

Individual Study Tour to the United States

Visit Report by Mr Peter McConnell, National Party
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Executive Summary

In August 2007, I was fortunate to undertake a three-week Australian Political Exchange Council individual study tour to the United States. The large share of my time was spent observing *Join Rudy 2008*, the Rudolph Giuliani Presidential Campaign in New York. I also visited Washington DC and met with a range of political professionals including peak bodies, different parts of the Republican Party organisation, political pollsters and political lobbyists.

United States is widely considered to be world's best practice in terms political campaigning. This is a result of both the significant financial resources employed in campaigns, which enables them to substantially invest in human resources, technology and innovative new techniques, and the frequency and depth (the numbers of elected positions) of political campaigns.

It is an interesting time in the United States political cycle. The presidential primary races are in full swing with a view to selecting candidates for the 2008 Presidential election. The primary races have been made less predictable by significant changes to the primary elections and caucus process. It is still not known whether traditional campaign practices and strategies will hold true for the current primaries and, in turn, how these will impact the presidential election.

In terms of policy development, the United States faces many of the same challenges as Australia. Topical issues shaping the national political agenda include the War on Terror and national security, illegal immigration, health and the economy. I met with a diverse range of stakeholders ranging from the National Taxpayers' Union to staff members from the Committee on Agriculture, Nutrition and Forestry. This provided a great opportunity to have a full and frank exchange of ideas and policy direction.

This visit report is structured in three parts:

1. **Part 1: Political Background:** A high level discussion on the current political climate in the United States and some of the individuals and issues that are shaping it.
2. **Part 2: The Structure of the United States Political Industry:** An overview of the unique structure of the political industry, including key players such as political consultants, lobbyist and peak organisations.
3. **Part 3: Best Practice and Innovation in Campaigning:** A broad discussion about some of the new innovations in political campaigning.

I want to take this opportunity to thank the many people who made this study tour. It was a hugely valuable exercise and I hope many other Australian political professionals have the opportunity to enjoy the same experience.

Part 1: Political Background

1.1 The Broad Political Climate

The 2006 mid-term elections provide a useful starting point to understanding the background of the 2008 presidential campaign. The Democrats regained control of the Congress after ten years of Republican leadership. This outcome was largely driven by the war in Iraq, as well as several high profile political scandals involving Republicans.

In 2008, the Democrats will be fighting to retain their control of Congress as well as win back the presidency. However the polling statistic that best summarises the current political climate is that 70 per cent of voters consider the United States to be heading in the wrong direction, with 58 per cent feeling very strongly about this¹. In short, the American nation appears disenchanted with Washington DC.

Importantly, voter frustration with the Government is not solely directed at the Bush Administration, but also the Democrat-led Congress. One poll showed Bush's approval rating was at 35 per cent and Congress was even lower at 27 per cent. Commentators suggest that the Democrats in Congress lost a valuable opportunity to define a brand of leadership. As one local Washington DC newspaper headline described it "Congress, Bush in Race to the Bottom"².

Some commentators are suggesting that the implication of these polls for the Presidential election is that the outcome might be less a reaction to the Bush Administration as an anti-Washington DC vote. In this sense, it will adversely impact all those involved in Washington DC's circles of power, including Senators and Congressmen. Perhaps the closest historical analogy to this climate is the sentiment that carried Jimmy Carter to power in 1976.

In terms of issues that are shaping the campaign, the War on Terror and the United States involvement in Iraq is certainly top of mind. However it is not the only issue. Pocketbook issues, such as health and illegal immigration, are also showing strongly.

1.2 The Primary Races

The primary races will be interesting in that they are unpredictable. Many changes have been made to the 2008 presidential primary elections and caucuses, and the impacts of these changes are not yet known.

Conventional political wisdom holds that the states that host earlier primaries have a disproportionate influence on the nomination process. The outcome of early campaigns provides a signal to the rest of the nation about the strength of candidates and provides important momentum both in terms of media and name recognition and ability to raise funds. Historically Iowa and New Hampshire are the two earliest primaries, and consequently these two small states punch well above their weight in terms of national politics.

