

# THE NEW DEMOCRAT

---

## COVER STORY

- 12 THE NEW DEMOCRATIC PLATFORM**  
*Al From*  
We've got the talk, now let's walk the walk.
- 14 A NEW FIGHTING FAITH**  
*Will Marshall*  
Ambitious goals for the world's oldest political party.
- 18 A DOZEN WAYS TO MAKE A DIFFERENCE**  
*Antonio R. Riley, Ted Mondale, Ember Reichgott Junge, Daniel Kemmis, H. Carl McCall, Therese Murray, John O. Norquist, Richard M. Daley, Kathleen Connell, Louis Caldera, John Sharp, Peggy Kerns*  
Twelve New Democrats tell the lessons they've learned from innovation.

## ESSAYS AND COMMENT

- 27 THE ROSIE SCENARIO**  
*Joe Lieberman*  
America may be on the verge of a Third Great Awakening.
- 30 BRIGHT IDEAS**  
*Robert J. Shapiro*  
Innovation, not higher savings, is the key to economic growth.
- 35 THE POWER OF EMPOWERMENT**  
*Stanley B. Greenberg*  
Young voters are attracted to government that helps people help themselves.
- 38 OPEN QUESTION**  
*John Jacobs*  
Will California's new primary election rules be a boon or bust for centrists?
- 40 POLITICS IN PRIME TIME**  
*Paul Taylor*  
Free TV airtime for candidates is a partial but worthwhile fix.

- 42 UNHAPPY WARRIORS**  
*Ed Kilgore*  
Democratic conventions haven't always been such lovefests.
- 43 CHICAGO HOPE**  
*Julia Vitullo-Martin*  
Can you turn a city's schools around by turning them over to the mayor?

## DEPARTMENTS

- 4 518 C STREET N.E.**
- 6 UP FRONT**
- 10 EDITORIALS**
- 48 BOOKS**  
*William A. Galston*  
*They Only Look Dead: Why Progressives Will Dominate the Next Political Era* by E.J. Dionne Jr.  
*Left for Dead: The Life, Death, and Possible Resurrection of Progressive Politics in America* by Michael Tomasky.  
*In Defense of Government: The Fall and Rise of Public Trust* by Jacob Weisberg.  
*The New Promise of American Life* edited by Lamar Alexander and Chester E. Finn Jr.
- 51 OFF THE SHELF**  
A brief look at new and interesting books.

*Cover by Bob McGrath*

### **Illustration credits**

Pages 10, 12, 15, 48, Bob McGrath; page 6, Bettmann; page 8, Reuters/Corbis-Bettmann; page 30, © Stock Illustration Source; page 35, ©1990 Lisa Quinones/Black Star; pages 43, 44, 45, 46, John Booz.

## THE NEW DEMOCRAT

**Publisher** Al From**Editor-in-Chief** Chuck Alston**Editor** Tom Mirga**Editorial Board**Will Marshall, *Chairman*

Ed Kilgore

Debra S. Knopman

Seymour Martin Lipset

Robert A. Manning

Robert J. Shapiro

Fred Siegel

Kathleen Sylvester

**Contributing Editor**

Harlan Jacobson

**Assistant Editor** Lee Lockwood**Copy Editor** Maureen Nolan Rehg**Circulation Managers**

Eliza Culbertson

Shawn Delaney

THE NEW DEMOCRAT, ISSN 1045-8441, is published six times a year by the Democratic Leadership Council, 518 C Street N.E., Washington, D.C. 20002. Telephone 202-546-0007. The Democratic Leadership Council is a 501 (c) (4) nonprofit organization. The Progressive Policy Institute is a project of the DLC. Annual subscriptions are \$18.00 for one year, \$30.00 for two years; single issues \$3.00. Bulk postage paid at Washington, D.C. The ideas and views discussed in this publication do not necessarily represent official positions of the Democratic Leadership Council or its members. Unsolicited manuscripts are welcome, and will be returned if accompanied by a stamped, self-addressed return envelope. Send all correspondence, remittances, changes of address, and subscription inquiries to: *The New Democrat*, 518 C Street N.E., Washington, D.C. 20002. The e-mail address for letters to the editor is: [tnd@dlcppi.org](mailto:tnd@dlcppi.org)  
© 1996 by the Democratic Leadership Council.

## NOTE TO NEW READERS

For many readers, this special Democratic National Convention issue of *The New Democrat* is your first encounter with this magazine. Welcome—and thank you. Your presence in Chicago signifies the investment you’ve made in America’s most precious commodity, our democracy, and in the world’s oldest political party as the vehicle for advancing its future.

We hope you’ll consider making a small investment in us as well. *The New Democrat* is dedicated to articulating a new progressive vision for America. Our unique perspective spares neither left nor right. We strive to rise above the sneering, cynical commentary that dominates political journalism today, offer fresh thinking about ideas and issues, and introduce you to people who are turning those ideas into action. If you like what you read and want to subscribe, use the tear-out card inside or call us at 1-800-546-0027.



The editorials, feature stories, essays, and commentaries in these 52 pages are illustrative of our unique perspective.

The cover package opens with essays by Al From and Will Marshall that show why ideas matter in politics. On page 12, From compares the Democratic platforms of 1980 and 1996 to trace the evolution of new thinking in the party, and argues why implementation of this year’s platform is critical to Democratic fortunes. On page 14, Marshall lays out a new progressive agenda that he says can give Democrats a new fighting faith. On page 48, William A. Galston surveys the plethora of new books on progressive politics

and offers his own thoughts on the progressive comeback. Our cover package concludes on page 18 with essays by a dozen elected officials on the front lines of reform. We asked each to tell fellow Democrats one lesson they’ve learned from their efforts to innovate.



In the Essays and Comment section, Sen. Joe Lieberman of Connecticut argues why Democrats shouldn’t shy away from placing the values that matter to most Americans at the center of their politics (page 27). Stan Greenberg writes about new research into what young voters think about politics and want from their government (page 35). Rob Shapiro posits a real economic growth agenda, as opposed to the “same-old, same-old” the conservatives have been offering of late (page 30).

Finally, we couldn’t resist the opportunity a Chicago convention offers to tell a Chicago story. It’s the tale of how Democrats led by Mayor Richard M. Daley are taking responsibility for reforming one of the worst public education systems in America. The story begins on page 43. Mayor Daley offers his own thoughts on page 23.

Finally, this issue of *TND* marks the debut of a new book review feature, *Off the Shelf*, that’s designed to help you build your reading list (page 51). Each item begins with a capsule summary and concludes with a short excerpt to give you a taste of the author’s style.

Let us know what you think. Send your letters to: Editor, *The New Democrat*, 518 C Street N.E., Washington, D.C. 20002. Our e-mail address is: [tnd@dlcppi.org](mailto:tnd@dlcppi.org). ◆

# UP FRONT

## New Democrats, Meet New Labour

On July 4, an auspicious day for new beginnings, Britain's Labour Party issued a pre-election manifesto in which it effectively declared its independence from its radical socialist past.

From its title on through to its policy prescriptions, *New Labour: A New Life for Britain* reflects party leader Tony Blair's wholehearted embrace of the centrist New Democrat principles that put Bill Clinton in the White House in 1992 and promise to return him there in November (see "Britain's New Democrat," *TND*, March/April 1995).

Britain will hold a national election in April 1997 or perhaps sooner if Tory Prime Minister John Major's one-vote majority in the House of Commons collapses.

*New Labour: A New Life for Britain* borrows liberally from the ideas and rhetoric of the New Democrat movement. "The countries that will achieve the highest rates of growth and employment—and thus prosper in the new Information Age—are those which make the investments in the new technologies and skills . . . and whose governments see their role as working with industry to equip people for change," it states at one point. "We need principles of conduct and governance by which we can construct a modern civic society," it states elsewhere. "The essence of it is rights and duties together . . ."

In its manifesto, Labour says it will "save and invest" rather than tax and spend; transform "welfare

into work"; seek a tax cut for "ordinary" (read: middle class) families; and manage national finances prudently to keep long-term interest rates and inflation low. In a British version of government devolution, Labour pledges to set up a Scottish parliament and a Welsh assembly. In education, the party says it will replace grants to college students with loans and give parents more control over their children's grammar schools. And on crime, it promises to introduce "a system of fast-track punishment for persistent offenders by halving the time from arrest to sentencing."

To be sure, the New Democrat playbook isn't the only one on Blair's desk. His description of the document as "our contract for a new Britain," and his oft-stated intention to have the electorate judge him according to promises

Blair

kept, ought to impress Newt Gingrich. And Blair's plan to put the manifesto to an up-or-down vote of all 400,000 Labour Party members (political observers say approval is certain) is positively Perotista.

As the London *Sunday Times* recently observed, the Labour leader, like Clinton, recognizes the basic conservatism of the electorate and is pursuing a cautious strategy of anticipating and neutralizing Tory criticism. If this has left him open to charges of political pandering, it has also earned him widespread popular support, as well as the grudging respect of his opponents in the Commons—on both sides of the aisle.—Shawn Landres

◆ *The full text of the Labour Party manifesto is available on the World Wide Web at <http://www.w.poptel.org.uk/london/labour-party/>.*

## Seeing Eye to Eye On Welfare Reform

One perspective largely missing in the national debate over welfare reform is that of the welfare recipients themselves. Recently, the Public Agenda Foundation, a public policy organization founded by former Secretary of State Cyrus R. Vance and the pollster Daniel Yankelovich, conducted a nationwide survey to find out how recipients' views of welfare squared with those of the public at large. It turns out that on most key points recipients and the public see virtually eye to eye. Here are some of the survey's main findings:

◆ Practically all Americans—93 percent—want to see the welfare system changed. But the public doesn't want those changes to be punitive. Only 4 percent would eliminate welfare altogether, and only 19 percent would reduce current benefits.

◆ That being said, 77 percent of the public and an equal proportion of welfare recipients believe people on welfare should be required to obtain job training and education. Another 60 percent of the public, and more than half of all recipients, believe families' benefits should not be raised when mothers on welfare have more children.

Public Agenda also found a striking degree of unanimity in attitudes toward welfare among blacks and whites, which is remarkable considering how the issue has been manipulated politically over the years:

◆ 72 percent of both whites and blacks, and 67 percent of welfare recipients, agreed that "people abuse the system by staying on too long and not trying hard enough to get off."

◆ 69 percent of blacks, 62 percent of whites, and 67 percent of recipients believe that “people cheat and commit fraud to get welfare benefits.”

◆ 59 percent of blacks, 61 percent of whites, and 64 percent of recipients believe that “welfare encourages teenagers to have kids out of wedlock.”

◆ 97 percent of blacks, 94 percent of whites, and 92 percent of recipients agreed that “welfare moms will gain self-respect by working and their children will learn the importance of work.”

As Washington and the states decide on the future course of welfare reform, they’d do well to keep Public Agenda’s findings in mind. —Lee Lockwood

◆ *Copies of the study, The Values We Live By: What Americans Want From Welfare Reform, can be obtained from the Public Agenda Foundation, 6 E. 39th St., New York, N.Y. 10016.*

## No Time for Complacency, Part 1

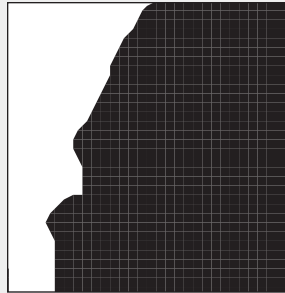
Led by President Clinton, Democrats have done a masterful job of snatching political redemption from the jaws of calamity. Given the humiliation they suffered in 1994, recent party preference polls have looked almost too good to be true. Democratic savants are now talking about recapturing Congress, a feat that seemed laughable only a year ago.

But this is no time to sit back and enjoy the view. For one thing, the Democratic comeback has been helped mightily by Republican overreaching. In addition, other polls show that while voters may not have found much to like in the Contract With America, they also don’t care much for the Democrats’ traditional “big government” message, either.

## It’s Worth Repeating

“A chance to win [a seat in Congress] is a right; the luxury of a safe seat is not. The late Rep. Mickey Leland, D-Texas, used to tell friends that he’d love to have a district that was one-third black, one-third Hispanic, and one-third white, so that he could be known as a Congressman, not just a black Congressman.”

— Charles E. Cook, writing in the Capitol Hill newspaper Roll Call (6-17-96)



“I like very much the feeling that we’re responsible together and that she [a welfare recipient] and I are going to come up with a plan to get her to the place where she can take care of herself and her family. . . . Before, people come in and you ask them if they have their pieces of paper. It’s one, two, three, bing, bing, bing, ‘Thank you very much. See you in six months. Goodbye.’ ”

— Virginia welfare caseworker Karen Roberts, quoted in *The Washington Post* about the state’s new work requirement for able-bodied AFDC recipients (6-6-96)

“The first step toward a new bargain on national and community service must be made from both sides. . . . The plain truth that liberal defenders of AmeriCorps must ac-

cept is this: If you treat national service as just another fine federal program in a long line reaching back to the New Deal and the Great Society, then that is all it will ever become. If your support for national service is conditioned on an assurance that it will not compete for resources with other programs that affect young people, provide financial aid for college, or address social problems, then it will never develop beyond its current size and scope. . . . [And to

opponents of AmeriCorps:] Suppose I told you of a concept that could express our moral and civic values, give young people the opportunity to learn patriotism and discipline, replace top-down bureaucracies with bottom-up problem solving, strengthen our civic institutions, provide more opportunity for higher education, substitute mutual responsibility for ‘something for nothing,’ and tap our deepest resources of energy and spirit. Would you be willing to experiment, and even to devote some federal dollars, to give this concept a chance to work? . . . The concept is national service.”

— Retiring Sen. Sam Nunn, D-Ga., speaking at a conference on national service sponsored jointly by the Progressive Policy Institute and the Hudson Institute (7-17-96)

While Clinton was enjoying a 17-point lead over then-Senate Majority Leader Bob Dole last May, an *NBC News/Wall Street Journal* poll showed that voters still trusted Republicans over Democrats on most major issues, including the big ones: crime, taxes, dealing with the economy, and controlling government spending. Only on abortion, education, health care, and

the environment did Democrats rate higher than the GOP.

Over the past year, as the public’s view of the Republican “revolution” has soured markedly, these issue ratings haven’t changed much. Republicans have gained on controlling government spending, and Democrats have gained on welfare reform. But on most other issues, public opinion has re-

## ELEPHANT DROPPINGS

Sure, Republicans couldn't get enough of Bob Dole in San Diego. But what were they saying about him just a few days ago?



"Dole has yet to offer a compelling reason to vote for him; his themeless campaign veers between the irrelevant and the stupid, with the old nasty streak coming through. Alas, there's simply no there there, as Gertrude Stein said of Oakland."

— Columnist Doug Bandow

"Dole HQ seems to be planning one of the most brain-dead campaigns in recent memory. . . . The nomination of Bob Dole was a mistake."

— Author David Frum

"This is going to be worse than Mondale if we don't watch it."

— Columnist Arianna Huffington

"The best thing Dole can hope for is that he'll run out of issues he can foul up by September so that he can go into November having 45 gaffes behind him."

— Former Supreme Court nominee Robert Bork

"All he has produced is buyer's remorse in the Republican Party."

— Columnist George Will

"Dole is a great American, but a terrible presidential candidate. Many would consider him even a greater American if he stepped aside."

— Columnist Cal Thomas

mained about the same. As political columnist Charles Cook put it, "It's notable that neither side really moves up."

Voters may be mad at the Republicans right now—just as they were at Democrats two years ago and at Republicans in 1992. That the pendulum is swinging the Democrats' way is a cause for temporary celebration. But it shouldn't be seen as an indicator of lasting victory.—Lee Lockwood

◆ *For up-to-date polling information on this year's presidential race, visit the Gallup Organization's web site at <http://www.gallup.com/ratings.html>.*

## No Time for Complacency, Part 2

New Democrats aren't the only ones warning the party against complacency.

From the left, Ruy A. Teixeira and Joel Rogers argue in a forthcoming report from the Economic Policy Institute that "the chief cause of voter volatility lies in declining living standards and the persistent failure of either political party to successfully address this problem." Until one party or the other offers a solution, Teixeira and Rogers assert in *The Politics of Volatility: Declining Living Standards and Noncollege Educated Whites*, the pendulum will continue to swing back and forth in American politics.

Here are some highlights from their study:

◆ It is the noncollege educated whose living standards have deteriorated the most and it is noncollege educated voters, particularly noncollege educated white voters, whose sharp swings in political support drive our volatile political climate. These sharp swings among noncollege educated whites include: a decline of 21 percentage points in support for George Bush between 1988 and 1992, a decline of

13 points in support for Democratic House candidates between 1992 and 1994, and a decline of 14 points in support for Bob Dole between early 1995 and mid-1996.

◆ Between 1992 and 1994, the median wage fell 3.3 percent, despite the continuing economic expansion. Consistent with post-1979 economic trends, this wage decline was not equally distributed, with wages for the noncollege educated declining in line with the median wage trend and wages for the college educated actually increasing. Finally, median household income declined slightly in the two-year period, leaving it still 6.6 percent below its 1989 pre-recessionary peak.

◆ In the 1994 election, declining support for the Democrats was concentrated exclusively among the noncollege educated, the chief victims of these economic trends. Compared to 1992, support for Democratic House candidates declined 10 percentage points among high school dropouts, 11 points among high school graduates, and 12 points among those with some college, while holding perfectly steady among those with college degrees.

◆ Current support levels for the Democrats are highly unstable and provide no secure electoral basis for the future. A combination of economic anxiety and still-existing anti-government sentiment makes noncollege educated whites quite susceptible to a Republican counterattack based on cutting taxes and government programs less popular than Medicare. And if noncollege educated whites revert back to their 1994 levels of Democratic support, simulations show that the Democrats cannot realistically make up that shortfall by increased support among upscale whites.—Chuck Alston

◆ *For more information, visit the Economic Policy Institute web site at <http://epinet.org/>.*

## THE PROGRESSIVE NETWORK

**We Can Work it Out** Not long ago, Americans saw their labor as a key element in the building of our democracy. Portrayals of the nation-building aspects of work pervaded popular culture—from movies, to Works Progress Administration murals in post offices, to Langston Hughes' poetry. Sadly, work today is largely seen as just a means to an end, detached from any

higher purpose than the pursuit of the almighty dollar.

To revitalize its democracy, America must redevelop its civic muscle, argue **Harry C. Boyte** and **Nancy N. Kari** in a thoughtful new book, *Building America: The Democratic Promise of Public Work* (Temple University Press). "Work's dignity, meaning, and importance have disappeared from view," write

Boyte, co-director of the Center for Democracy and Citizenship at the Humphrey Institute of Public Affairs, and Kari, director of faculty development at the College of St. Catherine. "With this disappearance, people become outsiders. Democracy is troubled. Politics is left to special interests and professionals. The commonwealth itself becomes invisible."

The answer, the authors say, lies in "public work," which they describe as a new "version of citizenship... aimed at developing the capacities of citizens" for self-governance. From low-income housing projects to colleges, from newspaper newsrooms to nursing homes, Boyte and Kari describe how Americans nationwide are shouldering responsibility for civic problems and, in the process, rediscovering what it means to be part of a larger community.

◆◆◆

**A PAC of its Own** The New Democrat movement now has a political action committee. Spearheaded by Sens. **Joe Lieberman** (Conn.) and **John Breau** (La.) and under the direction of former Democratic Leadership Council Field Director **Simon Rosenberg**, the New Democrat Network is moving quickly to become a player in the 1996 campaign.

"Our immediate goal," says Rosenberg, "is to endorse 20 to 30 New Democrat House and Senate candidates during this election cycle and distribute in the neighborhood of \$300,000 in their support. And we're well on our way."

Over the long haul, the new organization aims to

build a national network of citizens and politicians committed to electing New Democrats at all levels of government. "We want our endorsement to be an authentication that a candidate is a 'different kind of Democrat'—one who's committed to campaigning and governing in a different way," says Rosenberg.

◆◆◆

**Called to Service** Former Progressive Policy Institute analyst **Lyn Hogan** has joined the White House Domestic Policy Council as senior policy analyst focusing on child welfare.

While at PPI, Hogan helped design the institute's "Work First" welfare reform initiative and took the lead in getting it into the hands of lawmakers nationwide. Before leaving, she wrote a "blueprint" for welfare reform that won praise from nationally syndicated columnist William Raspberry. Hogan's approach to reform, he wrote "makes more sense than the continual efforts to reform welfare without fundamentally changing it."

◆◆◆

**Rx for the Health Care Debate** "If Republicans and Democrats can't agree on a short-term funding fix [for Medicare] in 1996, the least they can do is create a bipartisan commission to get working on the long-run problem," wrote columnist Morton Kondracke in the June 10 issue of the Capitol Hill newspaper *Roll Call*. If the parties do, he continued, "chances are they will end up" with a plan identical to the one developed by **Dave Kendall**, PPI's senior analyst for health care policy.

"If and when Republicans and Democrats get serious about saving Medicare— maybe next year— [Kendall's] proposal deserves full congressional attention," the columnist said.

◆◆◆

**Defense Paper Influences Vote** The 1997 defense authorization bill passed by the Senate in late June contained a key amendment with roots in *Defense in the Information Age—A New Blueprint*, a PPI paper released last December.

The amendment, which was passed unanimously, calls for an independent, bipartisan review of U.S. defense strategy, force structure, force modernization plans, infrastructure, and other elements of the defense program. It also calls for policies "with a view toward determining and expressing the defense strategy of the United States and establishing a revised defense program through the year 2005."

—Lee Lockwood and Tom Mirga

# WHAT WE'RE FIGHTING FOR

**T**he 1996 Chicago convention offers Democrats a unique opportunity: This city's hold on the party's past makes it the perfect venue to demonstrate a new agreement about its future.

At the 1968 Chicago convention, America watched through a haze of tear gas as the Democratic presidential coalition began to shatter. The phrase "Chicago Democrats" became shorthand for the party's subsequent leftward march away from the values and aspirations of ordinary Americans. When the vast new middle class that was made possible by the century's crowning Democratic achievement, the New Deal, looked at the national Democratic party, it no longer saw itself.

