

**André Broome**

## **The Social Construction of 'Tax Fairness'**

### **Tax Talk in the Media and the New Zealand Labour Party**

#### **Abstract.**

Many political scientists argue that neoliberal discourse has become embedded in western democracies over the last quarter-century, constraining the ability of centre-left parties to present electorally viable 'social democratic' alternatives such as progressive taxation to fund high social spending. This paper evaluates the 'hegemonic neoliberalism' argument, drawing insights from the recent experience of the New Zealand Labour Party and the representation, interpretation, and construction of competing taxation ideas in the New Zealand print media. The paper analyses how ideas about political change can be empowered by a logic of necessity not only because of the discursive construction of a crisis of the state, but also the opposite: the narrative construction of a positive opportunity that establishes an imperative to intervene to alter the fiscal status quo when national accounts are comparatively 'healthy'.

#### **Introduction**

Many pages of contemporary political science scholarship have been devoted to the subject of economic globalisation: whether it exists as something 'out there' in the world that places new constraints on states, how it influences national policymaking, and whether it is a positive or pernicious force. One sticking point is whether globalisation encompasses a new set of constraints on policymakers primarily because of real world changes, or because elites have been seduced by a hegemonic 'globalisation discourse', which has somehow shrunk the range of 'thinkable' ideas that can appear as feasible policy responses to the new challenges that economic globalisation generates. In parallel with a substantial literature on globalisation and the state (Garrett 1998;

Hay 2006; Genschel 2004; Steinmo 1994; Hobson & Ramesh 2002), many authors have probed related questions about the impact of economic globalisation on national political parties, specifically those parties of a leftist hue (Callaghan 2003; Lavelle 2005; Gamble & Wright 1999).

A frequent subject of investigation among the latter is whether the constraints generated by economic globalisation prevent centre-left political parties in government from pursuing 'traditional social democratic policies' that benefit their supporters (Lavelle 2005: 754). Some authors have sought to show how much of the material impact of globalisation is exaggerated and is not an 'absolute' constraint on states' policy autonomy (Clift & Tomlinson 2004; Hobson & Ramesh 2002; Seabrooke 2006; Mosley 2000). Other studies further suggest that 'the globalisation discourse' has constraining effects on a centre-left party's ideational parameters when the party leadership actively 'buys into it', rather than choosing other available electoral strategies (Watson & Hay 2003; Hay 2001; Scanlon 2001). Indeed, some observers have suggested that globalisation is contributing to a 'cartelisation' of party systems (Blyth & Katz 2005; Katz & Mair 1995; cf. Kitschelt 2000). Here political competition is no longer organised around parties' alternative promises to enact significant policy changes that provide positive outcomes for their supporters. Instead, these authors suggest that parties have deliberately shifted electoral competition toward a focus on the validity of their claims to 'managerial competence', concomitant with the 'downsizing' of voters' expectations of state action (Blyth & Katz 2005: 47). Among other things, if borne out in practice the 'cartelisation' of party systems could diminish the motivation for centre-left parties to take positive intervention in the economy to effect income redistribution and greater social equity.

One key policy area where these literatures intersect is the issue of taxation and the financing of national welfare systems (Garrett & Mitchell 2001; Haskel 1987; Clift & Tomlinson 2004; Ganghof & Eccleston 2004; Mosley 2000). To complement the contributions of authors who have explored the material changes driving globalisation, such as Geoffrey Garrett (2000), this article is explicitly concerned with

exploring the case of how the New Zealand print media represented alternative taxation ideas, a debate informed by actors' competing political interpretations of economic globalisation. This made possible the discursive construction of a 'positive opportunity' for the state to alter the trajectory of fiscal policy. The article investigates the assumption that globalisation is inextricably linked with the maintenance of neoliberal economic policies – as the most feasible response to a changing external environment – and examines how this idea was discursively represented in the New Zealand context in a way that limited the autonomy of centre-left political parties in government to pursue progressive taxation policies. The intervening variable analysed here that lies between the external economic environment and national political parties is the media, which can frame the way exogenous changes are interpreted and influences popular perceptions of the hierarchy of political priorities. Specifically, this article employs a qualitative content analysis of New Zealand newspapers to explore how the media can potentially tell us 'what to think about' with regard to public debate over government policies (Cohen 1963: 13). While the mass media has the potential to perform an influential agenda-setting function in any contemporary democratic society, this is especially important in a small country with a liberal economy and a proportional electoral system such as New Zealand during an election year.

### **The media and politics in New Zealand**

In a seminal article, Maxwell McCombs and Donald Shaw hypothesised that the media do in fact 'set the agenda' for political campaigns, because the media is able to influence the salience of public attitudes toward political issues (McCombs & Shaw 1972: 177; see also McCombs 2004 & 2005). In this view, the mass media collectively define the 'frames of reference' that people will 'use to interpret and discuss public events' (Scheufele 1999: 105). This agenda-setting role may suggest that the media constitutes a social structure that largely robs viewers or readers of individual agency, but the aim here is not to advance a 'deterministic' view of media influence (for an overview of the ontological differences between competing theories of the mass media, see Street 2005). Rather, for media

representations of policy issues and 'critical junctures' in social life to become energised and thus result in substantive political effects, such as influencing people's decisions at the ballot box, media narratives must resonate in some way 'with individuals' and groups' direct, lived experiences'. It is only through this everyday process whereby people actively appropriate discursive representations of particular public issues and events that media discourses are able to alter the environment within which 'political subjectivities are constituted, reinforced and re-constituted' (Hay 1996: 255-56; cf. McCoombs 2005: 554).

