional,¹⁵ longitudinal shifts in these evaluations must be a big part of the story. As large numbers of voters made a substantive reevaluation of Clark and her party, so must they—with good reason—have reevaluated the party's prospects.

This brings us once more to the truly independent strategic information, from polls. Polls did have an effect for each party, much stronger for Labour than for NZF. For the latter the effect is truly weak: a percentage-point shift in polls induced a 0.13 shift in expectations, both variables measured on the same scale. And the distance traversed by NZF's published poll standing over the campaign—the range from the last precampaign to the last preelection poll—was only 7 points. For Labour both things were greater: the unit shift in polls induced a 0.43 shift in seat expectations, other things being equal, and total range in Labour shares spanned 13 points.¹⁶

Expectations did respond to campaign cues, including polls. No less striking, though, is the weight of history. From the beginning, Labour was forecast as closer in seats to National and closer to its own previous history

TABLE 4. Factors in Labour and New Zealand First Expectations ($N = 2,412$)

	Labour		New Zealand First	
<i>Identification</i>				
Alliance	-2.1	(0.99)*	1.0	(1.0)
Labour	1.9	(0.5)***	-0.9	(0.5)
National	-0.3	(0.5)	-0.5	(0.5)
NZ First	-2.6	(1.0)**	3.7	(1.1)***
<i>Best prime minister</i>				
Bolger	1.5	(0.5)***	-0.7	(0.5)
Clark	1.2	(0.6)*	0.1	(0.6)
Peters	-2.3	(0.6)***	6.8	(0.6)***
<i>Closest party on issue</i>				
Alliance	-1.2	(0.6)*	-0.9	(0.6)
Labour	1.8	(0.5)***	-0.3	(-0.6)
National	-1.6	(0.5)**	0.1	(0.5)
NZ First	-3.1	(0.7)***	7.0	(0.7)***
Party % in last poll	0.43	(0.06)***	0.13	(0.07)
Intercept	21.4	(1.2)	13.1	(1.3)
R ² -adjusted		0.12		0.20
s _u		8.4		8.8

Note: Entries in parentheses are standard errors.

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

than to its principal opposition rival, NZF. Events vindicated this early perception, but was it merely self-fulfilling? Had Clark not performed so well in the first debate, perhaps Labour expectations would have converged on predebate reality rather than the reverse.¹⁷ That early perceptions mirrored history should not be surprising, however. The same was true in the early stages of the 1988 Canadian campaign, even though the historically central Liberal Party struggled to stay ahead of the New Democratic Party (Johnston et al. 1992, chap. 7). It also mirrors experimental findings on equilibrium dynamics in the absence of polls (Forsythe et al. 1993), and poll information was sparse early on. The sluggishness of expectational updating also parallels both the Canadian survey pattern and experimental evidence (Edwards 1982).

Table 5 examines the impact of expectations on the vote. One estimation covers the whole campaign, maximizing both number of cases and longitudinal variance. But treating the whole campaign as a homogeneous time period may do violence to the logic of the event. Certain kinds of

TABLE 5. Expectations, Coalitions, and the Labour Vote (respondents identified with right-wing parties excluded)

	Whole Campaign		Predebate		Postdebate	
<i>Labour expectation</i>						
"Time-series"	0.003	(0.003)	0.018*	(0.010)	-0.002	(0.009)
"Cross-section"	0.004	(0.003)	-0.012	(0.010)	0.010	(0.009)
<i>Identification</i>						
Alliance	-0.01	(0.04)	-0.04	(0.05)	0.02	(0.06)
Labour	0.21	(0.02)***	0.19	(0.03)***	0.22	(0.03)***
NZ First	-0.007	(0.04)	-0.04	(0.05)	0.04	(0.06)
<i>Best prime minister</i>						
Bolger	-0.13	(0.03)***	-0.13	(0.03)***	-0.14	(0.04)***
Clark	0.22	(0.03)***	0.26	(0.04)***	0.19	(0.03)***
Peters	-0.10	(0.03)***	-0.14	(0.03)***	-0.04	(0.04)
<i>Closest party on issue</i>						
Alliance	-0.10	(0.03)***	-0.11	(0.04)**	-0.09	(0.04)*
Labour	0.39	(0.03)***	0.38	(0.03)***	0.40	(0.04)***
National	-0.07	(0.03)*	-0.07	(0.04)*	-0.06	(0.04)
NZ First	-0.08	(0.03)*	-0.03	(0.04)	-0.15	(0.05)**
Intercept	0.20	(0.20)	-0.32	(0.27)	0.23	(0.19)
R ² -adjusted	0.55		0.51		0.58	
s _u	0.31		0.31		0.31	
N	1,456		802		654	