The breakdown of the liberal consensus that was the party's glue from 1932 to 1968 sparked a long and debilitating debate about what Democrats should stand for. The Democratic Leadership Council, which publishes this magazine, was founded in 1985 to show Democrats and America a new way forward. In 1991, under the chairmanship of then-Arkansas Gov. Bill Clinton, the DLC's annual convention adopted a series of resolutions entitled *The New American Choice: Opportunity, Responsibility, Community*.

Those three themes—opportunity, responsibility, and community—became the cornerstones of the 1992 Clinton campaign, just as they are for the 1996 Democratic platform. As the platform drafts we've seen put it: "Today's Democratic Party is determined to renew America's most basic bargain: Opportunity to every American, and responsibility from every American. And today's Democratic Party is determined to reawaken the great sense of American community."

*Equal opportunity instead of equal outcomes. Responsibility instead of entitlement. Community instead of interest-group solidarity.* These principles can refocus Democrats on the concerns of ordinary people, those struggling to stay in the middle class and those aspiring to get there. Demo-



crats should rally behind them.

We are not Pollyannas about the meaning of a platform. It is only a promise, and sharp disagreements still demarcate new and old Democrats. Nonetheless, the promise of the 1996 platform is a historic closure to 28 years of internecine war.

President Clinton has settled the larger issue of governance for Democrats, and set new terms for the debate. "The era of big government is over," he declared in his State of the Union address. It is the time, then, for the world's oldest political party to think anew.

It is time for Democrats new and old to agree on a new agenda for restoring mass upward mobility—based on rejuvenating economic growth, giving workers the tools to succeed in the new economy, and securing for workers a better shot at a share of the profits made possible by their labor.

It is time for Democrats new and old to agree on a new agenda of alleviating inner-city poverty—based on spurring community-led development and individual empowerment and turning welfare into a system that puts people to work.

It is time for Democrats new and old to agree on a new agenda for preparing America's youth to succeed in the Information Age—based on injecting parental choice and competition into every school district in America, and on setting high national standards that demand more from teachers and students.

It is time for Democrats new and old to agree on a new agenda for defending America's common civic ground—based on strengthening the values and institutions as well as the mutual rights and responsibilities we share as Americans against those on both ends of the political spectrum who would divide us along lines of race, gender, ethnicity, or other group identity.

It is time for Democrats new and old to agree on a new agenda for ensuring the long-term viability of

Social Security and Medicare—based on taking tough steps to control costs, to ease the growing tax burden on working Americans, and to empower individuals to control the resources society makes available for retirement and medical care.

It is time, in short, for Democrats to make clear that the ideas we're fighting for make sense for America in the 21st century. That is the route to a new majority that joins the swelling ranks of the politically homeless to the dwindling Democratic base.

Voters have learned all too well how to say "no." In 1992, they said "no" to the Republicans. In 1994, they said "no" to the Democrats.

In Chicago, Democrats can start giving them a reason to say "yes."

## The End of the Beginning

---

### *Now the States Must Decide Whether To End Welfare As We Know It*

President Clinton's decision to sign welfare reform legislation despite vehement opposition from many in his own party burnishes his New Democrat credentials and takes away what would have been an especially potent Republican campaign issue.

More importantly, the President's decision begins the transformation of welfare from a system that writes checks to one that finds people jobs, and from one that creates dependence to one that creates opportunity and promotes responsibility. It ensures that our national policy reflects the values most Americans share.

In announcing that he would sign the legislation despite having grave concerns (many of which we share) about some of its provisions, the President made it clear that even an experimental welfare reform initiative is far preferable to continuing the disastrous current system. We applaud this decision and the fundamental political and moral judgment it represents.

We strongly suspect that much of the criticism heaped on the President by left-leaning groups and editorial writers reflects the stubborn paternalism of elitists, whose contempt for public opinion on this issue is matched only by their contempt for the idea that welfare recipients can exist without public assistance. It is hard to explain the hysteria over the elimination of the federal entitlement to cash assistance in any other way: After all, once you've agreed to set time limits and work requirements, the entitlement is really just a method of federal funding, and funding can be increased if necessary.

That said, both sides in the welfare debate need to understand that this legislation is not self-executing. It is now up to the states to decide whether welfare "as we know it" will be replaced by an effective employment

system for recipients or simply a meaner and cheaper version of the status quo.

The President and the Senate Democrats deserve much more credit than they have received for changing the central thrust of the Republican legislation and giving states a decent chance to pursue work-based welfare reform. Before agreeing to sign the measure, the President won several concessions from the GOP that are needed to "make work pay," including increased funding for child care, continuation of the food stamp program, a larger contingency fund for states in times of recession, and a hardship exemption from the five-year time limit.

Equally important, key structural features from last year's Senate Democratic "Work First" alternative made their way into the bill the President signed, including the Progressive Policy Institute's proposal for a "work performance bonus" that will reward states that succeed in placing and keeping welfare recipients in private sector jobs.

And lest we forget, the \$22 billion expansion of the Earned Income Tax Credit that a Democratic Congress approved at the President's request in 1993—and that the Republican Congress sought to roll back during last year's budget fight—is also critical to the success of work-based welfare reform.

State action to implement this legislation could go in one of two directions. States could take advantage of the bill's "make work pay" resources and incentives and remain within their block grant allocations by speeding up the movement of recipients into private sector jobs. That's the approach taken by Wisconsin's W-2 plan and by Work First proposals in several other states. Or, states could adopt the implicit conservative philosophy of "making not-work not pay"—that is, of making public assistance so meager that recipients somehow magically find their own jobs. That approach involves simply reducing benefit levels, making time limits as short as possible, and doing nothing else to change the current system.

Democrats can and must unite to fight for the first approach and against the second. Certainly, those Democrats who opposed welfare block grants on the basis of predictions that states would take the mean-spirited route have a moral obligation to stop attacking the President and join in an effort to prove their prediction untrue. New Democrats should also remember that only when every state welfare system is converted into an employment system can we fully redeem the pledge of "ending welfare as we know it." ♦

---

*The DLC has just released a blueprint for writing work-based welfare reform legislation in the states. For a copy of Work First: A Progressive Strategy to Replace Welfare With a Comprehensive Employment System, call the Publications Department at 1-800-546-0027 (202-544-6172 in the D.C. area), or download it from our web site at <http://www.dlcppi.org/texts/social/iwelfare.htm>.*

# THE NEW DEMOCRATIC PLATFORM

*We've Got the Talk, Now Let's Walk the Walk*

BY AL FROM

In 1980, the last time a Democratic president sought re-election, the result was a Republican landslide that triggered more than a decade of decline in Democratic Party fortunes.

In 1996, a Democratic president is again seeking re-election. At this writing, he appears headed for a victory of such proportions that he could pull a Democratic Congress in with him.

What accounts for the reversal in the party's prospects? And assuming present trends continue, what can Democrats do to make 1996 a watershed election that ushers in a new era of Democratic dominance in American politics?

The apparent turnabout is in part the result of Republican failure. But it was made possible by the Democratic Party's striking ideological transformation. In 1996, the party stands for New Democrat values, beliefs, and policies that an overwhelming majority of Americans can support. In 1980, it did not. It's that simple.

But to turn our temporary advantage into a new and lasting majority, Democrats must show the American people that we will govern as we speak, that our talk of change is more than empty political rhetoric. That's why the President's decision to sign the welfare reform bill was so important; it redeemed his New Democrat pledge to "end welfare as we know it." Clinton has shown us the right path, but *all* Democrats—particularly those in Congress and in the party's most important constituency groups—must be willing to change. How we govern over the next four years, especially if we regain control of Congress this year, will determine whether we can become a majority party again.

## The Ideological Transformation

What Democrats stood for in 1980 and what we stand for today are light years apart. In 1980, we stood before the



American people as the party of equal outcomes, entitlements for favored constituencies, and big government. Not surprisingly, the American people said, "No, thanks."

Theodore H. White summed up the situation in his book, *America In Search of Itself*. "My thinking is that by the time of the 1980 elections," he wrote, "the pursuit of equality had created a system of interlocking dependencies, and the American people were persuaded that the cost of equality had come to crush the promise of opportunity. These ideas struggled with each other all through the campaign, and the one idea prevailed over the other."

Contrast that with the 1996 Democratic platform, which is grounded in the New Democrat principles of opportunity, responsibility, and community:

For 220 years, America has been defined by a single ideal: Opportunity for all who take the responsibility to seize it. Andrew Jackson, the first Democratic president, put it best: We believe in equal opportunity for all, and special privilege for none. The mission of the Democratic Party in 1996 is to ensure that the great American Dream of opportunity for all is within reach for all, and that it travels with us, whole and intact, as we walk together into tomorrow.

The road from 1980 to 1996 was full of obstacles. New ideas were frequently resisted by party constituencies trying to hold on to old ones. Steps forward were often followed by setbacks. But in the end, New Democrat thinking prevailed. The enormous ideological distance the party has traveled can be seen in a comparison of the party platforms in those two years.

In 1980, Democrats offered America government programs and mandates—pages and pages of them—to solve every conceivable problem. It was fair to call us the party of big government.

In 1996, we declare an end to the era of big government and state that our mission “is to expand opportunity, not bureaucracy.” We talk of reining in big government, slashing burdensome regulations, eliminating wasteful programs, reducing the size of the federal bureaucracy, and shifting decisionmaking out of Washington and back to the people and communities, who know best how to solve their own problems.

In 1980, we believed government programs drove our economy. Our key economic plank consisted of billions of dollars in public jobs programs targeted at favored constituencies. Our economic policy’s overriding concern was redistributive justice, not growth or opportunity. “Democratic economic policy,” our platform said, “must assure fairness for workers, the elderly, women, the poor, minorities, and the majority who are middle-income Americans.”

In 1996, we stand as the party of economic growth and opportunity. We applaud Clinton’s comprehensive strategy for economic growth, say our party’s mission is to create opportunity for all Americans, and state unequivocally that “today’s Democratic Party knows that the private sector is the engine of economic growth.” We don’t call for a single public jobs program, but we do call for a “G.I. Bill for Workers” to transform the confusing tangle of federal training programs into a simple \$2,600 job-training voucher that will go directly to unemployed workers so they have the freedom to pay for the training that’s right for them.

In 1980, our plank on families consisted of one sentence: “The Democratic Party supports efforts to make federal programs more sensitive to the needs of the family, in all its diverse forms.”

In 1996, we are a party that speaks to the needs of families, particularly young families raising children. We call the family the foundation of American life and say the first and most sacred responsibility of every parent is to cherish our children. We cite the enactment of family leave legislation, and support employee-choice flex time so workers can trade overtime hours to spend more time with their families. And, we declare unequivocally that “today’s Democratic Party knows that governments don’t raise children, parents do.”

In 1980, our crime plank said we would not permit or sanction “excessive or illegal police force,” and it called for prison reform to upgrade safety *within* our penal institutions. It even called for ensuring “that the rights of workers to engage in peaceful picketing during labor disputes are fully protected.” Not once did it talk about lowering the crime rate or punishing criminals.

In 1996, we declare that “today’s Democratic Party believes the first responsibility of government is law and order.” We call for community policing and neighborhood crime-watch groups “to give our police forces the backup they need.” And, our position on punishing criminals is unequivocal: “We believe that people who break the law should be punished, and people who com-

mit violent crimes should be punished severely.”

In 1980, the Democratic education plank contained three and one-half columns of federal programs—including special schools for American Indians and Alaska Natives, teacher centers to stress bilingual, multicultural, non-racist, and non-sexist curricula, and a call for a study on reducing air mail rates for sending educational materials to noncontiguous U.S. territories. The plank’s main thrust was to assure access to education for every group, a worthy goal. But standards for students, schools, and teachers were never mentioned. The plank mentioned quality only once, and in this context: “[E]ducational quality should be strengthened through adequate support for libraries, federal leadership in educational research and development, and improved teacher training.”

In 1996, high education standards are our top priority. Here are key parts of our education plank:

In the next four years, we must do even more to make sure that America has the best public schools on earth. If we want to be the best, we should expect the best: We must hold students, teachers, and schools to the highest standards. Every child should be able to read by the end of the third grade. Students should be required to demonstrate competency and achievement for promotion or graduation. Teachers should be required to meet high standards for professional performance and be rewarded for the good jobs they do—and there should be a fair, timely, cost-effective process to remove those who do not measure up. And we should get rid of the barriers that discourage talented young people from becoming teachers in the first place. . . .

Schools should be held accountable for results. We should redesign or overhaul schools that fail. We should expand public school choice, but we should not take American tax dollars from public schools and give them to private schools. We should promote public charter schools that are held to the highest standards of accountability and access. . . . Teaching good values, strong character, and the responsibilities of citizenship must be an essential part of American education. . . . We must help schools set the highest standards for good behavior and discipline. . . . Children cannot learn—and teachers cannot teach—without order in the classroom.

Finally, in 1980, the Democratic platform not once spoke of responsibility. In 1996, responsibility—personal, family, and community—is a core value of our platform.

This is the bottom line: Over the past 16 years, the Democratic Party’s official ideology has been transformed from one grounded in the old style, interest group liberalism that the American people consistently rejected, to one grounded in the values, beliefs, and

ideas of New Democrat thinking, which most Americans can support. That's why Democrats are in a position to win big in 1996.

### **Walking the Walk**

The true significance of a victory in 1996 will be determined by how we govern—particularly if we recapture Congress. If we govern in a manner consistent with our new philosophy, 1996 can be a genuine political watershed for Democrats. If, on the other hand, Democrats believe that a victory this year is a license to return to the old, discredited ways of governing, we will most likely learn how short lived a victory can be. We cannot forget the lesson of our 1994 landslide defeat.

This is why the transformation of the Democratic Party from a declining minority to a new majority party requires an operational as well as ideological change. Clinton certainly understands that, as evidenced by his decisions to press for approval of the North American Free Trade Agreement, support a balanced budget in seven years, and sign legislation to replace welfare with a work program. In each case, the President supported a policy consistent with our party's New Democrat ideology, but sharply different from old Democratic orthodoxy. And in each case, his sharpest criticism came from members of his own party who did not see the need to change. The President was ahead of much of his party.

The conflicts between the old and the new could well increase over the next four years. That's because our

country is rapidly moving from the Industrial Age into an era of information, communication, and globalization. The challenges brought on by this shift will require solutions that will often depart sharply from the ideas and approaches that many Democratic constituencies have long fought to preserve.

We will need, for example, to restructure the public schools; revamp Social Security, Medicare, and our other major entitlement programs to ensure their long-term viability; revamp the tax code to encourage growth in an era of instant information and global trade; and develop new strategies for reducing urban poverty.

These challenges will not wait; Democrats need to tackle them right away. That will require putting our New Democrat philosophy into action. And it will require all Democrats—especially those who historically have believed in big government solutions—to think and act in new ways.

If we rise to the occasion, the payoff will be enormous. A New Democrat agenda put into action is the foundation for building a new political and governing majority that will endure far into the next century and include not only the Democratic faithful, but millions of independents and even some Republicans who now find themselves politically homeless. If that happens, the 1996 election, like the one 16 years earlier, will turn out to be a watershed. ♦

---

*Al From is president of the Democratic Leadership Council.*

# **A NEW FIGHTING FAITH**

## *Ambitious Goals for the World's Oldest Political Party*

---

BY WILL MARSHALL

**D**emocrats are converging on Chicago with high hopes that Bill Clinton will join Franklin D. Roosevelt and Woodrow Wilson as the only Democratic presidents in this century to win back-to-back elections. To govern effectively, however, the party needs more than a strong candidate. It needs a strong cause.

The party's old faith, New Deal progressivism, has run its historic course. In his January State of the Union address, President Clinton made it official when he declared that "the era of big government is over." The venerable New Deal creed was undone both by its great success in creating a large middle class that now sees itself more burdened than benefitted by government, and

by its undue reliance on outdated bureaucracies and top-down programs to meet the needs of a fast changing society.

This has left Democrats without a clear governing philosophy that can infuse the party with an impelling sense of common purpose and impose coherence on its policies. What's needed today is a new overarching creed—a New Progressivism that, like its New Deal predecessor, faces facts, solves problems, and identifies Democrats once again with the interests and values of average working families.

For today's progressives, there is no challenge more compelling than the need to replace a governance model developed for the Industrial Age—an era characterized

by large, centralized institutions, public and private, that once guaranteed citizens a decent standard of living and personal security in exchange for their allegiance. Today, powerful forces are undercutting the implicit bargain of industrial society. Global markets, new information technologies, and new principles of organization have fatally weakened central bureaucracies. By dramatically lowering the costs of information and communication, microchip technologies break bureaucratic monopolies on expertise and diffuse knowledge—and therefore power—more broadly.

The new paradigm for progressive government springs from a simple insight: Since we can no longer rely on big institutions to take care of us, we must create policies and institutions that enable us to take care of ourselves. This new approach to governing in the Information Age also allows Democrats to reclaim three vital principles obscured during the era of centralization, bureaucracy, and welfare state paternalism: equal opportunity, mutual responsibility, and self-governing citizenship.

### **Equal Opportunity**

The Democratic Party's oldest and most fundamental principle echoes in the old rallying cry of Jacksonian Democracy: "Equal opportunity for all, special privilege for none." It is the ideal of a society in which individuals earn their rewards through their own talents and efforts within a system of fair and open rules.

Since the 1960s, however, the party's dominant passion has not been equal opportunity but distributive justice. For many liberals, top-down distribution of social goods supplanted the New Deal's original emphasis on broad upward mobility for Americans who "work hard and play by the rules." As Washington dispensed rights, entitlements, and preferences to an expanding universe of favored groups and organized interests, Democrats were increasingly seen to champion not the interests and values of ordinary working families, but those of the beneficiaries of federal programs.

The party should reaffirm what most Americans instinctively understand: The true promise of America is the promise of equal opportunity, not equal results. This does not mean embracing the market as an infallible arbiter of value and individual merit. Most Americans understand that there is no "invisible hand" that creates equal opportunity; it is a conscious social achievement that requires affirmative acts.

New Progressives thus must fight not only to remove discriminatory barriers but also to provide meaningful opportunities for self-advancement. We must save pub-

lic education both from right wing ideologues who would privatize our schools and from educators with a vested interest in preserving a failing educational monopoly. We must cast an unsparing eye on federal spending not merely to balance the nation's books, but to free resources that now go to special interests and re-deploy them toward strategic public investments that are in everyone's best interest.

### **Mutual Responsibility**

The ethical underpinning of the New Progressive agenda is the principle of mutual responsibility. This principle says that rights cannot exist without responsibilities and that our democratic experiment can survive only if "we the people" are prepared to fulfill our individual and civic duties and contribute our fair share to the commonwealth.

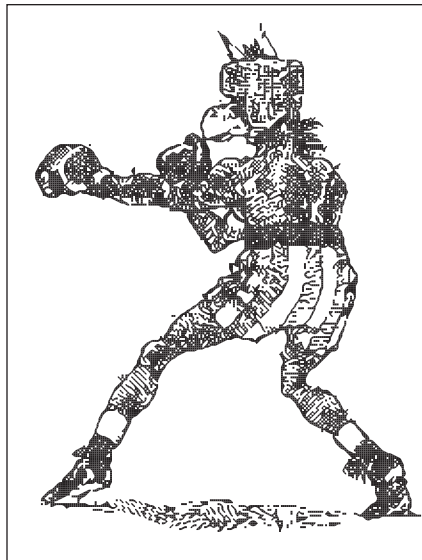
The ethic of mutual responsibility rejects libertarianism—the idea that we have no obligations other than the ones we choose. Because we are social beings, we live in a dense network of interdependence that we are not free to deny or reject. This ethic is equally at odds with the philosophy of entitlement—the belief that we can make demands on others, or on the community, without giving something back.

To the excessive individualism of the right and selfish materialism of the left, New Progressives should counterpose a new politics of civic reciprocity that links public benefits to public work: Whenever possible, policies should be structured so that citizens who contribute to the community are rewarded, and those who benefit from the community give something back. Outstanding examples include Clinton's call for replacing welfare with work and his national service initiative that offers college aid to young Americans who volunteer to serve their communities.

### **Self-Governing Citizenship**

Simply dismantling old bureaucracies won't help Americans cope with new problems. The real challenge lies in replacing top-down bureaucratic government with a new model for bottom-up self-governance.

The new model decentralizes decisions, expands individual choice, and injects competition into the delivery of public goods and services. A prime example is the charter school movement, which has spread to half the states. It allows educators to create innovative public schools that are independent of the central school bureaucracy, but which are nonetheless accountable to the public agency that charters them as well as to parents.



Charter schools break the local school district's monopoly on owning and operating public schools, giving parents wider options and exerting healthy competitive pressure on traditional schools that otherwise have little reason to change.

Where bureaucracy seeks to regiment and control people, the new model seeks to equip them to tackle their own problems. This new philosophy of civic empowerment expands individual choice and strengthens community institutions, not to make government irrelevant, but to make it a more effective instrument of our common life. Indeed, the more we rely on political decentralization and individual choice, the more we need shared goals and values, clearly articulated, to guide our endeavors and to unite our country.

### The New Progressive Agenda

Equal opportunity, mutual responsibility, public institutions that empower people to act for themselves—these are the cornerstones of a New Progressivism tailored to the challenges of the Information Age. To win broad public backing, this new agenda must confront five overriding challenges facing America as we approach the 21st century.

◆ *Restoring the American Dream.* Rather than trying to retard today's processes of economic change and globalization—a sure formula for slow economic decline—we must help all Americans master the new rules of economic competition. Democrats need to offer more compelling responses to the triple scourge of slow growth, falling wages for non-college workers, and rising inequality. Raising the minimum wage may embarrass skinflint Republicans, but it plainly won't do much to help average working families caught in the downdraft of economic change.

Here's what would help: First, keep up the pressure for fiscal discipline so that government profligacy won't rob the emerging knowledge economy of the resources it needs to grow. Second, eliminate subsidies to corporations and boost public investment in education, infrastructure, and technological innovation. Third, get serious about reforming Social Security and Medicare, so that these massive entitlements don't default on their obligations to future retirees, crowd out other urgent public needs, or impose a crushing tax burden on tomorrow's workers. Fourth, forge a new compact with working Americans for economic opportunity and security.

