

## BUILDING DEMOCRATIC RESILIENCE

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In terms of New Zealand's democracy and transparency, our resilience appears strong. However we face significant challenges, including issues of declining democratic participation and media weaknesses, in responding to geopolitical shifts.

### Key findings

- Major effort needs to go into enhancing democratic engagement, including but not restricted to voter enrolment and voting rates, at central and local government levels
- Solutions need to be found into problems for our democracy created by the decline of the traditional media funding model
- More transparency is required to ensure that vested interests, foreign or local, do not have undue influence on our democratic processes

### Executive summary

New Zealand has, by world standards, a robust democracy. Yet there are some serious storm clouds on our democratic horizons. Some clouds arise out of shared world-wide trends. These trends are given a particular local colour by our different history and society. Other threats arise from changing world geopolitics, including the rise of China and decline of the USA as global superpowers, and the associated shift in the balance of global economic power to Asia more generally. We must proactively meet these challenges by strengthening a variety of pillars which support our democracy's effective functioning.

### What is the problem?

While in many respects apparently robust, the resilience of New Zealand's democracy is likely to face several threats in coming years. Some of these threats are internally generated, but reflecting shared world-wide trends of lower political participation and fracturing of the media. Some of these threats are externally generated, via growing authoritarianism internationally and geopolitical power shifts.

### Some policy proposals to enhance democratic resilience

Policy in this area can only develop if the problems are acknowledged, and a long-term strategic approach is adopted by a variety of decision makers, which involve addressing developing problems now. Responses need to occur in a range of different parts of our democracy, and involve changing both formal institutions, including laws, and influencing informal norms which are equally important



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for a successful democracy. Solutions need to build on New Zealand's existing democratic strengths. Attention also needs to be directed to reducing societal fracture lines.

## Analysis

A robust and resilient democracy is:

1. Representative
2. Participative
3. Transparent
4. Non-corrupt
5. Civil
6. Inclusive to and tolerant of
  - a. a variety of ideas and ideologies
  - b. socio-demographic groups
  - c. a myriad of other forms of human difference

To function well, our form of democratic government additionally requires:

1. A robust and independent media
2. A high proportion of population with core shared democratic values and norms, some created via formal institutions, others by informal social processes

In many respects, New Zealand democracy functions well. Our democracy ranks highly in terms of overall quality (4<sup>th</sup> in the world in the *Economist* democracy index), and we are apparently relatively transparent (1<sup>st</sup> in the Transparency International corruption perceptions index). Our English language media is ranked relatively highly in terms of press freedom (8<sup>th</sup> in World Press Freedom Index), but this measure does not consider local Chinese language media. Our Parliament and public service (according to workforce data on available on the State Services commission website – see <http://www.ssc.govt.nz/public-service-workforce-data>) is reasonably representative by gender and ethnicity and perhaps also by ideology, and generally becoming more so. Trust in government services is generally on the rise, but varies widely according to service (See the State Services Commission's *Kiwis Count Survey*).

However, there are some significant clouds on our democratic horizon, which may threaten effective democratic resilience. Some of these threats are internally generated, but we share these trends in common with other rich countries. Others are externally driven.

In terms of socio-economic background and wealth, our parliament and public service is not socially representative. There has been declining voter participation in national and local elections post-World War Two, especially evident amongst younger age cohorts. Poorer people, welfare beneficiaries, Maori and newer migrant groups are much less likely to enrol to vote and, conditional on enrolling, also less likely to vote. Enrolment rates and voting rates are lowest in the poorer areas of the country, and here ethnic gaps are largest, suggesting a socio-economically disadvantaged sub-set of Maori are being left behind other New Zealanders, including middle class Maori.

In common with the rest of the world, there has been a concentration and decline of traditional media and fracturing of media sources into siloed groups identifiable by identity and ideology. At the same



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time, due to both population growth and external subsidisation, the Chinese-language media in New Zealand has been growing.

While the move to MMP has been associated with an parliament which is more representative of the population at large, at least according to some broad socio-demographic dimensions of gender and ethnicity, it has also resulted in lower levels of public scrutiny of list MPs, and a developing notion that at least some of these MPs informally represent an ethnic community rather than New Zealanders as a whole. The move to MMP has coincided with the growth of identity politics, which has a tendency to formalise and reify the fracture lines of identity groups as the basis for political action, rather than to break down group barriers, emphasise a common humanity and seek shared ground.