Note: Entries in parentheses are standard errors.

* $p < 0.10$ ** $p < 0.05$ *** $p < 0.01$ **** $p < 0.001$

information may be more powerful early than late, or vice versa, and certain considerations may be primed. The table addresses these possibilities in a crude way by breaking the campaign in two at the first debate, the event that rehabilitated Helen Clark. The estimation includes identification, leader, and issue terms, parallel to table 4. Expectational variance is separated into time-series and cross-sectional components, on the logic and by the means described previously.

Basically, expectations are hypothesized to have a monotonic positive impact. One condition that justifies this is that neither nucleus party is far ahead of its rival. This cuts both ways, of course: the weaker the Labour expectation, the less likely the Labour vote, and vice versa. This condition held before the first debate but ceased to hold shortly after the debate, as Labour pulled away. As this happened, the expectation might have become less important. A second condition is that no pivot party be in peril at the threshold. This condition also held throughout the campaign, as the obvious pivot, the Alliance, always had a vote-intention share above 10 percent. Had this condition not held, then above some threshold, the impact from the Labour expectation might even reverse sign: the more comfortable Labour's apparent position, the more readily can effort shift to bolstering the Alliance.¹⁸

Although most of the power in the estimations derives from substantive factors, expectations seem pretty clearly to matter. In the whole-campaign estimation, a 1-point shift in the Labour seat expectation produced a Labour vote increment of about 0.3 points, other things being equal. The time-series coefficient is barely larger than its standard error, however. The real story is from the first half of the campaign. Here the coefficient implies an effect closer to two-to-one; that is, a one percentage point gain in perceived seat share was worth almost a 2-point gain in vote likelihood. In this period, the Labour vote-intention share did go up, if only gradually. Nothing else was breaking Labour's way, as the reevaluation of Helen Clark and the concomitant clarification of Labour's positions on key issues lay in the future. As figure 5 indicates, respondents on the left were the most sensitive to Labour's evolving situation: their expectation for Labour's share grew some 6 points before the debate. Voters in the center reevaluated Labour's chances hardly at all (indeed, they were quite unresponsive throughout the campaign). Still, in the pool of potential Labour voters, expectational impact was hardly trivial. Once substantive considerations accelerated Labour's rise, however, expectations played no further role, as indicated by the feeble postdebate coefficient.¹⁹

Discussion

On the eve of the 1996 campaign, the system presented voters with considerable strategic uncertainty. The campaign largely resolved the uncertainty, and published polls were critical to this resolution. In one sense, the polls were self-fulfilling. In another sense, they facilitated efficient behavior on the part of critical subsets of the electorate and, arguably, brought the result *closer* to the electorate's sincere preferences.

The campaign moved perception around the MMP threshold: ACT and United came to seem more viable and the Christian Coalition less so. These shifts accorded with reality and did so as reality itself moved, especially as polls put reality on the public record. The polls that moved perceptions were truly relevant to the choice. For ACT and United, only local polls were critical. Polls from Wellington Central confirmed that Richard Prebble was seriously in contention to win the seat, which would also ensure that ACT votes be translated into seats. For United, the one Ohariu-Belmont poll indicating victory for Peter Dunne shifted expectations dramatically. For the Christian Coalition, only nationwide polls mattered. Those were the only polls that *should* have mattered as the party had no realistic local stronghold, even as it flirted with the countrywide threshold. And shifts in expectation helped shift vote intentions for two of the three parties. Cross-sectionally, threshold perceptions exhibited bias, although some of what might look like bias was arguably motivationally appropriate attentiveness. Also relevant may have been expectations for the National Party. The weaker National was seen to be, the higher the probability of support for both ACT and the Christians.