If U.S. workers must accept the risks of competing in volatile work markets, they must also be empowered to reap a fair share of the rewards. We need new policies that give wage earners greater control over the principle sources of family security such as health insurance and retirement income. Government job training resources should go directly to displaced workers in the form of vouchers. And we should encourage firms to invest in developing their workers' skills, to link pay to perfor-

mance, and to share equity with wage earners as well as top executives.

◆ *Rebuilding America's social order.* As big institutions lose their power to deliver security and stability, Americans more than ever need to fall back on the support of their families and communities. Yet the economic anxiety gnawing at many families is compounded by a pervasive sense of social and moral decay. Family breakdown is at the center of this worry and it is here that a progressive strategy for rebuilding our social order should begin.

Democrats have been attentive to economic strains on families, especially the surge of women into the workforce to maintain family living standards and the resulting time crunch on harried parents. Republicans, on the other hand, have stressed cultural factors that have led to family dissolution, such as the rise of single-parent families and the explosion of out of wedlock births.

---

**This new philosophy of civic empowerment expands individual choice and strengthens community institutions, not to make government irrelevant, but to make it a more effective instrument of our common life.**

---

Both sides are right. The progressive course now is to combine these valid insights into a new set of public actions intended to ease both economic and cultural stress on the family.

Instead of creating government programs that seek, vainly, to replace functions that families are best suited to perform, Democrats must get serious about using government to fortify families. For example, the party should back significantly lower taxes on families with children and eliminate tax penalties on marriage; encourage the spread of community-based "second chance homes" to roll back teen pregnancy; reassess divorce laws to ensure they put children's interests first when marriages break up; and, overhaul our failing child welfare and foster care systems.

◆ *Renewing our democracy* by challenging the special interests and returning power to citizens and local institutions. To restore public confidence in government we must first restore the problem-solving capacities of government. Progressives should develop a new governing approach that does not merely hand down programmatic "solutions" from Washington but instead creates an enabling environment where citizens and communi-

ties can fashion their own responses to local problems.

Where tenants of public housing are given responsibility for managing their own buildings, for example, the results have often been stunning: Residents take better care of their surroundings, drug dealers and users get evicted, crime rates fall, welfare dependency drops, and more people work. Or consider community policing, which moves police out of their squad cars and into neighborhoods and helps communities deal with low-level problems before they escalate into more serious crime. Using this approach, New York has seen a dramatic drop in violent crime over the past few years.

Central governments still have a role to play in setting broad rules and standards, assuring fairness and justice, and tackling those issues that transcend regional, state, and national boundaries. But the presumption for democratic action must be reversed. Citizens and local institutions, rather than distant government agencies, should be the public problem solvers of first recourse.

Returning power to the people also entails changing the way we finance politics and elections. We must create a more open and competitive political system in which the influence of special interest money is sharply reduced, incumbency advantages are lessened, and campaign costs are lowered by making free television time available to viable candidates.

◆ *Forcefully defending America's common ground*—the values and institutions we share as well as our mutual rights and duties as citizens—against those on both ends of the political spectrum who would divide us along lines of race, ethnicity, gender, religion, or other group identity.

Changing patterns of immigration and growing ethnic diversity, along with a new ideology of group difference, have called into question the old model of “Americanization.” Because we can no longer take our cultural cohesion for granted, we must all work harder to affirm the common beliefs and values that form the core of our national identity and allow us to transcend our differences.

For Democrats, that means more than decrying Republican “wedge politics” and Pat Buchanan-style nativism. Progressives should forthrightly reject linguistic, racial, and ethnic programs intended to foster group separation and group rights. We should move from deeply divisive policies that promote race and gender preferences to new initiatives aimed at empowering the poor and rebuilding the economic base of urban life.

◆ *Confronting global disorder* by building enduring new international structures of economic and political freedom. Just as we did after World War II, America must seize the opportunity presented by the end of the Cold War to lead the way in constructing a new international system based on democracy, free markets, and the rule of law. This is the strategy of enlightened self-interest. The alternative is a narrow nationalism that would have the United States disengage from its global com-

mitments and go it alone in a world that would rapidly slide into conflict and disorder without the ballast of American power and leadership.

New Progressives should remain true to our internationalist outlook. We must continue to support robust American leadership, backed by a strong, qualitatively superior defense. We must continue to expand world trade, because it opens markets for U.S. products, hones our competitive and technological edge, and plants the seeds of economic freedom in nations emerging from decades of authoritarian misrule.

At the same time, we must adapt our Cold War assumptions and institutions to new global realities and fiscal constraints at home. In the absence of a dire external threat, we can afford to be more selective about how and where to exercise our power. Nonetheless, Democrats should stand firmly for strong U.S. global leadership. A new U.S. strategy of democratic realism, of using

---

**The presumption for democratic action must be reversed. Citizens and local institutions, rather than distant government agencies, should be the public problem solvers of first recourse.**

---

our resources and alliances to enlarge the zone of market democracies and leverage progress toward political and economic freedom, best unites America's interests and ideals.

A fast-growing economy that offers opportunity to every citizen willing to work hard and give something back, a social order sustained by strong families and the ethic of mutual responsibility, a political and governing system that equips citizens and communities to solve their own problems, a multiethnic democracy bound together by a common civic culture, a strong America resolved to lead the world toward greater freedom—these are ambitious goals worthy of the world's oldest political party. They form the core of a new fighting faith that can draw people to the Democratic Party and make it once again an instrument of individual liberty and stronger democracy. ◆

---

*Will Marshall is president of the Progressive Policy Institute and a co-author of The New Progressive Declaration, a political manifesto issued in July by the Progressive Foundation. The full text and an executive summary of the declaration are available on the World Wide Web at <http://www.dlcpipi.org/texts/politics/progdeca.htm>.*

# A DOZEN WAYS TO MAKE A DIFFERENCE

*Twelve New Democrats Tell the Lessons They've Learned from Innovation*

---

*Editors' note: Even as President Clinton was announcing an end to the era of big government, innovative Democrats around the country were already paving a path to the future. New Democrats in city halls, state legislatures, and controllers' offices from Massachusetts to Minnesota, Milwaukee to Montana—not to mention California, New York, and Texas—have been engaged in the local experiments needed to show the rest of America how to deliver smaller but more effective government.*

*These experiments are both a matter of process and policy.*

*They speak to the need articulated by Texas State Comptroller John Sharp to once again make government the instrument of common purpose. Government, he says, "exists to help people achieve as a community what they can't as individuals." In practice, say Missoula Mayor Daniel Kemmis and Colorado House Minority Leader Peggy Kerns, this means devolving power and authority to those levels of government that can best be held accountable. Mayor Richard M. Daley in Chicago, State Comptroller H. Carl McCall in New York, and State Controller Kathleen Connell in California*

*have made fiscal accountability the bywords of their offices, seizing an issue once monopolized by Republicans.*

*The success or failure of welfare reform is now, in part, in the hands of people like Milwaukee Mayor John O. Norquist, Wisconsin State Rep. Antonio R. Riley, and Massachusetts State Sen. Therese Murray, whose front-line experiments will serve as guides for the rest of the country.*

*The success of New Democrats lies in their ability, as demonstrated by state legislators Ted Mondale and Ember Reichgott Junge in Minnesota and Louis Caldera in California, to harness market principles to social reform whether the issue be low-income housing or charter schools.*

*Finally, what all these innovators have in common is the desire and ability to free the energies and imaginations of our citizens from the shackles of bureaucratic solutions that long ago became as much of a burden as the problems they were designed to solve.*

*In short, these are the men and women on the front line of American politics who are showing their fellow Democrats how to get—and stay—ahead of the curve.*

---

## Stay Focused On People, Not Programs

By Antonio R. Riley

Ever since Franklin Delano Roosevelt tackled the Great Depression with a combination of flexibility and boldness, Americans have looked to Democrats to make the American Dream accessible to all. Unfortunately, we in the party haven't always matched FDR's resolve to do what he knew needed to be done even if it rocked the boat. The poor and the working poor have suffered for our failure of daring and imagination.

Instead of leading the fight to replace ineffective programs and bureaucracies, many in our party have fallen into the habit of defending them. Instead of caring about outcomes and what works, many of us find it easier to

defend what is. That attitude does a disservice to our most needy constituents. Republicans don't care about the poor and the working poor. But we Democrats do—and that's why we must retake the lead on social policy issues.

Let's keep our eyes on the prize: Our focus should be positive outcomes for people, not programs.

In 1993, I helped lead the charge to scrap Wisconsin's welfare system, including Aid to Families With Dependent Children, and replace it with a work-based alternative. Because my family had been on welfare for a time when I was a child, and because nearly two-thirds of my constituents in central Milwaukee receive some form of welfare, many liberal Democrats and many Republicans were shocked to find me at the front of this demolition-and-construction project.

I was guided by one fact: AFDC backfires. It was doing my constituents more harm than good—and my constituents knew it, too. AFDC does keep food on the table, but it does little to connect people to work. In fact, it traps many in a cycle of poverty. That had to change.

I'm often asked, "Why not reform AFDC instead of blowing it up and starting over?" The answer is that social conditions are vastly different than they were when AFDC came on the scene in 1935. Welfare as we know it was specifically created to keep women at home with their children and out of competition with men for scarce jobs. Clearly, today that approach is obsolete at best and harmful at worst. Yet here we are 61 years later, defending a program that basically pays poor folks to stay at home because we haven't developed alternatives. We need a program suited to our times. And that means jobs and education, not government handouts.

Wisconsin Works, our state's work-based alternative to welfare, is far from perfect. Its general architecture is sound, but some of its details are appalling (sub-minimum wages for some workers, no earned income tax credit, and virtually no educational opportunities). When the new Democratic majorities take over after the November election, as I'm sure we will, we'll fix those problems.

In Wisconsin, we've moved away from the poor-bashing that welfare invited and toward a productive debate about what it takes to get people to work. There's a lesson here for Democrats everywhere: Put people, not programs, first.

—Antonio R. Riley is a member of the Wisconsin Assembly.

## Harness Market Forces To Leverage Change

By Ted Mondale

Pick up a newspaper, flip through the radio dial, or channel surf on television for a while, and you will be sure to hear plenty about the public's low opinion of government these days. The reason is simple: Because liberals and conservatives, Republicans and Democrats, remain locked into old ways of thinking, and the important public policy debates of our time have devolved into partisan mudslinging. Officeholders can crow to their constituents that they "stood their ground" and "stuck by" their promises, but they can point to little progress. No wonder Americans toss their hands in the air every time they hear about the latest government shutdown, another failing social program, or the most recent unfulfilled political promise.

In 1995, my colleagues and I in the Minnesota legislature did a remarkable thing—we broke through the gridlock on several fronts, most notably on the interrelated problems of urban decay, affordable housing, and metropolitan sprawl. How did we do it? By rejecting both the liberal dogma of strict government control and the con-

servative mantra of no control at all. In their place, we adopted a new approach that harnesses market forces to leverage change, and gives local governments and developers strong incentives to act voluntarily in their communities' best interest. Democrats across the nation can learn from our experience.

For years, the supply of affordable housing in our state in areas close to new job growth had been dwindling, and the situation was getting worse. Existing market forces and public policies were driving urban sprawl and adding to the concentration of poverty in our core cities.

Acting in a bipartisan spirit, last year we began changing those conditions and restoring hope by passing the Metropolitan Livable Communities Act. Its goals are to increase the supply of affordable housing in developing suburban communities; to help developed communities attract and expand businesses that pay living wages; and to intensify land use in metropolitan areas through the cleanup of polluted industrial "brownfields" and through incentives for mixed-use, transit-oriented development.

Participation is entirely voluntary. Communities that opt in get access to new environmental cleanup and affordable housing development accounts administered by the state's Metropolitan Council. (These accounts, by the way, are funded not through new taxes, but by redirecting existing revenues.) Participating communities also automatically receive higher priority over nonparticipants for existing discretionary road, sewer, and transit funds also controlled by the council. And as a final incentive for participation, communities that opt out of the system now but change their minds later will have to buy their way back in for all the years they remained out.

Today, thanks to voluntary agreements made by 97 Minnesota communities, we will see the construction of more than 100,000 low- and moderate-income housing units by 2010. In addition, based on the law's first year of performance, the Metropolitan Council projects that more than 1,000 acres of brownfields will be redeveloped in our core urban areas over the next 10 years, creating more than 20,000 jobs and attracting \$800 million in private sector investment. As Minnetonka City Manager David Childs puts it, the law gets city councils, their staffs, and developers "thinking in a positive way without someone holding a hammer to you."

As this election year heats up and as we're driven to the political edge by negative campaign ads and accusations, it's worth keeping our experience in Minnesota in mind. Breaking through the gridlock is doable. It isn't a matter of breaking promises or losing political ground. It's a matter of using common sense and getting things done—the essence of what governing is all about. And that's something the public certainly would like to see more of.

—Ted Mondale is a member of the Minnesota Senate.

## Let Citizens Take the Lead

A

By Ember Reichgott Junge

The most talented, innovative government leaders will set the course for the 21st century. Right?

Wrong. The most successful leaders will encourage the innovation and energy inherent in every citizen—and then let go, removing barriers, encouraging risks, rewarding new ideas, and yes, learning from the inevitable mistakes.

Call it “free to be better.”

In schools, local governments, and law enforcement agencies, three recent initiatives in Minnesota are stimulating hundreds of new ideas. Citizens are taking the lead because government opened the door. Democrats around the nation may want to take note:

- ◆ Started in Minnesota in 1991, charter schools were born of a vision that parents and teachers could create new, innovative schools to better meet the needs of students. With freedom from most state regulation in exchange for commitment to performance, the concept unleashed a passion that spread across the country. Today, 25 states and the District of Columbia have charter laws and more than 300 autonomous public charter schools have been authorized.

Charter schools give innovators the chance to thrive, and the entire public school system benefits as a result. Minnesota’s 20 charter schools already demonstrate multi-grade student sections, year-round learning, business and community partnerships, career exploration starting in first grade, teacher merit pay, and teacher-owned cooperatives. And that’s just in four years.

Sheer parental determination helped overcome educators’ resistance to charter schools. How refreshing to recently hear a superintendent say, “I’m never going to be able to make the changes we need in this school district until we have a charter school operating across the street.”

There is no question that charter schools help improve the entire public school system. While “free to be better” originates with the entrepreneurial few, the benefits go to the many.

- ◆ The Minnesota Board of Government Innovation and Cooperation, created in 1993, frees local governments from regulation in exchange for better results. By temporarily waiving burdensome state laws and rules, or by awarding grants to local governments that want to band together to do something creative, an array of innovations has emerged. Examples abound: merging county and school social services; developing a seven-county regional plan for solid waste disposal; creating a

single countywide law enforcement system; creating multi-community senior citizen and youth initiatives; implementing a countywide economic development strategy that ends decades of self-defeating competition among neighboring cities for new business.

Local governments now focus less on “doing things right” and more on “doing the right thing.” As one local official said, “There is more than one right answer to these challenges. The board gives us freedom to look for the next right answer.”

- ◆ No one knows the problems of the criminal justice system better than crime victims and their families. Out of one such family’s tragedy, there has been a marked change in the way Minnesota police agencies respond to crime.

The Crime Fax Network, created in 1994, links hundreds of police stations, businesses, and community institutions through broadcast fax technology, allowing entire communities to respond instantly to kidnappings and other crimes as they occur. The network was created out of a father’s frustration when his teenage son was tragically abducted and later killed. Trained in technology, the parent was appalled to discover that police agencies were unequipped to receive a faxed photograph of his child. Thanks to one father’s courage and innovation, we have broken barriers among police agencies and created a cutting edge crime prevention tool.

What is the message to Democratic leaders from these initiatives? Remove the barriers; nourish the seeds of innovation in everyone; bring people together to look for the next right answer.

The solutions will keep on coming.  
—Ember Reichgott Junge is assistant majority leader of the Minnesota Senate.

## Winning Isn’t Everything

B

By Daniel Kemmis

The defining problem of our time is not the deficit, health care, or crime, but our people’s deepening despair over their inability to shape the fundamental conditions of their lives. This is a crisis of democracy, and thus it must define the work of the Democratic Party.

Our party stands in a line that stretches back to Pericles and the Athenian city-state that gave us the word “democracy” and with it, the tradition of people governing themselves. Someone once identified the Athenian trait that makes the democratic experiment viable to this day. It wasn’t that Athenians agreed about everything; in fact, the narrow circle admitted to

Athenian citizenship disagreed fiercely about most issues. Rather, democracy flourished in Athens because, on most issues, citizens “cared more about Athens than they cared about winning.”

In Missoula, Mont., as in hundreds of other communities across the country, we are learning to encourage, nurture, and celebrate the tremendous longing our people still have for a democracy that cares more about the community than it cares about winning.

When I first ran for mayor in 1989, our city had been through several years of bitter squabbling between a mayor of one party and a council of the other. Each went out of its way to make the other look bad, and the result was that the people became disgusted with their own government.

At the start of the campaign, I met for breakfast with my Republican opponent. We agreed that we wanted the next four years to satisfy us and our neighbors more than the last four had. So we made two promises to each other. First, we agreed that whoever lost the race would help create conditions under which the other could actually govern. Second, we agreed to conduct the campaign in a way that would make Missoulians proud.

We both kept that second promise faithfully, and scores of people told us how much they appreciated it. And my opponent, to his great credit, kept the first, not by agreeing with everything I did as mayor, but by recognizing that the community’s ability to move forward depended on its being able to govern itself.

If the Democratic Party wants to win back a sustainable majority, it has to begin showing that it cares more about democracy than it cares about winning. Unfortunately, the facts suggest otherwise: that our party puts winning above all else; that the people know this to be true; that by our relentless polling to determine the best spin to put on every issue, and by “going negative” as predictably and disappointingly as our opponents, we, the ancient party of democracy, now contribute gigantically to undermining our people’s faith in their ability to govern themselves.

If we as a party were to promise to “do no harm” in any campaign, even at the risk of losing, and if we were to promise that if we did lose, we would help our opponents govern, we would have reclaimed the deep meaning of a democratic party. People would become members of that party out of their genuine democratic instincts. Then we will have gained a majority, not by cynical manipulation of public opinion, but by being a truly Democratic Party.

—*Daniel Kemmis is the mayor of Missoula, Mont., and a former minority leader and speaker of the Montana House.*

## Yes, You Can Be Both Fiscally and Socially Responsible

By H. Carl McCall

One of the difficulties I faced when I first took office as New York state comptroller was the widespread sentiment that Democrats represent fiscal irresponsibility and Republicans rational budgeting and financial soundness. New York is not unique—all across the country, Democrats are portrayed as careless spendthrifts.

Fortunately for us, President Clinton has broken the mold. He’s made economic growth a priority, along with refocusing the role of government and restoring fiscal soundness. That’s the message I’ve tried to convey in New York. And it’s the message Democrats everywhere should embrace.

That’s right—I’m a Democrat talking about fiscal responsibility. We Democrats still believe government can be a positive force for change, and we’re still the defenders of those who cannot defend themselves. But we also must come to realize that fiscal responsibility and social responsibility are not mutually exclusive. In fact, they’re mutually supportive. As we do more to improve our economic and fiscal conditions, government will be better able to meet its responsibilities and fewer Americans will depend on government help.

In New York, Democrats, not Republicans, have led the fight to make social programs more efficient and effective. We’re the ones pushing for real welfare reform—not just cuts that put people on the streets, but real training and real jobs that will break the cycle of dependency. In New York, the Republicans’ fiscally irresponsible actions speak louder than their words. Last year, our Republican governor pushed through a multi-year, multi-billion dollar tax cut, but he forgot to include a multi-year plan to pay for it. This year, he essentially abandoned the budget process, a failure of leadership that resulted in the longest state budget delay ever.

As state comptroller, I’ve pressed for fiscal stability and responsibility in order to ensure that government will have resources now and in the future to provide vitally needed services. New York and America cannot live up to their true potential without economic growth. That is why fiscal responsibility must be a top Democratic priority. We must recognize that long-term economic growth begins with economic development, and that economic development begins with a healthy private sector, real job creation, and good-faith relationships between labor and management.

Yes, it is possible to be fiscally responsible *and* socially responsible. Republicans wring their hands and say government can’t do everything, so let’s create a govern-

ment that does nothing. The party of Lincoln has forgotten what Lincoln said: “The legitimate object of government is to do for the community of people whatever they need to have done, but cannot do at all in their separate and individual capacities.” Republicans can walk away from their responsibility for fairness and equity, but Democrats can’t and won’t.

As I’ve traveled across the state, people have expressed a general dissatisfaction with government. They think taxes are too high and government is too big. But the flip side is that they still want the services government provides. They still want their roads paved and their children educated and their towns protected. They want the elderly to be cared for and their parks open. New Yorkers are not different from other Americans—everyone wants responsive and responsible government. Taxpayers—government’s customers—want value for their tax dollars.

People don’t necessarily want less government—they want better government. Democrats know that. And we know that better government starts with fiscal responsibility.

—*H. Carl McCall is comptroller of the state of New York.*

A

## Fight Teenage Pregnancy With Both Firmness and Care

By Therese Murray

Democrats must remain committed to helping the poor. But we also need to recognize that welfare has failed and needs repair.

During the past two years, Massachusetts Democrats have implemented one of the nation’s most sweeping welfare reform laws. We’ve required able-bodied recipients to work; created subsidies for real jobs, not make-work; set a time limit on benefits; and eliminated additional benefits for additional children. But our response to the problem of teenage motherhood is where we think we’ll have the greatest impact on long-term dependency. If Democrats truly care about the poor, we will help teen mothers and their parents understand that actions have consequences, and that society has a right to expect aid recipients to abide by certain rules and limitations. Teenagers realize, often too late, that becoming a mother does not make them an adult. Society has a duty to ensure that *both* of the children in this unfortunate situation—the teen mother and her baby—are protected.

More than 40 percent of Massachusetts parents on welfare have their first child as a teenager. In trying to change this situation, we recognized that the problem was the welfare system itself, not necessarily the people

it traps. Under the old system, for instance, a 16-year-old with a baby had two choices: Live at home with her parents and get no state assistance; or move out and get cash, an apartment, and numerous other forms of aid. Is it any wonder that many teenagers choose the latter?

