Captives no longer, but servants still? Contract Parliamentarism and the new minority governance in Sweden and New Zealand¹

Recent years have seen the institutionalisation of minority governance in Sweden and New Zealand. Large, historic social democratic labour parties enjoy comparative security of tenure thanks to smaller, newer parties with whom they have signed long term, detailed support agreements covering both policy and process. This trend toward ‘contract parliamentarism’ owes much to party system dynamics, but also to the accretion of experience, to cultural norms and to institutional constraints – all of which, along with electoral contingency, explain why the trend has gone slightly further in one polity than in the other. While the trend seems to favour the left in general, its implications for the support or ‘servant’ parties, and – more normatively – for democracy itself, may be less favourable.

Cabinets and governments come in all shapes and sizes but are traditionally sorted by political scientists interested in government formation into four types, depending on party composition (single party or coalition) and whether the government commands a majority or minority of seats in the legislature. We want to argue for a possible addition to the traditional classification (see Figure 1), which we call contract parliamentarism.²

In contract parliamentarism, what are formally minority governments (formed by either a single-party or a coalition of parties) have relationships with their ‘support’ parties that are so institutionalised that they come close to being majority governments. This institutionalisation leads us to talk of minority governance rather than simply government. Taking our cue from the public policy literature, we wish to emphasise we are talking not just about an entity (or a particular subspecies of that

entity) but about a more complex, ongoing process which includes not only that entity (the government) but other political players without which it would appear and operate very differently.

Figure 1: Contract parliamentarism - a new cabinet type?

Source: adapted from Gabriel A Almond,; G. Bingham Powell Jr., Kaare Strøm, and Russel J Dalton, Comparative Politics Today: A World View. New York, Longham (7th edition), 2000, p119.

We do not claim that cabinets that are supported by parties that remain outside of the cabinet are a novelty in parliamentary politics. Kaare Strøm, for instance, found that 37 out of a total of 356 governments he examined in his classic work on minority government were ‘externally supported administrations’ whose support ‘(1) was negotiated prior to the formation of the government, and (2) takes the form of an explicit, comprehensive, and more than short-term commitment to the policies as well as the survival of the government.’³ And European politics provides plenty of contemporary examples, most obviously in Norway and Denmark, where centre-right

parties have been helped into power by the support of the more extreme (or at least populist) right.⁴ Even the UK has provided one instance, namely the ‘Lib-Lab’ pact of the 1977-8.⁵ The ‘opposition agreement’ between the Czech Social Democrats (ČSSD) and the conservative Civic Democrats (ODS) is another notable, even notorious, example.⁶

But when we speak of contract parliamentarism, or a contract minority government, we mean a case in which the cabinet has an (a) explicit written contract with one or more parties that remain outside of the cabinet. This contract has to (b) commit the partners beyond a specific deal or a temporary commitment. In addition, we stress that the contract must (c) be available to the public. In some case, such as in the government formations in Sweden in 2002 and New Zealand in 2005 that we detail below, support parties also (d) appoint representatives to serve in the administration.

We present our argument by providing a brief background on party politics in the two countries. We then move on to the institutionalisation of contract parliamentarism and the motives that drive these developments. We examine the contracts and we investigate why the two countries both have minority governments (i.e. governments that are not supported by a majority of the MPs) that exist by virtue of them having written contracts with two (or more) ‘opposition’ parties. We show why we think that this can be something more than a historical coincidence. We also analyze whether the movement towards and the sustainability of this rule by contract minority governments has, at least until recently, gone further in one of the two countries? We

end with a look at the future of contract parliamentarism and its implications for democracy and legitimacy.

PARTY POLITICS AND MINORITY GOVERNMENT IN SWEDEN AND NEW ZEALAND

Sweden and New Zealand may be 19,000 km from each other geographically, but they are not as far apart politically as one might imagine. Clearly there is no exact match between their party systems, let alone the cleavage structures that first gave birth to them. But at the beginning of the twenty-first century the similarities are as striking as the differences. By far the dominant, even if possibly declining, divide is class, with most parties competing with each other, at least in part, on the socio-economic dimension. Running some way behind are value conflicts like religion and postmaterialism and, assuming more importance in recent years, the argument between those who feel comfortable in a multi-ethnic, multi-cultural society and those who do not.

At the parliamentary politics and policy level, there are obvious similarities. In the unicameral parliaments of these unitary states, large, sometimes seemingly invulnerable Labour parties face an often divided bunch of centre-right parties. Unable to govern on their own, however, they are forced to rely on the parliamentary support of leftist, centrist or Green parties capable of crossing what are relatively high electoral thresholds of 4 per cent (Sweden) and 5 per cent (New Zealand). In policy terms, both the Arbetarepartiet-Socialdemokraterna (SAP) and the New Zealand

Labour Party (NZLP) are committed to preserving but also ‘modernising’ the welfare state as it currently stands. But nowadays, they lay most stress on strengthening the productive and employment-generating side of the economy. They maintain macro-economic stability at home while promoting the opening up of the international economy in the interests of their strong export industries. Their hope is that all this can be achieved without compromising their countries’ reputations for being ‘clean and green’.

These reputations are not undeserved: they are reinforced by vocal support of international environmental agreements like the Kyoto protocol as well as by their relatively high standards at home. But they do not tell the whole story, at least according to two of the parties the SAP and NZLP now look to for parliamentary support. Both the Miljöpartiet de gröna (the Swedish Greens) and the Green Party of Aotearoa New Zealand, think that more could be and should be done, and hope to use their parliamentary position to see that their respective Labour governments are kept up to the mark. This is a strategy of which they now have some experience, having functioned effectively as support parties to Labour or Labour-led governments in the previous parliamentary term (1998-2002 in Sweden and 1999-2005 in New Zealand).

Green issues are not, however, the main priority of the other parties that the Labour governments of Sweden and New Zealand also look to for support. The SAP relies on the Vänsterpartiet, once a communist party but long since a modern ‘left party’.

