"Design of electoral systems is a most fundamental factor to democratic strengthening in the world. As such, International IDEA's revised handbook comes at the most propitious time, and should be compulsory reading for all political actors and those involved on electoral issues."

Enrique Iglesias, President, Inter-American Development Bank

"Electoral rules are some of the most critical choices in constitutional design. This Handbook provides a clear and thorough overview of the alternative electoral systems used around the world, plus a judicious and balanced assessment of their major pros and cons, which will provide invaluable insights for policymakers, electoral administrators, and reformers."

Pippa Norris, The McGuire Lecturer in Comparative Politics John F. Kennedy School of Government, Harvard University

"IDEA's aim is to be of practical use for countries where work is in progress to establish or consolidate democracy – where reformers are building the nuts and bolts of the democratic machinery. Not only politicians but everyone involved in the debate needs, among other things, to consider the pros and cons of various electoral systems and how these may relate to their own political realities. This book is an important manual for them to use."

Thorvald Stoltenberg, President, Norwegian Red Cross and former chairperson of IDEA's Board of Directors

"I recommend this Handbook for those who are striving to promote and conduct effective, efficient and transparent elections. (...) It describes how electoral systems interact with the larger institutional, political and social context and framework in a country, and how they can affect participation, assist in building consensus and managing conflicts and help instil faith in a sceptical electorate. This Handbook is a must read in order to understand and appreciate the complexity of the issues raised."

Brigalia Bam, Chairperson, Electoral Commission of South Africa and member of IDEA's Board of Directors

"The New IDEA Handbook is simply the best single source of information and advice on electoral system design. It is both comprehensive and judicious. Designers of electoral systems and students of electoral design will be indebted to this impressive work for years to come."

Donald L. Horowitz, James B. Duke Professor of Law and Political Science, Duke University

"...UN electoral assistance activities (...) currently support democratic election processes in over 50 countries. The design of electoral systems is a vital component of these processes. It cannot be considered in isolation from the wider context of constitutional and institutional design, and it can be critical for areas as diverse as conflict management, gender representation and the development of political party systems. (...) I am delighted therefore to welcome the publication of this new Handbook by International IDEA."

Carina Perelli, Director, United Nations Electoral Assistance Division

"When the first International IDEA Handbook of Electoral System Design was published in 1997 it quickly established itself as a must-read for democratisers, policy makers, and all those interested in how representation can be made most effective. This new book is much more than a new edition – with a fully revised and updated text, an analysis of new and crucial issues which have arisen since the mid 1990s, and a host of new and updated case studies. The New Handbook is again essential reading."

Arend Lijphart, Research Professor Emeritus of Political Science. Department of Political Science, University of California, San Diego

"If politicians and their aides in a newly democratizing country have time to consult only a single book, while deciding on their electoral rules, the New IDEA Handbook of Electoral System Design would be that book."

Rein Taagepera, Professor Emeritus, University of California, Irvine, and University of Tartu, Estonia

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Electoral System Design: The New International IDEA Handbook

Handbook Series

INTERNATIONAL IDEA
INSTITUTE FOR DEMOCRACY AND ELECTORAL ASSISTANCE

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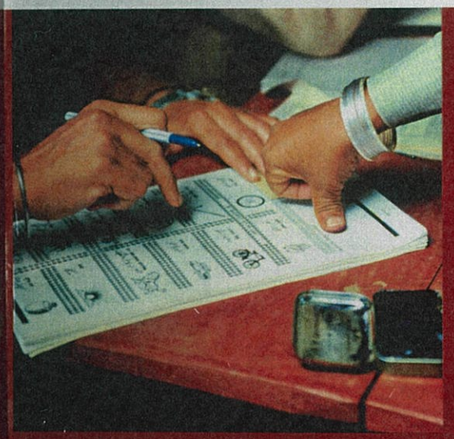

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NEW ZEALAND: Learning to Live with Proportional Representation