Now, young mothers must adhere to a set of commonsense guidelines if they want to receive financial assistance. All parents on welfare under the age of 20 are now expected to live at home with their parents. In cases where abuse, neglect, or addiction is present in the home, teenage parents must live in structured settings provided by the state. These structured settings provide teenagers with classes in parenting and basic life skills, and counseling to enhance their self-esteem. Most importantly, they protect teenage mothers and their children from older, predatory men who drift in and out of their lives with disturbing regularity.

In addition to the residency requirement, we now require teenage parents to complete their high school education. I can think of no better public policy than one that encourages individuals to attain the skills necessary to become independent.

A broken system, 60 years in the making, will not be repaired by a single legislative initiative, no matter how comprehensive. Democrats across the country must recognize that welfare dependency is directly related to the problem of teenage pregnancy. In Massachusetts, Democrats have taken a bold first step that can and should be followed by others.

—*Therese Murray is a member of the Massachusetts Senate.*

B

## Be Sensitive To Taxpayers And Don’t Wait To Innovate

By John O. Norquist

When I was first elected mayor of Milwaukee in 1988, I promoted two ideas that Democrats aren’t expected to push: reducing taxes while improving the quality of services to taxpayers; and fundamentally changing welfare policy without waiting for reforms to filter down from the state and federal governments. We’ve met both objectives, proving that Democrats don’t have to cede leadership on either issue to Republicans.

Property tax rates have been cut each year I have been mayor, and while the size of the city payroll has also shrunk (with the exception of an increase for the police), Milwaukee continues to deliver higher quality services. But it is in the area of welfare that we have been most innovative—and we began innovating years before “welfare reform” became a buzzword.

Working with charities, businesses, and organized labor, we founded Project New Hope, a program that now enrolls 675 welfare recipients in two Milwaukee neighborhoods. Basic to New Hope is the guarantee of a paying job, instead of a grant, to all recipients. Better yet, most of these jobs are in the private sector, helping the recipients enter and move up in the mainstream economy. Together with an enhanced earned income tax credit, as well as child care, health insurance, and other benefits, New Hope makes proud wage earners out of former welfare recipients.

What is the lesson for Democrats?

Too often, our party has been unwilling to cut spending and support real experimentation. Democrats have to be willing to experiment, as we have done with New Hope, both to encourage people to break free from welfare dependency and to relieve taxpayers of the burden of paying for programs that don't work.

And Democrats must not cede this or any other political territory to Republicans, and thus by default lead the public to believe that only the GOP cares about taxpayers' concerns. Republicans are phonies on budget cutting. During the Reagan-Bush presidencies, 300,000 jobs were added to the federal payroll. It is in Milwaukee and in other cities with Democratic mayors that bureaucracies have been reduced, and it took President Clinton's administration to trim 200,000 federal positions.

Democrats, once the champion of blue-collar citizens and other "regular folks," must grasp and act upon an essential political truth—that lean, efficient, cost-conscious government is in the best interest of the taxpaying citizen. That truth is the truest link to our party's history and ideals.

—John O. Norquist is the mayor of Milwaukee.

## Assume Responsibility For the State of Your Schools

By Richard M. Daley

For years, middle class families of all races and ethnic groups have been leaving cities for the suburbs. Very often, they have based their decision on the sad state of city schools. Nothing is more important for our cities' futures than the quality of public education. That is why Democratic mayors must assume leadership and responsibility on this issue.

Despite their best intentions, school administrations have put the needs of the bureaucracy ahead of the needs of children. From the U.S. Education Department on down to local school boards, education has suffered

from a lack of leadership and accountability.

When good intentions mix with leadership, progress results. When people begin to believe that their schools can get better, and when they feel that their good ideas will be put to good use, they become more active.

By 1995, it was apparent that the Chicago Public Schools were in crisis. For years, our system had been plagued by failing schools and strikes. As mayor, I had no authority over the school administration, its personnel, or its budget. Authority was divided between local school councils, the school board, and the central bureaucracy.

I also had limited input over the composition of the board, and no say over its decisions. And I couldn't select the superintendent. In short, no one was directly responsible for the state of our schools. Despite extensive media coverage of crumbling buildings, overcrowding, and poor academic performance, the system remained unresponsive.

In May 1995, the state passed legislation giving me direct control over the school board and the school administration. I appointed some of the most talented members of my administration to assume operation of the schools. My former chief of staff, Gery Chico, assumed the post of school board president. Over the past year, my appointees on the board and in the central office worked out a long-term plan to balance the budget, including a labor agreement with teachers that will keep our schools open for four years.

My appointees also proved the need for change, uncovering a warehouse full of rotting food and wasted equipment. In fact, they found nearly \$41 million worth of spoiled food and more than \$250,000 in furniture and other school supplies stored in a warehouse. My management team has also begun a \$787 million dollar capital improvements plan—funded entirely by the Chicago Public Schools. This is one of the most ambitious capital proposals in the nation. These advancements improve classroom safety and relieve overcrowding.

The board has also adopted an education plan that emphasizes a back-to-basics approach. It establishes a core curriculum framework, requiring that children be prepared to do work before they go on to the next grade. It expands early childhood programs, upgrades learning standards, and revises standardized tests.

And this summer, we turned our schools into year-round safe havens, using about 100 of our schools as summer camps for kids. This is a way of keeping kids off the street—and giving more help to those who need it most.

In only 10 months of work, the new board did what its predecessors had failed to do in 17 years—have its bond rating upgraded by Moody Investors Service.

With all of these actions, we are back on the right track, but much more remains to be done. Student performance will not be turned around overnight, even with the best of intentions and honest hard work by our teachers, principals, and local school councils. Progress will be measured child by child and school by school,

and, unfortunately, it will come slowly.

The only way to assure that our schools will improve over time is for mayors to assume responsibility for them. The buck must stop with us. Assuming ultimate responsibility allows us to make the tough decisions, choose the right personnel, and seize the moral high ground. Everyone has a role in putting children first. But mayors must be responsible for explaining those roles and standing by tough choices.

—Richard M. Daley is the mayor of Chicago.

A

## Learn To Do More With Less

By Kathleen Connell

In my home state of California, recession and unemployment have recently given way to recovery and growth. Still, there is anxiety in the job market and legitimate worries around kitchen tables. Here as elsewhere in the nation, it's not getting any easier to make ends meet. And people are ever more skeptical of their government and their elected officials.

As Democrats, we believe government can play a positive role in people's lives. But we must also recognize that government must learn to do more with less and must learn to do a better job responding to taxpayers' concerns. We can and must respond to citizens' cynicism with results. As a candidate, I promised to be a tough fiscal watchdog, to protect taxpayer dollars, to make government work better and spend less. That's why I'm now working to help California "get real."

My Get REAL plan is a call for Responsibility, Efficiency, Accountability, and Leadership in state government. The effort began as soon as I took office, with a top-to-bottom performance audit of my own department. It was the first such audit in California state government history, and it is the kind of tough fiscal scrutiny that all government agencies should undergo.

But the savings uncovered in my department are just the tip of the iceberg. My office's audit of California's Medi-Cal program identified a staggering \$500 million in potential savings; our review of the state lottery found \$100 million in overspending. As a result of these audits and the reforms we recommended, the money that was being wasted and lost to inefficiency is now being invested in programs we all agree need more funding: education for our children, law enforcement to make our streets safer, and infrastructure to help business create the good jobs that support our families.

We are also finding creative ways to support business and prepare young people to make it in the post-reces-

sion economy. This new economy is not based in the manufacturing, aerospace, finance, and construction industries that were powerhouses in years past. Instead, it is grounded in technology and foreign trade, the fields that are now fueling California's economic engine. Those industries need skilled workers—and will pay good wages to get them.

California's 106 community colleges are an important, untapped resource for filling that need. That is why I am proposing partnerships between these two-year institutions and our emerging industries—high-tech communications, interactive media, biomedical, international trade, and the fashion design component of the garment industry. It is a collaboration to craft real-world curricula, install state-of-the-art facilities and technology, and undertake leading edge training that leads to good jobs.

Get REAL reflects the New Democrats' promise, offering Californians a fresh perspective on government—one that does not respond to every problem with a program, but mobilizes resources to help create an environment that encourages capital investment and prepares people for a challenging future.

—Kathleen Connell is controller of the state of California.

B

## Try Charter Schools

By Louis Caldera

Americans are increasingly skeptical of large government bureaucracies. At the top of the list is a public education system that costs a lot, has a high failure rate, and resists change. Many California families—including many of limited means—have left the system because they doubt it can prepare their children for an increasingly competitive future.

For too long, many Democrats have responded to such concerns by simply demanding more money for schools. They miss the point. The most serious problem in this system on which parents pin their most fervent hopes is a fundamental lack of accountability.

In California and 24 other states, a new approach is making a difference—charter schools. The results: increased teacher and parental involvement in running the schools, better use of limited resources, and higher student achievement. Democrats everywhere should promote the charter school movement as an alternative to both the status quo and to full-scale privatization.

Organized by parents, teachers, and administrators, charter schools are free from most of the mandates of the education code. By contrast, they must attain specified student achievement standards or face closure. Tradi-

tional schools stifle innovation and stonewall change. Charter schools give teachers the freedom to use their best professional judgment about how to make education better—adapting the curriculum, redeploying resources, introducing the use of technology.

Early results indicate a high level of satisfaction among those involved in the charter school experience. Parental, teacher, and community involvement and commitment to the schools are up. With flexibility and innovation, charter schools can deliver a high quality, tailor-made product that gives taxpayers good value for their money.

Americans have come to expect choice, quality, and value in government services—and they’re going to be open to the party that can best deliver those things to them. Republicans propose to deliver choice and value through vouchers. Many Democrats believe such a system would remove the most motivated students and the most committed parents from the public system—the ones the system needs to survive. They’re right. But if we don’t do something to make these schools work, being right won’t count for much. It’ll only be a matter of time before some kind of voucher program becomes a reality.

That’s why Democrats need to advocate charter schools: Only a more accountable, results-oriented system will bring back the consumers of public education in America.

Sadly, efforts to expand the number of charter schools in California and nationwide have met with resistance from an educational establishment that is too often more concerned with process than performance, and sees charter schools as a threat rather than an opportunity.

This opposition is shortsighted. Democrats promote charter schools not to hurt public education but to help renew it. Democrats who know the difference will keep trying to make the choices afforded by charter schools as widely available as possible.

—*Louis Caldera is a member of the California Assembly.*

## Bigger Government Isn’t Always Better Government

By John Sharp

Good government doesn’t always have to be bigger and cost more, as many Democrats appear to believe. In fact, good government can often be smaller and cost less.

When we inaugurated the Texas Performance Review in 1990, little was happening anywhere to assess how well government was doing its job. Today, performance reviews begun under the banner of “reinventing government” are now part of the landscape in the nation’s capi-

tal, in more than a dozen states, and in hundreds of local governments.

The results are remarkable. Here in Texas, we’ve saved taxpayers more than \$8 billion thus far and are credited with helping to avoid a personal income tax—which, in Texas, is about as popular as fire ants at a church picnic.

We’ve also taken our team into nearly two dozen public school districts large and small, rich and poor, urban and rural, identifying more than \$200 million in taxpayer savings—all without recommending the firing of a single classroom teacher.

But the Texas Performance Review was never meant as a mere budget-cutting exercise. To bring about lasting reform, we have had to extend our work to the broader issues of how government is organized and managed. And many of our original recommendations are now reality:

- ◆ Texas has gotten rid of paper food stamps and replaced them with the Lone Star Card, a debit-card-style system that has virtually eliminated the fraud and abuse associated with the old coupons. It is the model for a planned nationwide system.

- ◆ The Texas Tomorrow Fund allows hard-working families to lock in the future costs of their kids’ college tuition at today’s prices.

- ◆ The Council on Competitive Government is quietly transforming the way state government operates by injecting competition into the public process of contracting for goods and services.

- ◆ Family Pathfinders matches welfare families with local civic clubs and church congregations that find them jobs and help them become productive, tax-paying citizens.

- ◆ Window on State Government is an online computer forum that makes it easy for Texans to gain instant access to reams of regional economic analyses and other public information to expand their businesses and create new jobs.

These and other innovations are saving taxpayers billions while making government work, pushing and prodding it to a high quality, low cost, customer oriented operation. And we’ve done all this with a spirit that’s not anti-government.

Government exists to help people achieve as a community what they can’t as individuals. It’s the method we’ve chosen to find the best answers to a wide range of questions, from how to educate our children to how to combat crime. It’s about strengthening the muscle and the heart—the constitutional compassion—of our society.

That’s the true success of the Texas Performance Review—rekindling the faith of working Texans that government can make a difference in their lives and the lives of those around them.

And that’s the real lesson for Democrats: Government that works better and costs less is good for everyone.

—*John Sharp is comptroller of the state of Texas.*

## Fight Fairly and Don't Promise What You Can't Deliver

By Peggy Kerns

Today's level of skepticism toward government is unparalleled in recent history. Poll after poll shows that Americans view government and its leaders with distrust and cynicism. New Democrats, who believe that we must foster a new sense of community in our nation, have a special obligation to rebuild the public's trust.

Let's be honest. Too often, we run our campaigns by criticizing our opponents. Too often, in our attempts to distinguish ourselves from the opposition, we promise what we cannot deliver. And it doesn't stop there. After we're elected, we criticize government as if we weren't a part of government. We stand up at community meetings and pretend to have all the answers. And we wonder why the public distrusts us?

A core theme of the New Democrat philosophy is that the best decisions are those made at the level of government closest to the citizen. We preach that ideas matter.

We speak eloquently about how we must create a new way of governing that empowers individuals.

It's time that we added a new dimension to that philosophy and began showing respect for the public and for our political opponents both in our campaigns and in office. Recently, a Democratic incumbent in the Colorado Senate urged his Republican opponent to agree to a campaign code of ethics that requires fair play, decency, and positive campaigning. The Republican accepted the challenge. Time will tell whether both uphold this standard. Even so, I think it's a step in the right direction.

We can't restore the public's trust just by being ethical campaigners, however. Once in office, we have to rely on a basic ethical core, and remain faithful to that sense of our best selves, in order to give the best possible public service. We owe it to our public to be honest and not promise what we cannot deliver. The paradox is that, sometimes, the truth is hard to hear. Often, there are no perfect solutions to offer. That's why it's important to spend the time to educate our constituents about what is really involved in an issue that affects them.

It's all right to raise the stakes and expect more from America. We must also expect more from ourselves and put our good ideas into action and set a new standard for Democratic politics. ♦

—Peggy Kerns is minority leader of the Colorado House.

# THE ROSIE SCENARIO

*America May Be on the Verge of a Third Great Awakening*

BY JOE LIEBERMAN

Excerpt from *The American Century* (cybertext, posted Aug. 27, 2096):

From the 1960s to the 1990s, the freedom of the individual took precedence over the interests of the family and the community, and public morality suffered a sharp decline. Divorces skyrocketed, unwed teen pregnancies reached astonishingly high levels, and violence, vulgarity, and sexual license were increasingly evident in the media and the society at large . . .

But as the close of the 20th century approached, the “Third Great Awakening” in public morality became evident. The so-called “baby-boom” generation became fed up with the consequences of the excesses it had indulged in for so long. Reaching middle age and raising children of their own, the “boomers” began to demand more virtuous conduct in the media, government, and of themselves . . .

The date many social historians pick as the symbolic beginning of the Third Great Awakening in American history is June 10, 1996—the day the Rosie O’Donnell television talk show premiered . . .”

**R**osie O’Donnell? A symbol of an epochal event in late 20th century American history? A latter-day Jonathan Edwards?

Probably not, but she did grace the cover of a recent issue of *Newsweek* that chronicled what it called “shocking outbreaks of civility” in America. It may take 100 years before we know if this Rosie Scenario has staying power, let alone marks a genuine Third Great Awakening.

But there is no question that the public thirsts for more virtue in the cultural life of this country. I’ve seen it in the reaction to the campaign against obscene music and offensive television programs that I am waging with William Bennett, C. Delores Tucker, and Sam Nunn. It is evident in the phenomenal success of the “Promise Keepers” crusade that draws hundreds of thousands of men to stadiums for religious reflection and renewal. There are signs of hope in music and movies: A member

of the hip-hop group, A Tribe Called Quest, says of their new album, “We talk about family more because family is deteriorating.” And Bob Dole, who excoriated Hollywood in a major speech last year, revisited the issue in July and found reason to praise recent movies: “By a landslide, Americans are choosing the good over the grotesque [and] quiet virtue over gratuitous violence.”

## Which Party Should Lead the Way?

This palpable yearning for greater morality in public life has profound implications for our politics and governance. If we are, in fact, present at the beginning of a Third Great Awakening, each of the two major political parties will have an opportunity to articulate moral values in public policy.

That nexus of spiritual rebirth and political action would best characterize a genuine Awakening, not unlike the Second Great Awakening of the early 19th century. As Ian Frederick Finseth has written of that time:

[The Second Great Awakening] corresponded nicely with many Americans’ self-image as creators of a new Eden; just as the individual soul could be redeemed through the exercise of free will, a national redemption could also follow from collective efforts toward social improvement. Internal moral reform and social reform thus emerged as the two principal and parallel legacies of the Second Great Awakening.”

But is one party better equipped to lead the way? Reviewing the past 20 years of American politics, a casual observer might conclude the Republican Party is the natural choice to lead us down a more righteous path. After all, it is the party of Dan Quayle and his prescient “Murphy Brown” speech; the party of Ronald Reagan and his God and Country philosophy; the party of prayer in public schools and “just say no” to drugs.

Democrats, on the other hand, appear to some to be a wholly-owned subsidiary of the American Civil Liberties Union, building ever higher the wall between

church and state, replacing the institutions of family, religion, and charity with a federal Department of This, That, and the Other Thing.

This “crusaders versus infidels” stereotype does not hold up upon closer inspection. But it does reflect the public’s general impression of the two national parties over the past quarter century. It helps explain the results of the presidential elections in 1968, 1972, 1980, 1984, and 1988.

But times are changing, and so too is the Democratic Party. Bill Clinton convinced a plurality of American families that he better reflected their values than the Republicans in 1992, and he is well on his way to improving on that success in 1996.

Democrats have been the leading proponents of the “v-chip” technology that will allow parents to block objectionable programs from their televisions. And the v-chip will only work because Clinton helped convince the television networks to enact a rating system of their own. Democrats in Congress have led successful efforts to convince video game manufacturers and retailers to adopt and enforce a rating system. When I sought co-sponsors in the Senate for a letter urging the Federal Communications Commission to require local television stations to air just three hours of children’s educational programming per week, no Republican colleague signed on. Soon after, the President succeeded in convincing the broadcast industry to abide by the three-hour standard. And it was Clinton and the congressional Democrats who were responsible for enacting a major crime bill in 1994.

### **Democrats and Religious Belief**

Democrats have come a long way in the world of cultural values. Still, there is one continent, the biggest of all, that the party has yet to explore: Religion. Ask Americans a thousand questions in a poll, and none will yield as much agreement as this one: “Do you believe in God?” No force, no factor, unifies Americans more than religion.

Clinton understands this. But despite his leadership, and despite the sheer power of religion in society (or perhaps in fear of it), many Democrats shy away from publicly embracing belief in God and translating such belief into a more values-based philosophy of governance. Too often, Democrats can be found fighting, not supporting, prayer in public places, aid for children who attend religious schools, and other policies that appear to bring government in any contact with religion.

Our party should heed the words of Clinton, who said: “Americans feel that instead of celebrating their love for God in public, they’re being forced to hide their faith behind closed doors. That’s wrong.” Religion is a source of unity for Americans, not division. It is from our shared faith in God that we draw our greatest strength and hope.

America was built on a common set of principles that are based on God-given rights. The rights articulated in the Declaration of Independence were not the mere utterances of political philosophers. They were not the product of an appointed Committee for the Formulation of Rights. They were not handed down by a court. They were, in its own words, an endowment to men “by their Creator.”

---

**If Democrats—or leaders of any political stripe—are to thrive in the spiritual renewal of the years ahead, they must understand that one of the greatest contributing factors to the decline of American culture has been a loss of that sense of right and wrong. It is no coincidence that moral decline has paralleled the drive to banish religion from the public square.**

---

We are more than just a nation. We are, by our pledge, one nation under God. To me, that means we are called in the conduct of our daily lives, and therefore in the conduct of our national life, to reassert timeless morality in our temporal world. We are a powerful nation. But, as our faith teaches, power without purpose has no value. Freedom without responsibility has no merit. “What America needs is not political revolution but spiritual renewal.” So said Ralph Reed in *Newsweek* earlier this year. He also said faith should bring to the political arena “an uncompromising sense of right and wrong.” In exactly that sense we must understand, as our nation’s founders did, that religion can be a great ally of government in building a better society because it gives people a sense of accountability to a “higher authority,” a reason to do right instead of wrong.

### **Right and Wrong**

If Democrats—or leaders of any political stripe—are to thrive in the spiritual renewal of the years ahead, they must understand that one of the greatest contributing factors to the decline of American culture has been a loss of that sense of right and wrong. It is no coincidence that moral decline has paralleled the drive to banish religion from the public square.

This drive is evident in our media. The Media Re-

search Center reviewed 44,000 stories on network news programs, and only 1 percent dealt with religion. Many constituted some form of attack on religion, particularly Catholics and the Religious Right. Positive religious themes are also rare in entertainment programs and in movies.

It is evident in our courts, which have taken prayers out of public school graduation ceremonies, and religious displays from town greens.

And it is evident in our schools, which have shied away from teaching values, instead hovering around what Marquette University Professor Quentin Quade calls the “lowest-common-denominator moral postures.” The problem, Quade argues, is that schools, obligated to represent everything, can in fact represent very little.

As C.S. Lewis observed, right and wrong “are not a matter of mere taste and opinion any more than the multiplication table.” When you say two times two equals four, no one responds, “Isn’t that awfully judgmental on your part? Shouldn’t that be up to the individual to decide on his or her own?”

With faith-based principles of right and wrong so absent from our popular culture, our government, our schools, and so many of our homes, should we be so surprised by the wave of violent crime committed by juveniles, by the epidemic of babies born to unwed teenage girls, by the surge of violence against women?

The sour fruit of social decline can also be seen on those trash TV talk shows in which family members scream obscenities at each other. We can see it along the sidewalks and highways where small disputes turn vulgar and violent. And we can see it in the halls of Congress, where bitter, partisan dispute chokes off progress on solving genuine human problems.