Vänsterpartiet is strident in its rejection of a ‘neo-liberal’, ‘consumerist’ and ‘globalised’ capitalism and its support for state action to achieve full employment,

protect working people's rights, redistribute wealth, and provide welfare through non-market mechanisms. Internationalist in outlook, expressing solidarity with oppressed people all around the world, attempting to put itself in the vanguard of opposition to both 'globalisation' and 'imperialism', it also champions feminism and, at the very least, pays lip service to environmental perspectives. New Zealand no longer has any equivalent party: the leftish Alliance, which was the junior partner in the (Green supported) Labour-led coalition government between 1999 and 2002, imploded and won no seats at the 2002 election. By then, however, its leader had formed his own party (the Progressive Coalition) which managed to win two seats (including his own) and rejoined Labour in government. Instead, though, of turning directly to the Greens alone (even when that was possible, as it was after the 2002 election) Labour has hedged its bets by garnering support from a vaguely centrist party called United Future and a more populist outfit called New Zealand First.

That both Sweden and New Zealand have minority governments should come as no surprise given the strength of the SAP and NZLP (see figures 2, 3 and 4). We now turn to a comparison of the two cases, but to do so we must also consider the developments that led to contract parliamentarism in the countries involved.

After 2002 both Labour Parties were the largest single parties in their respective parliaments and could claim to be both pivotal and in possession of the fabled median legislator on the left-right dimension. After the 2002 elections, the NLZP indeed had the median position while the SAP was one seat short of the position, now held by the Greens.⁷ To their left lay predominantly policy- and vote-driven parties with

ideologically-motivated supporters willing to trade off office for putative long term gains and whose distaste for the parties of the centre-right and right far outweighed their ambivalence about their counterparts on the centre-left.⁸

Since such parties could not countenance letting the right into government, they could be relied upon not to pull the plug on a Labour or Labour-led administration – in short, they are captive parties that, in the words of the famous children's verse, 'always keep a-hold of nurse for fear of finding something worse'. To the right of the SAP and Labour lay a group of parties that, because they spent more of their time publicly scrapping for shares of a seemingly limited centre-right vote, found it difficult (though not necessarily impossible) to present the electorate with a convincing alternative government.⁹ Indeed, in New Zealand, one (in 2002) and then two (in 2005) of these parties have made it plain that they are prepared - possibly even more prepared - to work with Labour rather than with the conservative and market-liberal parties that make up the opposition.

The ability of the divided and fragmented potential opposition to defeat a minority Labour government in either Sweden or New Zealand is compromised by the 'negative parliamentarism' practiced in both countries.¹⁰ In accordance with the Instrument of Government (Chapter 6, article 2), the Swedish Prime Minister needs to be confirmed in office by a parliamentary investiture vote, but this he can 'win' as long as those opposed to him cannot muster an absolute majority of the Riksdag (i.e., 175 out of 349) to vote against the nomination. After that, all governments in Sweden have to do is to avoid defeat on motions of no-confidence: as long as the vote against them does not exceed more than half the seats in parliament (i.e., an absolute majority) they are safe.

Technically (if not practically) things are more complicated for a government in New Zealand. Negative parliamentarianism operates: like her Swedish counterpart, the prime minister (or more precisely her government because there is no formal investiture vote) has to be defeated on, rather than actually win on, votes of ‘confidence or supply’. But, unlike him, she can be defeated by a simple majority (ie a majority of those who vote or record an abstention rather than a majority of seats in parliament). And, arguably, there is another reason why the likelihood that a prospective government will be either prevented from forming or overturned between elections is even smaller in Sweden than in New Zealand. In a Scandinavian consensual parliament with a committee system that makes a Westminster-style legislature look puny by comparison, the so-called ‘policy influence differential’ (the extent to which parties not in the government can hope to affect if not effect policy) is much lower – something generally considered to facilitate minority government . Minority government in Sweden may also be all the more likely not just for institutional reasons, but also because its politicians, its voters and its media are by now acculturated to the prospect. Until recently, when it has become evident that minority rule does not spell the end of stable government and good economic growth, opinion surveys consistently suggested that it was clearly the least preferred governing option amongst New Zealanders.

CONTRACT PARLIAMENTARISM AND THE INSTITUTIONALISATION OF MINORITY GOVERNANCE

As tables 1 and 2 indicate, minority governments have long been the norm in Sweden and in recent years in New Zealand as well. But, in and of itself, a shared tendency toward minority government does not explain the development in both Sweden and New Zealand of what we label contract parliamentarism. The latter term refers to the increasing formalisation, indeed institutionalisation, of the ‘support agreements’ arrived at by minority governments and the parties that supply them with a legislative majority which effectively guarantee that government’s survival. These agreements, by virtue of their breadth and the fact that they effectively exclude other parties, go beyond the more specific and more promiscuous ‘legislative accommodations’ by which minority governments in Denmark build shifting coalitions capable of getting them from one bill to the next.¹¹ The arrangements used to be similar in Sweden. Until the 1980s, the Swedish Social Democrats could trust the Communist Party to keep them in power without raising many specific demands for negotiated policy concessions by the Social Democrats. Instead the Social Democrats could often govern by forming *ad hoc* legislative coalitions with one or more of the nonsocialist parties.

Table 1: Recent elections and governments in Sweden*

Election	Parties’ seats in parliament post election								Government type
	<i>Left</i>	<i>SAP</i>	<i>Greens</i>	<i>Centre</i>	<i>FP</i>	<i>KD</i>	<i>Mod</i>	<i>ND</i>	
1991	16	138	-	31	33	26	80	25	Minority
1994	22	161	18	27	26	15	80	-	Minority
1998	43	131	16	18	17	42	82	-	Minority

2002	30	144	17	22	48	33	55	-	Minority
------	----	-----	----	----	----	----	----	---	----------

*Parties in government formed after the elections are shaded.

Table 2: Recent elections and governments in New Zealand*

Electio n	Parties' seats in parliament post election									Government type
	<i>Allianc e</i>	<i>Maori</i>	<i>Green s</i>	<i>P C</i>	<i>Labou r</i>	<i>Unite d</i>	<i>NZ F</i>	<i>Nation al</i>	<i>AC T</i>	
1993**	2	-	-	-	45	-	2	50	-	Majority→Minority* **
1996	13	-	-	-	37	1	17	44	8	Majority→Minority* ***
1999	10	-	7	-	49	1	5	39	9	Minority
2002	-	-	9	2	52	8	13	27	9	Minority
2005	-	4	6	1	50	3	7	48	2	Minority

*Parties in government formed after the elections are shaded.

