

PART TWO

*New  
Democrats*



## CHAPTER THREE

# Incomplete Victory: The Rise of the New Democrats

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## Introduction: The Dynamics of Party Change

My task in this essay is to explain the rise and significance of the New Democratic movement within the Democratic Party. Because this rise is an instance of a more general phenomenon—party change—I begin with some broad reflections on the dynamics of party change in the United States.

In one of their few notable failures of insight, the drafters of the U.S. Constitution did not foresee that the electoral system they constructed created incentives for the formation of political parties and pressures to consolidate factions into a small number of major aggregations. Through most of the past two centuries, American politics has been dominated by competition between two principal parties—for the past century and a half, between the same two parties. With but a few exceptions (the collapse of the Federalists and Whigs, the rise of the Republicans), political change has taken place through transformations within established parties.

As one reflects on the history of intraparty change in the United States, four sources emerge as key. The first is the simple logic of

party competition. In many respects, our political system is much closer to winner-take-all than are most parliamentary systems. Members of political parties have strong incentives, therefore, to settle for nothing less than victory. A string of defeats at the hands of the opposition will generate pressures for change. For example, Dwight Eisenhower's modern Republicanism reflected the recognition that the New Deal had become a permanent feature of American politics and that continued opposition to it would consign Republicans to irrelevance. Another source of competitive pressure is the rise of third parties that threaten to erode existing majorities or to thwart the formation of new ones. Republicans dealt far more successfully with the 1968 insurgency of George Wallace than did Democrats, whereas Democrats dealt more successfully with Ross Perot's challenge in 1992. Both cases, however, resulted in multiple victories in presidential contests.

Fundamental shifts in the economy and society constitute a second principal source of party change. The post-Civil War shift from agriculture and individual entrepreneurship to large corporations and mass production created stresses and opportunities on which the Republican Party was able to capitalize, culminating in the realigning election of 1896. Demographic shifts, whether generated externally through immigration or internally through large birth cohorts, create political opportunities—namely, substantial pools of potential new voters with distinctive concerns.

A third source of change takes the form of shocks, or events that produce a rupture with the past and to which political parties are compelled to respond. Two classic examples are the Great Depression, which opened the door to an enlarged and restructured national government, and Pearl Harbor, which ended the debate between isolationists and internationalists that had dominated the interwar period. By taking the side of big government at home and robust engagement abroad, Democrats captured the political high ground and held it for two generations. (The current Bush administration is doing every-

thing it can to make the case that September 11 represents another such transformative external shock.) Sometimes these reorienting shocks originate within the political system itself. During the past fifty years, for example, Supreme Court decisions on school integration, school prayer, and abortion have forced both parties to respond. It would not have been easy for political observers in 1954 to predict that Democrats would become the party of civil rights, reproductive choice, and strict separation between church and state. But so it proved, and in the process, the dynamics of party competition were transformed.

What I call “redefining ideas” constitute the fourth and final source of party change. Ideas enter the political system through two routes, which might be stylized as bottom-up and top-down. Throughout the twentieth century, popularly based social movements conveyed ideas to political parties. Civil rights, women’s rights, prohibition, and environmentalism are instances drawn from a very long list. In other cases, however, scholars and policy activists without a popular base can directly influence party elites. Herbert Croly’s *The Promise of American Life* influenced two generations of progressive leaders. Keynesian economics, which reconfigured the Democratic Party, and supply-side economics, which did the same for Republicans, were, in the main, transactions between elites that generated, rather than were generated by, popular movements.

Before turning to a detailed examination of the rise of the New Democrats, let me use the fourfold template of party change I have sketched above to characterize, in broad strokes, the forces that fueled the movement. There can be no doubt, to begin, that interparty competition was a major motivation. The New Democratic movement began to take shape in the immediate wake of Walter Mondale’s defeat. Between 1968 and 1984, Democrats lost four of five presidential elections, two by historic landslides. And Michael Dukakis’s 1988 loss to George H. W. Bush propelled New Democrats into a far more aggressive stance within their party.

Socioeconomic change played a smaller, but still perceptible, role. During the early 1980s, the emergence of a technology-based postindustrial and service economy led some Democrats to wonder whether New Deal policies and arrangements, rooted as they were in mass industrial production, would serve either the country or the party well in the late twentieth century.