## **The Greatest Story Never Told**

Those who seek to reconnect society with the traditional and religious values at the root of the American experiment risk the criticism of others who charge us with holier-than-thou zealotry or who fear religious oppression. We must be mindful of the dangers of excess. We must respect and love those with whom we disagree. We must be aware of our own limitations.

But we must not be deterred. We cannot profess a belief in the notion of right and wrong if we do not speak up for that which is right, and speak out against that which is wrong.

We must find ways to express the values we share in the conduct of our lives. For me, as a Senator representing the people of Connecticut, that translates into legislative action that reflects, not rejects, the highest values of the American people.

So when we tackle the problem of crime in society, we must seek to enact laws that will best preserve the right of innocent people to live in peace and not in fear. When

we address the problem of welfare, we must reform the law to protect children, to preserve the family, and to reward work and education. When we struggle to reform public education, we must not be afraid to try new ideas, to break free from a bureaucracy and a status quo that traps too many young people in failing schools.

And we must put more faith in the power (economic and spiritual) of the American people themselves. I have found inspiration in the example of my friend, the Rev. Tom Barry, pastor of a Roman Catholic church in Glastonbury, Conn., a well-to-do suburb of Hartford. He has almost single-handedly organized a public-private partnership to take control of an abandoned factory (where his father once labored) in Asylum Hill, a struggling neighborhood of Hartford, and uses it to stimulate economic development and jobs, thereby stabilizing the financial and social base of the whole community.

Such people of faith have moved mountains throughout our history. Religious people motivated during the Second Great Awakening began the fight to end slavery in America. In this century, Jews and Christians worked together in the cause of civil rights. In this decade, people of faith are building houses for the homeless and ministering to the needs of those with cancer or AIDS.

With only 1 percent of our news shows ever addressing religion and the good deeds it inspires, the story of the power of faith is perhaps the greatest untold story of our time. But there is no doubt that religious people are great Americans, helping make this country a better place to live and work and worship. Religion is not a neutral ingredient in the life of our country. Government, our culture, the media, and Democrats as well as Republicans should do more to embrace religion and the values it inspires.

To become a more moral America, we must place our hope in the power of our faith and act on our beliefs. When we say the era of big government is over, we mean government alone cannot give us the good society we yearn for. We need the help of our families and the faith that inspires so many of our citizens.

If we are on the verge of a Third Great Awakening, the power of millions of faith-filled hearts and minds cannot help but reach the upper reaches of power in this country. And we will witness a resurgence of the kind of faith-inspired governance that is our best hope for rehabilitating the politics and culture of America. ♦

---

*Sen. Joe Lieberman of Connecticut is chairman of the Democratic Leadership Council.*

# BRIGHT IDEAS

## *Innovation, Not Higher Savings, Is the Key to Economic Growth*

BY ROBERT J. SHAPIRO

Imagine an America where young people graduating from high school or college could find good jobs and, by working hard, double their real incomes before reaching age 40. That was the world of mass upward mobility of the 1950s and 1960s, one that was already slipping away when baby boomers entered the workforce and one that Generation Xers have never known.

The key was strong, sustained, broad-based growth. From 1950 to 1970, with growth averaging 3.5 percent to 4.0 percent a year, the income of a typical American working family doubled after inflation. From 1970 to 1990, with economic growth averaging less than 3 percent a year, this typical family was fortunate if its real income inched up by 10 percent or 15 percent over 20 years.

The difference has made economic growth a central issue in our politics. Faster growth is the only way of restoring broad upward mobility, which in turn would help create a new common ground for solving our budget problems. And if American children knew that virtually everyone had real opportunities to get ahead by working hard, how many more of them would choose education over drugs and crime?

The most important questions facing the president and Congress next year will be, what makes our economy grow and what can the government do about it?

Unfortunately, for some time, the public debate about these vital questions has been largely dominated by conservatives relying on notions suited for the time of the Nash automobile and black-and-white TV. The essential economic logic of that time has been advanced most recently in major tax proposals such as the Arney and Forbes flat tax plans, the Nunn-Domenici saving-exempt income tax, and the Archer-Lugar national retail sales tax: The best that government can do to increase growth is to sharply cut individual taxes on personal saving and corporate taxes on business investment in plant and equipment. (*See related story on page 33.*) And in the crudest version yet of this dated approach, one advanced of late by Bob Dole, faster growth is supposed to follow from simply cutting taxes across the board, even if doing so reduces investment capital by expanding the deficit.

How much we save and how much capital our businesses invest in plant and equipment are important for growth, but they are not the decisive factors. What mat-

ters more is how *productively* we deploy the capital available to us and how *effectively* we invent new ways of using it. As Stanford University economist Paul Romer has noted, American workers increased their average hourly output tenfold from 1880 to 1980, and what changed over that time was not the raw materials used but how we used and combined them. The only way to really drive higher living standards is to develop new materials, new kinds of plant and equipment, and new ways of working.

The heart of economic growth lies in promoting innovation and human skills, not business capital investment, because firms and people will have incentives to keep accumulating capital only if they have new ways of using it. True, we can maintain our current level of national income by replacing our plant, equipment, and workers as they wear out. Adding even more of the same plant and equipment, or even more workers, will produce a little more growth. But doing better than that depends on increasing our rate of general technological progress—by developing not only new products, materials, and production methods, but also new ways of fi-

nancing, marketing, and distributing our goods and services, of organizing the workplace and managing a business. The original development of total quality management or just-in-time inventory controls, like the creation of new software or the invention of a new machine-tool lathe, enabled countless firms to create more value and wealth, by improving the quality and efficiency of their operations and, ultimately, their products and services.

The new ideas that produce innovation are a uniquely valuable economic commodity. Unlike a piece of equipment or even a worker, an idea can be used by any number of businesses at the same time. Further, once a person or a firm incurs the initial cost of coming up with an idea, that idea can be used again and again at no additional cost. Finally, as the pace of innovation quickens, it often becomes cheaper to produce new ideas. Ideas build on one another, and one innovation may reduce the cost of the next—as the invention of the combustion engine paved the way for developing the automobile. In economic terms, the production of new, economically useful knowledge is not subject to diminishing returns; in fact, new knowledge may even exhibit increasing returns.

Economists who measure the contribution to growth of various factors—innovation, business capital, the workforce—confirm this case. Nobel laureate Robert Solow, for example, analyzed America's economic record from 1909 to 1949 and traced seven-eighths of growth to technological progress and improvements in the skills and use of workers, while the expanding capital stock of plant and equipment accounted for only the remaining 12 percent or so.

Edward Denison reached similar conclusions analyzing the postwar era of strong growth, from 1948 to 1973. He found that technological progress accounted for 37 percent of the nation's 3.8 percent annual growth in gross domestic product over that time. Increases in our store of human capital, principally American workers' rising education and work experience, explained 29 percent of our growth. Once again, 15 percent of U.S. growth was traced to increases in our stock of plant and equipment, while business's increasing economies of scale and shifts in labor and capital to more efficient uses each accounted for 10 percent to 11 percent of the growth.

### **What Makes People and Companies Innovate?**

The key to raising the American people's wages and living standards, or as close as we can come to it, is stimulating our inclination and capacity for developing new ways of using capital and labor—new skills, new materials, new products, new production processes, new organizational relationships. Investment counts; but successful economies not only invest at high rates, they invest in new ways of producing wealth and value. Moreover, some economies seem better able than others to exploit the world's common pool of technical progress, for rea-

sons that are independent of their rates of capital formation, while other national characteristics such as the conditions for entrepreneurial activity can lead to both higher investment and more technological progress.

A basic issue for growth policy is what makes businesses and people innovate? For generations, this question has stumped most economists, because all the answers seem to conflict with their orthodox views about how markets work. If well-oiled markets ensure that all capital and labor are used efficiently, why would anyone incur the additional cost of coming up with a new way of using these resources, especially when the return is uncertain? The classical resolution to this problem, and still the view of most economists and policymakers, is that innovation occurs when somebody has a bright idea and for some personal reason applies it, not because he or she has any rational economic incentive to do so. In technical language, economic innovation is seen as *exogenous*, which is a fancy way of saying that the central factor in economic growth does not arise from the dynamics of the economy.

This view sacrifices common sense and experience, and in the process leaves government virtually powerless to increase growth by any means except higher business investment. Yet everyday, thousands of firms and people behave as if they have incentives to innovate. They're not daydreaming; they just see what the narrow theory of perfect markets cannot: Being first creates a pocket of monopoly in the market that raises their potential returns by holding back competitive pressures.

When a software developer comes out with a new program, market competition will not force it to sell the new product at its marginal cost of production, which would leave the firm unable to recover its development costs, if the new program enables customers to perform tasks better than they could with any existing program. Similarly, when a fast food chain figures out how to market in high schools before its rivals, it can sell burgers for a nickel more than it costs to produce them or than its rivals charge at the mall, because innovative marketing insulates it from normal pricing competition. For a time, no one can compete with the innovating firm, and the firm's prices can include a monopoly element that enables it to recover the cost of development—and more.

In effect, the more innovative the economy is, the more regularly it departs from the traditional ideal of pure market competition. While the monopoly reigns, the innovator captures most of the new value generated by the innovation while its rivals lose ground, with little net benefit for the economy. The economy grows, however, because competition can't be held at bay for long. It's always there, driving other firms to study the innovations of their rivals and learn from them. And unlike a worker or a piece of equipment, a new idea can be used by any number of firms at the same time. When others can duplicate the innovation, they can set the price at their costs of reproducing it without the additional cost

of developing it; and the nation's wealth and growth can increase as others use the innovation to create more economic value.

Better still, others learn from an original innovation and then go beyond it to establish their own niche of temporary market power. Much of the economic power of innovation lies in the additional value created by such spillovers. As a growing economy shifts constantly among millions of competitive pressures and minor monopolies, it produces more and more value and wealth as innovators create their niche monopolies through effective innovation and then quickly lose their market power to competitive forces or successive innovators.

The prospect of temporary monopoly profits often isn't enough, however, because other factors blunt its incentives or reduce its benefits. A major stumbling block is the difficulty of guaranteeing full property rights over technological advances. Since an idea can be adopted or applied by anyone, whether or not they thought of it first, the market cannot assure that an innovating person or firm will reap its rewards.

And when innovation does occur, there are losses for the economy as well as gains, because as a new product or process displaces an existing one, normal market forces cannot preserve all of the value of firms and workers unable to fully make the transition. This is one of the reasons that the U.S. economy has not reaped large productivity and growth benefits from new information technologies. While computer and software innovators collect large, temporary monopoly profits, profits and wages decline in other sectors as they sort out assets and workers accumulated to carry out tasks with obsolete technologies.

Still, the major share of the growth and income gains we do achieve arise from economic innovations and the higher education and skills required to develop and apply them. Since everyone in the world has access to virtually the same ideas and technologies, higher growth for Americans will depend not just on the value of our latest bright ideas, but on our more general capacity for taking advantage of the entire world pool of knowledge and applying it through effective investments in people, processes, and things.

The parent of invention may be profit, including a little monopoly rent, but there's still much a government can do to accelerate growth:

◆ *Sound macroeconomic policies that, as much as possible, maintain both strong demand and low interest rates, thus promoting innovation.* Healthy demand matters, because it encourages firms to come up with new ways of satisfying it and generates the income to finance the investments to meet it. But propping up demand with huge budget deficits is an enemy of innovation-led growth. The deficits of the 1980s and early 1990s raised market fears of rising inflation, and those expectations made it more expensive for firms to wait for the future returns from investing in innovation.

More generally, when interest rates rise, businesses spend less on activities such as basic research and development, because the higher rates make it more expensive to finance such activities and so reduce the net value of their future returns, while increasing the current return on less risky ways of using funds. The challenge is to maintain low interest rates and healthy demand without spurring rising inflation that would push up interest rates and ultimately depress demand.

◆ *Free and open trade can often accelerate the pace of innovation and growth.* In the first place, free trade expands a firm's potential market; and as that happens, its commit-

---

**Higher growth for Americans will depend not just on the value of our latest bright ideas, but on our more general capacity for taking advantage of the entire world pool of knowledge and applying it through effective investments in people, processes, and things.**

---

ment to R & D can increase because its fixed costs can be spread over more potential customers. More subtly, open trade allows firms to learn, borrow, and improve on the ideas and advances of others, in effect expanding their pool of human capital. In this respect, open trade favors an economy like America's, because the firms in advanced economies like our own are best able to develop the new ideas conceived elsewhere.

◆ *How fast our economy grows also depends on how skilled our workers are.* The economic power of education and training is twofold: It not only enables workers to produce more, it also enhances their capacities to be innovative. In effect, how fast America will grow depends on how willing we are to take time and effort away from the profitable business of producing products we can consume today, and direct those resources to learning how in the future to produce new products or old ones in new ways.

How we invest in educating and training ourselves, moreover, affects the pattern of innovation and who benefits most from it. The advanced education and sophisticated training that produce technological breakthroughs, for example, are crucial for growth; but most of the benefits go to the small slice at the top that possesses the highest skills or owns most of the country's capital. Educating and training average workers who will never see the inside of a laboratory or attend a management seminar can support growth just as well, by driving more

# Chasing an Illusion

Conservative theories about what makes the American economy grow come from the era when Dwight D. Eisenhower was president, Alaska was a territory, and Studebaker was a car and not a restaurant chain. The economy and the world it inhabits have changed; and the old formula for growth, of raising personal saving by cutting personal taxes and channeling the new savings to more business investment in plant and equipment, is not up to the task of driving higher living standards for Americans.

In the 1950s, when international capital flows were relatively small and not much noticed, it was reasonable to assume that American businesses could invest no more than American citizens and firms saved. Today, our capital markets operate in a global system that makes the whole world's savings available to any firm and person willing to pay the price to borrow it.

To be sure, saving more is better than saving less. If our people and businesses saved enough to meet the country's investment needs, the profits earned by the lenders as well as those earned by putting the money to use would stay here, where they could help raise our living standards. Moreover, borrowing from abroad puts pressure on our interest rates, which reduces investment.

But the country's investment rate no longer depends simply on how much we've saved. How much we invest depends even more on what world markets expect about the future value of the dollar, which helps determine the cost of long-term borrowing, and on our firms' prospects for earning returns that exceed that cost.

## Business Plant and Investment

The new economy also changes the importance of business plant and equipment, conservatives' favorite object of investment. They matter to growth, but not nearly as much as their prescriptions suggest.

The exaggerated view of the impact of business fixed investment began nearly 100 years ago, when economists observed that the triumph of industrialism coincided with a sustained investment boom in plant and equipment. Along with most politicians, they became convinced that more plant and equipment held the key to growth, and they weren't entirely wrong. Steady long-term growth does require that companies repair and replace the machines and structures that wear out and provide new workers as much to work with as current workers.

However, higher business investment by itself can produce only very modest improvements in the coun-

try's permanent growth rate, because of the law of diminishing returns: Investment flows first to its most productive (and profitable) uses, so that as it increases it must flow to projects that produce increasingly smaller returns. The dismal fact about economic life is that in most respects, the more you do, the less additional reward you get for it. That's why in Germany and Japan, where saving and investment rates far exceed our own, business capital is one-third *less* productive than here and earns only three-fourths the returns earned here.

For nearly two decades, American economic policy has chased the illusion that higher growth would return if we subsidized higher personal saving and business capital. Again and again, Congress cut taxes on capital gains, retirement saving, and compensation received through employee stock ownership plans; on business investment in plant, equipment, and structures, and the capital borrowed for these investments; and on particular investments by specified industries. Congress also reduced the corporate income tax rate along with personal tax rates, especially for the high-income people who dominate discretionary saving and investment.

By 1990, roughly 80 percent of all personal saving received some form of tax preference. From the late 1970s to the late 1980s, revenues from corporate taxes fell from 2.6 percent to 1.9 percent of gross domestic product, while the federal tax burden on the richest 1 percent of Americans declined by 8.2 percent. The total effective tax burden on capital income, including individual and corporate taxes, was about 16 percent or more than a third less than the total tax burden on wage income.

None of it worked. The personal saving rate fell to roughly 4 percent of GDP as the tax benefits for saving expanded, because anemic income gains had much more effect on people's saving than tax incentives. Nor was business investment much more responsive. After replacing their worn out plant and equipment, U.S. companies took on additional capital investments at a slower rate than before, despite the tax inducements. The economy's growth rate continued to slowly erode, and most working people's incomes grew by less than 1 percent a year, after inflation.

The new economy, like the old one, cares about saving, and it cares about business fixed investment. But higher growth depends more on what economic policy has neglected — namely, the education and skills of the entire workforce, and the general capacity of our firms and workers to innovate throughout their economic lives.—ROBERT J. SHAPIRO

routine forms of innovation in how people do their jobs and the broader application of more sophisticated breakthroughs—and the rewards from this approach will be distributed more broadly.

America has excelled at the first class of innovation and failed at the second, and now sees income inequality growing between those at the top and the bottom. Promoting growth that can benefit all those who contribute to it requires new education and training strategies. We should support access to postsecondary education and training for everyone—for example, through national service, school-to-work vocational programs, and grants for community colleges to provide basic computer training to any worker asking for it. Beyond that, average families should receive some tax preference for the costs of educating or training themselves, at least to the degree that it wouldn't happen without the tax preference.

---

**If we make economic growth a central object of our politics, and if we pursue it through strategies that value and foster innovation, we may yet rediscover the lost world of mass upward mobility.**

---

In the work world, employers know that a better-trained worker is not only more productive, but also can more easily move on to a new job, where a rival firm can claim the benefits of the first employer's training investment. The result is that the top 10 percent of workers—managers and supervisors—receive up to 70 percent of all training resources. Government can help overcome business's natural reluctance to train average workers in two ways: First, it can promote new employer-worker agreements that would oblige anyone receiving additional training to not change jobs for at least a year. Second, we can reform the tax treatment of training costs. Much as firms today can claim tax benefits for pension contributions only if their pension coverage is available to most of their workers, so businesses could continue to deduct their training costs as long as they provide training opportunities to not only executives but all their longstanding, full-time workers.

◆ *Tax reform can help drive faster growth in America by enhancing incentives for average firms and people to innovate.* Conservatives are right that higher growth probably requires a new tax system. But tax reform for the new economy is dedicated not to higher business fixed investment, but to enhancing everyone's incentives to find new and better ways of doing their jobs.

To begin, economists have argued for years that tax simplification can help an economy grow by making it

more efficient, and they're right. The current tax code is filled with special deductions, credits, and exclusions, and each of these provisions represents politicians substituting their judgments for those of the market about how the economy's resources can best be earned, invested, spent, or saved. Since markets are better than government in allocating the country's resources in ways conducive to growth, eliminating them should increase growth, at least a bit. Moreover, by eliminating many of these provisions, we could raise the same revenues with lower tax rates—and lower tax rates are better for growth than higher ones, because people's economic decisions are more sensitive to taxes as the tax rate rises.

But there's more to it: A more neutral tax system also would favor innovation, because most business deductions, credits, and exclusions reward firms for using capital and labor in the same ways they always have. When an energy company can reduce its taxes by drilling in certain geological formations, or a corporation can cut its taxes by channeling its profits through a Puerto Rican subsidiary, those firms have little reason and fewer resources to invest in new ways of doing business. A simpler tax system would ensure that our firms could no longer save on their taxes by continuing to do what they've been doing in the past.

Finally, the tax system can encourage everyone to follow the lead of the country's most innovative industries. Over the last decade, industries such as software and investment banking have achieved unusually high levels of innovation and profitability. These industries, like many others, have their economic advantages; they also share a common characteristic: They reward their workers for contributing to their profits and growth through broad, performance-based bonuses. In fact, most other industries provide similar provisions for their top executives. The tax system should encourage every business to offer a form of performance-based compensation, so all workers can have personal incentives to innovate in ways that help the firm's bottom line. Once again, just as firms are allowed to claim tax benefits for their pension contributions only if pensions are available to most of their workers, so firms could provide performance-based pay in a tax-preferred form only if all permanent workers have comparable opportunities.

So, once again: Imagine an America where young people graduating from high school or college could find good jobs and, by working hard, double their real incomes before reaching age 40. This time, it doesn't have to be a pleasant memory of a time long since past. If we make economic growth a central object of our politics, and if we pursue it through strategies that value and foster innovation, we may yet rediscover the lost world of mass upward mobility. ◆

---

*Robert J. Shapiro is vice president of the Progressive Policy Institute. For more information on economic policy, visit the DLC-PPI web site at <http://www.dlcpai.org/economic.htm>.*

# THE POWER OF EMPOWERMENT

*Young Voters Are Attracted to Government That Helps People Help Themselves*

BY STANLEY B. GREENBERG

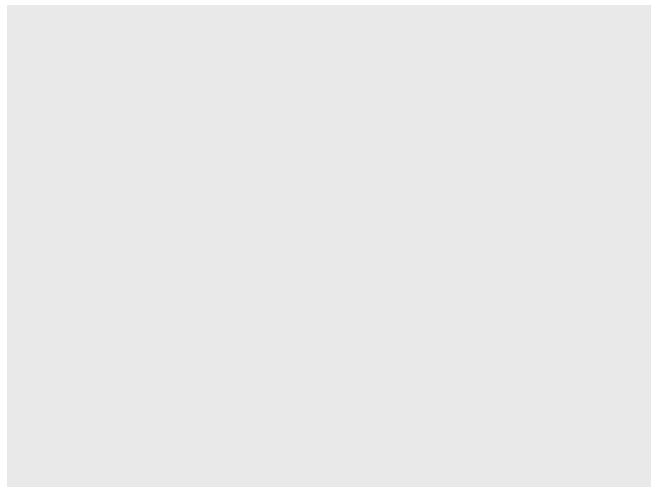
While both parties are naturally vying for the youth vote, voters under 30 present a real opportunity and challenge to New Democrats. Young voters believe deeply in the New Democrat idea of a government that helps people get the tools they need to succeed in the new economy. Thus, this increasingly independent-minded bloc is a key battleground in the debate over the meaning of empowerment and the role of government.

Voters under 30 are relatively innocent—not yet shaped by some profound political event like the Depression or a war, not yet affiliated with organizations like unions, not yet married with children, and not yet deeply invested in broad federal programs. They are united, however, in their belief in the importance of education. The challenge for New Democrats is to elevate the discussion of education to a bigger principle about government's role in society. If we succeed, we may win over this generation, and keep its allegiance for some time to come. More importantly, we may give new life to progressive Democratic politics.

