

From soft drinks to soft politics

By Paul D Williams

What does it say about a public's appetite for change when even an iconic brand like Coca-Cola, with a sexy signature bottle and eighty years' Australian patronage, suffers a rapid decline in custom? Is the company's \$140 million sales drop between 2013 and 2014 a temporary consumer glitch? Or are patterns of soft drink consumption just one of any number of once-stable economic, political and cultural norms suffering a curious volatility? If so, are consumers of everything from vinegar to votes shifting their preferences so profoundly and so often that brand loyalty is now virtually non-existent?

The marketing literature is riddled with references to declining loyalties, just as sociologists and political scientists have long documented the shift in Western culture from group to atomised identities. Until the 1960s, the group characteristics of class, religion, ethnicity, age, sex and geographical location largely determined so much of what we thought, bought and did. The values of our parents became our values, and the folk we associated with, from schools to churches to unions, influenced so many of our cultural choices.

We've long known that group loyalties and collective identities have been breaking down, and that the institutional pillars so central to our parents' identity, such as religious and political faith, no longer guide the young. In the 1960s, about 90 per cent of Australians 'identified' with the Labor, Liberal or Country (National) parties - and voted loyally for them at successive elections - but that number is far lower today. Moreover, the *strength* of that party conviction has fallen to the point where long-term loyalty is not only irrational for many voters but anathema. Volunteering rates and church attendances are also down, while membership of political

parties, trade unions and community groups has plummeted. In 2015, a quarter of Australian households were occupied by a single person – a dramatic rise in ‘aloneness’ since the late twentieth century. As fewer Australians look up from their smartphones and outward to their neighbours, we can only see individuation becoming the new norm. That’s why ‘rational’, ‘consumer’ and ‘issue’ models of voting have long argued the colour of our occupational collars no longer governs our electoral choice. Instead, the short-term influences of policy, leaders and party image are far more powerful in driving voter decisions. Indeed, the 2013 Australian Election Study (AES) revealed that almost 70 per cent of Australians made their vote choice on the short-term determinants of ‘issues’ and ‘leaders’ alone. Moreover, almost a third of voters decided their vote during the campaign, with the vast majority of those doing so only in the last week. There’s little doubt we now boast a mercurial culture where consumer decisions are often spontaneous, superficial and ephemeral.

The evidence has long been writ large. Cashed-up ‘fluoro’ and ‘blue-collar’ workers – so-called ‘aspirational’ voters galvanised into ‘Howard’s battlers’ – so often support the Coalition parties while ‘white collar’ professionals regularly vote Labor or Greens. Until recently, our voting and consumption habits were – as economists describe them – irrational for their blind loyalty to parties; today, we are ostensibly rational for ‘shopping around’ for the best in everything from popcorn to prime ministers.

But how rational is a rational choice if it fuels political volatility? Not only has a myriad of minor and micro parties lengthened our ballot papers, but governments and their leaders also come and go with alarming alacrity. Where the seven prime ministers between Robert Menzies in 1949 and Bob Hawke in 1991 governed for a total of forty-two years, the next six, from Paul Keating in 1991 to Tony Abbott in 2015, endured for just twenty-four. When we consider Malcolm Turnbull is Australia’s fifth Prime Minister in as many years, volatility begins to look suspiciously like instability.

We see similar patterns in the states and territories. Swings at general elections, once considered significant at 4 or 5 per cent, are now often in double digits, with even governments that seemed safely ensconced being dumped after a single term. In late 2014, Victoria's Liberal minority government was tossed from office after just four years. Compare the past thirty-three years in Victorian politics - with five governments and eight premiers - to the three decades between 1955 and 1982 where a single Liberal government boasted just three leaders.

This volatility has even infected Queensland, once a paragon of a permanency more akin to political hegemony than mere stability. In the seventy-five years between 1915 and 1989, excepting the depression-fired interregnum of 1929-32, Queensland saw only one change of government. While a zonal system of electoral malapportionment entrenched Labor till the 1950s and the Country (National) party thereafter, Joh Bjelke-Petersen's two decades in the premier's chair nonetheless set a new standard. Compare that to the twenty-five years since 1987, where Queensland has seen nine premiers and five changes in government, including two after a single term. But Queensland's volatility has now reached a new zenith. Just three years after electing Campbell Newman's Liberal-National party government in 2012 - with the largest majority in Australian history - voters dumped the LNP (and its leader from his own seat) in 2015 in a 14 per cent swing.