Transformative shocks played almost no role in the rise of the New Democrats. In contrast to many other episodes of party change, it is hard to point to a pivotal event in the economy, in the international arena, or even in the judicial system. To be sure, the fall of the Berlin Wall and the collapse of communism were momentous, but they had a remarkably small impact on the substance of New Democrats' policy development, and not much more on their political fortunes—or so I shall argue.

Finally, New Democrats worked, with some success, to use redefining ideas as a source of political change. Perhaps fatefully, however, these ideas entered the political system from the top rather than the bottom. Unlike the Goldwater-Reagan transformation of the Republican Party, New Democrats did not rely on, and for some time did little to create, a grassroots movement of committed activists. As a result, Bill Clinton, the quintessential New Democratic standard-bearer, prevailed in 1992 on the strength of ideas that enjoyed wider acceptance among the American people as a whole than they did within his own party. The contrast between the fractious executive-legislative relations during the first two years of Clinton's presidency and the disciplined interbranch cooperation during the first two years of George W. Bush's is stark.

### **The Historical Context: Party Change, 1961–1980**

My thesis in this section is that profound changes within both political parties, from the inauguration of John F. Kennedy to the election

of Ronald Reagan, laid the political predicate for the emergence of the New Democratic movement. Let me begin with the Democrats.

### *Economics*

Kennedy took office determined to accelerate economic growth after the two recessions in Eisenhower's second term, and he was confident that growth would promote the general welfare. After all, he remarked, "A rising tide lifts all boats." At the same time, his encounter with poverty during the West Virginia primary had shocked and moved him. One of his earliest legislative proposals was the Area Redevelopment Act, targeted on Appalachia. By emphasizing measures such as the War on Poverty, Lyndon Johnson more fully associated Democrats with the redistributive dimension of economic policy. Under the control of George McGovern's forces, the 1972 Democratic convention drafted the most aggressively redistributionist platform in the party's recent history. For his part, Jimmy Carter came close to challenging the very desirability of growth by associating his administration with stringent energy conservation and the "limits to growth" thesis popularized by the Club of Rome. Meanwhile, soaring inflation weakened public confidence in Carter's stewardship of the economy. By the election of 1980, the link between the Democratic Party and economic growth had frayed.

### *Defense and Foreign Policy*

During the 1960 election, John Kennedy ran to Nixon's right on defense and foreign policy, charging that the Eisenhower administration had failed to prosecute the cold war with vigor and had allowed a missile gap to develop with the Soviet Union. His cold war liberalism combined support for international institutions and law with a willingness to use force on behalf of American interests and values. The Vietnam War shattered this consensus by driving a wedge between international engagement and the deployment of power. The 1972 Democratic platform called not only for unilateral U.S. with-

drawal from Vietnam but also for troop cuts in Europe, steep reductions in military expenditures, and an end to the draft. Although more moderate in tone and substance, the 1976 Democratic platform advocated cutting weapons systems, reducing reliance on military force as an instrument of foreign policy, and emphasizing the pursuit of human rights rather than the traditional concerns of *realpolitik*. The Carter administration's inability to resolve its internal disputes about relations with the Soviets, as well as its ambivalence about the use of force, contributed to a series of overseas reverses and raised public doubts about the Democratic Party's stewardship of defense and foreign policy.

#### *Social and Cultural Issues*

During the 1960s and 1970s, the Democratic Party's orientation on social and cultural issues underwent a profound transformation. The party moved from ambivalence and division to a wholehearted embrace of civil rights for African Americans. It moved from a male-dominated organization in which women's rights and concerns were given short shrift to the endorsement of legalized abortion and the Equal Rights Amendment. The party's views on crime and criminal justice reflected a shift away from punishment and toward sociological explanations ("root causes") and alternatives to incarceration. Once firmly grounded in the cultural mainstream, the party opened itself to the counterculture, most conspicuously at its 1972 convention, at which the platform endorsed the "right to be different." With increasing fervor, Democrats embraced a legalistically strict separation of church and state, creating at least the perception of a basically secularist orientation.