Nigel S. Roberts

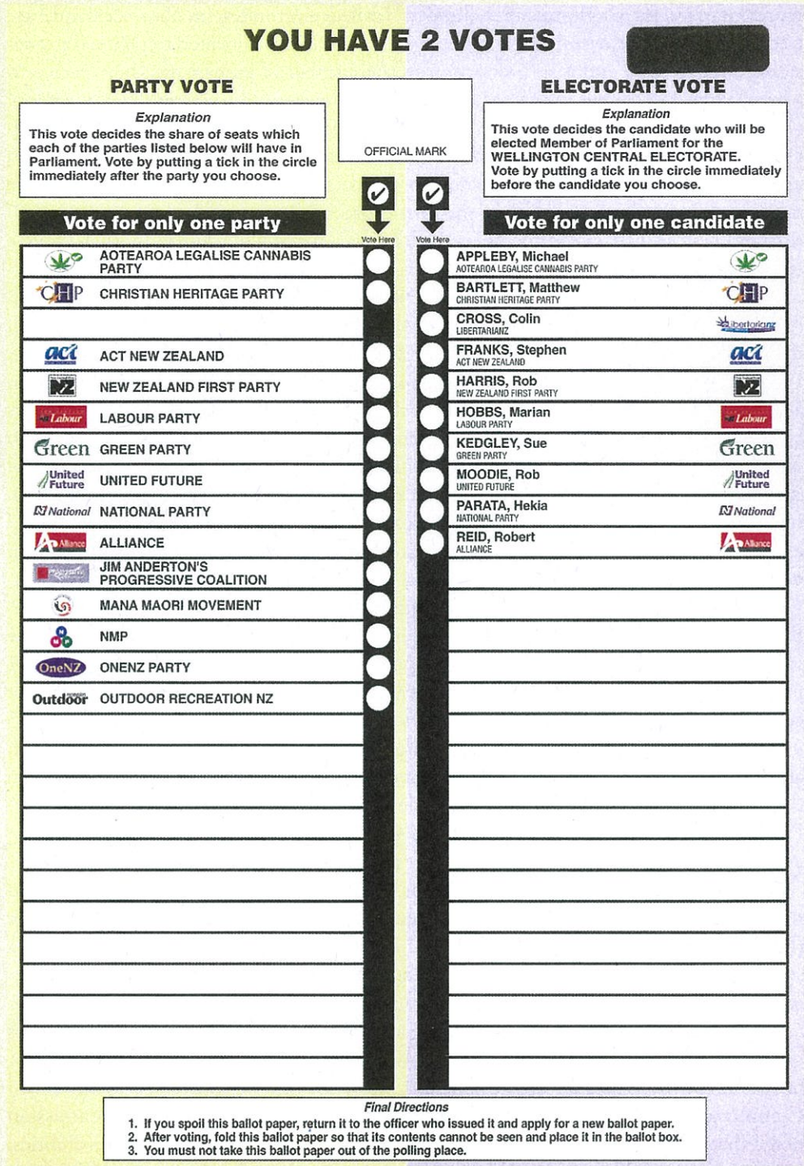
New Zealand used to be regarded as a prime example of a country with an FPTP electoral system. However, after two referendums in the early 1990s, New Zealand adopted a mixed member proportional (MMP) voting system in a unicameral Parliament with 120 members. Until the end of 2004, three general elections had been held using the new system.

Why did New Zealand change its electoral system? What led the country to do something that was extremely unusual for any long-established democracy, especially one with an Anglo-Saxon heritage?

For a start, the FPTP system produced highly distorted results in 1978 and 1981. On both occasions the National Party retained office with an absolute majority of the seats in the House of Representatives despite winning fewer votes throughout the country as a whole than the opposition Labour Party. In addition, both elections saw the country's then third party, Social Credit, win a sizeable share of the votes for very little return (16 per cent of the votes in 1978 and 21 per cent in 1981 won it only one seat and two seats, respectively, in a Parliament that then had 92 seats). The disquiet engendered by these results led the Labour government elected in mid-1984 to establish a Royal Commission on the Electoral System. Its 1986 report, *Towards a Better Democracy*, recommended the adoption of a voting system similar to Germany's. The commission argued strongly that, on the basis of the ten criteria it had established for judging voting systems, MMP was 'to be preferred to all other systems'.

Neither of New Zealand's major parties favoured the proposal and the matter might have died had the National Party's 1990 election manifesto not promised a referendum on the topic. In an initial referendum, held in 1992, nearly 85 per cent of voters opted 'for a change to the voting system'; 14 months later, the new electoral system was adopted after a second referendum in which 54 per cent favoured MMP (while 46 per cent voted to retain FPTP).

As in Germany, in parliamentary elections in New Zealand the electors have two votes—one for a political party (called the party vote in New Zealand) in a nationwide constituency, and one for a candidate in a single-member district. Whereas



YOU HAVE 2 VOTES

PARTY VOTE

Explanation
This vote decides the share of seats which each of the parties listed below will have in Parliament. Vote by putting a tick in the circle immediately after the party you choose.

OFFICIAL MARK

ELECTORATE VOTE

Explanation
This vote decides the candidate who will be elected Member of Parliament for the WELLINGTON CENTRAL ELECTORATE. Vote by putting a tick in the circle immediately before the candidate you choose.

Vote for only one party

Vote Here

- AOTEAROA LEGALISE CANNABIS PARTY
- CHRISTIAN HERITAGE PARTY
- ACT NEW ZEALAND
- NEW ZEALAND FIRST PARTY
- LABOUR PARTY
- GREEN PARTY
- UNITED FUTURE
- NATIONAL PARTY
- ALLIANCE
- JIM ANDERTON'S PROGRESSIVE COALITION
- MANA MAORI MOVEMENT
- NMP
- ONENZ PARTY
- OUTDOOR RECREATION NZ

Vote for only one candidate

Vote Here

- APPLEBY, Michael — AOTEAROA LEGALISE CANNABIS PARTY
- BARTLETT, Matthew — CHRISTIAN HERITAGE PARTY
- CROSS, Colin — LIBERTARIANZ
- FRANKS, Stephen — ACT NEW ZEALAND
- HARRIS, Rob — NEW ZEALAND FIRST PARTY
- HOBBS, Marian — LABOUR PARTY
- KEDGLEY, Sue — GREEN PARTY
- MOODIE, Rob — UNITED FUTURE
- PARATA, Hekia — NATIONAL PARTY
- REID, Robert — ALLIANCE

Final Directions
1. If you spoil this ballot paper, return it to the officer who issued it and apply for a new ballot paper.
2. After voting, fold this ballot paper so that its contents cannot be seen and place it in the ballot box.
3. You must not take this ballot paper out of the polling place.

