

TITLE: Where the buck stops in politics

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Conservative politicians used to bemoan the way Australia's youth mindlessly imported American culture, but you don't hear so much of that these days. Maybe it's because many conservative politicians have become so comfortable importing their political talking points from their US counterparts.

Like Republicans in the US, many in the Coalition seem alarmed about debt, even though government debt in Australia is among the lowest in the world. Similarly, Australian conservatives are alarmed about high taxes despite Australia having the sixth lowest tax to GDP ratio in the developed world.

While Australia and the US have many similarities, our current economic circumstances are not among them. Similarly, our political institutions are nothing like theirs, with our prime Minister always having the confidence of the majority of the House of Representatives, while a newly elected President of the US might not.

But just as the differences in the state of the economy didn't prevent the Coalition importing lines about a "debt ceiling", it presumably won't stop them arguing that the Gillard government is heading for a "fiscal cliff".

Apart from the fact that our unemployment is around 5 per cent and our economy growing at around trend, there is another good reason why this isn't the case. Namely, our political culture places pressure on members of parliament to put national interests ahead of local constituencies and personal donors. By and large the federal budget is a creation of executive government, which is automatically supported by members of the governing party. But that's not the case in the US.

While Australian politicians rarely cross the floor to vote against their party leader, American politicians have a different term for crossing the floor, they call it voting.

On each and every bill before the US Congress individual parliamentarians consider the bill on their personal assessment of its merits. Successful US politicians compare the bill with

the promises they made to their electorates, and to the likely impact of the bill on their constituents. In short, it is chaos.

The “fiscal cliff” that the US budget is heading for is a direct result of the freedom of individual members of Congress and the Senate to vote according to their “conscience” on all issues. Of course, their budgetary situation is made even more challenging by the fact that their Democrat President is directly elected by the people, the same people who elected a Republican Congress.

While our budget may lapse into deficit if growth is slower than expected, the only impact will be political rather than economic. In the US, on the other hand, the fiscal cliff means public servants won't get paid.

Despite the predictions made in 2010 about the instability likely to accompany minority government, the Gillard government has had no difficulty passing either budgets or key pieces of its legislative reform package.

Put simply, the only “hung” parliament in modern Australian history is far more stable, and far more capable of passing legislation, than even a newly elected US president with a thumping presidential majority.

Much is made of the allegedly parlous state of Australian politics, but a quick look at what is happening in the US should make Australians interested in evidence-based policy and businesses interested in certainty breathe a sigh of relief.

In Australia, advocates interested in reform and businesses looking for special consideration typically focus their attention on the relevant minister. In the US, however, individual members of Congress and the Senate systematically amend legislation and, having done so, threaten to hold up a nationally significant bill until their favourite local constituency gets its pound of flesh.

The result in the US has been the creation of the most extensive and expensive lobbying culture in the world; a culture in which those with evidence and ideas have little chance against those with the capacity to talk to hundreds of members of Congress and the Senate. The US political system places a premium on individual responsibility, while ours prioritises party loyalty. Both approaches have their advantages and disadvantages, but national reform is often harder to achieve in the US in the absence of short-term local benefits. In Australia, while we might not always like the policy outcome, at least we know who to blame it on.

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