## Chicago Tribune

## Honey, Pick Up Some Milk From the GOP Store

Tyler Cowen

March 12, 2018

As some companies have pulled away their discounts for National Rifle Association members, in response to pressure from anti-gun groups, the question arises where such decisions might end. As a kind of thought experiment, I'd like to consider how an economy might work if buying decisions were made on a consistently ideological basis.

Imagine a "right-wing" supermarket chain and a "left-wing" alternative. The right-wing chain could offer discounts for NRA members and send money to the Republican Party. The left-wing version might have a commercial relationship with Planned Parenthood, sell more vegan products and take special care to promote women up through the ranks.

Maybe that sounds implausible, but many retailers have already segmented their markets through frequent buyer programs. You get better deals from the companies you patronize regularly, most of all from airlines and hotels. It requires only some stretch of the imagination to think that more of those programs could be organized around ideology. After all, if you are going to be "a Hilton customer" or "a Westin customer," maybe politics could play a role. You personally don't have to be very ideological; you simply might accept an ideological division over one that is purely arbitrary. Once in place, the continuing existence of the better deal from your preferred supplier will make this arrangement self-enforcing, just as I keep on flying United because of all my accumulated miles.

Keep in mind that there is already "a conservative and a liberal option for bulk cinnamon."

Many suppliers may welcome this arrangement, even if companies and their CEOs are not very ideological. By "carving up" their customers, an ideologically based market will mean higher prices and something closer to a guaranteed market. It will be hard for the business with the right-wing ideology to bid for the left-wing customers, and vice versa. So businesses might in subtle ways foment this ideological segregation, or at least not work too hard to break it down.

Companies that have a clear chance of being dominant market winners will prefer less ideologically tinged decisions, because they want to sell to virtually everybody. Whether or not basketball star Michael Jordan ever said "Republicans buy sneakers, too," the sentiment is an understandable one. In Silicon Valley, some of the biggest companies are torn between the imperative to maximize revenue and the left-leaning political demands of their employees, who are another constituency for ideologically segregated business.

Historically, boycotts have been difficult to enforce, as consumer attention ebbs and a lot of people just want to go back to buying their normal products, without too much concern for politics. Yet today's equation has changed, in part because people are buying less physical stuff and more services with some kind of symbolic character.

So maybe it's hard to sustain a boycott against one maker of flat-screen TVs, if only because the products seem so homogenized and nondescript. But when it comes to health services, you might in the future be choosing between hospitals that offer abortion or not, or that offer euthanasia or not. For entertainment, right-wingers favored John Wayne way back when, and left-wingers preferred Robert Redford; it's easy to see comparable trends re-emerging. As for travel, a left-winger might prefer Canada or Denmark for the family vacation, whereas a right-winger might opt for Singapore or Israel (or Russia for some?).

American media outlets have operated on an ideological basis since the beginning, and parts of the nonprofit sector also segregate on an ideological basis. It's unlikely that the libertarianleaning Cato Institute and the left-leaning Center for American Progress share a great many donors, or compete for the same employee base.

Social media accounts tie companies to ideologies more tightly than in the past. Who would have thought Delta Air Lines was a "left-wing" company? Maybe it isn't really deep down, but it's all over Facebook and Twitter that the airline revoked a discount for NRA members and just lost a tax break from the state of Georgia. At some point, the company might start acting out a left-wing persona to cultivate their available allies, whether or not it reflects the company's true views.

The history of Northern Ireland shows a great many retailers, from funeral parlors to bars, that served either a largely Protestant or a largely Catholic clientele. Maybe people felt better about these exclusive commercial affiliations, but it didn't do the economy any favors to stifle competition, and it may have helped drive political polarization too.

I don't think the American economy is verging anywhere near this point. Still, ideological segregation as a business principle is more possible than you might think. Now is indeed the time to go buy something from a company you don't like.