A further related potential developing fracture line in New Zealand democracy is a result of recent historically and internationally high and rising rates of emigration, and high and rising rates of immigration from diverse sources, including from countries where democratic norms and institutions are very different or in some cases completely non-existent. These high levels of population churn tend to undermine norms of participation and social connections. If ideological voting patterns of migrant groups different from New Zealand-wide averages, migration risks changing political balances as well.

Economically, our democracy is challenged by half a century of ongoing low productivity growth and a long and thus far unsuccessful search for solutions. For understandable reasons, we have flitted from one easy cargo-cult solution to another, with little obvious success thus far. One *solution du jour* involves attaching ourselves to the coat-tails of the fast-growing Asian economies. The major one of these countries, which we are most aggressively pursuing, is the People's Republic of China, a highly economically unequal and authoritarian country, with high levels of corruption. The People's Republic of China has also shown a willingness to weaponise economic engagements. A thoughtless, economically driven prioritisation of engagements in this region risks undermining the low corruption nature of our democracy and offering opportunities for rent-seeking by rich vested interests to the detriment of New Zealand democracy.

Economically, our democracy is also challenged by a local rise in inequality and economic growth which has not been fully shared by all, especially those at the bottom. Again, this inequality has created significant potential societal fractures lines.

Lastly, we are shifting into a much more uncertain international environment, with unstable geopolitics and with democratic systems and values being challenged across the globe.

Democratic participation can be strengthened by introducing a strong civics programme into the school curriculum, teaching young people about the nature of New Zealand democracy, the New Zealand constitution, and citizen's rights and obligations. At the same time, the voting age could be lowered to age 16, connecting civics with the attainment of full democratic rights. As well as ensuring the next cohort of citizens are well-informed, the school system could then be used as the frame to ensure that the highest possible proportion of new voting cohorts were enrolled to vote.

There would be significant political challenges to overcome here, which need to be acknowledged. A serious issue is the perceived dominance of centre-left ideologies amongst the teaching profession, which could lead to suspicions of the indoctrination of young people on the centre-right. Equally, low participation in democratic politics by young people and by socioeconomically disadvantaged



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groups – which policy in these areas needs to address – tends to act to the political advantage of the centre-right. Low participation groups are more likely to vote centre-left. Again this creates political inertia to policies to increase enrolment and participation in democratic politics.

Democratic rights should be consciously limited to citizens. Strong pathways should be set up from residency in New Zealand to citizenship, with parallel programmes of civic education as part of the process of acquiring citizenship. New migrants should be strongly encouraged to become citizens, rather than remaining indefinitely as simply sojourning residents. Voting rights for citizens only would be consistent with the fact that our elected representatives are required to be citizens.

Enhancing the transparency and lack of corruption of our democracy against potential future shocks from well-monied vested interests means strengthening a number of pillars of our national integrity system. An *Electoral Finance Act* which banned outright any foreign contributions to local political parties and which made all local party political donations, regardless of their size, local source and nature (monetary or in-kind, beyond contributions of time) transparent would be desirable to minimise options for evasion and avoidance. One way of doing so and ensuring the policy is not overly costly would be to pay political parties the private cost of data transparency, on a per head of contribution basis.

More transparency in lobbying activity is also desirable. As the only Anglophone OECD not to regulate lobbying to create transparency of where lobbying efforts are going, including by international actors, we remain behind the pack. It is not good enough to argue there is no problem: there may be one coming down the road very rapidly. Pre-empting such problems, rather than engaging in ex post plugging of gaps following scandals, was a strong recommendation arising out of OECD work on lobbying. Such reform needs to create transparency around both side of the lobbying market – lobbyists and the lobbied. Legislation could also usefully include conflict of interest provisions, stand-down periods for both legislators and public servants to avoid revolving door appointments, and prohibition of membership of foreign political parties for MPs.

Equally, our democracy would be enhanced by a more effective *Official Information Act*, and a public service committed to independent and transparent high quality free and frank advice and information provision.

In terms of the news media, the erosion of the traditional media funding model means there is a considerable role for a well-funded, independent state-funded media across multiple platforms and languages, which is clearly and consistently politically neutral in orientation and which can hold the broad confidence of all sectors of the New Zealand population.

Addressing economic fracture lines arising as part of economic reforms in the 1990s and ongoing globalisation since is also central to effective functioning of New Zealand democracy. Policy solutions will need to be wide ranging, address issues in education, health, welfare, the labour market, the housing market and tax policy. Changes to promote inclusion of the economically left behind will, however, be neither easy nor cheap.



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