The campaign also shifted expectations for potential nucleus parties, notably for Labour. The gradual upward drift in Labour intentions registered in upwardly revised expectations, even before Helen Clark's breakthrough in the first debate. Only voters on the left of the ideological spectrum recognized this drift, however. But only they were really prepared to act on it, so their alertness seems to complement that for right-wing voters in relation to ACT at the threshold. Both domains exhibited motivationally appropriate reality testing. Voters who ignored the information were unlikely to act on it.

Expectations were also subject to bias from history. At the outset, respondents projected Labour to win about as many seats as the party ultimately did win. This was true long before Labour's share of vote intentions

actually reached that level. Evidently, voters felt the weight of history and discounted the more recent information. NZF did not so obviously have history on its side. Even under MMP, then, historically large parties may be advantaged, in that they can benefit from self-fulfilling expectations. Why should voters exhibit self-fulfilling expectations and behavior? The answer seems to lie in Cox's (1997) notion of "strategic sequencing." If big parties jockey for priority in forming the government, voters may factor expectations into their choice.

But, then, this evidence is for 1996, the first MMP election. The year's strategic confusion may only reflect the novelty of the situation. The rules were new, as was the level of electoral fragmentation. Some of that fragmentation was the result of attempts by parliamentary players to survive the transition. They too were operating in an unusually hazy context. As the system settles in, uncertainty may diminish. Ironically, this need not reduce the role of expectations. Expectations may just be more stable and even more self-fulfilling.

APPENDIX: The 1996 New Zealand Election Study

The New Zealand Election Study (NZES) Campaign Survey was conducted between September 5 and October 11, 1996, by the Survey Research Unit in the Department of Political Science and Public Policy at the University of Waikato. We gratefully acknowledge the work of Dr. Gabriel Dekel, director of the unit.

Respondents were selected by random digit dialing from a national sampling frame of telephone numbers, weighted to ensure that the sample would be balanced by region. Respondents were also weighted according to household size, so that responses from persons in larger households were properly balanced against those in smaller households. No quotas or weights were applied by age and gender, as checks early in the interviewing indicated random sampling was producing a demographically representative sample within expected sampling error. Interviews were conducted on computer. Callbacks were essentially unrestricted, and numbers for which there was no reply were called up to twenty times.

The total sample size was 4,448, of which 3,091 were NZES-funded seven-minute interviews and 1,357 were three-minute media-funded interviews. Most estimations and exhibits in this essay are based on the NZES-funded interviews. The response rate for this part of the sample

was about 50 percent, on the assumption that numbers called twenty times or more with no reply were nonresidential.

The campaign survey was funded from a variety of sources, with some assistance from the budget of the 1996 Election Study, which was funded by New Zealand taxpayers through the Foundation for Research, Science, and Technology (FRST). Most of the support for the campaign survey came from the University of Waikato School of Social Sciences Research Committee and the University of Waikato and University of Auckland Research Committees. Further financial assistance also came from the *New Zealand Herald* and Television New Zealand.

NOTES

1. This is a stylization of Palfrey 1989; Fey 1997; and Cox 1997. We deliberately finesse considerations of local versus national equilibration and of the measurement of M , as neither matters much to our argument.

2. Other kinds of movement may be greater, however. For example, the typically greater fractionalization of systems under PR may multiply the number of acceptable parties for any given voter, and this may facilitate shifts within blocs (Bartolini and Mair 1990).