To emphasize the political importance of public discourse is not to claim that all policy ideas must accord with the balance of popular opinion for a government to take decisive policy action (see Larsson 2003: 444-5). Rather, political parties operate within this discursive environment as actors incentivized to appropriate the issues that the media define as newsworthy in a way that aligns voters' understandings and experiences of them with parties' own identities and policy programmes. But the space for political contestation and the spectrum of policy positions that parties might seek to articulate on a given issue is constrained by these same discursive parameters (Hay 1996: 265).

In a similar work to that undertaken here, Louse Phillips has argued that the impact of Thatcherism in the UK has outlived the 1979-97 period of Conservative government, because it continues to define the discursive limits on 'what can be said and what cannot be said' by Tony Blair's New Labour Party. Phillips makes a case for studying political language 'as a social practice', where language does not simply reflect changing material circumstances but is an active ingredient in social and political change (Phillips 1998: 847-8). Media representation is understood here as a constructive exercise, which can shape the social world and how we think about it at the same time as providing an important description of political issues and events that most of us could not otherwise easily obtain. The analysis that follows draws on these insights to interrogate the role of the New Zealand media in framing the dominant public 'conversation' about tax, which could then empower political actors to implement significant changes in practice.

Phillips's study of New Labour in the UK emphasises how the 'discursive legacy of Thatcherism' has prevented any latent 'radicalism' from determining Labour policy, thereby narrowing much of the ideational space between the competing parties' programmes (Phillips 1998: 865; cf. Hay 2001). This paper will complement Phillips' study by showing how the case of the New Zealand Labour Party (NZLP) exhibited two slightly different characteristics, which although peculiar to this case may also be relevant in other contexts. First, while the Labour government adopted a 'hybrid discourse', which folded welfare goals within neoliberal vocabulary like British Labour, the ideational space between the policies of the Labour Party and those of the conservative National opposition actually increased in the 2005 election. The narrow framing of the taxation debate in the media may have even stimulated the NZLP to announce policy changes that would make the dualistic choice between social democracy and neoliberalism increasingly stark in voters' minds. Second, popular concerns from the 1999 and 2002 elections over the impact of tax cuts on 'social equity' were not simply 'trumped' or degraded in value in 2005 by a cartel-like obsession with 'good economic management' (Blyth & Katz 2005: 54). Rather, media representation, interpretation, and construction of the taxation debate focused on altering the dominant meaning of social and economic 'fairness' with regard to tax policy in New Zealand society. The tax discourse established a positive opportunity to push through fundamental fiscal reform by combining the apparent 'economic affordability' of tax cuts with a shift from tax fairness as social investment and (mild) redistribution to a rigid redefinition of tax fairness as tax reduction.

The potential influence the media can exercise over electoral outcomes in New Zealand has increased in recent decades. Following deregulation during New Zealand's neoliberal 'revolution' in the 1980s, the media business in New Zealand has become very highly concentrated and is largely foreign-owned in comparison with other Western democracies (Cross & Henderson 2004: 147). Over the same period, the salience of short-term influences on voting decisions that amplify the role of the media (such as current issues, leaders' personal characteristics, and the conflict-focused reporting of the actual

campaign) appears to have increased relative to long-term influences such as class background (Hayward & Rudd 2000: 89, on class voting see Vowles 2001: 176). New Zealand's adoption of a Mixed Member Proportional (MMP) electoral system from 1996 is likely to have further increased the influence of the media, as parliamentary representation is now determined by a party's total share of votes in contrast with the former 'winner takes all' First Past the Post system modelled on the United Kingdom (Cross & Henderson 2004: 142).

The example of the self-styled 'centre' party United Future in the 2002 election is suggestive of the increased influence of the media in a proportional representation system. Although largely ignored by the media during the previous election in 1999, following favourable commentary and analysis of United Future leader Peter Dunne's performance during a televised party leaders' debate in 2002, United Future leapt from 1 to 7 per cent in opinion polls within a week (Miller 2005: 186). At the time, the party had only a single electorate MP (Dunne). While under the former First Past the Post system United Future would have been unlikely to gain any additional parliamentary seats from such a rise in support, under the MMP system the party's subsequent 6.7 per cent vote share translated into eight MPs. This enabled United Future to play a more significant role in the 2002-5 Parliament as a support party to the government on confidence and supply votes, in exchange for a small number of policy concessions and opportunities for policy consultation with government ministers (on the role of support parties in proportional electoral systems, see Bale & Bergman 2006). The basic strategic lessons from this episode were not lost on the minor parties. When they were initially excluded by one television station from its planned leaders' debate in the 2005 election campaign (TV3, owned by Canada's CanWest media group), Dunne and Jim Anderton, leader of the small Left-leaning Progressive Party, successfully petitioned the High Court for an injunction to compel TV3 to include them. The two party leaders argued that their exclusion from the debate would be contrary to the public interest, and could have a detrimental effect on electoral support for their parties (New Zealand High Court 2005).