**NZ's last election under First-past-the-post (FPP). First election under MMP was 1996.

*** From May 1995 until the election in October 1996, National governed as a minority (for the first two months with a minor splinter party).

****From July 1998 till November 1999, National governed as a minority administration.

The support arrangements of the second half of the 1990s, however, are qualitatively different from the informal support arrangements earlier in the period. Although, as we mentioned above, it is not unheard of, in most polities such agreements do not seem to be recorded in writing and certainly not made publicly available. In New Zealand and (most of all) in Sweden, the public recording of such agreements is now the norm – and they are getting longer and more specific. As such, they both symbolise and institutionalise a developing system of not so much minority government as minority governance.

In Sweden, in the period 1995-1997, two leading Centre Party representatives held positions (albeit not high-ranking positions) in two of the Social Democratic ministries: one held a full time position in the Ministry of Finance and the other a part time position in the Ministry of Defence.¹² The practice, beginning in 1995 in the context of severe economic problems, of ‘giving’ support parties’ positions within cabinet ministries was an innovation in Swedish politics. The arrangement, or any of the specific policy agreements the parties made, was not based on any formal contract, but on personal trust and the specifics of each separate negotiation.¹³ Nor, incidentally, did it prevent the Social Democrats and the Centre Party suffering significant electoral setbacks in the following election in 1998. Nevertheless, it set an example for the future development of Swedish contract parliamentarism

The Swedish Social Democrats turned in 1998 to the Left Party and the Green Party. Without forming a formal cabinet coalition, and without reaching an agreement on sharing government offices, the three parties agreed to cooperate on economic and financial issues. In a media release dated October 5, 1998, they stated that the support arrangement covered five specific areas: Economy (the state budget), Employment, Distributive Justice, Gender Equality and the Environment. On other issues they did not formally commit to cooperate but at the same time, they stated, their intention was to work together for the full electoral period.¹⁴

The agreement signed and published by the same parties in October 2002 was even more detailed. Indeed, at 4,200 words, it was longer than many full-blown coalition agreements. Although foreign, defence, security and EU policies were exempt from

what – after the number of points mentioned in it – became known as the 121 Points Programme, the latter contained eleven broad headings, as opposed to the five covered in the previous agreement, including sound public finances, gender equality, a green and sustainable Sweden, promoting the welfare of children, improving working life, fairness in housing, improvements for the elderly, regional economic survival. Under these headings points covered specific policies as diverse as ensuring a 2% surplus in the public finances to a national phone helpline for battered women. The ‘contract’ also included the setting up of a ‘co-ordination office’ in the finance ministry, to which up to three representatives from each party can be appointed paid for from the government budget. Additionally, both support parties were each allowed to second up to six political advisers to other ministries and were accorded a party leaders meeting every month. Responding to concerns about unfair credit-claiming by the social democrats between 1998 and 2002, the parties also agreed a system of joint press conferences.

The support arrangement between the Green Party and the Labour-led minority government of New Zealand between 1999 and 2002 was not underpinned by a signed agreement of the kind published in Sweden in 1998. However, in return for support on confidence and supply, along with promises of ‘good faith’ cooperation and confidentiality to promote stable government, the Greens were to be consulted on (and given some opportunity to contribute to) policy in areas they considered to be priorities (eg energy, transport). They were even permitted to make budget proposals – albeit very low cost ones. Yet much of the relationship was conducted on an ad hoc basis.¹⁵ This became increasingly unsatisfactory, first, to the Greens and then, when

the failure to secure the automatic agreement of the latter to procedural motions threatened parliamentary paralysis, to the government itself. With government and support parties locked in an increasingly bitter row over the release of genetically modified (GM) crops, the former called an election, a few months earlier than necessary, for July 2002.¹⁶

After that election, however, the Labour-led government signed and published a support agreement with United Future, and then a so-called ‘cooperation agreement’ with the Greens. The agreement signed with United Future in 2002 represented a considerable advance on the ad hoc arrangement obtained by the Greens after the 1999 election. For one thing, the Labour-led government agreed explicitly to give priority to specific policies seen as priorities by United Future, even if there were only four of them and they were all seen as minor (and more importantly almost costless) concessions.¹⁷ For another, the government agreed to consult its support party in ‘a timely fashion’. Finally, the arrangement between United and the government stated that both sides would be expected to publicly support policy initiatives arising out of negotiations between them that lead to ‘an agreed position’. Although this part of the agreement explicitly stated that United ‘will not be bound by collective responsibility’, it was at the very least moving the government-support party relationship in the direction of a shared enterprise – some kind of hybrid, perhaps, between, on the one hand, a guarantee of survival in return for specific concessions and, on the other, coalition membership proper.

The agreement between New Zealand's Labour-led minority government and the Green Party, too, was something of a hybrid, falling short of a guarantee of support on confidence and supply yet going beyond mere neutrality, let alone opposition. Interestingly, however, most of the differences between their 1100 word long Cooperation Agreement and the 800 word long Agreement for Confidence and Supply signed with United Future were arguably differences of degree rather than kind. As a result of the Greens agreeing to 'a constructive relationship based on good faith for this term of Parliament' and, with the government, agreeing to 'co-operate on agreed areas of policy development and legislation in order to facilitate the implementation of a shared agenda', they were promised a relationship with the government that was potentially closer than the one they 'enjoyed' between 1999 and 2002.