3. In the use of the term *nucleus* to denote parties at the center of a coalition, we follow Laver and Schofield 1991, 206.

4. With the shift to MMP the number of electorates was cut almost in half, from ninety-five non-Maori seats to sixty. Many incumbents would thus be forced into head-to-head contests for reselection.

5. Ideally more demographic variables would be entered, but severe time constraints on the telephone wave made age and gender the only two available. We reestimated all the tables in this essay with a full inventory of postelection variables, but because this cut the total sample size in half, it contributed little to the stabilization of coefficients.

6. The poll variable was simply updated on each day. National polls appeared in a morning newspaper, the *New Zealand Herald*, which circulates in the upper North Island, where about half the country's population lives. Most electorate polls appeared in Wellington's *Evening Post*, which is read mainly in the lower North Island. The polls with most exposure were the Colmar-Brunton efforts featured on TV One's Network News at 6:00 p.m., and these included the final Wellington Central electorate poll. Polls conducted by CM Research appeared on the TV3 National News, also at 6:00 p.m. A single national poll early in the campaign was published in the *National Business Review*, conducted by UMR-Insight.

7. In the first week of fieldwork, 51.2 percent of left identifiers thought ACT would win a seat, as compared with 50.0 percent of right identifiers; corresponding percentages for the last week were 54.2 and 78.2.

8. The wrinkle is that the United pattern did not match the ACT one. United was viable at the end and came increasingly to be seen as such (fig. 3). The key may be that United was not really on the right, notwithstanding its coalitional commitment.

9. Respondents were asked the actual number of seats they thought a major party would win and were told not to worry about the total implied for the four clearly viable parties. The attribution was then normalized by that total, so that the expectation for a party is expressed as its percentage of the four-party seat total.

10. See the discussion in Cox 1997, 197–98.

11. For a formal discussion of alternative ways to capture time-series effects in rolling cross-section survey data, see Johnston and Brady 2002. This method corresponds to their equation (11).

12. The cross-sectional effect is the sum of the coefficients, which is close to zero. Tellingly, when only the normalized expectation is entered, the estimated coefficient is also close to zero.

13. Strictly speaking, any party is pivotal if its withdrawal from a proto-coalition deprives that body of a majority. In this sense, nucleus parties are also pivots. Our use applies to parties that are unlikely to lead a government, to supply the prime minister. The pivot image works best for a party of the center, potentially available for coalition with either nucleus party; here pivotal conveys the sense of an axis. But it also works for a party ideologically more extreme than its relevant nucleus; here pivotal conveys the sense of a hinge. Awkwardly, NZF was initially a potential nucleus but ultimately only a pivot.

14. All along, the most frequently cited issues, in descending order, were health care, education, and the economy. The percentage unable to name a party as closest on the most important issue dropped in step with the rise in the percentage naming Labour. It was not, then, that Labour took a space on which all party positions were known and fixed and shifted salience weights to its advantage. Rather, Labour clarified its own position in a space whose axes all along bore the same relationship to each other. For more detail, see Johnston 1998.

15. In addition to being dummy variables, the closeness measures are constructed from relative, rather than absolute, preference data.

16. Arguably the polls with only truly nationwide audience were the four Colmar-Brunton ones broadcast on TV One. In an alternative estimation we substituted the Comar-Brunton series for the all-poll series reported in table 4 and, reassuringly, extracted larger coefficients. We were anxious about a series with only four values, however, and so feel more comfortable reporting the coefficient on the more densely populated series.

17. As further grist for this mill, reevaluation of Clark and of her party's issue positions came primarily on the left, among voters for whom the new information was reinforcing (Johnston 1998).

18. Consistent with this discussion, we also estimated more complicated setups. One step was to include NZF and Alliance expectations, where Alliance expectations capture threshold concerns directly. Another step was to make the Labour (and possibly NZF) expectational terms curvilinear, such that the sign could reverse above some "comfort" level for strategic sequencing. These moves asked a lot

of our data and yielded no empirical gain. The NZF expectation is quite collinear with the Labour one, with unfortunate effects on standard errors. On the curvilinearity issue, our sense is that the overwhelming majority of respondents saw no relevant party near the threshold, much less below it, and never saw Labour as threatening to run away with the election, indeed always struggling to catch National. We capture some curvilinearity, however, simply by splitting analysis at the first debate.