Like the media in other countries, the press in New Zealand frequently embeds debates about taxation, and the affordability of social democratic initiatives such as increased social spending, in wider public narratives about economic globalisation. The collapse of 'actually existing communism' after 1989 produced a transnational elite consensus that centrally planned countries must embark on an inevitable 'transition' to a market economy, which was defined in neo-liberal terms. This in turn contributed to the 'naturalization' of neo-liberal ideas and the apparent downgrading of social democratic alternatives (Gamble & Wright 1999: 1; Kitschelt 2000: 160-1; on the 'naturalization' of the post-communist market transition, see Hopf 2002). Many scholars have also focused on the constraining effects on national policy autonomy of material changes such as greater capital mobility, concomitant with an increase in the influence of private sources of authority such as global credit rating agencies like Moody's Investor's Service (Cliff & Tomlinson 2004: 517-8; on the impact of credit rating agencies, see Sinclair 2005). While the 'exit' options available to the owners of capital have clearly increased in recent decades (see Genschel 2004), no consensus currently exists on whether this is the key factor driving the retreat of social democratic 'grand narratives' on the desirability of state intervention to discipline market forces. Another explanation, for example, suggests that the declining economic resources available to many governments, following the end of the post-war boom, produced a narrowing of social democratic ambitions because actors believed that a cash-strapped state could not afford the financial cost of existing (let alone new) programmes to even out people's social and economic life chances (Lavelle 2005: 762-4).

In the New Zealand case, the country went through a neo-liberal 'revolution' during 1984-92 that matched or exceeded the experience of Thatcherism in the UK. Unlike Britain, however, it was a Labour government that implemented New Zealand's programme of economic liberalisation, in an attempt to give the economy a proverbial 'shot in the arm' after a sustained period of relative economic decline (cf. Bale 2003: 202-4). Following the meltdown of the fourth Labour government and Labour's subsequent rout at the 1990 election, the National party remained in power through a series of majority and

minority administrations until the election of Helen Clark's Labour government in November 1999.

The period of National (or National-led) government involved an intensification of neo-liberal reforms during 1990-2, which prompted widespread public dismay at the breach of National's pre-election promises and its uncharacteristically radical approach to state-driven economic change (James 1998: 20-1). In contrast, Labour's triumph at the polls in 1999 (in coalition with a party positioned to Labour's left, the Alliance), came on the back of campaign promises to govern in the interests of stability, rather than further radical change. There would be a few big ticket 'corrections' to the excesses of 'Rogernomics' and 'Ruthanasia', the popular terms assigned to the neo-liberal changes of the '80s and early '90s, named for the Labour and then National finance ministers who drove the reforms through the political process. Among other policy shifts, these changes included a rise in the top rate of income tax by 6 per cent (from the comparatively low rate of 33 per cent); linking pensions to 65 per cent of the average wage; and removing market rentals for state housing by linking rents to tenants' income. The new government also abolished interest charges on student loans for the duration of students' tertiary study, and passed legislation that knocked some of the hard edges off National's employment law, which (in theory) reinstated some of the union rights that had been abolished in the early 1990s. Like Tony Blair's New Labour government, however, the Clark Labour government in New Zealand appeared singularly focused on winning the next election (Bale 2003: 205, 207). The government prioritised this aim to the exclusion of other political-economic goals that might have appealed to social democrats in power after almost a decade on the opposition benches (or two and a half decades, if one discounts the 1984-90 Labour government because of its economic liberalism).

### The methodology

Like the UK press, a majority of which endorsed the Conservative Party in election campaigns until 1997 (Newton & Brynyn 2001: 280), the editorial lines of newspapers in New Zealand long favoured the conservative National Party. After some 'thawing' in editors' stance

toward New Zealand Labour in the 1970s, a process of 'editorial de-alignment' in the 1980s and 1990s led to a contemporary media climate where editors now seldom extend blanket endorsements of individual parties, and any support is attended by critical qualifications (Rudd 1992: 127; Hayward & Rudd 2003: 260). The focus of analysis here is limited to several major metropolitan daily newspapers in New Zealand: the Dominion Post (and its predecessors, which merged in July 2002, the Dominion and the Evening Post), the New Zealand Herald (hereafter the Herald), and the Christchurch Press (hereafter the Press). Unlike the British print media, there is no tabloid/broadsheet divide among New Zealand's daily newspapers, and hardcopy circulation among the country's four million people is effectively constrained by regional monopolies (Bale 2005: 388-9). Nevertheless, the majority of newspapers' news reports, editorials, and opinion articles were publicly available on the World Wide Web during the three periods of this study, with the exception of the Herald, which began restricting its online opinion content to paying subscribers during the 2005 election campaign. The Press is the most popular paper in the South Island, with a circulation of around 90,000. The Dominion Post, based in Wellington, has a circulation of around 98,000; while the Herald is the main paper in Auckland, the most populous city in New Zealand, with a circulation of just over 200,000 (New Zealand Audit Bureau of Circulations 2005).