Consultation between the government and the Greens was divided into three categories.¹⁸ The top category, Category A, envisaged the development of 'joint positions', to which end there would be access for designated Green MPs not just to Ministers and relevant papers but to civil servants as well. There would also be agreement on timetables for policy development and parliamentary passage and 'public acknowledgement of the Green Party's contribution through measures such as: press releases, speeches; or supporting agreed Green Party amendments to legislation.' In return, the Greens promised to support government on procedural motions and in select committees connected to any resulting legislation – legislation which both they and the government (as in its agreement with United Future) would be expected to publicly support. On category B issues, it was agreed that 'there will be consultation on the broad direction of policy and related primary legislation, with a

view to achieving support for these. Issues in this category will be identified as they arise. All issues requiring primary legislation will be in Category B....’ On category C, there was to be simply ‘a sharing of information’. That such an arrangement called into question the idea that the Greens were lower down the pecking order than the government’s ‘official’ support party, United Future, was confirmed when the latter successfully demanded that the same ABC categorisation apply to its policy consultation.¹⁹

Whichever of the smaller parties ‘won’, however, two of New Zealand’s shrewdest political observers were right to suggest that

the decision to negotiate and sign such documents is bound to set a lasting precedent. Not only will minority governments be expected – for political and constitutional reasons – to have formal support agreements, but henceforth potential support parties are also likely to regard a suitably worded accord...as an essential condition for any commitment on confidence and supply. Equally, any party...that has ideological affinities with the governing parties, yet...is unwilling to offer...support on confidence and supply, can be expected to seek an appropriately worded cooperation agreement.²⁰

The 2005 election saw support drop for the Greens but increase for the main conservative party and for a new party representing the Maori minority - a party which, as a hostile breakaway from a Labour Party determined not to be portrayed as in hock to Maori interests, was not considered coalitionable. Following the election, Labour chose to negotiate an agreement guaranteeing ‘confidence and supply’ not just with United, but with the more populist New Zealand First, whose relative strength actually ensured it the lion’s share of tangible (and this time not entirely costless) concessions. Both agreements were similar to that negotiated in 2002 with United

Future - with one eye-catching exception: the leaders of the support parties would be given ministerial positions outside Cabinet in return for which they agreed to ‘fully represent the government’s position and be bound by Cabinet Manual provisions in respect of any areas within the portfolio responsibility [of the leader] and to support all areas which are areas which are matters of confidence and supply.’ In other areas “agree to disagree” provisions’ would be ‘applied as necessary’.²¹

Soon after recovering from the shock of being second (indeed third) in line again - and the shock of New Zealand First’s famously xenophobic leader being made the country’s foreign minister (despite being outside Cabinet) - the Greens did exactly what they did in 2002, namely negotiate a ‘Cooperation agreement’ of their own, signed on the same day as the others. Again, various levels of cooperation were outlined for a promise not to vote against the government on issues of confidence and supply.²²

MIXED MOTIVES: EXPLAINING THE TREND TOWARD CONTRACTUALISM

Both Sweden and New Zealand, then, are travelling in the same direction – toward ‘contract parliamentarism’ whereby minority governments give rise to, facilitate, and institutionalise minority governance. Given that minority government, until the pioneering work of Kaare Strøm, was seen by political scientists (let alone the general publics of most nations outside Scandinavia) as abnormal, even pathological, is remarkable that minority governance now has become normal and functional even

in a Westminster democracy like New Zealand. Three questions arise. First, what has driven the formalisation of support arrangements between minority governments and small parties in Sweden and New Zealand? Second, why has the extent of formalisation gone further in the former than in the latter, at least until recently? And, third, what are the implications for both small party development and, more normatively, democracy itself?

Institutions and expectations

On the first question – explaining the formalisation of support party arrangements in the two countries – we need to begin by looking at institutional design and voters’ expectations of appropriate behaviour. Taking the latter first, it is clear that both countries have a long history (although in Sweden not an exclusive one) of single-party government. Perhaps because of this the political class, the public and the media in both New Zealand and Sweden are uncomfortable with the idea that the government formation process takes time. In both places, prolonged negotiations are rendered very difficult by the fact that those undertaking and those observing the process start to get jittery if it looks as if the process might take much longer than a week or so. In New Zealand, this self-imposed (and media-policed) timeframe is no doubt a legacy of a Westminster past where government transition occurred literally overnight. In Sweden, under negative parliamentarism, the same tradition can be identified.²³

Also crucial is the institutional context, and in particular the much greater extent to which the budgetary process frames and structures parliamentary politics. The annual spending plans of the government in Wellington are not unimportant, but they are severely constrained – especially in the short term – by the Fiscal Responsibility Act of 1994, whose provisions also mean that measures likely to mean change in the upcoming financial year have been well-trailed in previous years. Since elections in New Zealand must take place every three years, this relatively long term planning horizon makes it vital for a minority government to obtain full-term majority support if it is to have a hope of redirecting the public finances – something which reinforces the trend to contract parliamentarism. However, it also means that there is little potential for the kind of year-on-year variability (and, more bluntly, new spending) that would drive it into very wide ranging agreements over a whole host of headings with potential support parties.

Things are very similar in Sweden. A new budget procedure was instituted in 1996. Prior to that reform, the budget process was widely seen as prolonged and badly coordinated. It was also prone to increased spending, as the parliament never actually took a decision on the whole budget. Rather, each item was decided individually, and the individual sums were simply added up in what became the full budget. The Riksdag now votes on the entire budget. The Riksdag also votes on spending goals that are meant to apply for the next three years. These long-term spending goals are not set in stone, but the Government is obliged to propose measures if it looks as if the targets are not going to be met. Compared to earlier, when the Riksdag voted on individual spending items, the reform has probably made it harder for a cabinet that

loses a vote on the (full) budget to stay in power.²⁴ Conversely, the new procedure provides an added incentive for minority governments to seek closer cooperation with support parties to secure a majority on the state budget.

The larger, governing parties

Party-related explanations for contract parliamentarism need to begin with the large governing Labour parties and only then turn to the small parties themselves. This is because, whatever abstract theories suggest about the incentives small parties may have for remaining out of government, what really stops them taking office in both countries is the lack of interest their larger counterparts have in having them there! As representatives of those smaller parties that have to deal with them invariably attest, both the SAP and NZLP culturally pre-programmed to governing alone – one because of its long-held hegemonic position in multiparty system, the other because, until 1996, it operated in a Westminster, plurality-based system. Political developments in recent years have – if anything – strengthened this bias. Governing alongside Greens in particular would pose major problems both internally and internationally. Public and private comments suggest that a large number of SAP and Labour MPs distrust both the Greens' unconventional, residually anti-system style and what they see as the threat they pose to the economic growth that will provide jobs and finance the welfare state. Their leaders share this distrust. They also have to worry about the impact a Green coalition partner might have on their capacity to support, firstly, a foreign policy which is broadly (if sometimes semi-detachedly) pro-

American and, secondly, a trade policy that emphasises liberalisation and disparages the parochial protectionism sometimes associated with the Greens.