New Zealand MMP ballot paper

representatives for single-member districts (called electorates in New Zealand) are elected by FPTP, the overall share of the seats in Parliament allocated to political parties stems directly from and is in proportion to the number of party votes they receive. If a party wins 25 per cent of the party votes, it will be entitled to (roughly) a quarter of all the seats in the 120-member Parliament, that is, about 30 seats. If a party that is entitled to a total of 30 seats has already won 23 electorate seats, then it will be given another seven seats drawn from the rank-ordered candidates on its party list who have not already been elected in a single-member district. Likewise, if a party entitled to 30 seats has won only 11 single-member district seats, then it will acquire another 19 MPs from its party list.

There are two thresholds for MMP in New Zealand. To win a share of the seats in Parliament based on the party votes, a party must either win at least 5 per cent of all the party votes cast in a general election or win at least one single-member district seat. In the 1996 general election, five parties crossed the 5 per cent threshold and one won a single-member district seat but did not clear the 5 per cent threshold. Three years later, five parties again cleared the 5 per cent threshold. Two other parties failed to do so but won single-member district seats, which qualified one of them for an additional four seats in Parliament (it had won 4.3 per cent of the party votes cast in the election). In the 2002 general election, six parties cleared the 5 per cent party vote hurdle, and a seventh party won a single-member district seat that enabled it to bring one other person into Parliament from the party's list.

These figures point to one major change caused by the introduction of MMP. Established, at least in part, to ensure 'fairness between political parties', the new voting system has seen the index of disproportionality plummet from an average of 11 per cent for the 17 FPTP elections held between 1946 and 1993, to an average of 3 per cent for the first three MMP elections. Every FPTP election in New Zealand from 1935 until 1993 saw one of the country's two larger parties—Labour or National—gain an absolute majority in the House of Representatives. One consequence of MMP has been that, in the three elections to date, no single party has won more than half the seats in Parliament. In 1996, the largest party won 44 out of the 120 seats; in 1999 the largest party won 49 seats; and in 2002 the largest party won 52 seats.

Not surprisingly, then, New Zealand has changed from being a country accustomed to single-party majority governments to being a country governed by coalitions. After the first MMP election, two parties formed a coalition government that commanded a small majority (61 out of 120 seats) in Parliament. Since that coalition disintegrated in August 1998, New Zealand has had minority coalition governments that have had to rely on either formal or informal supporting arrangements (negotiated with other parties or, on occasion, with individual MPs) to ensure that their legislative programmes have been able to win majorities in Parliament. One of the other criteria used by the Royal Commission on the Electoral System was 'effective government'. The commission noted that electoral systems should 'allow governments ... to meet their responsibilities. Governments should have the ability to act decisively when that is appropriate'. In this regard it should be stressed that MMP governments in New Zealand have had little trouble governing: all have had their budgets passed without any real difficulty, and none has faced the likelihood of defeat in a parliamentary vote of no confidence. At the same time, New Zealand parliaments have fulfilled another of the royal commission's criteria by also becoming more effective. Governments can no longer rely on (indeed, they seldom have) majorities on parliamentary committees, and there is a far greater degree of consultation—of give and take—between government and opposition parties in MMP parliaments.

The Royal Commission on the Electoral System also envisaged that under MMP the Parliament would represent the Maori (New Zealand's indigenous Polynesian minority) and other special-interest groups such as women, Asians and Pacific Islanders more effectively. This has happened. In the last FPTP Parliament, Maori accounted for 7 per cent of the MPs. They now constitute 16 per cent of the members of the legislature. The proportion of female MPs has risen from 21 per cent in 1993 to an average of 29 per cent in the first three MMP parliaments. During the period 1993–2002, the proportion of Pacific Island MPs went up from 1 per cent to 3 per cent, and the number of Asian MPs rose from 0 to 2 per cent.

Discarding a long-established voting system is never an easy process politically, nor is it likely to appeal to entrenched interests or to most incumbent politicians. Leading electoral systems scholars have warned that major electoral reforms should not be undertaken lightly. Nevertheless, there is growing evidence that the parliamentarians of New Zealand and the public alike are learning to live with (if not necessarily love) proportional representation. The reforms adopted in New Zealand in the early 1990s and instituted in 1996 seem likely to last for a considerable time.