These papers were searched on the Proquest ANZ database (except for the Herald which was searched on Factiva) for articles which contained significant content on 'tax' in the six months running up to each of the three most recent general elections, held in November 1999, in July 2002, and in September 2005. Articles were then removed that did not include significant content on income taxation. Following each of these elections Labour was the largest party in Parliament and formed a minority coalition government through a variety of support agreements with minor parties that remained outside government, arrangements that have changed following each subsequent election.

The bulk of articles on income taxation were hard news stories and news reports that presented the parties' various taxation proposals but did not explicitly seek to analyse them. These typically listed the various tax policy promises, sometimes followed by quotes from a small selection of 'authoritative' sources such as economists and accompanied by brief statements from different party leaders or finance spokespeople. These stories entail selection effects that result from the media judging a particular actor to be the holder of 'expert knowledge', and therefore capable of providing a 'neutral' and informed comment on competing taxation ideas. Hard news stories and news reports on taxation were excluded from the analysis here, in order to focus on exploring how the print media constructed a dominant 'public conversation' about taxation ideas through leader editorials, analytical articles, and opinion pieces that explicitly aimed to interpret these ideas. As Tables 1-3 indicate there was a substantial increase in the number of these overtly interpretive articles on income taxation in the six months leading up to the 2005 election in comparison with elections in 2002 or 1999. Once established, a dominant narrative in a given issue area provides a ready frame that readers can adopt to make sense of the selection of policy proposals, social facts, and economic data that the media puts before them every day in hard news stories and news reports. For the purposes of this study, analytical articles were distinguished from hard news stories and news reports because the former involved a greater degree of analysis of competing taxation ideas. For example, this included discussion about the possible economic and social effects of income taxation changes – especially for the 'sacred cows' of health and education spending – and how New Zealand's current fiscal policy and parties' alternative tax proposals compared with other OECD countries.

## The media and the tax monologue

Prior to Labour's sixth budget in May 2005, which would set the tone of the party's re-election strategy to win a third term in government, a steady stream of economic data gradually reinforced the perception that on most macroeconomic indicators 'Kiwis had never had it so good' since before the 1973 oil shocks. Labour-led governments had increased funding in key vote-winning areas such as health and education, as well as running increasingly large budget surpluses, which enabled the party to claim the mantle of 'fiscal responsibility'. While the shift of emphasis in policy direction under Labour did not represent a complete roll back of earlier neoliberal reforms, the government's economic good fortune would nonetheless have seemed 'wishful thinking' in Labour circles prior to the economic boom years that followed the 1999 election.

In addition to comparatively strong economic growth, New Zealand had the lowest official unemployment rate among the Organisation for Economic Cooperation and Development (OECD) group of countries in 2005. While commentators mused that the upcoming election was 'Labour's to lose', one reporter nonetheless encapsulated the party's record, after six years in power, in such lacklustre language as 'the vanilla years' under a government that lacked vision and was 'born to be mild' (Press 13 August 2005). But an opinion poll run for the Herald some six weeks before the May 2005 budget suggested that a majority of voters supported the government's stated strategy of using the benefits flowing from the economic 'good times' to invest further in health and education. Most poll respondents said they did not want the government to spend the extra revenue from strong economic growth and low unemployment on tax cuts, despite the large budget surplus that in theory would have allowed both tax cuts and social spending increases to appear plausible. Indeed, the government was running a NZ\$6.4 billion surplus in the eight months up to February 2005, with the country's gross domestic product in 2004 worth NZ\$137.5 billion. Labour also enjoyed healthy poll ratings at the time, gaining 47.7 per cent of respondents' support to the opposition National Party's 34.5 per cent in a poll conducted the previous week (Herald 5 April 2005).

Table 1: Tax in the NZ Media, April – September 2005

Title	Opinion pieces	Editorial/Leader	Analytical articles	Total
New Zealand Herald	31	6	35	72
Dominion Post	19	12	41	72
Christchurch Press	11	10	35	56
Total	61	28	111	288

Table 2: Tax in the NZ Media, February – July 2002

Title	Opinion pieces	Editorial/Leader	Analytical articles	Total
New Zealand Herald	2	0	5	7
Dominion Post	0	1	0	1
Dominion	1	2	6	9
Evening Post	0	1	1	2
Christchurch Press	1	1	7	9
Total	4	5	19	28

Table 3: Tax in the NZ Media, June – November 1999

Title	Opinion pieces	Editorial/Leader	Analytical articles	Total
New Zealand Herald	10	3	13	26
Dominion	2	2	15	19
Evening Post	3	5	10	18
Christchurch Press	6	5	13	24
Total	21	15	51	87

The end of the party for Labour came in the immediate aftermath of the 2005 budget on 19 May. The government's minor alterations to the company tax structure (such as the depreciation of assets), the extension of the flagship 'Working for Families' social assistance package, and the establishment of a 'KiwiSaver' workplace savings scheme to boost national savings and assist low-income earners to buy their first home, were in some quarters viewed as positive steps. But any favourable reporting of these changes was drowned out by a torrent of negative assessments of the government's failure to introduce significant income tax cuts. Labour did propose slight changes to tax thresholds, which it promised to loosely link to inflation from 2008 if re-elected. The Labour finance minister warned of the danger that handing out 'too much jam today' would lead to not enough 'jam' in the future. But as the leader of self-styled 'centre' party New Zealand First pointed out, to great effect, the proposed tax threshold changes would only put an extra 67c in many workers' weekly wage packets, allowing them to buy an extra pack of chewing gum each week in three years' time. When Labour's finance minister and deputy prime minister Michael Cullen subsequently acknowledged that a political mistake had been made, lead stories with headlines such as 'Cullen admits tax-cut error' did little to overturn the sudden impression of a government behind in its game and not in tune with popular sentiment (Press 8 June 2005).

