



They have been dubbed the New Economic Order, a diverse group not defined by traditional socioeconomic strata, income or age, but by consumption — what they buy, why they buy it and the attitude they bring with their decisions.

# New class of attitude rules

By **STEVE BURRELL**

**T**HEY like a beer and the footy but are also connoisseurs of wine and the arts. They vote Liberal because they like economic rationalist policies but also identify strongly with small "l" liberal social and environmental policies more likely to be put forward by the Greens.

They have good jobs that they like, but don't define themselves by the work they do and won't be tied down to a particular employer.

They are cutting-edge consumers but not slaves to well-known brands. They buy a lot of books but love the internet and are early adopters of new technology. They're better educated, better paid and spend more than other Australians.

They are a marketer's dream and a political strategist's nightmare. And there are an estimated 4 million of them.

These postmodern bundles of consumerist contradictions have been dubbed "NEOs" (the New Economic Order).

They coexist with 8 million "Traditionals", who are more comfortable with the certainty of established institutions, more willing to bow to the authority and decision-making of others, place a high value on their personal and job security and define themselves by their career and the brands they acquire.

As consumers, Traditionals are influenced by price, value and the search for a good deal, rather than the consumption "experience" sought by NEOs. Traditionals like the certainty of known brands. They are shopping centre and Holden Commodore kind of people.

NEOs, on the other hand, prefer hip urban village shopping strips, the David Jones food hall in Bourke St and quirkily fashionable second-hand European cars. Their main brand loyalty is to themselves.

They are typically inner-city dwellers, not the outer suburbanites or rural and regional

voters that have become the prime political targets of the Howard era. Archetypal NEO neighbourhoods "often evolve organically, fuelled by the NEOs' deep desire for human scale, relevance and engagement" and a tidy capital gain.

Think Fitzroy in Melbourne or Surry Hills in Sydney. Think Greenwich Village in New York or Islington in London. Think *the-(melbourne)magazine*.

Ross Honeywill and Verity Byth's *NEO Power: how the new economic order is changing the way we live work and play* says this new class structure goes beyond the familiar classifications used by marketers and the media.

They are not defined, the authors say, by socioeconomic strata or income, unlike the advertisers' holy grail known as ABs, although the majority of NEOs are in the AB category, are most likely to be found in highly paid professional or management occupations and mostly live in the expensive environs of inner Melbourne and Sydney.

Nor are they compartmentalised by age, in boxes labelled baby boomer, generation X and generation Y, although NEOs are most highly represented in the 25-39 generation X age segment.

And while half of all Australians with university degrees are supposedly NEOs, and four times more NEOs have degrees than Traditionals, education is not the dividing line.

Rather it is about consumption — how you spend and how often, what you buy, why you buy it and, most of all, the attitude you bring to it.

A desire to exert control rather than be dictated to by marketers, an emphasis on discretionary choice, a preference for quality over a good deal and individualism over mass appeal, technological savvy, a willingness to take risks and try new things are defining characteristics of NEOs.

The NEOs versus Traditionals dichotomy



is far from the first attempt to map the class divisions that have been created by the social and cultural shifts of post-industrial, post-ideological capitalism.

In 2000, US commentator David Brooks dubbed a similar type "Bobos", bourgeois bohemians who scrambled together the countercultural '60s and social-climbing attitudes of the achieving '80s into one social ethos. They are a new establishment that is instinctually anti-establishment, affluent yet opposed to materialism.

For US sociologist Richard Florida it was the "Creative Class". Australian political scientist Dr Katharine Betts saw the divide as the "cosmopolitans" versus the "parochials".

As early as the 1960s and 1970s, sociologist Daniel Bell was talking about the "new class" of the post-industrial society, which writer Kurt Andersen later described as the "emerging elite of ... brie-eating, wine-sipping ... high-end, hard-working quasi-bohemians, hedonistic meritocrats, people like us".

So is this the New New Class? Whatever you call them, they are of obvious interest to business, as consumers and potential employees.

Honeywill and Byth claim that between them, NEOs and Evolvers — proto-NEOs who share their attitudes but aren't yet rich enough to spend like them — account for 77 per cent of Australia's discretionary spending. That makes them a more important target than their raw numbers would suggest, although one that is harder to target than the Traditionals.

As Brooks noted of the Bobos: "The companies that sell to us have developed careful marketing strategies for people who disdain marketing."

Creative and highly educated, the qualities they bring to the workplace also make them attractive to employers, although they have little tolerance for traditional authority structures, have a very firm idea of what they are worth and are hard to keep.

"For NEOs, financial reward is a measure of their employers' regard for their talents and contribution. If it doesn't parallel their self-worth, they simply change jobs," Honeywill and Byth say.

As Brooks similarly summed it up for his version of the New New Class: "Business is not about making money, it's about doing something you love. Life should be an extended hobby ... It's about working for a company as cool as you are."

While this new class presents challenges for business, it is even more difficult to pin down for political parties, particularly when they are also trying to hang on to the more conservative and numerically superior Traditionals.