So what's going on? Has our new 'rationality' reduced party leaders to commodities - a superficial packaging of a party's promise - to the point where parliamentary elections are today mere popularity contests? Have parties become so reliant on stage-managed public relations in the selling of that commodity that they fail to engage an increasingly discerning electorate? Or perhaps it's the fault of the news media that, in their addiction to gotcha journalism and its inherent 'conflict' frames, has reduced politics to a horse race at best and, at worst, a boisterous pub argument. Or maybe we should blame voters who, empowered by a 2.0 digital arsenal, crave the immediate gratification of passing angry judgements on governments as they would television reality show contestants.

It's clearly a mix, a confluence of factors, and I argue all three stakeholders - parties, the news media and voters - must share in any blame for a softening of Australian politics that has seen style overtake substance and, in turn, accelerated political volatility. After all, can we really blame news organisations alone for personalising politics when governments withhold information in a public relations lockdown? Can we blame parties alone for countering aggressive journalism with stage-managed spin? Surely we can't blame voters alone for failing to engage when leadership gaffes and contrived photo-ops dominate political news?

THERE'S LITTLE DOUBT the neo-liberalism of the past few decades has made declining loyalties to political parties just as inevitable as our changing consumer habits. The resulting class mobility in an age of digital technology and news media saturation was always going to re-align interests away from the group and toward the individual. This, classical economists tell us, is the inevitable evolution of consumers' rational thinking. But, drawing on American economist Bryan Caplan's concept of 'irrational rationalism', I argue this volatility has reached a zenith in recent years, in large part due to a clash of rational and irrational forces within voters' own cognition. Where, according to AES surveys, most voters believe they cast their ballot rationally on the strength of policy issues, the sciences of the mind tells us human cognition so often behaves irrationally in consumer decisions. This is clearly evident in the case of political parties and the news media, which package issues, policies and leaders as commodities to be purchased with votes from an electoral supermarket. Voters - some with extensive product information, others with almost none - are then asked to choose, through a distorted cognitive lens split between group loyalty habits and individual tastes, a nebulous product in a crowded, complicated political market place. In short, voters are expected to play by rational free market rules while, at the same time, hamstrung by irrational personal biases.

Caplan explores the role of different biases in irrational rationality, and demonstrates how inherent prejudices can disrupt what should otherwise be rational decision-making processes. The first, the ‘pessimism bias’, suggests we think the world around us is in much worse shape than it actually is; the second, an ‘anti-market bias’, paints ourselves as victims of the economy rather than its beneficiaries. The result is voters’ construction of erroneous reference points. Critically, these flawed references then allow rational public debate to be warped and, in some cases, produce a sort of cognitive dissonance – a point at which voters can hold two apparently contradictory views. While many believe irrational rationality and cognitive dissonance rarely coincide, I argue voter behaviour is an inevitable intersection.

One example is a voter’s support for a party pledging both lower taxes and infrastructure renewal: the voter believes he or she is acting rationally by meeting an individual need – the lowering of tax – and by meeting a group need in the form of increased infrastructure; but the choice is irrational if the voter fails to reconcile the need for that party to fund infrastructure from a shrinking revenue base. Another is a voter’s support – perhaps angry at increasing urban congestion – for a party’s zero immigration policy when, at the same time, that voter knows population growth equals economic growth. But, by supporting that party, the voter also risks their own long-term employment. A third example is ‘split-ticket’ voting, where an elector endorses a major party in a lower house of parliament only to support a minor party in the upper. While the voter rationally believes a split vote provides checks and balances, they would also know the irrationality of potentially gridlocked legislation. Last, voters might change their vote at every election, believing frequent changes of administration reduce the chance of political corruption and policy inertia; but they will also know that single terms are rarely sufficient time to bed down reform, and that frequent change creates uncertainty for business investment, which in turn jeopardises job creation. Indeed, the very notion of casting a single vote among millions might be described as irrational, given the almost zero probability of any one vote changing public policy. And yet, the AES tells us

almost 80 per cent of Australians would still vote even if not compulsory to do so.