#### *Stance Toward Government*

At the core of the New Deal outlook was a deep faith in government, as the local of public-spirited action and as the most effective vehicle for accomplishing a range of collective tasks. Despite some tonal nov-



elties, the Kennedy administration shared that faith. By the Carter administration, however, that faith had mutated into something close to its opposite. Under the impact of Vietnam and Watergate, trust in the essential integrity of government had been replaced by the presumption of self-serving venality and dishonesty. Substantial portions of the party had shifted from confidence in government as the engine of social and economic reform to deep ambivalence. In his 1978 State of the Union address, Jimmy Carter said:

Government cannot solve our problems. It cannot set our goals. It cannot define our vision. Government cannot eliminate poverty or provide a bountiful economy or reduce inflation, or save our cities, or cure illiteracy, or provide energy. And government cannot mandate goodness. . . . Those of us who govern can sometimes inspire. And we can identify needs and marshal resources. But we simply cannot be the managers of everything and everybody.

On one level, of course, President Carter had done nothing more than state obvious truths about the relation between government and the people. On another level, however, his declaration amounted to a repudiation of the New Deal's vision of governance. Certainly, it was so understood by a substantial portion of his own party, helping to fuel Edward Kennedy's insurgency against him.

### *The Democratic Party*

Between 1961 and 1980, the Democratic Party had been transformed, institutionally and politically. As a result of the post-1968 changes in party rules, its governance structure shifted away from mediating institutions, such as state and local parties, and toward more direct forms of participation; away from delegate selection through closed, hierarchical party structures and toward reliance on primaries and caucuses. At the same time, power within the party began to shift away from relatively broadly based organizations, such as the AFL-CIO, and toward narrower advocacy groups organized around ethnicity, gender, or specific issue concerns. Reflecting this emerging group ori-

entation, the party endorsed equal representation of men and women on all convention committees and called upon state parties to take “affirmative steps” to provide representation to women, minorities, and young people in “reasonable relationship” to their percentage of each state’s population.<sup>1</sup>

Finally, the political base of the Democratic Party was changing. As late as 1960, the Republican presidential nominee was able to garner one-third of the African American vote. By 1980, African American support for Democrats was nearly unanimous. At the same time and reflecting broader changes in the economy, middle-class professionals were providing an increasing share of the party’s total support. (It was the differences of outlook and interests between these professionals and the industrial working class that fueled the 1984 primary contest between Gary Hart and Walter Mondale.) Within organized labor itself, industrial unions, which tended to be white, male, and strongly anticommunist, were in decline, whereas public-sector unions, which tended to be more diverse, female, and dovish, were gaining members and élan. Disaffected on racial, cultural, and religious issues, white Southern Protestants deserted the party in droves, shifting the Democratic center of gravity toward the Northern tier and the two coasts.

In key respects, the tale of Democratic Party transformation is one hand clapping because the changes in the Republican Party were equally profound (and in some respects symmetrical). Although Eisenhower split with Robert Taft by accepting the legacy of the New Deal, he agreed with Taft about the importance of government frugality and balanced budgets. Although the 1964 Goldwater insurgency did not cause an immediate takeover of the Republican Party, it did energize a grassroots conservative movement that worked fervently for a smaller, less intrusive government. After a detour through Nixon’s

1. Jules Witcover, *Party of the People: A History of the Democrats* (New York: Random House, 2003), 574.

embrace of Keynesian fiscal policy and wage and price controls, by the end of the 1970s, Republicans had become the party of tax cuts and supply-side economics. In foreign policy, the party shifted from détente to a confrontation with communism framed in quasi-Wilsonian terms. The entrance of large numbers of evangelicals and social conservatives moved the party toward the advocacy of “traditional values.” As a result, the Republican political base shifted away from the Northeast, and to some extent from the Midwest, and toward the Sunbelt.

It is easy to forget how recently the Republican Party that we now take for granted came into being. A glance at the party’s 1972 platform is instructive. The opening section lays out a systematic effort to define and seize the political center, summarized in the following passage:

This year the choice is between moderate goals historically sought by both major parties and far-out goals of the far left. The contest is not between the two great parties Americans have known in previous years. For in this year 1972 the national Democratic Party has been seized by a radical clique which scorns our nation’s past and would blight her future.