This essay draws from the Democratic Leadership Council's "Youth Project," organized and led by state Sen. Ted Mondale of Minnesota. Recently, the DLC gathered together 50 Minnesotans under the age of 30, half of whom were under 25. They met in a hotel outside Minneapolis to watch a 30-minute video on various political and cultural leaders who spoke about voting and their vision for the country. The participants had wireless dials on which they could register on a continuous basis their responses to what they saw and heard. The responses form a scale, ranging from 0 (very cool and unfavorable) to 100 (very hot and favorable). After viewing the video, the participants broke up into three groups to discuss their reactions.

## Doubts About Themselves and Society

In one sense, these young voters were an unlikely place to look for our political future. They are members of the so-called "Generation X" and live with many doubts about themselves and society. These doubts begin with their assessment of the family, which they see as broken down, incapable of providing direction, and producing too many bad kids. They see plenty of crime and violence. They went to schools that did not educate them very well and where, they are told, standards are falling.



*Young adults register to vote on Broadway in New York City.*

They are embarking on careers that will leave them, again they are told, with a lower standard of living than their parents. And when they reach retirement, they are told, Social Security will be broke.

Not surprisingly, these young people are cautious when it comes to predicting whether their generation will make its mark. A small plurality believes their generation will be "active," but most are unsure or expect it to be "passive."

These young voters have little interest in politics, and strong anti-party feelings run within them. They see politicians and parties constantly at loggerheads, bickering and looking for differences instead of trying to find common ground. The result is noise, posturing, and a lot of "turmoil in Washington" with little to show for it. "That's why everyone is confused," said one participant who is sour on politics. "That's the hard part."

Such observations, however, should not obscure the positive things we found—well-developed values and beliefs that are shaping young people's views of the family, economy, and politics. Young voters are by no means a blank slate; they have a well-developed political consciousness that is integral to their interpretation of the political world. That is our starting point, and political leaders would be wise to take note.

There is a fundamental consensus among young voters, regardless of gender, ideology, or party identification, that centers on three core beliefs: self-reliance and responsibility; less costly government; and hostility to

intrusive government. That consensus will prove important to future political discourse.

## Self-Reliance and Responsibility

Nearly all the study participants place a great deal of weight on self-reliance. In the video presentations, they responded positively to political leaders who recognized that we must start with a presumption in favor of individual effort before turning to government. For instance, they reacted favorably to the following statements:

*Bill Clinton:* “We know government cannot do everything. We know there is not a program for every problem. We know that we should not ask government to do for people what they ought to do for themselves.”

*Christine Todd Whitman:* “To encourage people to work and stop children from having children, we want to force the government to live within its means by stopping runaway spending and balancing the federal budget.”

*Ross Perot:* “In a free society, each individual cannot sit around waiting for free candy. Each individual must take responsibility for his or her own actions. We’ve got to look after ourselves if we can, and then we want a society where we look after and help people who cannot help themselves.”

## Cost of Government

All of these young voters, but particularly the women, responded positively to calls such as the following to reduce the cost of government, cut taxes, and help families meet their financial needs:

*Christine Todd Whitman:* “We want to lower taxes for families and make it easier to achieve the American Dream: to save money, buy a home, and send kids to college.”

*Bob Dole:* “We didn’t get into a \$5 trillion debt because people are under-taxed. We got that \$5 trillion debt because government overspends, and continues to overspend.”

*Ralph Reed:* “The average family is spending more on taxes than on food, health care, medicine, and housing combined. That’s number one.”

## Intrusive Government

While young voters responded positively to Reed on addressing the needs of average families, they were neutral or negative when Reed justified restricting the right to an abortion on the basis of natural law and the 14th Amendment. Obviously, this is a complicated issue. Still, there was a clear aversion among these young people to governmental intrusions on privacy.

That said, for most of the women who took part in the

study, the consensus on government and responsibility was joined with a strong sense of community and family needs. As we will see, that combination will fundamentally shape the way these voters look at the political world and beyond.

## Community and Family Needs

Virtually none of the women seemed prepared to let people “sink or swim,” surviving only by their own devices, and they were uncomfortable with social chaos and uncertainty. They see the individual as part of a family, community, and country, and that belief profoundly colors their views of politics and government: “Everything revolves around, it may sound selfish, but I think it all comes back to I want my family and community to do well,” said one woman.

Sometimes, the discussion was highly personal: “We need some help back,” one woman said; we “need help to go to school,” added another. Such responses reflect more than simple self-interest; they reflect concern for the well-being of the broader community. Indeed, many of the female participants’ worries were family-centered:

“Well, on the news tonight they were saying the Medicare budget . . . in the year 2001 [is] going to be in great debt, there won’t be any money left to take care of the baby-boom generation. And for me, my parents being baby boomers, I’m concerned about that. Not that I don’t love my parents, but I don’t want them living with me when I’m 50. I hope that they have the resources there that they need. And my grandfather who is in a nursing home, I hope that he can get the help that he needs.”

For most of the men, the consensus on government and responsibility was relatively untempered by preoccupation with family and community needs. That produced a strong focus on self-reliance and individualism. The men admired people who were self-sufficient and disdained those who looked too quickly for a helping hand. “You can’t wait for someone to put you somewhere,” said one. “You gotta get there yourself.”

The contrast between the women and the men—moved by these different combinations of beliefs—became very clear upon hearing the following statement by House Majority Leader Richard Armey:

*Richard Armey:* “And those that find themselves in a difficult situation will be more likely to turn to the traditional safety net—their families, their friends, their churches, and private charities—which will grow stronger when they are no longer displaced by government regulation and government.”

When Armey suggests that self-reliance means that people in need should depend on their own families, the

young women responded very negatively while the young men remained steady in their evaluations.

## Separate Roads

While these young people share a common foundation on government and responsibility, their differences on family and community needs sent the men and women down separate roads, as reflected by their feelings toward the political parties. While few identify strongly with either party, they nonetheless offer clear and distinct preferences in identification and voting. In the latest national surveys of voters under 25, there is a 26-point gender gap on party identification and a 31-point gap on congressional voting—with the women falling decisively on the Democratic side and the men on the Republican.

That young voters see major differences in the two parties is unmistakable. We asked people to write down what they associate with the parties, and the imprint of these ideas is hard to miss:

The Democratic Party: “helping others,” “medical/welfare,” “community strength, welfare,” “help poor,” “health care,” “senior citizens,” “welfare,” “human rights,” “more welfare,” “health care reform,” “helping programs,” “health plans,” “help needy,” “Programs—get your programs!” “social reform,” “minimum wage,” “work for welfare check,” “balance budget less harsh,” “the poor,” “the future.”

The Republican Party: “people working harder to get better, not waiting for it to fall in your lap,” “smaller government,” “curb spending,” “no welfare and/or cut Medicare and Medicaid,” “all bearing personal responsibility,” “cutting government,” “cut everything,” “no welfare,” “richer and richer and poor,” “lower welfare,” “welfare reform,” “more fend for self,” “cutting programs that help people.”

These fundamental beliefs are also reflected in their views on the economy and business. Republicans enjoy a distinct advantage on the economy with many of these young voters, particularly the men, because they are seen as “numbers-oriented,” “bean counters,” and “real interested in money.” Nearly two-thirds say business creates “opportunity” rather than “obstacles.” Business, one man observed, is “a catalyst for growth.” They associate the Republicans with making “more room for prosperity” and success; as one man put it, “I want to prosper myself, and I want to be successful.” Another asked, “If you don’t have business, where is your opportunity, where is your prosperity?”

But that identity comes at a price. Even though these young voters have not yet lived through a formative political era like the New Deal, the Great Society, or the Reagan years, they possess vivid images of the Republican Party: “rich get richer,” “higher respect for upper class,” “trickle down,” “upper class,” “more for the rich,” “less taxes for the wealthy,” “for the rich,”

“business favoritism,” “fend for self.”

The young men balance those views of Republicans with their concern for prosperity. For the women, the scales tilt toward a party that is insensitive to the needs of ordinary people.

Finally, these young men and women part ways on the role of government. The women, but not the men, responded to calls for society to address broader needs, a view which in their minds is consistent with self-reliance and less expensive government. The women responded strongly to the following statement by Bill Clinton on the goals of activist government:

*Bill Clinton:* “Our goal must be to enable people to make the most of their own lives, with stronger families, more educational opportunities, economic security, safer streets, and a cleaner environment in a safer world.”

The men, on the other hand, responded positively to these attacks on government:

*Ross Perot:* “But history also teaches us that probably the least effective thing to do is to send your money to Washington.”

*Bob Dole:* “Our greatest obstacle is a federal government that has grown too large, too intrusive, and too bureaucratic.”

Clearly, the consensus for responsibility and against costly, intrusive government and the disagreement on community and family needs produce two distinct forms of political consciousness. They are evidently taking our young voters down two different paths.

## The Tools To Succeed

These separate roads converge, however, once the debate centers on getting people the tools to succeed in this new economy. It is an important crossroads in their political thinking. Not surprisingly, the women immediately warmed to the idea of educating people, to help them gain the capacities to pursue a successful life. But the men also responded positively, seeming to suspend their doubts about a government too eager to extend a helping hand. When faced with the choice between government getting out of the way or government helping people get the tools to succeed, the participants, *by six-to-one*, chose the latter.

The power of the idea of empowering people through education is evident in the response to Sen. Patty Murray’s statement about our responsibility to our children, quoted below. The women respond immediately and powerfully, but the men respond strongly as well, though with a touch more restraint. Both the young men and women warmed to Gov. Evan Bayh’s description of Indiana’s growing commitment to education:

*Patty Murray:* “I know, as many people do, if we don’t make sure every one of our kids gets the kind of education that allows them to be a successful adult, this country can’t succeed in the future. We have a responsibility as parents and as adults to ensure our children have the best for the future and this is what education is all about.”

*Evan Bayh:* “We’ve increased funding for our schools every year—a total of 29 percent. We’ve raised academic standards in core subjects like reading, writing, and math.”

Young men and women come to this issue with a common belief in people being self-reliant and taking responsibility and in government being less costly and less intrusive. For both sexes, that is fully consistent with a desire for the government to play a larger role in helping people get the tools to succeed. But the women and men reach this crossroads via different routes. The young women place a great deal of importance on taking account of community and family needs. We now understand that does not mean expensive and big government; it means the right kind of government. The young men, on the other hand, are focused on people being self-

reliant, but believe that even self-reliant people need the tools. They cannot do it on their own, and thus, there is a time and place for government.

Empowerment represents the crossroads in the political thinking of young people—using less expensive but effective government to help people to succeed.

For New Democrats, the crossroads offers an opportunity and a challenge. First, they must respect and amplify what these young women are saying. They want active government to address community and family needs, but they want it to be effective in empowering people who have been responsible. Second, and no doubt more difficult, New Democrats must elevate the “tools” into a bigger idea that enables the young men to believe that the right kind of government can empower people. If New Democrats take up those two challenges, they may win over many of these young voters, but they also win the bigger prize—recapturing the public imagination. ♦

---

*Stanley B. Greenberg is president of Greenberg Research Inc. and the author of Middle Class Dreams: The Politics and Power of the New American Majority (Yale University Press).*

## OPEN QUESTION

### *Will California’s New Primary Election Rules Be a Boon or Bust for Centrists?*

BY JOHN JACOBS

SACRAMENTO, CALIF.  
**U**ntil recently, Democrats in California could vote in primary elections only for Democrats, and Republicans only for Republicans. Independents could not vote in partisan contests at all. But thanks to an initiative that voters approved last March, starting in 1998, Californians will be able to vote in primaries for whomever they want, regardless of party.

As unlikely as it may seem, a voter conceivably could vote for conservative Republican Dan Lungren for governor in the ‘98 primary, even if he or she votes for liberal Democrat Barbara Boxer for the U.S. Senate. Along the way, he or she could vote for the Green Party, the Natural Law Party, or any number of candidates up and down the ballot.

It is too soon to tell whether this “open” primary system, also in place in Alaska and Washington state, will move candidates toward the political center, as its proponents hope; or do the opposite and encourage voters to opt for more fringe candidates; or ultimately do little to

change the status quo. In other words, no one yet knows whether the new system will produce more John Andersons, more Montana Freemans, or more of the same.

What does seem clear is that California elections probably will become more expensive as candidates seek to appeal to a wider universe of voters. And like many previous California initiatives, this one, too, will probably end up in federal court, challenged on the grounds that government has no business dictating to political parties what their internal governance should be. And if it survives the expected court test, and if previous successful California initiatives such as 1978’s Proposition 13 are any guide, there will be any number of consequences that no one can foresee.

#### **I Got You, Babe**

The events that prompted the change in California are almost more interesting than the change itself. In 1992, U.S. Rep. Tom Campbell, a Silicon Valley Republican

who supports abortion rights, gay rights, and environmental causes, gave up his House seat to run for the U.S. Senate. His main opponent in the GOP primary was conservative Bruce Herschensohn, a Los Angeles television and radio commentator and former Nixon speechwriter. (Campbell has since been re-elected to the House from a neighboring district, succeeding Democrat Norman Mineta.)

Campbell is also a law professor at Stanford University whose expertise includes employment and civil rights law. Each time Congress passed an anti-discrimination measure, President Bush would veto it, calling it a “quota bill.” And each time, Campbell, a former Supreme Court clerk who worked on the *Bakke* reverse discrimination case, would respectfully disagree.

White House political operatives, joined by Sen. Phil Gramm, then chairman of the Republican Senatorial Campaign Committee, didn’t want Bush campaigning for re-election in California with a Senate candidate who would contradict him on a key wedge issue. So to insure Herschensohn’s victory, they introduced a spoiler into the Senate race—Sonny Bono, the erstwhile mayor of Palm Springs and nebbish half of the 1960s singing duo, Sonny and Cher. (Bono also has since been elected to the U.S. House.)

Gramm and the White House sent top Republican operatives to California to run Bono’s campaign. And just as the White House hoped, Bono took 17 percent of the primary vote, draining most of it from Campbell. Herschensohn won the primary, only to lose to Boxer in the general election. Campbell probably would have beaten her.

Still harboring Senate ambitions and convinced of his appeal to independents and moderate Democrats, Campbell didn’t want to wash up on the rocks yet again in another GOP primary. So he approached longtime backer and computer billionaire David Packard about supporting an open primary. Packard kicked in \$200,000 to help support a petition drive, and the initiative qualified for the ballot. It passed easily despite the opposition of both major parties.

### “The Wackos Take Over”

Supporters of the open primary said it would improve government by empowering independents; by forcing candidates and officeholders to appeal to all voters, not just partisans; and by enfranchising millions of voters in congressional and legislative districts. In many such districts, party registration is dominated by relative extremists, a situation that permits ultraliberals or ultraconservatives to win office even though their views are at odds with most of their constituents.

“Candidates will be encouraged to appeal to the entire electorate, knowing that their fate may be affected by the votes of all registrants, not just those of the individual candidate’s own party,” wrote Eugene Lee, professor

emeritus of political science at the University of California at Berkeley, in a *Los Angeles Times* article advocating the initiative’s passage. “Uncontested primaries in safe districts will be less frequent as centrist candidates are encouraged to take on entrenched incumbents.”

Other Californians weren’t so sure an open primary system would empower enlightened, moderate voters, the kind who support public radio during pledge week and diligently watch *The News Hour with Jim Lehrer*. With weakened parties and political entrepreneurs drumming up who knows what, they argued, anything was possible. What if the open primary instead brought out the so-called “black helicopter” crowd that votes on the basis of militia voter guides available on the Internet? Independents and conservative Democrats, after all, were the ones who “rode to the sound of the guns” in the New Hampshire Republican primary last February and handed victory to “Pitchfork” Pat Buchanan.

With weak parties, notes Michael Moran, who until recently worked in Washington state’s Public Disclosure Commission, “the wackos take over.” He points out that in 1988, conservative televangelist Pat Robertson won the Washington GOP presidential caucus, and in 1992 the state GOP had an anti-witchcraft plank in its platform. Similarly, he says, as Washington’s labor unions declined in influence, the state Democratic Party became “a Seattle-based party of gays and lesbians, minorities, and environmentalist tree-huggers who sip chardonnay and drive Volvos—and I’m one of them.”

Gary McIntosh, elections director for the Washington secretary of state’s office, sees things differently. “We’ve had the [open] primary for 60 years, and we’ve elected all kinds of different people,” he says. “To say an [open] primary is responsible for electing certain types of people gives it far more power than it deserves.”

### “Does an Issues Pitch Trump a Political Pitch?”

There is some empirical evidence to suggest that open primaries do produce more centrist candidates. In a recent paper, political scientists Elizabeth Gerber of the University of California at San Diego and Rebecca Morton of the University of Iowa found that closed primaries generally lead to more “extreme winners”—those furthest away from the “median” views of the electorate—in general elections. Conversely, they found that open primaries tend to produce winners “closer to the center.”

A third possibility, Gerber conceded in an interview, is that extreme candidates could pull from independents and both parties. “That’s not what we considered,” she said. “But it’s definitely a possibility.” In such instances, however, she said if these candidates win their primary, “they’ll get killed in the general.”

William Cavala, meanwhile, a political scientist and longtime consultant to former California Assembly Speaker (and now San Francisco Mayor) Willie Brown,

argues that unless candidates have the money to take advantage of the new system, or the will and expertise to dirty up the other party's primary to produce the weakest possible rival, few things will change.

There are more liberals and conservatives who vote in primaries in both parties, he said, than there are centrists and independents. "I don't think it will work as Tom Campbell hoped," said Cavala. "If he makes a pitch to Democrats in a primary, he does so at the risk

of losing the Republicans entirely. Does an issues pitch trump a partisan pitch? I've never seen that happen in a primary." ♦

---

*John Jacobs, political editor and columnist for McClatchy Newspapers in Sacramento, Calif., is author of A Rage for Justice: The Passion and Politics of Phillip Burton (University of California Press, 1995). An excerpt from the book appears on page 51.*

# POLITICS IN PRIME TIME

*Free TV Airtime for Candidates Is a Partial But Worthwhile Fix*

BY PAUL TAYLOR

**H.G.** Wells once described elections as the "feast of democracy." Sadly, most Americans have come to expect junk food, and the early fare of the 1996 presidential campaign—small-bore, mean-spirited, peppered with half-truths—has done nothing to improve anyone's palate.

What a pity. Elections are breaking out all over the world, yet here in the world's oldest democracy, we've grown sloppy about the way we conduct democracy's indispensable act.

There are costs here beyond the sheer unpleasantness of enduring yet another campaign in which "Liar, liar, pants on fire" is the prevailing spirit. We are not a country with strong party machines or compelling political ideologies. We are a candidate-centered political culture, where the campaign itself sets the tone for the conversation of public life and the relationship between citizen and leader.

That relationship has undergone a radical breakdown during the past generation. Ask Americans today if they trust the government to do what is right most of the time, and only one in four will answer "yes." That's beneath the lows of the Vietnam-Watergate era.

Knee-jerk cynicism becomes self-fulfilling. When we let our civic trust erode, we condemn our political and governmental institutions to mediocrity, for we deprive elected officials of the courage they need to make hard

choices. Cowed, they wander through "train wrecks" and gridlock and deficit borrowing, all in the hope of appeasing an angry electorate—which takes the measure of this pathologically risk-averse conduct and only gets angrier.

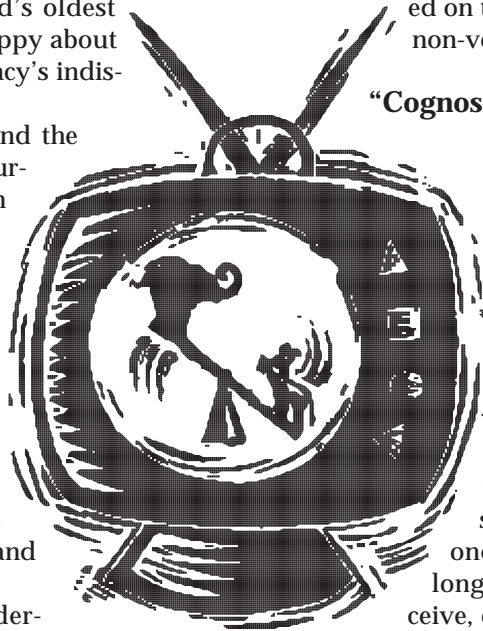
The seeds of this dysfunctional relationship are planted during campaigns, and in particular, they're planted on television. For the great majority of voters and non-voters, politics is television.

## "Cognoscenti of Their Own Bamboozlement"

Television is a populist medium. It tells the masses how the sausage is made. It deconstructs and demystifies. It breeds distrust and packages it as entertainment. Former Israeli Prime Minister Shimon Peres once said of television: "It has made dictatorship impossible, and democracy unbearable."

American politics is waged on television mainly in 30-second attack ads, which are designed not to persuade your supporters to vote for you but to convince your opponent's supporters not to vote at all; and in seven-second nightly news sound bites, which are plenty long for the candidate who wishes to attack, deceive, or pander, but too brief for the candidate who wishes to explain that public policy choices usually involve compromise and sometimes demand sacrifice.

The journalists who cover this stunted dialogue are obliged to report that it reeks of artifice, fakery, and distortion. This they do—too well. Television pundits have become our most powerful explainers of political life, and their deepest message to the masses is that if they wish to be in the know, they too should watch the circus from above, with a smirk and swagger.



On one level, the audience finds their tone appalling. Polls show they hold smug journalists in the same minimum regard they reserve for pandering politicians. Yet at another level, the viewers become “cognoscenti of their own bamboozlement,” to borrow a phrase from social critic Todd Gitlin. They talk in the strategy-speak they’ve learned from television, holding forth with great pseudo-savvy about how this candidate has aired that deceptive attack ad because his focus groups have assured him he could get away with it. But they grow so jaded that they give up on voting altogether—which, of course, is exactly the intended effect of the ad.

There are no big fixes to this dilemma. American politics is in a valley at century’s end, in part because television has done too good a job of demystifying it, and in part because our nation has enjoyed so much global success that we’ve temporarily run out of big enemies and big aspirations. It will take one or the other to lift political life to a more appealing place.