On the other hand, such is the importance of Labour governments' own agendas that they do not wish imperil them, and at the same time crank up their transaction costs, by attempting continuously to negotiate support on issue-by-issue basis. They are therefore willing to some extent to trade off not a full share of the spoils of office, but at least a modicum of procedural and policy constraints for the relative security of a long term support party arrangement. When making such arrangements with truly captive parties (like Vänsterpartiet), the self-imposed constraints need be little more than negligible. In recent years, however, they have had to deal with parties whose captive status is questionable. This may be because those parties can lay a more or less convincing claim to pivotality and even the median legislator (Miljöpartiet de gröna in 2002 and New Zealand First in 2005). Or it may be the case that another so-called captive party, by ruling itself out of the running (due perhaps to an irreconcilable dispute over policy with the government) renders another party pivotal and in control of the median legislator (which is what the Greens did for United Future in 2002). Put bluntly, contract parliamentarism is a function of the relatively weak situation in which supposedly strong parties like the SAP and the NZLP have found themselves in successive elections.

The smaller, support parties

Yet the weakness of the larger parties is in some ways more apparent than real, which explains why the big parties have managed to avoid the claims of the smaller parties that they should be included in government as full coalition partners rather than simply support it from, as it were, the outside. The smaller parties may have picked up on the fact that their ‘walk-away’ value has increased.²⁵ But they are also well aware that it is founded on an illusion, namely their capacity to persuade their supporters that they could or should do a deal with more right wing parties should the centre left fail to offer them enough to persuade them to allow it to govern.

In Sweden, in 2002, the Miljöpartiet de gröna did just about everything it could to preserve this illusion, even going so far as publicly to conduct parallel negotiations with components of the ‘bourgeois bloc’ about a supposedly centrist alternative. But their bluff was called by an SAP which bet – probably correctly – that such an alternative would have been not just unlikely but also all but impossible for the Greens to have sold to its members and voters. Miljöpartiet’s co-leaders – like many of their predecessors – like to think of and talk of themselves as (to coin a phrase) ‘neither left nor right but out in front’ – a position which in parliament would prove conveniently pivotal. But, as Aylott, Bergman and Jämte note, there is a debilitating mismatch between this rhetoric and the reality for most of their supporters and indeed the general public.²⁶ Interestingly, according to an exit poll in the 2002 election, nearly all Miljöpartiet voters (95 per cent) shared the leadership’s office-seeking aspiration. But 50 per cent also wanted to see the left in government, and 57 per cent wanted to see the SAP in office again – over three and a half times as many as those who would be happy to see centrists in government and ten times as many as those

who would be happy to let conservatives in! Only a quarter of Miljöpartiet voters wanted to see a cross-bloc government, against over two-thirds who preferred a socialist-bloc administration.²⁷ The electorate as a whole, moreover, has increasingly seen the party as left-wing: in 1991, 43 per cent placed it on the left, 14 per cent on the right, and 43 per cent said that it was neither; by 2002, 64 per cent put it on the left, 4 per cent on the right and 32 per cent said it was neither. Evidence from content analysis of election manifestos tells the same story, as do data from the first academic survey of Miljöpartiet members, who on average place themselves at 3.7 on a left-right scale of 1-10.²⁸

Given such figures – and the message coming out of them would have come as no surprise to the party leadership – doing anything other than supporting an SAP government would not only have upset public expectations but, worse, ridden roughshod over supporters and members. In some parties, the latter, if not easy, might have been possible. For the Miljöpartiet – for all its institutional modernisation in recent years²⁹ – it was all but impossible. A full blown coalition agreement with other parties would have required ratification from a body wider than the Party Board (the party in central office). The likelihood of this being achieved (except in the case of a coalition deal with the SAP, perhaps) was virtually nil. A support party agreement, however, required only the Party Board to vote on it. Yet even though the agreement was with the SAP – most Miljöpartiet supporters’ ‘preferred partner’ – the internal party vote was close.³⁰

The New Zealand Greens can lay even less claim to ‘hold the balance of power’ even though the phrase is often bandied about. A clear majority of the general public, Green voters and (especially) members, put the party on the left of centre: the party’s voters, it must be said, placed themselves at 4.2 on a simple left-right scale, but the first academic survey of Green members, conducted after the election of 2002, showed that on average they put themselves at 2.51 and the party at 2.13.³¹ Judging by its uncompromising manifesto, supporting workers rights, government intervention, and welfare, they are absolutely right to do so. New Zealand’s German-style (MMP) electoral system also allows us to examine ‘split ticket voting’: in 2002, Electoral Commission figures show that 40.3 per cent of those who voted Green with their party vote (the one that determines overall proportionality) also voted Green with their electorate (constituency) vote but also that of those that cast valid electorate votes for other parties, 77 per cent of them voted Labour. Survey results also show a clear majority of members were content with the leadership’s decision to support Labour between 1999 and 2002. There was, and is, absolutely no way the party could hope to persuade Labour that it had any realistic chance or intention of teaming up in parliament with other political forces.

United Future, on the other hand, could make a claim to potential promiscuity in 2002. The inability of the Greens and Labour to either avoid or patch up their quarrel over GM, effectively ensured that Labour would fall short of a legislative majority, obliging it to look in United’s direction. But was the party’s walk-away value really that high? United’s appeal in 2002 was based on ‘common sense’ and ‘stability’: to have attempted either to form a government with a conservative party whose vote had

dived to only half that of Labour's, or to have demanded ministerial positions when virtually all of its eight MPs were political (let alone parliamentary) virgins, would have blown the party's credibility. A support agreement with a minority Labour government, however, provided proof positive of the party's 'responsible attitude, gave its MPs time to 'play themselves in' and garnered a few policy concessions on the handful of issues that were associated with the party by the public during the election.

Likewise, the walk-away value of New Zealand First, the party that could claim to be essential to any realistic coalition in 2005, was lower than it might have appeared. Its leader had promised during the election to support the biggest party after it. More ancient history also played a part. Following New Zealand's first MMP election in 1996, he had taken his party into a surprising and widely ridiculed coalition government with the conservative National Party. For all the common ground the two parties might now share on populist issues like migration and the rollback on minority rights, had not forgotten their almost farcical inability to work together. Nor was there any love lost between the two parties on economic policy, with National's leader personifying the dry, neo-liberalism that had first led New Zealand First's leader to break away from National over a decade previously.