¹ *Battleground 2008*, Brian C Tringali. www.thepollingreport.com

² The Express, 08/16/2007.

In 2008, several states have indicated they will bring their primary dates forward to maximise the impact their constituency will have on the outcome of the primary race. Whilst the exact timeframe is still to be finalised, the likely outcome is the whole process will be moved forward and there will be more states hosting primaries in the earlier months. This could have two effects, firstly reduce the influence of the traditional early states (Iowa and New Hampshire) and, because primaries will be finalised earlier, increase the time of the actual presidential campaign.

The Republican Primary Race

There are currently nine Republican candidates (including Fred Thompson who is not due to officially enter the race until 6 September 2007). The front-runners are considered to be:

- *Rudy Giuliani*: Perhaps the most high profile of the Republican candidates, the Rudy Campaign is keen to highlight his four key career successes. At age 29, he was appointed Chief of the Narcotics Unit. He then became United States Attorney for the Southern District of New York, where he spearheaded successful efforts against organised crime. In 1993, he became the first Republican Mayor of New York in a generation. Post the 9/11 tragedy, Giuliani gained international recognition for the leadership he provided New York City. Giuliani is largely perceived as the most moderate of the front running Republican candidates.
- *Fred Thompson*: Gained significant public attention through his appointment as co-chief counsel to the Senate Watergate Committee at the age of 31. He has been a United States Senator (Tennessee) from 1994 to 2003. He is also well known for his acting role in the popular television drama Law and Order.
- *Mitt Romney*: Former Governor of Massachusetts. He has strong business credentials as a former Chief Executive Officer of the international management consulting firm Bain & Co. and co-founder of Bain Capital. He established a strong public profile through his position as Chief Executive Officer of the 2002 Winter Olympics in Salt Lake City.

Rudolph Giuliani is generally leading the field with recent polls suggesting he would win 1101 of the 2458 delegate votes, and the most electable of the candidates³. However there are some concerns that his actions as Mayor of New York in relation to gun laws, illegal immigration and his more moderate position on the pro-life debate, might not play well to the conservative Republican base.

The Democrat Primary Race

Eight candidates have filed with the Federal Electoral Commission. The three front-runners are considered to be: Senator Hillary Clinton (New York); Senator Barack Obama (Illinois); and, John Edwards, a former United States Senator (North Carolina) and Democrat Nominee for Vice President in 2004. Current polls suggest that Hillary Clinton will win this primary race strongly.

³ *Battleground 2008*, Brian C Tringali. www.thepollingreport.com

It is interesting to note that all three candidates are considered Washington DC insiders and closely associated with Congress. This is in stark contrast to the likes of Giuliani and Romney who both have no formal Washington DC ties and have considerable executive experience (Mayor of New York and Governor of Massachusetts respectively). This is an issue that might well shape much of the presidential campaign.

Part 2: The United States Political Industry

In the United States, politics is big business. Not only are elections held far more frequently, but also there are significantly more elections. For example, at a federal level, presidential elections are held every four years and congressional elections are held every two years. It is not unusual for a tightly contested congressional campaign to cost several million dollars.

This comes on top of gubernatorial elections, state elections, local elections and county elections. The latter can involve electing positions as diverse as school boards, insurance boards, sheriffs and (apparently) even dogcatchers. In short, there is always a campaign being fought somewhere in the United States.

The frequency and depth of campaigns means that the political industry is able to sustain several layers of stakeholders. These range from national peak organisations to hundreds of highly specialised political consultants. There are even firms that specialise to obtaining signatures for ballots and petitions!

I was fortunate enough to meet with a range of political professionals from across the spectrum including representatives from the National Taxpayers' Union, the Tarrance Group, Kraft Corporate Affairs, National Republican Senatorial Committee, the Republican State Leadership Committee, CR Intrinsic Investors Corporate Affairs and We Build Victories Political Consultancy.

This section describes some of these stakeholders that I came into contact with and the roles they play.