In the meantime, we owe it to ourselves to look for small fixes where we can find them. Here’s mine: Why don’t we arrange the way we hold the political conversation during campaigns, in ways that might cut against this vicious cycle of deceit, distrust, disengagement, and diminished expectation?

### **Give It to Me Straight**

Earlier this year, I left *The Washington Post* and along with Walter Cronkite founded The Free TV for Straight Talk Coalition. We have set out to persuade the television networks to voluntarily offer a few free minutes, in the heart of prime time, to the major presidential candidates on alternating weeknights during the final month of the fall campaign.

By airing these mini-speeches in between the sitcoms—every weeknight at, say, 8:58 to 9:00—the aim is to let the candidates reach the biggest audience America assembles every night, an audience disproportionately made up of political dropouts. But instead of feeding these inadvertent consumers the junk food they now get from campaigns, let’s give them healthier fare.

To accomplish this, let’s attach one crucial format restriction—the candidates must talk into the camera the whole time. No surrogates. No journalists. No opponent. No unseen narrator. No tricky visuals. Just the candidate talking straight to the citizens—democracy’s most sacred transaction.

Whatever Candidate A says on Monday, Candidate B gets a chance to rebut on Tuesday—same time, same vast audience. In the intervening 24 hours, Tom and Cokie and Dan and Peter and Ted (and Jay and Dave and Rush) all get their whacks at these mini-speeches. But before getting fed the short news bites, the dyspeptic commentary, and the late-night jokes, at least the big audience gets a chance to hear it straight from the candidates.

This format won’t necessarily purge politics of attacks, nor should it. Politics ain’t bean bag. It’s a fight over ideas, ideology, records, character. But let’s make it a boxing match, not a professional wrestling charade. This format is designed to do that. It offers the prospect of a running debate with an honest dialogue—honest in the sense that candidates are fully accountable for whatever they say. They can’t hide behind voice-overs. Over time, you hope that this kind of honest debate diminishes the payoff from the low blows launched in so many attack ads.

### **A Partial But Necessary Fix**

There are a couple of other potential benefits from this new format. It can help sustain television as a place where we carve out a common civic space. As technology delivers us ever more into a world where we can all customize our own news, information, and entertainment, there’s a danger that we’ll all retreat into niches, chat rooms, and ghettos. Television ought to serve as a medium of national political interrogation.

This format can also offer help on the campaign finance front, where a big fix seems as elusive as ever. This has not been a good year for would-be reformers, with Congress burying bipartisan reform bills and the Supreme Court issuing rulings that continue to equate political spending with political speech. Meanwhile, the vast majority of Americans have lost faith in the way we finance campaigns, but can’t agree on how to change the system.

Free air time is a partial fix. It relieves the corrosive burden of fundraising for all candidates, but in particular, it places challengers on an equal footing with incumbents. The worst aspect of our current system is the way it enables incumbents to rig the money game in their favor.

These fundraising benefits will only kick in if the free-time fix is tested this year at the presidential level and then extended in future years to gubernatorial, senatorial, and (where feasible) congressional races.

That’s where the money imbalance is the most debilitating. That’s also where the political dialogue is most debased. It needn’t be that way. We’re too smart a democracy to tolerate stupid political campaigns. We may not be able to fix everything about our political culture, but we can start somewhere. This is the place. ♦

---

*Paul Taylor is director of the Bethesda, Md.-based Free TV for Straight Talk Coalition.*

# UNHAPPY WARRIORS

*Democratic Conventions Haven't Always Been Such Lovefests*

---

BY ED KILGORE

Many of the approximately 10,000 reporters covering the Democratic National Convention in Chicago will dutifully file stories contrasting it with 1968, the last time Democrats assembled in the Windy City. And anticipating the obvious news hook, the party will dutifully exploit the contrast and try to heal old wounds, as indicated by reports of a planned reconciliation ceremony including Mayor Richard M. Daley (the son of Richard J.), protest organizer (now Democratic California state senator) Tom Hayden, and Chicago police officers (who still sport baby blue riot helmets).

Although the Democrats' last tango in Chicago remains memorable for the freak show that unfolded outside, the convention itself was relatively predictable. Hubert H. Humphrey was nominated easily on the first ballot, as was his running mate, Edmund Muskie. Humphrey's forces won every platform and rules fight. The convention's true villain wasn't even there—Sirhan Sirhan, who killed the one political figure, Robert Kennedy, with the credibility and the guts to face down both the rioting demonstrators and counter-rioting cops.

For a Democratic convention where the drama was over official proceedings, you have to reach back to 1956, when nominee Adlai Stevenson threw open the vice presidential nomination to the free choice of the convention, which selected Estes Kefauver over John F. Kennedy in a photo finish. The last multi-ballot presidential nomination in either party was in 1952, when Stevenson ground down perennial primary winner Kefauver over the course of three ballots.

## The Convention of '24

For those nostalgic for a truly unmanaged Democratic convention, the eternal standard is the 1924 marathon in New York, which took 103 ballots to nominate an obscure New York corporate lawyer, John W. Davis, who then won the smallest percentage of the popular vote for any Democrat since Stephen Douglas and John Breckinridge split the party in 1860.

In 1924, the party was riven by contending forces that universally called themselves "progressives." Front-runner William Gibbs McAdoo claimed progressivism by inheritance; he was Woodrow Wilson's treasury secretary—and son-in-law. McAdoo, however, drew most of his support from the battered populist legions of

William Jennings Bryan—rural, nativist, prohibitionist, and hostile to Wall Street and industrialization.

The second leading candidate, New York Gov. Al Smith, had built a dazzling record of urban reform on the foundation of Wall Street, Tammany Hall, and parochial Catholic and anti-prohibitionist sentiment. The leader of his convention forces was Franklin D. Roosevelt, who placed him into nomination as "The Happy Warrior."

The key platform fight of 1924, however, did not involve economics or booze. Rather, it revolved around a proposal to condemn the Ku Klux Klan by name. Although it is hard to comprehend today, many Klansmen in the 1920s considered themselves "progressives," and many rural "progressive" Democrats, especially in the McAdoo ranks, counted the Klan as an ally. In fact, McAdoo had openly relied on the Invisible Empire's support in crushing the "reactionary" anti-Klan, anti-prohibition Alabama Senator, Oscar Underwood, in the key Georgia primary.

When the platform came to a vote, the legendary Bryan, making his last major oration to a Democratic convention, begged the party not to sacrifice its unity over an insistence on demonizing "three little words—Ku Klux Klan." In the end, the anti-Klan plank was rejected by one half of one vote, when a Georgia delegate, suffering visible abuse from her delegation, switched her vote. Despite Bryan's plea, party unity, and the party's "progressive" identity, collapsed. (Those interested in the prolonged denouement of the 1924 convention; its near-hysterical decision to nominate the obscure Davis; its odd nomination of Bryan's brother Charlie as Davis's running mate; and the disastrous general election campaign against Republican Calvin Coolidge and, yes, Progressive Party candidate Bob LaFollette, are advised to read Robert Murray's wonderful book, *The 103rd Ballot*.)

In many respects, the most interesting aspect of the 1924 convention is the fate of its protagonists. Smith's convention manager, Roosevelt, put together a new urban and rural coalition in 1932 that ultimately and irreversibly committed America to the Industrial Age with all its economic and social implications. McAdoo was one of FDR's most important 1932 supporters. Smith bitterly opposed Roosevelt's nomination; by the mid-1930s, he had joined the nativist and isolationist forces that so opposed him in 1924 and 1928 in denouncing all the New Deal's works, foreign and domestic.

Bryan died of apoplexy in 1925 shortly after his Pyrrhic victory in the Scopes “monkey trial” for the “progressive” forces of cultural anti-modernism.

### The Conversion of Our Conventions

Today, open ideological conflicts within our two major parties are shortened by brief primary seasons, muted by incumbents, softened by focus group-influenced wordsmiths, and obscured by limited media coverage. But in some respects, the conversion of our conventions from messy deliberative events to carefully crafted “message” opportunities makes ideological change

even more important—and apparent.

A key message of the 1996 Democratic convention is that “the era of big government is over.” In terms of recent Democratic history, that message is just as bold and controversial as the effort to condemn the Klan in 1924. The fact that those Democrats it deeply offends have chosen to remain silent indicates that this ideological sea change is an accomplished fact—a bloodless coup that bodes well for victory in 1996, and resolves this decade’s debate on the direction of the progressive tradition in our party. ♦

---

*Ed Kilgore is political director of the Democratic Leadership Council.*

# CHICAGO HOPE

## *Can You Turn a City’s Schools Around by Turning Them Over to the Mayor?*

BY JULIA VITULLO-MARTIN

In 1988, Chicago was running what then-U.S. Secretary of Education William Bennett said were the worst schools in the country. Years of financial chaos and disruptive school strikes had prompted Bennett to announce that Chicago, with the nation’s third largest public school system, was “close to educational meltdown.” The city’s own major newspaper, the *Chicago Tribune*, agreed, running a four-part series on the schools entitled “Worst in America.”

The school system’s problems were familiar to any follower of urban education, just more extreme. Almost half the students in the 18 high schools in the city’s poorest neighborhoods quit before graduation; at some schools, the dropout rate was 65 percent or worse. More than half the students who did graduate had only grade-school level reading skills. Systemwide, 85 percent of students scored below national norms on standardized tests. And about half the public school teachers who lived in the city and had young children sent them to private schools.

Financially, the system was as bankrupt as a public body could be. The school board had lost its credit rating and could not borrow money for capital expenses. Required by law to balance its budget or not open the schools, it nonetheless projected a four-year cumulative deficit of \$1 billion. The board turned to the state legislature for a bailout, and found its negotiations interrupted by yet another a teacher strike—its 10th in 19 years.

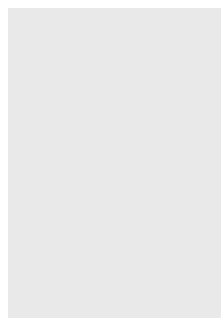
Chicago’s schools are still troubled, but today they function in an atmosphere of hope and confidence. That’s because in May 1995, the state’s Republican-dom-

inated legislature and its Republican governor, Jim Edgar, did the unthinkable and gave the Democratic mayor, Richard M. Daley, sweeping powers over the schools, their \$3 billion budget, and their trade unions.

Today, the mayor appoints the school board, now called the Chicago Reform Board of Trustees, and all the district’s administrators. Management has been reorganized along business lines (the top job is now chief executive officer, not superintendent of education), and the mayor can privatize any function he desires. The state barred Chicago’s teachers from striking through the end of 1996, and removed work rules governing class sizes, schedules, and the like from their contract. Principals won more control over their buildings, budgets, and violent students and were freed from having to fill open teaching slots on the basis of seniority. Since 1988, they have answered directly to elected local school councils, which hire them under four-year performance contracts and approve their budgets.

Anthony Bryk, director of the University of Chicago’s Center for School Improvement, notes that the law that brought this about opened with “the language of crisis, a call for martial law, an announcement that we’re in such trouble that we’re going to suspend normal civil liberties and abolish the old offices.” And Daley was made the military governor for four years.

Big city mayors such as New York’s Rudolph Giuliani



Daley

have demanded similar control, and Boston and a few other cities have eliminated their elected school boards in favor of ones appointed by the mayor. But only in Chicago has the mayor been given so much freedom to tackle the problem he says is driving the middle class from his city. Urban communities across America will be watching closely to see whether their public schools—and by extension their cities' fortunes—can be turned around by turning the schools over to City Hall.

## The Road to Reform

Illinois lawmakers passed comprehensive bills to reform Chicago's schools in both 1984 and 1988. Although the laws shifted some power away from the city's central school board by first creating and then strengthening the elected local school councils, they had little effect on school quality. In fact, test scores and graduation rates generally declined in the three years following passage of the 1988 law. By 1992, the Council of Great City Schools was ranking Chicago last among the country's 47 largest school districts in student achievement and very near the bottom in attendance and graduation rates.

Meanwhile, the school system's fiscal problems were growing worse. In 1994, the Chicago School Finance Authority, an oversight agency set up after the school system's bankruptcy in 1979, estimated that the central board's budget deficit would reach \$1.4 billion by 1999.

This financial crisis, combined with the deepening education crisis, prompted a complex coalition of historic enemies to pass the 1995 bill that turned the schools over to the mayor. School Finance Authority chairman, Martin Koldyke, a Democrat who lobbied hard for the legislation, recalls: "We hired the two best Republican lobbyists in the state and built a case, step by step. Both houses were controlled by Republicans. They could do what they wanted, and we were very nervous that the Republicans would try for a quick and dirty financial solution, using [federal] money meant for disadvantaged students to balance the budget. In the end, they did the right thing."

The GOP had nothing to lose. "Downstate" Republicans care for Daley about as much as they cared for his legendary father. But they needed to keep corporate Chicago happy, and corporate Chicago wanted action. Plus, the bill gave them an excuse to batter teacher unionists, who were too powerful to challenge in Springfield but could be taken on alone in Chicago.

Daley, too, had nothing to lose. "We're talking big potential benefits with little downside risk for the mayor," says G. Alfred Hess Jr., executive director of the Chicago Panel on School Policy, a citizens' advocacy group. "If he

fails, it's not going to be his voters, the ones he relies on for re-election, who are hurt. They don't use the public schools. But if he succeeds, this will relieve a great deal of financial pressure, and it would be a real feather in his cap in state and national influence.

"Plus, I think—most Chicagoans think—he really does care," Hess continues. "He's angered and embarrassed by these terrible schools blocking upward mobility" for their students, more than 80 percent of whom are African-American and Hispanic.

So far, the mayor's moves have not unraveled the city's delicate racial politics. That may surprise some, considering that in recent years the school board and the system's administrative ranks were dominated by African-Americans. By comparison, there is only one black on Daley's five-member school management team (the other four are not professional educators but have direct ties to City Hall). Moreover, Daley's team restructured and slimmed the system in part by quickly firing some 1,700 workers, including many African-Americans. As political scientist Jeffrey Mirel of Northern Illinois University comments, some black activists "have pointed out repeatedly that while the [management team] was out to cut fat, in doing this they cut black."

Even so, the overall response has been positive. "We have aggressively downsized the central office, dealt with the trade unions, and made the tough budget decisions," says the school system's new chief executive officer, Paul Vallas. "But there has been no fallout, no phone calls. All we're getting are overwhelming pledges of support."

The one exception to Vallas's universal acclaim comes from the old-line reform groups, like Designs for Change, which had been heavily involved in pushing for and implementing the 1988 decentralization reforms. The executive director of Designs for Change, Donald Moore, warns of Vallas's attempts to "recentralize the system, undermining the autonomy of schools and their local school councils, directing how schools spend their discretionary money, and interfering with the principals' authority."

## 'We'll Get Rid of You'

With the \$162 million saved from the fringes and other measures, the new Daley-appointed school board moved quickly in 1995 to make peace with the teachers, negotiating a four-year contract that provides them with annual 3 percent raises. While the board put most of the savings toward closing the projected fiscal 1996 budget gap of \$150 million and the fiscal 1997 gap of \$300 million, it used some \$35 million for "education initiatives," including keeping open the renowned Lindblom High School and five other schools that the previous administration planned to close. Finally, it embarked on a series of substantive educational changes, including sending "intervention" teams to the 149 schools that had failed state education standards for three years.



*Koldyke*

The board next set off on a path of stunning privatization. Hess recalls that the mayor “had spent the previous year maligning the non-performance of the unions, particularly the operating engineers. He would take their chief, Don McCue, to some school with the press in tow, and find all sorts of filth and decrepitude. In front of the cameras Daley would say, ‘This is unacceptable. Your people are doing unacceptable work. We won’t tolerate this. We’ll get rid of you.’”

“In fact,” Hess continues, “despite all the threats, he didn’t privatize that union. He terrified them into compliance.”

With the exception of the operating engineers, the board privatized the other trade unions right out of the schools, eliminating 17 unions and 500 jobs. Incoming contractors were encouraged to interview the fired workers, but put under no pressure to hire them.

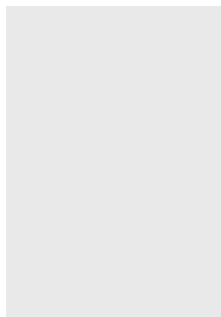
By the time Daley’s team was through, it had cut \$1.2 billion out of the old school board’s \$12 billion four-year budget and actually produced a \$270 million surplus in the budget’s second year. In May 1996, the board succeeded where all other boards had failed since the school system’s 1979 financial collapse: It issued \$350 million in investment grade bonds, the first phase of a five-year, \$800 million capital improvement plan. The offering was immediately sold out.

### ‘Getting Children To Learn’

After the bond sale, Hess says he asked Vallas, “Why not just sit back and reap the rewards of success on the operations side?” Vallas, he says, replied: “The real mark of my success or failure will be whether children learn. My two bosses [Daley and school board President Gery Chico] told me the real goal is getting children to learn.”

Chico elaborates: “They could give us a Malcolm Baldrige award today for straightening out the management, but in two years everybody would be asking, ‘Where’s the music, where’s the reading, where’s the art? Where are the scores?’ People aren’t going to be satisfied with our having fixed the business side. They want the schools fixed—both sides, business and education.”

Rightly, reform will ultimately be measured by how well students do. And rightly or wrongly, that progress will be measured by standardized tests. All Chicago schoolchildren in grades three through eight take the Iowa Test of Basic Skills in reading and math. Since 1990, there has been a “very, very slight positive trend” in those scores, says John Easton, the school board’s director of standards, assessment, and research. “Also, we have more schools moving ahead than falling behind” on the exam, he adds.



Vallas

A second test, the Illinois Goals Assessment Program, administered by the state to students in selected grades, tells a different story. Overall, city students’ math scores are holding steady or rising slightly. But reading scores in some grades have declined precipitously. “Our third-grade IGAP reading scores have just plummeted since 1990,” says Easton. “No one knows why.” The elementary schools aren’t in the most serious difficulty, however. The seemingly intractable problems are in the city’s 64 high schools, “where the scores are abysmal, however you look at them,” says Easton.

### Creating the Right Atmosphere

Many of Chicago’s high schools have dropout rates of about 45 percent, and most students who quit do so as freshmen. In half the schools last year, the average composite score on the American College Testing Program exam was 15.4 or lower (on a 36-point scale), putting them in the bottom 1 percent nationally. A typical private college in Illinois, such as DePaul University (Daley’s alma mater) requires a minimum ACT score of 23 for admission.

Even Chicago’s best schools are weak by national standards. Whitney Young High School has the city’s highest ACT average—22.5, or not enough to get into DePaul.

And the bad schools are, as Easton says, abysmal. Violence is a major problem. A survey by the Consortium for School Research, an independent federation of organizations that track school improvement and the progress of reform in Chicago, found that more than 40 percent of the city’s high school teachers felt unsafe around their schools. Although violent incidents systemwide have been cut nearly in half in the past four years, Vallas remains unsatisfied. Announcing what he calls his “zero tolerance” policy, he says, “You have to get violent kids out of school. You have to establish the right atmosphere.”

To help create those right conditions for learning, Vallas set up alternative schools for disruptive students. Students who commit violent acts get a choice: Accept a transfer to one of these schools, or drop out. It’s a harsh policy, but one supported by principals. Edward Guerra, principal of Farragut High School, which is located in a troubled neighborhood, has seen a 100 percent decrease in gang-related violent incidents in the last year—from 80 to zero. He says, “We introduced mandatory uniforms, which work for all the obvious reasons, and beefed up the security staff. And Vallas opened the alternative schools. Now we have a chance.”

The Illinois Republican legislature and governor needed a fiscal fix for Chicago’s schools, but they wanted to give Democratic Mayor Daley as little money as possible. So they gave him control instead. And Daley has made the most of what he was given. Embracing the corporate management approach mandated by the Republi-

cans, he put his most trusted aides (the “varsity squad” in Koldyke’s words) in charge. He was openly contemptuous of failing schools and called for their closing, even in the face of neighborhood opposition. He negotiated a contract in which teachers lost significant seniority and tenure rights. Asked by a reporter to comment on teachers’ criticism of his reform plan as he opened contract negotiations with their union, he responded, “Who cares?”

Teachers nonetheless see Daley as their savior. This, of course, is due in part to the raises they get under the new contract. But it is also because their working environment is much improved. Although Daley eliminated 13 percent of the system’s central staff, he did not lay off a single classroom teacher. He also restored as board policy some of the work rules that the state had eliminated. A laid-off teacher with seniority, for example, can once again bump a junior teacher even over the objection of their school’s principal. (The Daley team shrugs off the significance of giving in to the union on seniority bumping, but it may contain the seeds of disaster.) His privatization of repair services holds out hope for far cleaner schools, although it’s still too soon to tell. And despite the massive budget cutback, he found more money to put into the schools themselves.

Hess laughs at the “crocodile tears” that Daley shed for the teachers union as it was being eaten alive by the legislature. “The union leadership,” he recalls, “looked at how bad it might be and knew they had to go with the only person they had—this mayor, dedicated to privatization in city government of all things, this mayor who appointed to the school board people who privatized 17 trade unions right out of the schools, eliminating 500 salaried union jobs. And they love him.”

### A Model for Other Cities?

Some Chicagoans question whether their school reforms can be replicated elsewhere. “Chicago can’t be used as a model because the way everything fell together was serendipitous—just plain luck,” says Chicago Teachers Union spokesperson Jackie Gallagher. “This would be a disaster in some cities. The good part of the legislation was the accountable board; the serendipitous part of the whole thing is the particular leadership the mayor appointed. He got the right people for the right job—Vallas, Chico, the board of trustees—[and they are] all absolutely answerable to the mayor, a mayor who cares. But what if you don’t have a mayor who cares about appointing people who care? Disaster, that’s what!”

Gallagher is right that having a mayor who cares is the first condition for success. School reform is too dangerous, too confrontational, too chancy to be undertaken by an indifferent mayor. Daley does not intend to fail, and he appointed managers who don’t intend to fail, either. “Mayor Daley doesn’t pick fights unnecessarily, and he doesn’t expect us to,” says Chico, the school board president. “He expects us to get something done.

People didn’t elect us to sit around and decorate the joint. We have 100 percent business community support. We had a very easy election last time. Now the mayor expects us to grab hold of the problems and solve them.”

