

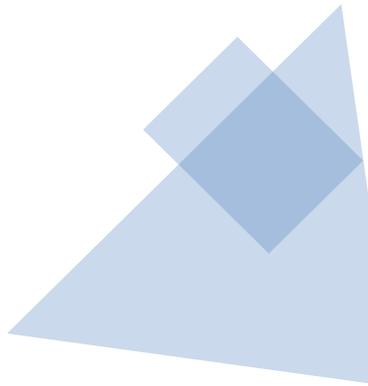
How Healthy is Democracy in New Zealand? Too thin?

- Dr Chris Rudd
- University of Otago
- Talk to U3A Timaru
- Monday 15th March 2021



What is Democracy?

***A Thin* concept: rules are fair**

- Almost all adult citizens have the right to vote
 - Almost all adult citizens are eligible for public office
 - A competitive multi-party political system
 - Elections are free and fair
 - All citizens are free to express themselves on all political issues
 - Diverse sources of information about policies exist and are protected by law
- 

Thin Democracy: Rules of the Game

- In terms of a thin democracy, we easily meet the criteria
 - in terms of who can vote
 - in terms of ease of voting
 - In terms of eligibility to stand for office
 - In terms of political parties
 - In terms of security of elections
 - In terms of free media



Thick concept of democracy



Democracy transformed from thin paper to thick action is the greatest form of government on earth.

—Martin Luther King Jr.

- This encompasses wider measures. Says that a democracy is more than the sum of its institutions and laws, the rules of the game.
- It looks at the *functioning* of those institutions and the actual *involvement* of citizens in the democratic process
- It looks at the *outputs* and *outcomes* of government

Difference between *government* and *governance*

- Government is a group of people who rule or run the administration of a country.
- Governance is what governments do — and how well they do it!



Thick Concept of Democracy

- Democracies are 'thick' when citizens are willing to participate
- Without this, democracy becomes the preserve of a small, select group
- An 'audience' democracy where politics is a spectator sport



Change to the rules: to a more 'thick' democracy?

- Prior to MMP some may have claimed was very thin democracy – anaemic!
- In 1978 and 1981, Labour won more votes but National won more seats and became the government
- Social Credit party won 16% of the vote in 1978 and just 1 seat; in 1981, won 21% of the vote and just 2 seats
- Labour (1984-1990) and National (1990-1993) seen as breaking promises and were 'unaccountable'
 - An 'elective dictatorship'

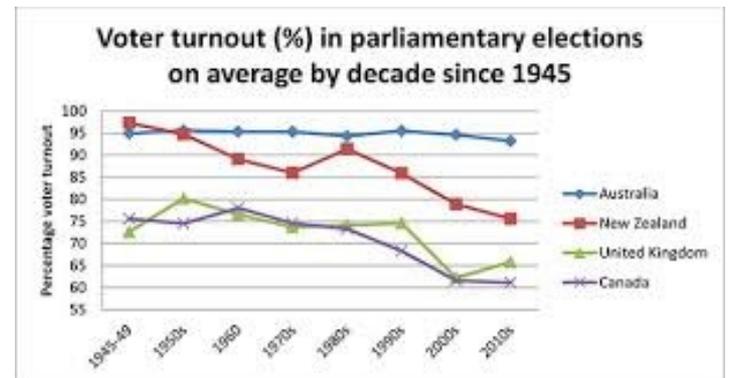


Change to the rules in 1993-1996

MMP introduced along with Citizen Initiated Referendum (CIR)

Has MMP led to a more 'thick' democracy?

- *More involvement?*
- Was 82% in 2020 (average 1946-1963 was 89-94%)
- But 76% for those aged 18-34
- And in local elections: 43% in 2016 compared to 57% in 1989



Have Citizen Initiated Referendums made a difference?

- Many attempts to hold a CIR
- Hard to gather 10% of electors within 12 months: in 2020, that would have meant 350,000 signatures, average of 959 per day!
- Only a few have actually ended up as a vote
- Last two petitions both lapsed (2018): Friends of Sherwood proposal to ban 1080
- Logic Party's proposal to establish North Shore as an independent city state

More representative involvement?

- Women in parliament: a record 57 out of 120 or 48%. Highest since women first allowed to stand for parliament in 1919
- 23 MPs (20%) of Maori ethnicity (16.5% of population)
- 9 (8%) Pacific Islanders (8% of population)
- 7 (5%) Asian (15% of population)
- 12 'Gay' MPs (10%)



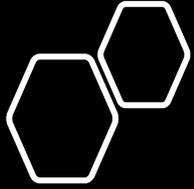
More inclusive involvement?