Critically, even genuinely rational evaluations of competing policies will be tempered with voters' irrational assessments of party leaders. In determining, through subjective cultural biases, if a leader 'looks' like a prime minister, the voter behaves irrationally. It can be argued that parties, too, act irrationally when they replace leaders mid-term after a series of poor public opinion polls. In eyeing short-term public opinion gain, parties too-often fail to calculate the long-term cost of what voters regard as destabilising internal conflict.

Similarly, while parties appeal rationally to voters with attractive economic deals, they can also pitch irrationally to populist tastes which, while gaining votes from one constituency, will lose more from another and perhaps damage that party's long-term electability. And while the news media rationally seek a reputation for excellent political coverage to enhance market position, they can also act irrationally by eschewing policy detail in favour of campaign trivia. In short, the news media can risk long-term reputation and market share for short-term circulation and advertising revenue.

Irrational rationalism and its potential for cognitive dissonance is therefore a not-insignificant reason why markets sometimes fail, and the marketplace of political ideas is little different from that of soft drinks. It's this occasional market failure that suggests a very real limit to consumer power: that point where unequal levels of information and engagement upset an already uneven electoral playing field.

IN A MODERN democracy of the digital age where citizens are allegedly well informed - about 75 per cent of Australians say they have a 'good deal' or 'some' interest in politics, and about 70 per cent 'care a good deal' about which party wins office - one would expect politics to have become

increasingly rational and, by extension, more stable as voters consider and accept the short-term pain of reform to achieve long-term economic gain. But the reverse is occurring, and a growing irrationality among consumer-voters, and its attendant volatility, risks damaging our democratic fabric.

The clash between rational and irrational cognitive forces occurred most profoundly for Australian voters in the winter of 2010, when Labor deputy leader Julia Gillard succeeded Kevin Rudd as prime minister. Rudd, who easily defeated the largely respected and well-entrenched Liberal Prime Minister John Howard in 2007, rode a wave of public adulation so high that voters felt they ‘owned’ the new prime minister. It’s this sense of political possession that – regardless of the Westminster realities of prime ministers holding office at the pleasure of their parliamentary colleagues – allowed voters to believe they had directly elected Rudd, and that only they could decide their leader’s fate. When, in the months after Rudd’s toppling, it became clear that public anger toward Labor and Gillard derived more from leadership scuffles than from mining taxes, we knew the commodification of Australian politics was complete. From that point, parties and their leaders were to be bought and sold, consumed and discarded, with no more regard than a breakfast cereal.

For an already cynical electorate, the 2010 spill captured all that was wrong with contemporary politics: naked ambition, Machiavellian manoeuvring and the political elite’s self-obsession. Rudd’s succession of Gillard in 2013, and the role ostensibly loyal Labor lieutenants played in undermining both prime ministers, only compounded these perceptions. Critically, the revolving door of leadership not only damaged Labor’s brand but also changed the way Australian voters read politics.

Of course, not everyone agrees our new volatility is problematic, and many eagerly argue the democratic value of frequent changes in government and party leadership. After all, isn’t democracy about responding sensitively to the public will? Aren’t political parties, like any other incorporated bodies, entitled to restyle their brand, and even dispatch leaders, if it means a return to market dominance? If party leaders, as packaged products, fall short of

advertised promise, aren't voters, like any consumer, entitled to change their preference and invest elsewhere?

Despite the many free market analogies, there is greater concession that the numerous liabilities of increased volatility outweigh any benefits. First, there's the very real probability that, in seeking to avoid electoral pain, all governments now avoid political risk. Given long-held concerns the Commonwealth (and Queensland) three-year parliamentary term is too short to encourage long-term planning - with unfixed terms further underscoring an uncertainty for business - fear of electoral oblivion at the hands of a scalp-seeking media and a mercurial electorate can only encourage governments to follow public opinion and never lead it. At the 1998 election, John Howard lost the after-preference vote, and almost his majority, when he undertook unpopular economic reform via a goods and services tax. After securing a Senate majority in 2004-05, Howard risked all again when he deregulated the labour market under WorkChoices. He ultimately failed, as did Campbell Newman in 2015 after pledging to pay down Queensland's soaring debt via a bold but unpopular \$37 billion public infrastructure lease option.