1. Political Lobbyists: Similar to Australia most major organisations have a political lobbying capacity. However in recent years their roles have been changed by increased regulation of political lobbying activity. In many jurisdictions (including Congress), professional lobbyists are now required to publicly report their activities. There are also stringent limits on the amount of money that can be spent on hospitality. This has forced the lobbying industry to change the way they do business. There is now a much stronger focus on grassroots activism. For example, better educating politicians about the industry and strength of their constituency and, in turn, better informing the relevant constituency of the politicians voting records. I was amazed at how quickly and easily peak groups and lobbyists could communicate decisions made (or about to be made) in Congress to thousands of constituents, and how effectively they could encourage individuals to exercise their democratic right and voice their opinion to the relevant decision maker.

- 2. Peak Groups:** Similar to Australia, peak groups play a role of representing a certain political community. However they seem more willing to directly target politicians using traditional political techniques than Australian peak groups. For example, they will use direct mail and voter contact techniques to influence the election of a politician who is not seen to support their agenda. They will form coalitions to drive through certain legislation. In some ways they see themselves as part of the political process rather than outside it. A good example is the National Taxpayers' Union who ranks every congressman on their record of cutting taxes and reducing government spending. They will then communicate the results to their broad constituency.
- 3. Political Consultants:** The financial resources used on campaigns have created an industry of private political consultants, a role traditionally played in Australia by party secretariats. A political consultant will run the campaign in its entirety from developing a campaign strategy to implementing this on the ground. Their existence is also the result of a looser party structure than the traditional Australian political party, which means candidates have more flexibility in the style of their campaign and more weight is given to the candidate than to the party brand.
- 4. 527 Groups:** 527 Groups are tax-exempt organisations that are created to influence the outcomes of elections. They are the result of stricter political donations laws that limited the contributions that individuals and companies can make directly to political campaigns (527s are not regulated by the Federal Election Commission and, therefore, are not subject to these laws). However they are also not allowed to work in coordination with political campaigns. 527s have been able to attract substantial funding and media attention. This is increasing the impact they are having on pre-selections and campaign outcomes. The most well known are Moveon.org, Progress for America and Club for Growth.

Part 3: Best Practice and Innovation in Political Campaigning

I learnt so much through my study tour that it is difficult to know where to begin. As mentioned, the United States is widely considered to be world's best practice when it comes to political campaigns. In this section, I have identified three new innovations and trends that might be found noteworthy and interesting to Australian political professionals. What I provide here is not my opinion, but the thoughts and comments provided to me by the people with whom I met.

As a prelude to these comments it is also important that I note what I understand to be the two most significant differences between the United States and Australian political systems.

Firstly, that Australia has compulsory voting. In the United States, a chief goal of campaigning is to turn people out to vote. This means communicating with people who have an interest in politics (demonstrated by the fact they have registered to vote) and motivating them to turn up on election day. This means substantial resources are spent on informing people an election is on and the importance of it. In many ways, part of the strategy is also to not give apathetic registered voters who are unlikely to vote, reason to turn out. In contrast, in Australia the goal is not to turn people out to vote, but to influence their decision when they turn out.

Secondly, in the United States the legislative and executive arms of Government are separated. The role of Congress is to legislate, and in turn congressional campaigns typically focus on individuals and their voting records rather than policy proposals.

These two differences might influence how applicable some of the innovations I have listed below are to the Australian political process.

The New Grass Roots Activism

The adage that all politics is local is universal. However it seems that United States politics is in the process of redefining just how localised politics has become.

Perhaps the driving force behind this is the adoption of direct marketing techniques by political organisations. Karl Rove is well known for the pivotal role he plays in the ascendancy of George W Bush to the White House. What is less well known is that he spent most of his career in direct marketing.

The political parties are spending increasing resources to specifically identify demographic groups that can influence the outcomes of elections. The principal source of data is voter information that is on the public record. However this can be easily spliced and enhanced with other data sets - for example, commercial data that can be bought from retail companies. Ultimately the political parties are able to develop a very accurate understanding of voters and voting intentions and accurately target them.