- Coalitions formed since 1996 by National or Labour have involved:
- New Zealand First, Mauri Pacific, Alliance, Progressives, Greens, United Future, and the Maori Party!



**Improved
outcomes?**

- Have more women, Maori and Pacific Island MPs been able to improve the lot of their demographic?



Improved outcomes?

- *Inequality*
- The wealthiest 20 per cent of households in New Zealand hold 70 per cent of the wealth, while the top 10 per cent hold half the wealth.
- *Child Poverty*
- In 2019, 235,400 children lived in poverty.

Distribution of NZ's wealth
By household



Improved outcomes?

- *Obesity*
- New Zealand ranked 21st most obese country in the world
- *Youth Suicides*
- New Zealand has by far the highest youth suicide rate in the developed world.





Improved outcomes?

- *Homelessness.*
- In 2020, 1% of New Zealanders were homeless (*people living in temporary residences or uninhabitable conditions, those sharing a residence with another household and those sleeping in cars or on the streets*)

What about the functioning of government?

- How pervasive is government corruption in New Zealand?
- Defined as “Use of public office for illegitimate private gain principally through bribery or fraud.”
- In 2011 TVNZ poll asked, “Is New Zealand the least corrupt country in the world?”
- 57% chose the option “No, we’re deluding ourselves.”
- In a State Services Commission Integrity and Conduct survey (2013), found that 15% of public servants ‘reported observing illegal conduct in the previous 12 months’.

Corruption?

- In a survey commissioned by *Transparency International* in 2014, 65% of New Zealanders said corruption had increased over the previous three years.
- A survey commissioned in 2019 by Victoria University of Wellington found that 34% believed that “corruption is widespread throughout the government in New Zealand”.

New Zealand



With Least Corruption

Examples of corruption during 2000s

- Two Auckland Transport managers sentenced to 5 years each after being found guilty of bribery and corruption (February 2017).
- Two men at New Zealand Transport Agency found guilty of taking bribes in exchange for driver's licences (2019).
- In 2019-2020: accusations of improper political donations surrounding Simon Bridges and Jami-Lee Ross...and NZF!
- Other corruption cases involving Housing NZ, Immigration Department and Department of Conservation

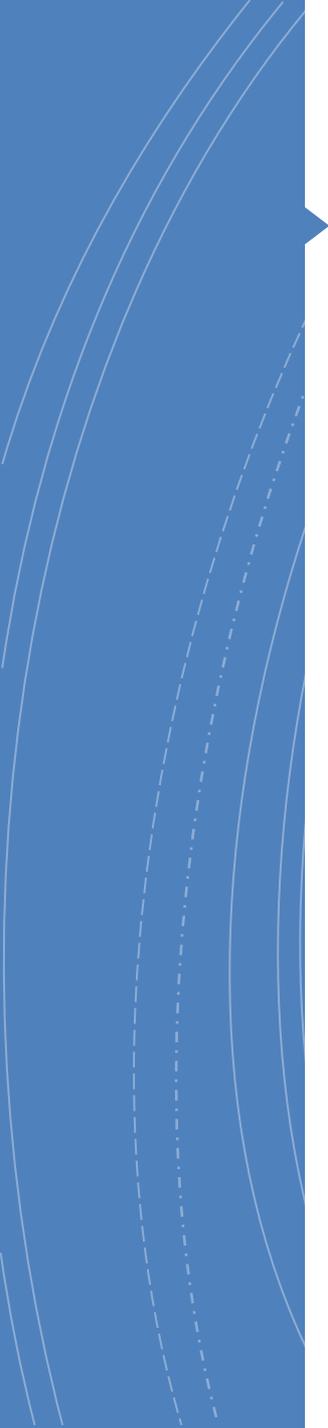


Why issues with governance?