The media picked up this theme of the miserly approach of Labour's 'Chewing Gum Budget' (Press 13 June 2005), and this phrase was repeated in editorials, news, and opinion articles almost daily in the four months leading up to polling day. The use of this term included a presupposition that cued readers to accept as an established fact that Labour's 2005 budget was indeed 'tight-fisted' in its entirety, whereas it contained several expensive initiatives unrelated to changes in income taxation (on presuppositions, see Fairclough 1992: 283). As Norman Fairclough suggests, 'subject matters... only enter texts in the mediated form of particular constructions of them' (Fairclough 1992: 286). In this case, the print media helped shape a perception that the government had somehow 'cheated' a large number of New Zealand voters, but unlike governments of the '80s and '90s this was through policy inaction rather than policy activism. A Dominion Post editorial

reflected the general discursive approach, which labelled Labour's fiscal plans a 'budget of disappointment' (Dominion Post 24 May 2005). A further example is a feature article on the budget in the same paper, which swept aside consideration of the other policies Labour announced in the budget, stating that 'the only thing Dr. Cullen's sixth budget will be remembered for is its derisory tax cuts' (Dominion Post 23 May 2005).

As a country with a small population and an open and comparatively vulnerable economy, many New Zealanders look to Australia, the 'big brother' across the Tasman, for political and economic comparisons that inform their evaluation of their own government. What made matters worse for Labour, therefore, was the Australian Treasurer's announcement of across-the-board tax cuts in early May, which the media immediately used to set a benchmark against which to judge Labour's tax proposals in New Zealand. One article in the Dominion Post described the Australian tax reforms as a 'slashing and burning' which made for 'sickening reading' in comparison to the 'sheer timidity of Dr Cullen's shuffling and trimming' (Dominion Post 20 May 2005). Even prior to the budget, the business pages of New Zealand newspapers represented the Australian tax cuts as a move that threatened to speed up New Zealand's 'brain drain'. One article, for example, cited business lobby groups, selected tax specialists, and the National Party warning that the country's highly skilled workers would now have even greater incentives to vote with their feet (Dominion Post 12 May 2005; for an analysis of the opaque nature of the newsgathering process in New Zealand, see Rupar 2006).

In June 2005, a Fairfax New Zealand/ACNielsen poll indicated that Labour was now on 40 per cent support among respondents to National's close 38 per cent. The same poll, based on 1,110 registered voters, suggested that an overwhelming seventy-five per cent of respondents would support 'immediate income tax cuts'. In an apparent shift from earlier elections, of those in favour of tax cuts 64 per cent would still support them even 'if public spending was reduced as well'. Individual opinion polls should never be over-emphasised and this one may have only indicated the complexity of voters' policy preferences.

The same poll in August showed sizeable majorities in favour of Labour policies to introduce interest-free student loans for graduates who remained in New Zealand and to refuse to send troops to Iraq if they were requested by the United States (ACNielsen 2005). But the media attention given to this and similar polls provided an essential boost to National's tax proposals while throwing the Labour government into 'damage control'.

The National Party had offered tax cuts to voters in 1999 and in 2002. Why, therefore, did tax explode as a political issue in 2005, but not in the 2002 election year when the government also had a sizeable surplus, or in 1999 when Labour campaigned to raise the top rate of tax in the first place? This puzzle is central to understanding one of the closest New Zealand election campaigns in recent years, which culminated in a bidding war over 'bread and butter' economic issues and nearly terminated the Clark Labour Party's period in office. It may prove relevant for social democratic parties elsewhere as well, such as Tony Blair's (or Gordon Brown's) New Labour Party, because it suggests that discursive shifts can have dramatic effects on the fortunes of centre-left and centre-right parties from one election to the next. We can glean some understanding of this puzzle through examining how the media defined the 'key issues' of earlier campaigns in comparison with 2005.

The Herald noted in 1999 that if the election that year was to be decided by parties' different ideas about taxation, 'voters will have been presented with a good selection'. A minor party to National's right, ACT New Zealand, advocated moving toward a flat tax rate, while the Alliance on Labour's left proposed two new higher income tax brackets to make the system more progressive (Herald 29 September 1999). With leader Helen Clark and her deputy Michael Cullen cognizant of the damage done by the 'high tax' tag that National pinned on the party in the 1993 election campaign (McGregor 1996: 127), Labour sought to resolve the tax issue early on by confronting voters with a two-pronged argument. This involved suggesting, first, that a small tax rise was necessary to raise funds for popular plans to increase social spending, and, second, that only the top five per cent of earners would bear the

extra tax burden. The National Party, in contrast, offered to knock a cent off the 21 per cent income tax rate and to marginally lift the level at which the top rate, then at 33 per cent, would kick in (Press 12 October 1999).