But although such considerations explain why United and then New Zealand First chose to support a minority Labour-led government instead of leveraging their 'contingent pivotality' to force their way into full coalition, they do not explain why their support party status was marked by a written rather than a gentlemen's

agreement. Likewise, we have a good idea why Miljöpartiet ‘blinked’ and allowed the SAP to form a minority government instead of inviting it into coalition; but why did it, too, move in the direction of contract parliamentarism?

A not necessarily wrong-headed (but ultimately unverifiable) cultural explanation might emphasise that we are dealing here with two countries where the commitment to transparency and contractualism in the public sector has gone about as far as anywhere else in the OECD. Rather less generally, one could point to the fact that – perhaps in response to new public management best practice, perhaps as a response to a decline in political trust of and between political parties – coalition agreements are almost everywhere becoming more common, more detailed and more public.³² Accordingly, we should not be surprised if the same thing happens to documents that might profitably be seen as a subtype of the species.

But a more specific and more realistic answer in both cases is that support parties in Sweden and New Zealand are (albeit in the context of the trends just outlined) building on the lessons learned from their own (and other parties’) experience of what proved to be unsatisfactory ad hoc arrangements. As students of government formation are increasingly stressing, the process is not a one-shot game, albeit one involving complex trade offs between policy, office and votes, but an iterative process involving actors who have played the game before or who are capable of learning from those who have. The experience of the Greens in both countries between 1998/1999 and 2002 made them determined that, were they to end up

supporting another minority government, they would be better treated. The trend toward contract parliamentarism is a symptom of that determination.

The frustrations experienced by both Miljöpartiet and the New Zealand Greens before 2002 were remarkably similar.³³ The agreements they signed after the elections of that year (and the ones signed by United and New Zealand First) reflect a desire to avoid more of the same. Firstly, for instance, it was felt that policy commitments must be as specific as possible to avoid the problems of slippage that rather vaguer statements of aims to cooperate in a particular policy area led to. Secondly, both parties complained about the fact that the governments with which they were dealing made ruthless use of their support parties' relative lack of parliamentary resources (particularly in terms of staff) to bounce them into agreeing to policy and legislation with which they were presented as virtual fait accomplis with just days to go before a decision was required. The new agreements insist on early involvement in the loop, and in the case of the Swedish Greens go back to the deal engineered by the Centerpartiet between 1995 and 1997 to place their own advisors (partly as a kind of early warning and information gathering system) in a number of ministries. Thirdly, both Swedish and New Zealand Greens also complained about the fact that the government either failed to properly and publicly support their initiatives or else failed to give them credit (or tried to steal it) for those initiatives that were adopted with more enthusiasm. The new agreements tie the administration try to prevent the governments either damning their support parties' initiatives with faint praise or, on the other hand, stealing their thunder. Finally, both sets of Greens thought there was insufficient high-level contact with the leaders of the government. This is provided

for in the new agreements and was a crucial part of the 2002 contract in Sweden. The main point of negotiating and publishing the agreements, then, is to tie down governments and thereby improve on the past. But there can be little doubt that they will, almost by accretion, set precedents that will render similarly (and probably even more) detailed support agreements the sine qua non of minority government in both countries.

FURTHER DOWN THE ROAD: THE RELATIVE PACE OF CONTRACT PARLIAMENTARISM IN SWEDEN AND NEW ZEALAND

The accretion of precedent also goes some way to answering our second question, namely why Sweden has moved further toward contract parliamentarism than New Zealand, although arguably the latter, by dint of support parties being awarded ministerial posts in 2005, is catching up fast. That the 121 Points Programme is much longer and more detailed, and the fact that the support parties now have staff located in certain key ministries, cannot be unrelated to the fact that Scandinavia has had far more experience of multi-party and coalitional politics than the South Pacific. There is clearly more experience to build on.

Some of the difference in pace and detail might thus be explained by the reaction to New Zealand's unfortunate experience of government formation after the first PR election of 1996. The deal achieved (between New Zealand First and National) was preceded by a long-drawn out process and underpinned by a long and legalistic coalition agreement covering every policy imaginable down to the minutest detail.

The tight constraints thus imposed failed to prevent, and possibly made more likely, the acrimonious break-up of the coalition a year and a half later – an event which, in spite of evidence from overseas that such agreements were normal and workable, predisposed New Zealand’s politicians and press to conclude that they (and the time it took to negotiate them) should be avoided if possible. This consensus clearly suits a large party like Labour, since they have as much, if not more, to lose from agreements that constrain their room for manoeuvre – particularly on policy. However, the Greens – prompted by their greater willingness to look at overseas experience, their frustrations as a support party and their temperamental distaste for backstairs wheeling and dealing – were, by 2002, kicking against the consensus, signalling that any participation by them in government would need to be underpinned by a European-style agreement negotiated over a decent period of time. But, unlike their counterparts in Sweden (and against their own hopes and expectations), they were not in a position to oblige other parties or the media to rethink it. United Future in 2002 knew enough about Green frustrations to insist on the kind of support party arrangement that might help them to avoid them. But, since its raison d’être was ‘don’t rock the boat’, it was hardly likely to go much further and demand the kind of policy detail evident in the Swedish agreement. In 2005, New Zealand First was canny enough to ask for more on policy than United Future, but obviously desperately keen to avoid accusations that it was, as in 1996, the proverbial ‘tail wagging the dog’.

But a combination of cultural norms and critical junctures in New Zealand is only part of the explanation for Sweden arguably being further along the road to contract

parliamentarism. An obvious difference lies in the observation that minority government in Stockholm signed a joint declaration with its two support parties, whereas its counterpart in Wellington signed two and then, in 2005, three separate arrangements. This hints at the main motivation for the different tempo, namely internal, strategic, party considerations.