- Before 1980s New Zealand had a unified public service
- Merit based recruitment and promotion, administered by a central agency; long-term employment expectation
- Little if any lateral entry into the public service at the middle and upper levels
- Rigid system of bureaucratic controls. One commentator in late 1950s said that the New Zealand public servant :
- *“...is subject to more extensive controls than most private citizens: he is more likely to be caught if he commits an indiscretion: his career may suffer even if there is only a suspicion of unsatisfactory conduct.”*

Fourth Labour Government and new public management

- Major reforms to the Public Service
- Adoption of performance pay systems
- Power given to CEOs to hire and fire staff
- Contracting out of some services to private firms
- Fixed term contracts for many employees



State Services Commission Report 2018

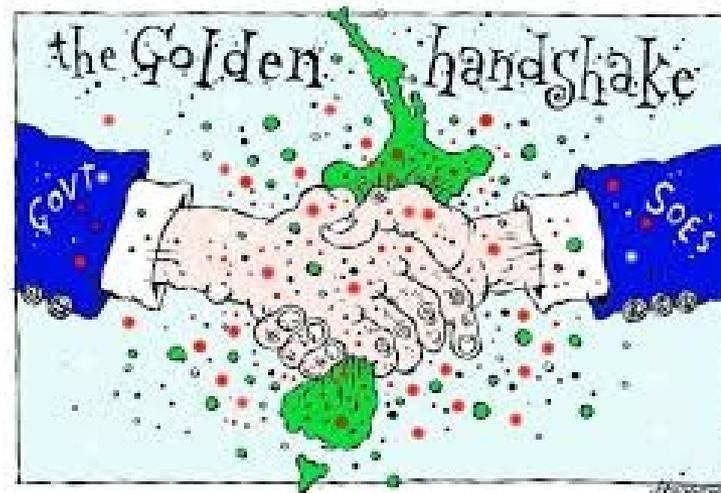
- A scathing report by the State Services Commission found multiple government agencies broke the public service code of conduct in their use of private investigators to spy on an array of people including earthquake claimants and protesters (December 2018).

Auditor General's Report, 2019

- The Auditor General reported 73 cases of fraud in public entities in 2017-2018:
 - 20 cases of theft of cash
 - 12 cases of various other forms of theft
 - 5 cases of expense claims fraud
 - 12 cases of credit card fraud
 - 10 cases of false invoicing
 - 4 cases of payroll fraud

Legal but legitimate? Golden Handshakes and bonuses

- Lesley Longstone received \$430,000 when stepped down as Secretary of Education in 2012
- Rodger Kerr-Newell received \$349,000 when made redundant as CEO of Rodney District Council (and subsequently investigated for corruption when CEO of New Plymouth)
- Kevin Kenrick, TVNZ CEO, was awarded a bonus of \$588,050 and an increase in holiday pay of \$18,567 to receive total pay in 2018 of \$1.43m



Lobbyists: undermining good governance?

- In 2020 there were 92 people who don't work at Parliament as MPs, staff or media, who have swipe card access to Parliamentary buildings.
- Of the 92 people on the most recent list, released by the Speaker of the House in July, most work for special interest groups, lobbying firms, unions, or big business.

List of Lobbyists in 2020

- Beaumont, Nathan *Chorus*
- Albrecht, Nicholas *Vector*
- Erwin, Miles *NZ Bankers Association*
- Clarke, Tim *Russel McVeagh*
- Fleming, Grant *Westpac*
- Service, Bridget *Fonterra*
- Major, Chris *Sky TV*
- Grafton, Tim *Insurance Council of New Zealand*
- Jasper, Mike *Kiwibank*
- Kirton, Andrew *Air New Zealand*
- O'Reilly, Phil *Iron Duke Partners (lobbyists)*
- Collyns, John *Retirement Villages Association of NZ*

Lobbyists

- Number of Lobbyists has increased considerably since 2000 from around 12 to nearly 100
- Defined as 'offering translation services between two groups: public policy makers and businesses, who may speak different languages'!
- But not all groups can afford to pay for such translators!
- Lobbyists in Wellington charge c. \$400 per hour, \$3200 per day





Conclusion

- New Zealand is a 'liberal' democracy where everyone is guaranteed formal rights
- ...but it can be a thin democracy
- A focus on 'government', and the rules of the game
- A thick democracy is concerned with 'governance' — how governments *function*, the degree of *involvement* in decision-making, the *outcomes* of this decision-making
- ...and in this respect, New Zealand falls short in terms of outcomes and quality of governance
- BUT....

How is New Zealand Democracy performing during Covid?

- According to *Economist's* 'Democracy Index 2020 Report', New Zealand remained the world's best democracy in 2020
- During a state of national emergency, the government can use extraordinary authority and suspend certain rules
- But this must be *proportional* to the emergency; *temporary*; and must not be used to make broader, permanent *constitutional changes*

How is New Zealand Democracy performing during Covid?

- State of national emergency 24th March 2020 and ended 12th May 2020
- No evidence measure taken went beyond the three limits
- Wide public support for the measures
- During recent level alerts, over 75% approved of government measures
- So, perhaps we have more than a thin and less than thick democracy –just one that is about the right weight!