Grass roots activism is also being driven through strong coalition programs. The Join Rudy campaign has a range of coalitions including First Responders for Rudy, Italian Americans for Rudy and more. This enables the campaign to communicate with certain cross sections of society on issues that are important to them.

The other dimension of new grassroots campaign techniques is e-campaigning. The internet and email has facilitated cheaper direct contact. Highly tailored messages can be communicated via email almost for free.

The Continuous News Cycle

The United States supports two full-time political cable television channels, dozens of 24/7 news channels and the major print media outlets have well patronised websites. This means the traditional 24 news cycles, which leads with morning print media, followed by late afternoon news television programs and closed with late night commentators is dead. News breaks are received at all hours. This means traditional media techniques, such as releasing sensitive stories after print media has been bedded down for the evening or providing certain papers with exclusives, are less and less relevant and effective.

The immediacy of the news cycle is further enhanced by blogs. Blogs seem to announce the news almost before the mainstream news channels. Significant human resources are being used to monitor blogging activity to ensure that news issues are identified and appropriately handled as quickly as possible.

The Utilization of You Tube

Some commentators have described the 2008 presidential election as the YouTube election.

The medium of YouTube is being used for an array of purposes including:

- Candidate Forums: The Democrats have hosted several Candidate Forums on YouTube giving listeners the opportunity to directly engage the candidates.
- Positive and Negative Spoof Ads: For example Senator Clinton recently released a YouTube advertisement of her and her husband with the characters from the Sopranos in a local diner. This has portrayed her in a comfortable, American family setting. On the other hand, a YouTube advertisement has also been released about Senator Clinton against the backdrop of an Orwellian 1984 'New World Order Setting' making her appear powerful and slightly tyrannical.
- Policy announcements and speeches and simple political advertising.

There was no consensus about the impact YouTube is having on politics. There is doubt that it is well patronised. For example, the recent Obama Girl footage received well over three million visitors. Given this level of coverage, in terms of cost per viewer, it is very inexpensive. Highly visited clips such as this also cement the notion that Senator Obama is a front-runner in the primary race.

YouTube is also significantly increasing the level of visual footage of politicians that is publicly available and the diversity of footage. You only have to type a candidate's name and you will receive dozens of links. Every interested group or individual is able to post his / her opinion on the website.

I was provided some insightful comments about the impact of YouTube. Some suggested, as a forum for policy announcements, it is making it easier to control the message. There is very little room for feedback or difficult questioning. In fact, it is almost like the individual politician is cutting his / her own news clip.

Some people also raised the issue that YouTube was making it more difficult to control visual content. Historically television stations have been able to control the distribution of footage. Now there is almost no control and footage is easily accessible at any time by the general public. Senator George Allen felt the full power of this when he was caught on tape using offensive language. More than half a million people viewed the footage online and ultimately it cost him his job.

Some argued that YouTube was only effective if popular clips achieved enough recognition to be run in mainstream media. This is not unusual with news channels regularly reporting interesting content.

Conclusion

The greatest challenge of my study tour is trying to capture the full depth of the experience in this visit report. The opportunity to have open-ended and broad reaching discussions with so many different political professionals from across the spectrum has provided an invaluable learning experience.

As mentioned, the United States is at the forefront of political campaigning, but this can have both negative and positive implications. Many of the techniques have improved the level of communication between the public and the politicians.

This better engages people in the political debate and fundamentally enhances the contact the people have with their Government. However, as will invariably happen, some techniques are also aimed at distorting the political process to the detriment of the democratic process. Australia would be well served to closely examine the American political process and only ensure the positive techniques and innovations are adopted at home.

I want to finish by thanking the many people who made this trip possible. It was not a simple task!! I want to especially thank the hard working staff from the Australian Political Exchange Council, the National Party Federal Secretariat, the good people at We Build Victories and, most importantly, my wife who took charge of the logistics.

I strongly believe this exchange program is of huge value, not just to the individuals who participate, but to everyone who benefits from the knowledge they share. I hope it continues well into the future.

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