Clearly, both Vänsterpartiet and Miljöpartiet were required for the SAP's legislative majority, whereas Labour had (theoretically anyway) the choice between the Greens and United Future in 2002 and (again theoretically) an even wider choice in 2005. But this begs the question. It is also important to think about why the NZLP has bothered to sign agreements with the Greens at all. True, on some of its progressive social, labour market and environmental legislation it might have difficulty in obtaining support from the more right-wing United and New Zealand First. But it could have expected to negotiate Green support for such measures with little or no problem on a case-by-case basis. There must, then, have been some other reason. It is the answer to this conundrum that leads us into our third question, namely the implications of contract parliamentarism for both small party development and, more normatively, democracy itself

‘CAN’T LIVE WITH ‘EM; CAN’T LIVE WITHOUT ‘EM’? THE PERMANENCY AND PITFALLS OF CONTRACT PARLIAMENTARISM

New Zealand's minority government signed a 'cooperation agreement' with the Greens in 2002 and 2005 because as soon as one election is over Labour's leadership

begins to think about the next. Office and votes, in other words, can play just as big a part as policy in encouraging the adoption of a long-term outlook by political actors. While recent policy disagreements and parliamentary mathematics may have encouraged Labour to turn away from the Greens temporarily, its desire to maintain centre-left government over as many parliamentary terms as possible means maintaining some kind of ongoing relationship is almost certainly advisable. Similar considerations also played a part in the decision of the SAP to accede to a more formalised relationship: whether it likes it or not, the party has to face the fact that Miljöpartiet, even if only by the skin of its teeth, may well become something of a permanent fixture in the Riksdag. In the context of such a dilemma, support and cooperation agreements allow the bigger, older parties simultaneously to offer the hand of friendship while keeping the smaller, newer parties at arm's length.

What the smaller, newer parties make of such a gesture is another matter. Despite considerable cynicism and wariness about their respective Labour parties, some of them continue to believe that, eventually, the hands of the latter will be extended not to palm them off but instead to haul them aboard. On this optimistic take, working to the spirit and the letter of increasingly formalised support party arrangements constitutes an apprenticeship that allows them to demonstrate their reliability and responsibility, their readiness for government and their acceptability as a coalition partner. Consequently, the electorate gives them credit for providing stability, their sometimes reluctant members realise that they are able to make policy gains by working with the government but also how much more they might get if they joined it, and the government realises that they're not so bad after all. The support parties in

both New Zealand and Sweden, then, are trying to become koalitionsfähig in the hope that a formal coalition cabinet becomes regierungsfähig.

But how likely is this rosy scenario? Certainly, it fits in with suggestions that, with the end of the cold war, the gradual institutionalisation of formerly anti-system parties, and the increasing expediency of their more mainstream counterparts, has opened up the options for forming stable governing and/or legislative coalitions: accordingly, far right parties have joined or supported a number of European governments; Green parties have done the same, leading to bigger, bipolarised ‘blocs’ on both sides.³⁴ Yet all this risks tempting us, without justification perhaps, into teleology – an assumption that eventually all new parties will (if they last long enough, grow big enough and become moderate enough) situate themselves within one of the blocs and then inevitably take their turn when their ‘side’ wins the election.

Even ignoring the contested question of bipolarisation, in countries prone to minority government, this progress from infancy to office may never happen. New parties may grow up only to bang their heads on a glass ceiling. Contract parliamentarism helps to dull their pain but simultaneously symbolises and institutionalises their arrested development. They could of course try breaking through the glass ceiling by refusing to support a minority government led by their closest mainstream party, calling its bluff and letting it go down to defeat on confidence or supply. But in so doing they would – at least in the short term – risk the wrath not just of the electorate in general, but those who voted for them on the assumption that they would keep a particular mainstream party in office. Nor would

they necessarily please any but the most partisan of their membership, many of whom would rather have a small piece of something than a whole lot of nothing.

Contract parliamentarism has allowed even captive parties like the Greens and Vänsterpartiet to raise their status. They can hardly be called slaves: they have a document setting out terms and conditions of their employment and their (policy) remuneration package, and they are theoretically free to leave when (or even before) their bargain expires. But are they much more than servants? Better treated they may be. But they are still only allowed to join their masters for specific activities, at specific times and in specific places, in effect allowing those masters to continue life in the comfort to which they have grown accustomed despite the fact that they are now living (in terms of electoral support and therefore parliamentary weight) beyond their means. And there is little to suggest that contracts dramatically improve either the performance or the lot of the ‘servant’ or ‘safety net’ parties themselves.

Nor is the development of contract parliamentarism necessarily good for democracy itself. If one side of the left-right divide is made up of one strong party plus one or two ‘servant parties’ while fragmentation on the other side is so pronounced that some of its more centrist members are also willing to play servant, too – as is the case in Sweden and New Zealand – the prospects for government alternation begin to look bleak. Contract parliamentarism, by institutionalising a minority government’s security of tenure, may make it less easy for voters to ‘throw the rascals out’ and exacerbate already high levels of cynicism about politics and political parties.³⁵

Notes

¹ The authors would like to thank two anonymous referees for their constructive comments on this article. We are also very grateful to Magnus Blomgren for his help with the design of Figure 1.

² The concept of ‘contract parliamentarism’ was first used in Torbjörn Bergman and Nicholas Aylott, ‘Parlamentarism per kontrakt? Blir den svenska innovationen långlivad?’, in Riksdagens årsbok 2002/03, Stockholm: Riksdagen, 2003, pp. 4-7.

³ Kaare Strøm, Minority Government and Majority Rule, Cambridge, Cambridge University Press, 1990, pp.61-62.

⁴ See Tim Bale ‘Cinderella and her ugly sisters: the mainstream and extreme right in Europe’s bipolarising party systems’, West European Politics, 26: 3 (2003), pp. 67-90.

⁵ The text of the agreement is on the website of the Liberal Democrat History Group: <http://www.liberalhistory.org.uk/record.jsp?type=page&ID=175&statement%20on%20lib%20lab%20pact>.

⁶ Csaba Nikolenyi, ‘Coordination problem and grand coalition: the puzzle of the government formation game in the Czech Republic, 1998’, Communist and Post Communist Studies, 36 (2003), pp. 325-344.

⁷ The Swedish Greens and the Social Democrats are very close in policy space. Some studies actually place the Greens to the left of the Social Democrats, but in the eyes of the most relevant actors, the party leaderships in the parliamentary parties, the Greens are more of a centre party than are the Social Democrats, see Nicholas Aylott and Torbjörn Bergman, ‘Almost in Government, But Not Quite: The Swedish Greens, Bargaining Constraints and the Rise of Contract Parliamentarism’, paper presented in panel 6, ECPR joint sessions of workshops, Uppsala, April 13-18, 2004.