Despite some newspaper editorials that suggested 'widespread fears' that the centre-left parties in government 'would make a bigger tax grab' than they had admitted (Press 22 September 1999), much of the media reporting and analysis of the 1999 campaign emphasised a different kind of public conversation. Several commentators represented New Zealand society as weary of a decade and a half of neoliberal reforms, voters who were 'sick of sweeping economic and social changes' that had 'cost jobs' and were 'seldom explained' (Press 2 November 1999). With limited public belief in the economic and social benefits of further tax cuts for their own sake, the National government found itself on the back foot following several articles that reinforced doubts over the efficacy of its tax package, a major plank of National's pitch for re-election. A discursive image gradually emerged in the media of a 'last gasp' government seemingly at the end of its political life, either cynically hawking tax cuts for votes or else defending its economic policy plans with ideological rationales that were, apparently, not so widely shared among the population after all. With the Labour and Alliance parties offering the first plausible alternative to further neoliberal reform in fifteen years, and like Blair's New Labour publicly disavowing the existence of any radical agenda, the media engaged in an evaluation of the social and economic 'pain' undergone since 1984. Articles during the campaign that suggested the previous economic reforms had not benefited most of the population could only assist the centre-left parties' campaigns.

Frequent media repetition in 1999 of Labour's strategy to always connect its proposed tax rise with the social benefits the party planned to spend the money on helped enable this to seem 'fair' and 'responsible' in the light of such discursive revisionism, however mild. This was especially the case when the media cited figures showing which end of the salary scale would be most affected by the changes (Evening Post 14 June 1999). The demonstration of 'fiscal



responsibility' by the Labour Party, through signalling a tax increase to pay for its election promises rather than simply making vague claims of their affordability, had particular resonance in the uncertain economic environment following the Asian financial crisis of 1997-8, unlike National's promise to match tax cuts dollar for dollar with spending increases. Indeed, in response to National's plans the Evening Post thundered in an editorial that 'the economy isn't capable of sustaining further tax cuts and reduced state revenue at the moment', especially when the 'public also knows that much of the recent gains from tax cuts went in increased state charges' (Evening Post 16 June 1999). It would certainly be misleading to imply that the media discourse that framed competing taxation ideas in 1999 all went Labour's way. A Dominion editorial, for example, challenged the National government and its new finance minister Bill English to demonstrate their 'credibility' with 'a clear promise of tax cuts' (Dominion 23 June 1999). As the date of the election neared, however, news articles appeared with headlines such as 'voters willing to live with tax rises', which cited the willingness of selected voters on high salaries to have scarce state funds spent on increased funding for health and education rather than tax cuts. Such reporting helped to reinforce the public definition of these two 'social equity' issues as the highest priority for voters heading to the polls in November (Evening Post 15 November 1999).

The 2002 election was in several ways a far easier 'win' for the Labour Party, despite the Prime Minister calling an early election for July due to the implosion of Labour's coalition partner following its internal disputes over political strategy and policy ideas. With a disorganised and demoralised opposition and good economic indicators, tax barely rated a mention in most media coverage of the 2002 campaign relative to 1999 and 2005, as indicated in Table 2. Many voters were reassured by the government's track record that Labour did not have any 'secret agenda' for further radical change, at least as far as economic policy was concerned. The media even gave some qualified praise to Labour for its left-leaning pragmatism, and for Michael Cullen's uncompromising 'reputation for fiscal prudence' (Press 24 May 2002). National offered tax cuts in 2002, as it has at every election since 1996, with some editorial support from newspapers. The Press, for example,

stated that National's policy was 'based on sound principles', and that 'the more money... left in citizens' pockets the better, because it increases individual wealth and choice'. But despite such 'sound principles', the party's income tax policy could be 'easily pilloried as a handout to the rich, which it is, and not easily justified as a catalyst to growth that will benefit everyone, which it might be' (Press 18 April 2002). While a Dominion editorial drew on the globalisation discourse to suggest that the Labour Party's 'classic' policy of increasing taxes 'dampens the economy and drives off investors', the paper concluded that 'selling' National's proposals to reduce the top rate of income tax to 'middle-of-the-road voters' would prove to be a difficult task (Dominion 17 April 2002). As Labour's finance minister observed, 'an eerie silence' hung over the election's 'deciding issue' in 2002: the economy (Herald 19 July 2002). Other academic observers have noted that National simply did not rate in content analysis of editorials in the 2002 election campaign: editors 'seemed resigned to Labour winning the election', and focused instead on attempting to influence the government's policy intentions (Hayward & Rudd: 2003: 260).