In foreign policy, the document highlighted Nixon’s trip to China, improved cooperation with the Soviet Union (including arms control treaties), and dozens of new international agreements. In addition to wage and price controls, the economic section of the platform featured initiatives, such as tax reform tilted toward the middle class and the poor, as well as a vigorous antitrust policy. The domestic policy section combined conservative positions on a handful of “backlash” issues (busing, welfare, crime, and drugs) with liberal stances on virtually everything else, including (among hundreds of items) affordable medical insurance, community mental health centers, increased spending for education and children’s programs, and major urban mass transit legislation. The platform pointed with pride to the administration’s

pathbreaking environmental record, including the creation of new executive branch agencies and the enactment of sweeping legislation addressing nearly every key environmental problem. The section on civil rights endorsed affirmative action, stepped-up federal enforcement of equal employment opportunity, voting representation in Congress for the District of Columbia, legislation and a constitutional amendment to lower the voting age, and ratification of the Equal Rights Amendment.

Notably, the 1972 Republican platform said nothing whatever about abortion. For that matter, neither did the Democratic platform. The abortion issue offers a case study of how an exogenous shock (in this instance, the *Roe v. Wade* decision) can, over time, force both parties to respond and change. The result was a symmetrical widening of the breach between the parties on what proved to be a defining issue.

In 1976, the Democrats said of abortion only that

We fully recognize the religious and ethical nature of the concerns which many Americans have on the subject of abortion. We feel, however, that it is undesirable to attempt to amend the U.S. Constitution to overturn the Supreme Court decision in this area.

By 1980, while adopting roughly the same legal and policy stance, the Democrats' language was more supportive of the pro-choice position:

We fully recognize the religious and ethical concerns which many Americans have about abortion. We also recognize the belief of many Americans that a woman has a right to choose whether and when to have a child. The Democratic party supports the 1973 Supreme Court decision as the law of the land and opposes any constitutional amendment to restrict or overturn that decision.

By 1984, the party abandoned any verbal recognition of the concerns of abortion opponents and recast the issue in moral terms:

The Democratic party recognizes reproductive freedom as a fun-

damental human right. We therefore oppose government interference in the reproductive freedom of Americans, especially government interference which denies poor Americans their right to privacy by funding or advocating one or a limited number of reproductive choices only.

A parallel evolution occurred within the Republican Party. Although both the 1976 and 1980 platforms endorsed a constitutional amendment to reverse *Roe*, each acknowledged, at length, the diversity of legitimate views within the party. For example, the 1976 discussion began by declaring:

The question of abortion is one of the most difficult and controversial of our time. It is undoubtedly a moral and personal issue but it also involves complex questions relating to medical science and criminal justice. There are those in our Party who favor complete support for the Supreme Court decision which permits abortion on demand. There are others who share sincere convictions that the Supreme Court's decision must be changed by a constitutional amendment prohibiting all abortions. Others have yet to take a position, or they have assumed a stance somewhere in between polar positions.

It was not until 1984 that the Republican Party, mirror-imaging the Democrats, expunged all reference to legitimate diversity within the party and recast the issue as a fundamental moral conflict about which compromise was unthinkable:

The unborn child has a fundamental individual right to life which cannot be infringed. We therefore reaffirm our support for a human life amendment to the Constitution, and we endorse legislation to make clear that the Fourteenth Amendment's protections apply to unborn children. We oppose the use of public revenues for abortion and will eliminate funding for organizations which advocate or support abortions.

Similar stories could be told in several other areas. I would hazard the following generalization: the stark cultural cleavages we now take

for granted as a defining (and, in many ways, disfiguring) feature of American politics represent choices that the parties made over time in response to external events. Whether these issues could have played out differently—that is, whether they could have become matters of argument within parties rather than warfare between them—is one of the imponderables of our recent political history.

### Defeat and Dismay: The Rise of the New Democrats

The vicissitudes of the Democratic Party in the two decades between the election of John F. Kennedy and the defeat of Jimmy Carter sparked two waves of intraparty debate. Although the focus of this essay is on the second of these waves, it is useful to begin by sketching the first.