Second, the potential for large swings against even first-term governments encourage oppositions to be equally averse to risk, and to offer voters only the tiniest of policy targets. To minimise media and government scrutiny of alternative policies, oppositions in an age of television sound bites and Facebook and Twitter memes will attack a government's style as much as its substance. How else could Australian political debate in mid-2015 - a flashpoint for climate change, European refugees and Australian federalist funding - have been so consumed by former Speaker Bronwyn Bishop's ill-advised helicopter ride? Instead of offering comprehensive policy packages as alternative governments, oppositions now too-often engage in petty attacks that, when government finally falls their way, sees them under-prepared and, worse still, without a meaningful mandate.

Third, and most perilous, is the growing disconnect between governments and governed. 'Conflict' news frames have underscored perceptions that

politics are little more than a television soap opera with no relevance to ordinary taxpayers' lives, and that political figures are actors with whom voters cannot engage. When the AES finds 45 per cent of voters believe governments are 'entirely' or 'mostly' run for big business interests, and that 65 per cent say politicians 'usually' or 'sometimes' look after themselves, we fear the disconnect is now an unbridgeable chasm.

Sadly, this encourages an ever-shrinking political elite in Australia as political party membership falls and decision-making shifts to their executives. When we see yet another candidate drawn from the ranks of student politics and ministerial offices, we know the already shallow political gene pool got just a little lower. The chasm between government and governed holds the greatest risk for Australia's democratic conscience, as evidenced by recent surveys revealing as many as 40 per cent of citizens - and up to 60 per cent of those under thirty - do *not* believe democracy to be 'preferable to any other kind of government'. With about 3.3 million adult Australians (the population of Brisbane and Adelaide combined) failing to have their voice heard at the 2013 federal election - a million were enrolled but did not vote, 1.5 million were not enrolled, and eight hundred thousand voted informally - any further shallowing of politics can produce, at best, more disengagement and, at worst, anti-democratic forces disposed to political violence.

TWO DECADES AGO, when the web was in its infancy, we were promised a new digital world and a democratic revival - a virtual 'Athens without slaves'. But while the interactive element of social media *should* offer the best opportunity for both representatives and voters to converse in more than two thousand years, that opportunity is wasted when neither representatives nor constituents properly listen to the other. Rather than reach out for genuine dialogue, the political class - for the benefit of journalists more than voters - increasingly use social media to self-promote or score points against political opponents. Voters similarly reject the chance for positive dialogue, choosing instead to spout venom and

vitriol at political figures they disdain like reviled television celebrities. Rather than creating an Athens without slaves, the internet has arguably trapped each of us – parties, media and voters – in a 24-hour politics-media news cycle. Worse still, rather than being liberated by a new level of free information and freer speech, the silent majority of online consumers has been enslaved by a tyrannical minority whose frenzied campaigns of misinformation and misanthropy has seen rationality replaced by cyber-riots.

Just as marketing is useful for identifying a clash between rational and irrational political forces, so too is it in offering solutions for calming electoral volatility. We know, for example, that consumers of soft drinks and cereal respond positively to corporate transparency, and to genuine attempts to meet rising consumer expectations of product and service quality. We also know superficial advertising and public relations are strictly limited in their ability to lock in preferences, and that consumers now look for something in products uniquely relevant to them.

The lessons for political players are not difficult to discern. Parties and leaders, like corporations and CEOs, must offer a clear vision (including strong product differentiation), treat the consumer-voter well and deliver on the promises they ‘purchase’ with their ballots. Given voters’ rising expectations, parties must also engage in risk, and offer innovation to attract and maintain the next generation of consumer-voters. In the marketplace of political ideas, this means empowering the voter in the electoral transaction – ideally by facilitating ways voters can shape public policy and even candidate selection in open primaries – so electoral decisions are easier, not harder, and so rational consumer thinking works in tandem with, and not against, inherent irrational cognition. If parties can add value to voters’ choices at no political cost, then Australia’s most recent volatility, while not eliminated, will at least work in the interests of parties and voters, and not against them. Perhaps then Australia will be a little closer to that elusive Athenian democracy.