While John Howard would appear to

have a lock on the Traditional vote, Honeywill and Byth say he has many NEOs as well, albeit only by default.

"When it comes to federal politics, the stark political picture is that NEOs are more likely to give their first preferences to the Liberal Party ahead of the Australian Labor Party," they say.

"NEOs prefer the Coalition because it is in their view more likely than the ALP to deliver on economic and business matters.

"NEOs, however, are the 'new constituency' in that they have well-evolved social and environmental beliefs and don't believe the Coalition can deliver on these policies."

But maybe this is a class beyond politics. In a world of postmodern individualism, they are no longer impressed by either left or right and have transcended the old political "isms". They are 4 million parties of one.

The New New Class are quintessentially swinging voters because they are no longer attached to anything. They confront the strategists of the Old Politics with a difficult question: how do you attract and keep voters who have no political "brand loyalty", no real ideology, no strong ties to job or place, have little time for traditional institutions such as trade unions and respond only to the thrill of the new?

How do you construct a coherent policy framework for those who espouse concern about the poor and the state of the planet, but still want tax cuts and business-friendly government?

And with the two types the cultural equivalent of chalk and cheese, how do you win the NEOs without alienating the Traditional vote?

The New New Class are not open to scare campaigns on issues such as industrial relations reform because they are in the strongest bargaining position of any worker in the job market and the least concerned about job security.

And they do not suffer from the inchoate fear of economic change and globalisation that characterised the One Nation phenomenon. In fact, the new borderless world is the NEOs' natural habitat.

As commentator Christopher Scanlan puts it: "While many of these people harbour serious reservations about much that goes under the globalisation banner, their identities and livelihoods are thoroughly intermeshed with global flows of information, production and exchange ... By virtue of their skills, they are relatively better placed to negotiate the economic insecurity and cultural transformations that accompany globalisation."

Economic "drys" and social "wets" at the same time, politically the New New Class have no natural home since Paul Keating's mix of economic rationalism and "Big



Picture" progressive social policy got swept away in the Revenge of the Traditionals that was the election of the Howard Government.

The prescription from Honeywill and Byth for any party seeking to grab this vote is simplistically self-evident, but much easier said than done.

"Their openness to 'new things' provides an opportunity for all political parties to adopt a reformist agenda," they say.

"NEOs are deeply influenced by social issues — almost half have progressive social attitudes, while less than one in five have traditional social attitudes. Half of all NEOs are attracted to new things ahead of only a quarter of Traditionals.

"These factors provide an opportunity for the Labor Party to attract NEOs both directly and via preferences of minor parties.

"To do so in sufficient numbers, however, they will need to establish sound economic and business credentials to complement their social policies.

"Conversely, the Coalition could enhance its attraction to NEOs by boosting its social policies."

There have been various attempts to adapt to the emergence of the NEOs or those like them.

The "Third Way" of Tony Blair's New Labour in Britain sought to adjust the party's traditional union-based social democrat model to the changed mindset of the modern electorate conditioned by years of Thatcherite individualism, particularly among young workers.

The Third Way was unconcerned with ideologies and focused on the political centre. A synthesis of the traditional left and right, it combined Labour's traditional concern for the average punter with an embrace of the market and a rejection of the welfare state. It encouraged "responsible risk takers", revitalised public services with market-based changes and took a tougher line in areas such as law and order.

In the US, Bill Clinton and the New Democrats in the 1990s adopted a similar strategy of "triangulation", melding an

appeal to its Rainbow Coalition base of workers and minorities with a more pro-business stance and a promise to "end welfare as we know it".

In Australia, the approach has been less successful. The previous Labor leader, Mark Latham, flirted with the Third Way before adopting a failed synthesis of kiddy book-reading "new politics" and old-fashioned class warfare.

Kim Beazley has tried to rebuild links with business and restore Labor's economic credibility, but has headed in the opposite direction from the new class on issues such as industrial relations and the "values" debate, which is aimed straight at the Traditionals.

Then there are the Australian Democrats, a green-tinged touchy-feely offshoot from wet Liberal Party roots, which could have been designed for NEOs, but which has self-destructed into irrelevance and acrimonious infighting.

The Greens might appeal on some fronts, but their strong anti-business streak is unattractive to the more venal facet of the NEO persona.

And while the floundering state Liberal parties have in recent weeks been searching for new "big ideas" in an attempt to regain government, they too seem to have missed the target.

To this point, the mainstream Australian parties have barely begun to grapple with the new realities. There has been only a slow and clumsy embrace of the internet and online campaigning by most politicians.

Despite their posturing about new thinking, there is really a fear of the new, with a strong aversion to taking risks on bold policy or leading debate in fresh directions, for fear of alienating key voting blocs. Reactive and timid, it is politics by talkback, by Traditionals for Traditionals. Politics as normal. And for the New New Class, normal is boring. They're still out there, waiting for a new political experience. But is there a New New Leader who will dare to give it to them?

*neo power* by Ross Honeywill and Verity Byth (Scribe, \$32.95)



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