19. Throughout the campaign, the cross-sectional impact of expectations was roughly constant, about 0.007 points. This can be calculated by adding the expectations coefficients. The whole-campaign, predebate, and postdebate sums are 0.007, 0.006, and 0.008, respectively.

REFERENCES

- Bartolini, S., and P. Mair. 1990. *Identity, Competition and Electoral Availability: The Stabilisation of European Electorates, 1885–1985*. Cambridge: Cambridge University Press.
- Blais, A., and L. Massicotte. 1996. "Electoral Systems." In *Comparing Democracies: Elections and Voting in Global Perspective*, ed. L. LeDuc et al. Thousand Oaks, CA: Sage.
- Cox, G. W. 1997. *Making Votes Count: Strategic Coordination in the World's Electoral Systems*. Cambridge: Cambridge University Press.
- Edwards, W. 1982. "Conservatism in Human Information Processing." In *Judgment under Uncertainty: Heuristics and Biases*, ed. D. Kahneman, P. Slovic, and A. Tversky. Cambridge: Cambridge University Press.
- Felsenthal, D. S., and A. Brichta. 1985. "Sincere and Strategic Voters: An Israeli Study." *Political Behavior* 7:311–23.
- Fey, M. 1997. "Stability and Coordination in Duverger's Law: A Formal Model of Preelection Polls and Strategic Voting." *American Political Science Review* 91: 135–47.
- Forsythe, R., R. Myerson, T. A. Rietz, and R. Weber. 1993. "An Experiment on Coordination in Multi-Candidate Elections: The Importance of Polls and Election Histories." *Social Choice and Welfare* 10:223–47.
- Johnston, R. 1998. "Issues, Leaders, and the Campaign." In *Voters' Victory? New Zealand's First Election under Proportional Representation*, ed. J. Vowles, P. Aimer, S. Banducci, and J. Karp. Auckland: Auckland University Press.
- Johnston, R., A. Blais, H. E. Brady, and J. Crête. 1992. *Letting the People Decide: Dynamics of a Canadian Election*. Montreal: McGill-Queens University Press.
- Johnston, R., and H. E. Brady. 2002. "The Rolling Cross-Section Design." *Electoral Studies* 21:283–95.
- Laver, M., and N. Schofield. 1991. *Multiparty Government: The Politics of Coalition in Europe*. Oxford: Oxford University Press.
- Leys, C. 1959. "Models, Theories and the Theory of Political Parties." *Political Studies* 7:127–46.
- Lijphart, A. 1984. *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries*. New Haven: Yale University Press.
- Mair, P. 1996. "Party Systems and Structures of Competition." In *Comparing Democracies: Elections and Voting in Global Perspective*, ed. L. LeDuc et al. Thousand Oaks, CA: Sage.

- Palfrey, T. R. 1989. "A Mathematical Proof of Duverger's Law." In *Models of Strategic Choice in Politics*, ed. Peter C. Ordeshook, 69–92. Ann Arbor: University of Michigan Press.
- Sartori, G. 1968. "Political Development and Political Engineering." In *Public Policy*, ed. John D. Montgomery and Albert O. Hirschman. Cambridge: Cambridge University Press.
- Vowles, J. 1994. "Dealignment and Demobilization: Nonvoting in New Zealand 1938–1990." *Australian Journal of Political Science* 28:96–114.
- . 1997a. "Waiting for the Realignment? The New Zealand Party System 1972–1993." *Political Science* 48:184–209.
- . 1997b. "Voters and Elections." In *New Zealand Politics in Transition*, ed. R. Miller, 199–211. Auckland: Oxford University Press.