Can any of this work in other big cities, say for example in New York, where the schools are also in terrible shape? There are several factors worth considering:

- ◆ Chicagoans had reached a consensus that their schools had become unspeakably bad. New Yorkers, rightly or wrongly, haven’t reached that point yet.

- ◆ Illinois’s Republican governor and its GOP-dominated legislature were willing to turn authority over to the Democratic big-city mayor. In Albany, by comparison, the Democratic Assembly will never coalesce with the Republican Senate to give control of the schools to Republican Mayor Giuliani, who is thoroughly disliked in the state capital in a truly nonpartisan way.

- ◆ Daley is totally unchallengeable politically, a virtual mayor-for-life. Thus, he has the freedom to take on the unions and other traditional Democratic constituencies and do the right thing. No other big-city mayor in America is in such a position.

- ◆ Daley knows how to build temporary coalitions, even with his enemies. And he is willing to let his enemies save face if it means helping the city.

- ◆ The Chicago Teachers Union read the political situation correctly: They knew Daley was their only friend.

The conditions for serious school reform are in place in Chicago, and many of its citizens believe that the schools themselves are on their way back, ready to reverse the downward spiral they have been in since the early 1970s. The optimism is due to Chicagoans’ faith in their mayor’s ability to fix the schools that his predecessors had kept at arm’s length. City Hall has the authority, the drive, the popular support, and, through better management, the money it needs to succeed. The next three years will tell whether it can take the authority that no other mayor’s office has been given and return the public schools to their glory days when they actually educated most of their students and sent them on to productive lives. ◆

*Chico*

---

*Julia Vitullo-Martin, a New York-based political scientist at the Vera Institute of Justice, writes frequently on urban issues. More information on issues affecting cities, including school reform and related topics, is available on the DLC-PPI web site at <http://www.dlcpqi.org/texts/social/ischool.htm>.*

# RETHINKING PROGRESSIVE POLITICS

*The Search for Principles, Programs, and Purposes That Make Sense in the Information Age*

BY WILLIAM A. GALSTON

## **They Only Look Dead: Why Progressives Will Dominate The Next Political Era**

By E.J. Dionne Jr.

Simon & Schuster ♦ 352 pp. ♦ \$24.00

## **Left for Dead: The Life, Death, and Possible Resurrection of Progressive Politics in America**

By Michael Tomasky

The Free Press ♦ 226 pp. ♦ \$23.00

## **In Defense of Government: The Fall and Rise of Public Trust**

By Jacob Weisberg

Scribner ♦ 209 pp. ♦ \$22.00

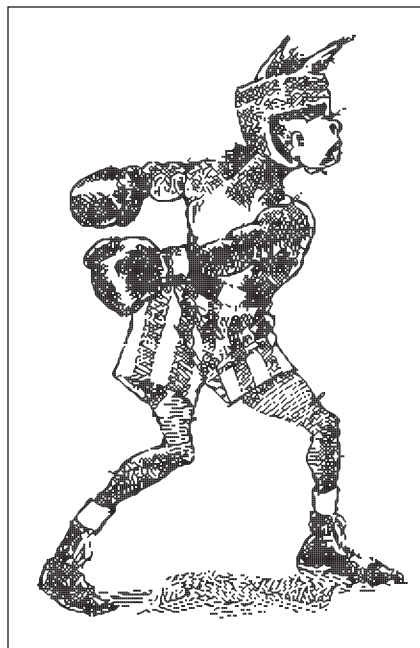
## **The New Promise of American Life**

Edited by Lamar Alexander and Chester E. Finn Jr.

Hudson Institute ♦ 357 pp. ♦ \$12.95

American politics has entered a period of enormous volatility. Consider the past five years. George Bush, who enjoyed record high approval ratings in 1991, received a smaller share of the popular vote in 1992 than any Republican presidential candidate since 1912. The Democrats' control of Congress, seemingly perpetual in 1993, collapsed in the fall of 1994. It took the new Republican congressional majority less than a year to forfeit the people's confidence; its leader, lionized as a world historical figure in January 1995, had become a virtual political pariah by August 1996.

Some of this volatility reflects the



accidents, personality clashes, and tactical blunders so faithfully chronicled by inside-the-Beltway journalists. But there's a deeper truth: In a time of great change, Americans are seeking a credible new philosophy of governance, which the established political parties have failed to supply. In 1992, they rejected a presidency they saw as indifferent and unresponsive to their problems. In 1994, they revolted against expanded government in the service of social liberalism. By the spring of 1996, they withdrew support from a Congress that wanted to go too far, too fast in dismantling not just the excesses of the Great Society, but popular accomplishments of the New Deal and Progressive eras as well.

This volatility stems in part from the economic changes now sweeping over the entire world. The transition from an industrial to information economy alters sources of national wealth, requirements of individual opportunity, and structures of corporate organization. These economic changes can also harm important social institutions, starting with families and neighborhoods. Understandably, the middle class is worried about these changes and perplexed about how government should respond to them. As E.J. Dionne Jr. puts it in *They Only Look Dead*, most Americans in what he calls the Anxious Middle "are wary of economic change now underway but skeptical of efforts to turn the process back. They are dissatisfied with the responses that have come from government so far, but are worried about their prospects in an economic order in which government withdraws and removes basic social protections." This condition helps explain why congressional Democrats' efforts to thwart NAFTA and GATT came to naught, and why congressional Republicans' efforts to change Medicare and Medicaid proved wildly unpopular.

The altered context of American politics goes well beyond this economic transformation. There has been a collapse not only of communism, but also of faith in the Scandinavian "middle way" and in Western European social democracy as viable models for the future. As Sey-

mour Martin Lipset has observed, the end of the Cold War has plunged the United States into a “postwar” era that affects not only the definition of our foreign policy, but also our sense of national unity and purpose. Thirty years of moral liberation, social experimentation, and expanded immigration have produced widespread fear of disunity and even disintegration.

During this period, trust in government has collapsed. The story at the national level is familiar: As late as the mid-1960s, three-quarters of the American people trusted the federal government to do the right thing all or most of the time; today, that figure is below 25 percent. But even at the local level, officials report dramatically reduced public trust. Yes, the level of trust in government 30 years ago was unrealistically and unsustainably high. But today’s pervasive mistrust is dysfunctional because it poisons civic discourse and thwarts needed action.

### Sources of Public Discontent

What has gone wrong? Each of the books under review offers an answer. For the conservatives writing in the Alexander/Finn volume, the problem is rooted in the Progressive impulse of the early 20th century, so memorably expressed in Herbert Croly’s *Promise of American Life*. This movement worshiped science and expertise; preferred bureaucratic administrative mechanisms over the messiness of democratic politics; expressed contempt for local communities and traditional moral notions; was impatient with incremental change; and sought an extraordinary level of national unity and public spiritedness. The characteristic Progressive quest for the “moral equivalent of war” reached its *reductio ad absurdum* in Jimmy Carter’s energy policy.

No Democrat should read Chester E. Finn Jr.’s description of “governmentalism”—the reflexive belief that for every social problem there’s an appropriate federal gov-

ernment response—without a rueful wince. That’s what President Clinton repudiated when he declared in his 1996 State of the Union address that “the era of big government is over.”

But this conservative story leaves a lot out. The central government grew, not as a result of a conspiracy by a small band of Progressive intellectuals, but in response to large and genuine social challenges: industrialization and the rise of corporate power; pell-mell urbanization; high levels of immigration and the imperatives of Americanization; the Depression; World War II; the Cold War; race and civil rights; and important social movements such as feminism and environmentalism. Some of these challenges have been surmounted, others have abated, still others have reached the point of diminishing returns. Still, many of the forces that sparked the growth of central government power are still with us, and they’re not going away anytime soon.

So if government *per se* isn’t the problem, what is? For the nonconservative authors under review, each of whom appeals to the Progressive tradition, government has gone astray. In Michael Tomasky’s view, the difficulty lies in the rise of “identity politics,” which has diverted Progressive government from the pursuit of broad national objectives that unite Americans across lines of race and class. For Dionne, the problem is ineffective government: “The current political upheaval can . . . be defined less as a revolt against *big* government than as a rebellion against *bad* government—government that has proven ineffectual in grappling with the political, economic, and moral crises that have shaken the country.” For Jacob Weisberg, government has become bad in part because it has expanded beyond the bounds of its competency, thus destroying its credibility. And the three authors agree that during the past generation, the Progressive impulse congealed into a reactionary liberalism wedded to the

programs and rhetoric of the past, unwilling to admit error and failure, and resistant to change.

Weisberg gives the most detailed and persuasive account of the collapse of confidence in Progressive government. There is something, he concedes, to the conservative critique of Great Society hubris and the liberal lament about the impact of civil rights policies on the Democratic coalition. But the heart of the matter is the widening gap between expectations and performance. In four critical areas—Vietnam, the cities, the economy, and delivery of routine services—the government promised one set of outcomes and delivered another. The problem was exacerbated by a malfunctioning public bureaucracy rendered insular and unresponsive by civil service reform and the rise of public sector unions.

The gap between expectations and performance grew because government recklessly assumed responsibilities that it could not discharge and could pursue only at the cost of considerable collateral damage. Weisberg identifies six sources of hyperexpansion:

- ◆ The goal of protection against disaster was transformed into a drive to abolish risk—in other words, institutionalized “Naderism” that led to the proliferation of minute regulations.

- ◆ Programs of social insurance were transformed into what might be called the entitlement state, in which earlier concerns about affordability and reciprocity were set aside.

- ◆ Necessary responses to urgent challenges led over time to the erosion of the very idea of constitutional limits on the central government. We moved from the Great Depression to the domestic security state, from World War II to the national security state, from the civil rights movement to the affirmative action state.

- ◆ The imperatives of national political mobilization led to disastrous rhetorical overreaching—the “war on \_\_\_\_\_” mentality in which any-

thing less than total victory could be deemed a policy failure.

♦ As Theodore Lowi had argued in his classic 1969 book *The End of Liberalism*, the failure of liberal-dominated Congresses to make hard choices led to the delegation of extraordinary powers to unelected bureaucrats and to a bloated administrative state.

♦ Dazzled by the success of *Brown v. Board of Education*, liberals increasingly relied on courts rather than representative democracy to accelerate the pace of social change. In the 1970s, Weisberg asserts, the Supreme Court took many of the questions about which Americans felt most strongly out of their hands. Social changes wrought by judicial fiat instead of the democratic process made the losers feel “cheated as well as defeated.” And as Tomasky says, “Reliance on the courts and bureaucracies to make social change for which there is little popular support, and for which a national case has not been compellingly made, will sometimes succeed in forcing that change for shorter periods or longer; but it will *always* succeed in strengthening the opposition to such change.”

### The Renewal of Progressivism

Weisberg argues, plausibly, that Progressives cannot defend active government without defining limited government. Government, he says, must abandon the goal of creating a risk-free society; replace grandiose “wars” with smaller promises that it can keep; reestablish legislative authority in Congress rather than the bureaucracy or the courts; relearn the art of saying goodbye to outdated programs; and set a ceiling for overall government activity as a fraction of gross domestic product (under which economist Robert J. Shapiro’s “cut and invest” strategy would become the only possible strategy for meaningful reform). And while disagreeing on the details, Weisberg, Dionne, and Tomasky all assert that we cannot

even begin to restore public trust in the national government without credible campaign finance and lobbying reform.

These recommendations seem plausible, as far as they go. But they don’t go far enough. A New Progressivism must offer, not only new limits on government, but also a new vision of its principles, purposes, and programs. It must espouse, as the promise of American life, the goal of equal opportunity for all and special privileges for none while rejecting the competing norms of equal results on the left and Darwinian competition on the right. It must confidently assert a new social ethic based on mutual responsibility rather than the extremes of entitlement and indifference. And it must redefine government as providing, not paternalistic caretaking institutions, but rather new opportunities for individual self-reliance.

New Progressives must forthrightly acknowledge that past failures and changed contexts require a break with the Progressive orthodoxy of the past. Hierarchical, bureaucratized structures that reflect the imperatives of the industrial economy are ill-suited to the Information Age. Centralized power is not a panacea, and a partial devolution of authority to states and localities may better serve Progressive goals. Experts and bureaucrats must be “on tap,” not “on top”; New Progressives believe in engaged democracy, not neutral administration. State mechanisms cannot replace the vital functions of families, neighborhoods, and the voluntary associations of civil society. National unity based on constitutional principles is essential, but so is cultural diversity; ours must be a community in which unity does not override plurality, but in which diversity does not obscure our shared citizenship and common humanity.

Having committed ourselves to these changes, New Progressives must confidently reassert a legitimate role for government. Our country needs an active, effective public

sector to establish the framework for economic activity; secure individual rights; promote equal opportunity; fight discrimination; provide reasonable levels of social insurance and protection against risk; regulate competition when its consequences are perverse; and collect, evaluate, and disseminate information for use by all sectors of our society.

### The End of Policy Correctness

When Dionne, Weisberg, and Tomasky move from historical and philosophical analysis to public policy proposals, the results are often surprising. None yields to a presumption in favor of the programmatic status quo that so many traditional liberals seek to defend. Each flouts the norms of policy correctness in the name of an enlarged arena for progressive dialogue.

For example: Dionne yields to no one in his commitment to public education. But noting the failure of so many urban school systems, he says, “Within the poorest neighborhoods with the poorest public schools, there ought . . . to be a willingness on the part of both teachers unions and liberals to experiment with public schools vouchers. . . . [S]urely Progressives, with their long history of favoring public innovation, ought at least to be open to some experiments along these lines.”

Another example: Although Weisberg is devoted to the revival of respect for public service, he sharply challenges current arrangements among public employees. “More than any other force, unions have turned public service into self-service,” he writes. “Unions clog the arteries of government. They stand in the way of meaningful reforms, raise costs, and prevent the cutbacks that are required for new growth. Government service is different from other kinds of work. It has different attractions, different rewards, and different protections. Other workers have unions but no civil service rules. Let government workers have their rules but no unions.”

A third example: Tomasky yearns for the day when activist government can work unabashedly to relieve the plight of the poor. But he defends New Jersey's welfare reform proposal and points out that its so-called "family cap," reviled by the left, was pushed for by Wayne Bryant, an African-American state senator from one of the state's poorest cities.

Race will remain a key challenge for our country, and for New Progressives. Weisberg declares that "the plight of African-Americans must remain central to anything that pretends to call itself liberalism. . . . [M]ore than anything else, racial progress is what we need liberals and Progressives for." But he doesn't offer a new agenda to foster that progress. Tomasky does. He urges, among other measures, expanding the preparatory academies backed by former New York City Schools Chancellor

Ramon Cortines; vigorously enforcing nondiscrimination statutes in such areas as housing, employment, and bank lending; systematically linking the poor and the middle class in the design of social initiatives; tilting away from race and toward class in affirmative action programs; and moving away from majority-minority congressional districts to promote the formation of political coalitions across racial lines.

I do not mean to suggest that any of these "incorrect" policy proposals is obviously the right thing to do. The point is rather that the taboo against considering ideas of this sort must be lifted. Individuals and groups that seek new means of realizing historic ends must no longer be subjected to the name-calling and intimidation that has marred past debates.

As Dionne reminds us, "The authentic [Progressive] tradition is emphatically not reactionary. It is res-

olutely experimental rather than reflexively ideological, in constant search of new methods and insistent on continuous reform." In the famous words of Franklin D. Roosevelt, "It is common sense to take a method and try it. If it fails, admit it frankly and try another." But today, too many confuse specific programs with broad purposes, and they use the sanctity of the ends as weapons to stifle frank discussion of the means. If Progressivism is to renew itself, the reign of policy correctness must be brought to an end. ♦

---

*William A. Galston is a professor at the School of Public Affairs at the University of Maryland at College Park and director of the Institute for Philosophy and Public Policy. From January 1993 until May 1995, he served as deputy assistant to the President for domestic policy.*

## OFF THE SHELF

---

### *A Brief Look at New and Interesting Books*

#### **A Rage for Justice: The Passion and Politics of Phillip Burton**

*By John Jacobs*

University of California Press  
624 pp. ♦ \$34.95

*The book:* A biography of an extraordinary politician whose combination of ruthlessness and political guile made him one of Washington's most influential legislators for nearly two decades. If you are a political junkie, this book's for you.

*The author:* Jacobs is political editor and columnist for the McClatchy newspapers based at *The Sacramento Bee*.

*An excerpt:* Soon after Phillip Burton became chairman of the subcommittee on national parks, the Sierra Club's Dr. Edgar Wayburn dropped by to visit with staff director Cleve Pinnix. "You have to think

of Phil Burton as a big engine," Wayburn advised him. "The job for the rest of us is to lay track." Four years later, when Pinnix and staffers Dale Crane and Judy Lemons finished laying track, Burton, in an extraordinary burst of legislative productivity, had preserved more national park and wilderness land than all presidents and congresses before him combined.

. . . How was it that a man less at home in Muir Woods than in a darkened cocktail lounge with an unfiltered Chesterfield in one hand and a tumbler full of Stolli in the other could amass such an astonishing conservation record? When Joe Beeman drove Burton to the [Golden Gate National Recreation Area] one day, Beeman suggested they get out of the car and look around. "Why the f\_ \_ \_ would I want to do that?"

Burton asked, stamping his cigarette out in the gravel. On another occasion, he turned to [fellow California Congressman] George Miller and said, "Isn't the GGNRA beautiful?"

"Yeah, Phil," Miller replied, "it's a nice place."

"Not the place," Burton said. "The bill."

Burton had neither the need nor the interest to experience nature first hand. . . . But he understood the benefits of wilderness and solitude. It mattered to people who mattered to him.

For a man obsessed with coming back from a devastating defeat, Burton also recognized the political advantages associated with parks and wilderness: He could turn environmentalism into an elaborate system of chits. Moving beyond California and the redwoods, he gave legislators parks they always wanted but

were unable to obtain. Conversely, his threats to preserve land made some apoplectic. . . . Either way, Burton had leverage: As with reapportionment, this was the raw power to profoundly affect someone else's district. It was a strategy by which a man whose institutional power had been destroyed could reassemble his power base for another shot at the leadership.

### **Dirty Little Secrets: The Persistence of Corruption in American Politics**

By Larry J. Sabato and Glenn R. Simpson

Times Books ♦ 430 pp. ♦ \$25.00

*The book:* Sabato and Simpson survey the dark side of the American electoral system, from "push polling" and opposition research to voter fraud and campaign operations masquerading as advocacy groups. They argue that broader disclosure is the key to campaign finance reform.

*The authors:* Sabato is a political scientist at the University of Virginia. Simpson is a reporter for *The Wall Street Journal*.

*An excerpt:* Consider the American stock markets. Most government oversight of them simply makes sure that publicly traded companies accurately disclose vital information about their finances. The philosophy here is that buyers, given the information they need, are intelligent enough to look out for themselves. There will be winners and losers, of course, both among companies and the consumers of their securities, but it is not the government's role to guarantee anyone's success (indeed the idea is abhorrent).

The notion that people are smart enough, and indeed have the duty, to think and choose for themselves, also underlies our basic democratic arrangement. There is no reason why the same principle cannot be successfully applied to a free market for campaign finance. In this scenario, disclosure laws would be broadened and strengthened, and penalties for failure to disclose would be ratch-

eted up, while rules on other aspects—such as sources of funds and sizes of contributions—could be greatly loosened or even abandoned altogether.

Call it *Deregulation Plus*. Let a well-informed marketplace, rather than a committee of federal bureaucrats, be the judge of whether someone has accepted too much money from a particular interest group or spent too much to win an election. Reformers who object to money in politics would lose little under such a scheme, since the current system—itsself a product of reform—has already failed to inhibit special-interest influence. (Plus, the reformers' new plans will fail spectacularly, as we have already argued.) On the other hand, reform advocates might gain substantially by bringing all financial activity out into the open where the public can see for itself the truth about how our campaigns are conducted. If the facts are really as reformers contend (and as close observers of the system, most of what we see is appalling), then the public will be moved to demand change.

### **Divided They Fell: The Demise of the Democratic Party, 1964-1996**

By Ronald Radosh

The Free Press ♦ 298 pp. ♦ \$25.00

*The book:* Radosh argues that the Democratic Party is on its last legs. He offers detailed analysis of key events in the party's recent history that traces its drift leftward away from mainstream America.

*The author:* Radosh is a professor of history at Adelphi University.

*An excerpt:* It was no wonder that the leaders of the old Democratic Party were suffering a great despair. Speaking to the Democratic National Committee shortly after the New Year, and the election of Richard M. Nixon to the presidency, Hubert Humphrey showed the good humor for which he was always regarded. "All I can say," Humphrey told the DNC, "is that when midnight, De-

ember 31, came and the hour was 12:01, January 1, 1969, I said to my wife . . . 'Well, thank goodness 1968 is gone. That was a year that I could have gotten along without very, very well.' " That, perhaps, was the understatement of the year. When it came to the politics of 1968, however, Humphrey was not the slightest bit recalcitrant. Indeed, he reaffirmed to the DNC the politics of the old New Deal-Fair Deal labor-liberal coalition. His support, he noted, had come not just from the wealthy, but from the "black leadership of the trade union movement" as well as "our friends in the labor movement." Their backing, he thought, was essential "in any election victory for progressive government."

As for Chicago, Humphrey believed "that some day there will be the proper perspective on Chicago. There were two Chicagos," he thought; "one outside the Convention Hall, and one inside. The one I liked was the one inside . . . it was historic." Most important was the implementation of the criteria for delegate selection adopted at the Atlantic City 1964 Convention, as well as the vote to eliminate the Unit Rule. The rest, Humphrey thought, would be the revitalization of the party he had served for decades.

The Democratic Party would be revitalized, but not in the direction preferred by Hubert Humphrey. The direction to be taken by the Democrats would be decided in the contest for the 1972 nomination—a contest that pitted Humphrey's logical successor, the state of Washington's beloved senator, Henry "Scoop" Jackson, against the senator from the state of South Dakota, George McGovern, who had made his name as a strong and early opponent of the war in Vietnam. McGovern's victory, and the changes instituted in party rules prior to the 1972 convention, would be the most important elements in the transformation of the Democratic Party into a radicalized organization far removed from the needs of mainstream America. ♦