⁸ See Wolfgang C. Müller and Kaare Strøm (eds), Policy, Office, or Votes? How Political Parties in Western Europe Make Hard Decisions, Cambridge, Cambridge University Press, 1999.

⁹ In Sweden, the so-called bourgeois bloc is composed of (in descending order of popularity) the conservative Moderata Samlingspartiet, the traditionally liberal (but recently rather populist) Folkpartiet Liberalerna, the Kristdemokraterna and the Centerpartiet. In New Zealand, the equivalent (if slightly more putative) bloc is made up by National (conservative), ACT (neo-liberal) and the self-styled centrist (Christian) United Future and the aggressively populist (but welfarist) New Zealand First.

¹⁰ Torbjörn Bergman, 'Formation rules and minority governments'. European Journal of Political Research, 23: 1 (1993), pp. 55-66. On New Zealand's 'negative parliamentarianism' in comparative perspective, see Jonathan Boston, Governing Under Proportional Representation: Lessons from Europe. Wellington, Institute of Policy Studies, 1998, pp. 23-25.

¹¹ See Flemming Juul Christiansen, 'The Inclusion of Challenger Parties into Legislative Accommodations in Danish Parliamentary Politics', paper presented at the ECPR Conference, Marburg, Germany, 18-21 September 2003. See also Christoffer Green-Pedersen, 'Minority Governments and Party Politics: the Political and Institutional Background to the "Danish Miracle"', Journal of Public Policy, 21: 1(2001), pp. 53-70.

¹² Torbjörn Bergman, 'Sweden: When minority cabinets are the rule and majority coalitions the exception', in Wolfgang C. Müller and Kaare Strøm (eds.), Coalition Governments in Western Europe, Oxford, Oxford University Press, 2000, pp. 192-320.

¹³ Interview conducted with Åke Pettersson (previously a Junior Minister and then the General Secretary or partisekreterare of the Centre Party) by Bergman on 25 May, 1996.

¹⁴ Statsrådsberedningen 1998 (The Prime Minister's Office), Pressmeddelande: Samarbete mellan regeringen, vänsterpartiet och miljöpartiet, October 5, 1998.

¹⁵ Tim Bale and Christine Dann, 'Is the grass really greener? The rationale and reality of support party status: a case study', Party Politics, 8: 3 (2002), pp. 349-365.

¹⁶ Tim Bale 'As you sow, so shall you reap': the New Zealand Greens and the General Election of 2002, Environmental Politics, 12: 2 (2003), pp.140-144.

¹⁷ United were promised a 'Commission for the Family', no legalisation of cannabis and a comprehensive drugs strategy, legislative support for victims' rights, and that transport legislation would include provisions for alternative funding options for road building.

¹⁸ See New Zealand Cabinet Office Circular NZ CO (02) 11, 3 September 2002, which is helpfully available on the web at http://www.dpmc.govt.nz/cabinet/circulars/co02/COC_02_11.pdf.

¹⁹ Confirmed in NZ Cabinet Office Circular NZ CO (02) 11, 3 September 2002.

²⁰ Boston, Jonathan and Church, Stephen, 'Government Formation after the 2002 General Election', in Boston et al. (eds.), New Zealand Votes: The General Election of 2002, Wellington, Victoria University Press, 2003, p.355.

²¹ Full text of the agreements is available at <http://www.beehive.govt.nz/Documents/Files/NZFirst.pdf> and <http://www.beehive.govt.nz/Documents/Files/United.pdf>.

²² Full text of the agreement is available at <http://greens.org.nz/searchdocs/other9314.html>.

²³ Bergman, *op cit*.

²⁴ Bergman and Aylott, *op. cit.*, pp. 4-7.

²⁵ A ‘walk-away value’ is what a negotiator, such as a party leader, can gain without a new agreement; i.e., what he or she secures by walking away from the bargaining table. See Arthur Lupia and Kaare Strøm, ‘Bargaining, transaction costs, and coalition governance’, in Kaare Strøm, Wolfgang C. Müller, and Torbjörn Bergman (eds) *Cabinets and Coalition Bargaining: the Democratic Life Cycle in Western Europe*, Oxford, Oxford University Press, 2006.

²⁶ Nicholas Aylott, Torbjörn Bergman and Jan Jämte, ‘Fighting Off the Challengers: The Swedish Social Democrats and their Support Parties or, Why the Greens Could Not Force Themselves into Government!’, paper presented at the ECPR General Conference, Marburg, September 2003, p.12.

²⁷ See Sören Holmberg, ‘*Riksdagsvalet 2002: Valu-siffror*’, Swedish Election Studies Program (www.valforskningsprogrammet.pol.gu.se), downloaded July 2003.

²⁸ Anders Widfeldt, ‘Sweden’, in Wolfgang Rüdig (ed.), *Green Party Members*. Cambridge, MA.: MIT Press, forthcoming..

²⁹ Jon Burchell, “‘Small Steps’ or ‘Great Leaps’”: How the Swedish Greens are Learning the Lessons of Government Participation’, *Scandinavian Political Studies*, 24, (2001), pp. 239-54.

³⁰ According to media reports the agreement was approved by only ten votes to five with five abstentions.

- ³¹ See Jack Vowles, Peter Aimer, Susan Banducci, Jeffrey Karp, and Raymond Miller (eds) Voters' Veto: The 2002 Election in New Zealand and the Consolidation of Minority Government. Auckland, Auckland University Press and Tim Bale 'New Zealand' in Wolfgang Rüdig (ed.), Green Party Members. Cambridge, MA, MIT Press, forthcoming.
- ³² For example, on Western Europe, see Wolfgang C. Müller and Kaare Strøm (eds) Coalition Governments in Western Europe, Oxford, Oxford University Press, 2000.
- ³³ See Tim Bale and Torbjörn Bergman, 'A taste of honey is worse than none at all? Coping with the generic challenges of support party status in Sweden and New Zealand', Party Politics, 12: 2 (2006).
- ³⁴ See Peter Mair, 'The Green Challenge and Political Competition: How Typical is the German Experience?', German Politics, 10 (2001), pp. 99-116 and Bale, op cit.
- ³⁵ See Russell, J. Dalton and Steven A. Weldon, 'Public images of political parties: a necessary evil?', West European Politics, 28: 5 (2005), pp. 931-951.