The New Zealand Labour Party very nearly lost the 2005 election, and a comparison with the two previous elections suggests that a key factor in the close campaign was the force and direction of the taxation narrative in the media. When the potential impact of the media discourse became apparent in opinion polling, Labour quickly dumped some of the social democratic language in which it had attempted to couch its Working for Families package, which was instead re-branded as 'targeted tax relief' or 'family tax relief'. In addition, the package was significantly expanded to appeal to middle-income voters at the start of the official election campaign. National's campaign was boosted by a simplistic but seemingly effective communication strategy, which drew directly from the way the tax debate was framed in the media. This cut through Labour's more complicated arguments against tax reform with billboards featuring a dour Helen Clark on a red background with the single word 'Tax'. On the right-hand side of the billboard was the smiling image of Don Brash, the National Party leader since 2003, set against a blue background with the single word 'Cut'. A range of symbolically powerful dualisms like those in

National's billboards drove the media representation of an election where voters could exercise 'real choice' over parties' competing visions for New Zealand's future. In the event, the two major parties' vote shares were almost even: Labour squeezed ahead with 41.1 per cent of the vote to National's 39.1 per cent. With the onus on the two 'centre' parties – whose support was essential to form a government – to attempt to negotiate a workable arrangement with the largest party in Parliament first, the two extra MPs that Labour had over National made all the difference.

### **Winning the electoral battle but losing the war of ideas?**

In their work on the link between capital mobility and fiscal policy in Britain and France, Ben Clift and Jim Tomlinson (2004: 530-1) have argued that social democratic parties are able to play an active role in reframing social perceptions to build their 'credibility'. This can then create the 'policy space' that allows them to pursue their desired changes. In a somewhat similar fashion to the French Socialists and the UK Labour Party, New Zealand Labour seemed compelled to adopt (or at least adapt) its opponents' discursive strategies during the 2005 election campaign, including some core elements of neoliberal language on social and economic ideas. In addition, the party promised to implement several expensive new policies to secure strategic voting cohorts, such as an expansion of the Working for Families package to include more 'well off' middle-income families, which will constrain the government's fiscal room to manoeuvre in the future.

Throughout the era of neoliberal reform, New Zealand social democrats struggled to maintain a progressive tax base and to resist any further 'downsizing' of the state, such as Labour finance minister Roger Douglas's 'flat tax' proposal in 1987 that would have introduced a single rate of income taxation set at around 23 per cent (Chapman 1992: 5). Following the 2005 election, it remains an open question whether the New Zealand Labour Party (just barely) won the immediate election battle but lost the medium-term 'war' to entrench a post-neoliberal, social democratic vision within the country's public discourse. Instead, the media overwhelmingly discussed tax cuts as inevitable or as the only 'fair' and 'right thing to do' for a government sitting on a large

budget operating surplus. Supporters in 1999 had hoped that, once returned to government, the New Zealand Labour Party could set the ideational agenda for the twenty first century, in a similar fashion to how the first Labour government after 1935 created a mould that shaped successive administrations for the next fifty years. Whether New Zealand Labour can do so today could depend on the efforts of social democrats to re-define the dominant media discourse over what constitutes 'fair' taxation in New Zealand society. Alternatively, as Clift and Tomlinson's study suggests, another electoral strategy could be to 'buy in' to the discourse of neoliberal fiscal reform while continuing to pursue 'traditional social democratic policies' in other areas (2004: 532). Nevertheless, when social democratic governments face discursive constraints, like media constructions of what constitutes 'legitimate' policy actions that resonate with a popular audience, social democratic parties may have to do more than 'talk the talk' (Seabrooke 2006) to gain and maintain office in the first place.

Colin Hay has suggested that understanding the narrative construction of a social crisis is vital for recognising how political actors are empowered to implement 'decisive interventions' in the path-dependent trajectory of state structures (Hay 1996: 255). As a more general finding, with potential applications elsewhere, this paper can suggest that positive 'critical junctures' may also be discursively constructed from the ideational 'bricks and mortar' available to political actors, as well as those drawn from 'negative' materials. Here change is potentially empowered by a logic of necessity not because of the discursive representation of a crisis of the state, but rather the opposite: the narrative construction of a dominant 'conversation' that limits the state's right to maintain the fiscal status quo when national accounts are comparatively 'healthy'. A potential avenue for further research would be to specify how various actors are able to influence the media construction of a dominant public conversation around a given policy area, within the opportunities and constraints provided by changing material conditions.

To conclude, the New Zealand case suggests that social democratic parties in government are potentially vulnerable to attacks 'from the right' on fiscal policy even if they embrace neoliberal language and sign up to the discursive logic of 'fiscal rectitude' (cf. Sinclair 2000). This is particularly likely when strategic calculations lead a government to run large budget surpluses against the backdrop of a media conversation about the 'unfairness' of the fiscal status quo. In New Zealand, the centre-right opposition sought to appropriate this media discourse in order to construct a positive 'critical juncture'. Actors sought to use this discursive logic to naturalize the idea that the direction of fiscal policy should be altered, not because of the social construction of a national crisis, but because of a dominant media narrative that the country's fair economic weather provided a unique opportunity, and an ineluctable imperative, to do so.

## Notes

<sup>1</sup> My grateful thanks go to Raymond Apthorpe, Daniel Biro, Verica Rupar, Taylor Speed, and Ryan Walter for their insightful comments on an earlier draft of this article.

<sup>2</sup> To gain parliamentary representation parties must win at least a 5 per cent vote share, or one electorate seat. This enhances the role of the media even further for minor parties that are sitting just above or below the 5 per cent threshold in opinion poll support.

<sup>3</sup> The content analysis method employed here is borrowed from Tim Bale's (2005) related study of how and why a country's print media will draw 'lessons' from the domestic politics of other countries in order to delimit the range of policy positions and electoral strategies that seem viable to local political parties. My grateful thanks go to Verica Rupar for helpful suggestions on how to classify these news items.

<sup>4</sup> This corresponds with what Piers Robinson and Peter Goddard (2006) term 'straight' reporting.

<sup>5</sup> Following a recession in 1997-8 during the National Party's last term of government, the economy grew in real terms by 5.2 per cent in the year to March 2000, 2.3 per cent to March 2001, 3.5 per cent to March 2002, 4.6 per cent to March 2003, and 3.6 per cent to March 2004 (New Zealand Treasury 2005).

<sup>6</sup> To the extent that the promotion of a sense of social 'crisis' did play into the tax debate, however, this took the form of a moral panic over the increasing 'brain drain' of highly skilled New Zealand workers to Australia, ostensibly as a result of Australia's 'lower tax burden'.

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**Dr Ruth Zanker**

**The New Zealand Broadcasting School CPIT**

**Review of Dunleavy, Trisha (2005) *Ourselves in Primetime: a history of New Zealand television drama*. Auckland: Auckland University Press.**

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340 pages with notes and index.

It is remarkable that it has taken until 2005 for the story of local television drama to be told properly. The names alone conjure up a host of memories: Country GP, Close to Home, Gliding on, Gloss, Marching Girls, Peppermint Twist, Street Legal, Mercy Peak and Marlin Bay. The list conjures up characters and places and stories many of us once made weekly appointments with on prime-time television. Remember a time when The Governor and Erebus explored difficult local stories and rated as well as the All Blacks? Television programmes constituted important national events. Then there are family Sunday evening memories of Hunter's Gold, which was sold to over 70 countries, and

other equally popular children's dramas in the seventies. And finally there are evocative images from lost anthologies of one-off dramas. These one off dramas were the spaces where valuable cultural research and development occurred.

Trish Dunleavy has done an excellent job of reminding us of this rich drama heritage. She argues, convincingly, that it is important to see ourselves and tell our stories on television by describing how local drama series have become interwoven into our everyday habits and pleasures over the last forty years. The story arc stretches from the 1960s dramas dripping with nostalgia for rural New Zealand, through the greed and camp of 1980s Gloss, the 1990s gritty urban feel of Street Legal to the Pacifica humour of Bro'Town. They record our changing national fortunes and bi-cultural and multi-cultural relationships, as well as our sense of place and sense of humour. She suggests that 'Cultural Cringe', which had hung damply over us for our first 80 years of broadcasting, finally disappeared with the cheap and cheerful weekday success of Shortland Street.

There are many heroes. Indeed there are far too many to do justice to. There are early stirrers like Ian Mune and Roger Donaldson. Michael Noonan, Tony Isaacs, John McRae, Catherine de Nave made things happen within broadcasting institutions. Independent production succeeded with the likes of Dave Gibson. Don Selwyn, Selwyn Muru, Ray Wuru and others who wove Maori culture into local story-telling. Bettina Hollings, as programmer with TV2, took a punt and conspired with NZ On Air to bring Shortland Street to air. These and many others have shown how local drama could build audience loyalty.

But Dunleavy also tells a timely cautionary tale about a creative industry beset by cycles of glut and famine. This has taken a toll on those working in it. Many key craftspeople continue to leave New Zealand during famine, never to return. It is hard to succeed in tiny New Zealand where it will always be cheaper and safer for programmers to import hits from overseas, and where politicians (and broadcasting commissioners) can't stop fiddling with broadcasting funding and structures.

She reminds us that in 1991 drama production resources were so run-down in the wake of deregulation that we had to go offshore to Australia for production and writing skills to make the NZ On Air brokered Shortland Street. Her position on local broadcasting politics is clear. She looks wistfully across the ditch at Australia's drama industry. She argues that quotas have enabled it to build capacity and continuity and asks 'what if the same had happened here?' Others would take issue, pointing out the formulaic nature of much quota driven Australian drama series compared to the innovative concepts brokered by producers, broadcasters and NZ On Air this side of the Tasman (Outrageous Fortune, Bro' Town).

It is salutary to note that in late 2005 Shortland Street was the only local drama on television. Critically acclaimed series like Duggan, Jackson's Wharf, Street Legal, Marlin Bay and Mercy Peak have been sent prematurely to the archive vault. This was not because they were failures. Some rated well, but with the less desirable 'older demograph'. Commissioners have been drawn to shows like reality television that attract younger audiences.

The good news is that the pendulum is swinging back. Matakū and Bro' Town (both appealing to younger viewers) and Outrageous Fortune have new series and there are several new charter-driven dramas in production. But those in the local industry remain vulnerable to the peaks and troughs that have characterised its funding. It continues to be a story of minor production miracles in the face of economic challenges and vulnerable to political fiddling.

The book makes a strong case that television drama has played a critical part in our social history. It reminds us of many forgotten treasures. It is incredible to learn that The Governor has only been shown once. It is time to see it again. Alas, that is not possible until the production industry resolves historic replay rights issues. It has been mooted that the industry should broker a fund to provide necessary pay-outs from future replays to those involved. This book is a valuable resource because it describes the content and making of our drama programmes, which is half the story. We readers will want to see the drama treasures

she talks about. I hope this publication will provide an incentive to make this happen.