The 1972 Democratic convention deeply traumatized key elements of the liberal coalition. “Cold war liberals,” including many prominent northeastern intellectuals, had long supported a muscular anticommunist democratic internationalism, an activist state in economic and social policy, and a moderate form of moral traditionalism. In all these respects, cold war liberals were comfortable with organized labor as led by George Meany and Lane Kirkland. Most of these liberals had backed Lyndon Johnson’s Great Society programs, including the War on Poverty. The setbacks these programs encountered, and the unexpected consequences they engendered, led many liberals to question their faith in the power of activist government to remake society. These doubts, which helped catalyze the founding of an influential new journal (*The Public Interest*), constituted one of the key building blocks of what came to be known as neoconservatism.

These liberals were also critical of the counterculture. They believed in sobriety, moderation, self-restraint, respect for authority, and the rule of law—indeed, the panoply of bourgeois virtues. They rejected the counterculture’s critique of these virtues, and they could not stomach the romantic antinomianism, much in evidence on the

floor of the 1972 convention, with which the counterculture sought to replace them.

More than any other factor, however, it was foreign policy concerns that sparked the rise of neoconservatism. As we have seen, the 1972 Democratic Party platform turned its back on a quarter-century of liberal anticommunism. In an effort to turn back the tide, cold war liberals clustered around the 1976 primary campaign of the quintessential liberal anticommunist, Senator Henry “Scoop” Jackson. After Jackson’s campaign failed, many invested their hopes in Jimmy Carter, who, although unconventional and virtually unclassifiable, was at least a Southerner and former naval officer who might have been expected to resist the McGovernist thrust in foreign policy. Carter’s failure to do so until he was surprised by the Soviet invasion of Afghanistan led many cold war liberals to support the candidacy of Ronald Reagan. By the early 1980s, neoconservatism was a spent force within the Democratic Party, although some cold war liberals remained within the party and banded together in organizations such as the Coalition for a Democratic Majority, conducting an often lonely struggle to restore a lost consensus.

The neoconservative exodus from the Democratic Party virtually coincided with the first stirrings of the New Democrat movement. As we will see, at the outset, New Democrats were less concerned with ideology than were the neoconservatives and more concerned about the imperative of regaining a national majority. Although sharing neoconservatives’ reservations about a McGovernist foreign policy, they cared more about domestic policy. Having come to political maturity after the Great Society, they were less seared by the alleged failure of activist government, less committed to retrenchment, and more committed to reform. While offering a new moral basis for public policy, they did not feel besieged by the counterculture, which, in any event, had been watered down and domesticated. Finally, although offering a robust defense of what they termed “democratic capitalism,” New Democrats were not as close to organized labor as

many neoconservatives had been. Indeed, New Democrats came to see unions as often creating narrowly self-interested obstacles to forward-looking policies and necessary reforms.

Walter Mondale's ill-fated presidential campaign brought discontent within the Democratic Party to a boil and helped spark the New Democratic movement. (Full disclosure: I served as Mondale's issues director throughout the campaign.) At the outset, Mondale hoped to run as the unifier of the Democratic Party, bridging its post-Vietnam internal divisions. But in response to the demands of the primary process and Gary Hart's surprisingly strong challenge, Mondale defined himself in ways that exacerbated fissures within the party over economic, foreign policy, and cultural issues.

This process continued throughout the general election. Mondale responded to President Reagan's supply-side budget deficits by running as a fiscal conservative, proposing spending restraints and a tax increase to restore fiscal discipline. He responded to Reagan's aggressive defense and foreign policies by emphasizing cooperation with our allies and arms negotiations with the Soviets. He countered Reagan's embrace of conservative Protestant evangelicals by insisting on strict separation between church and state.

During the campaign, three overlapping but distinct sources of intraparty discontent and dissent emerged: Southern Democrats, who were deeply troubled by the party's growing weakness in their region, a weakness that threatened statewide Democratic officeholders as well as members of Congress; the staunchly anti-Soviet followers of Scoop Jackson, who couldn't bring themselves to follow the neoconservatives into the Republican Party; and the so-called "Atari Democrats," who believed that the shift from an industrial to a high-tech economy required new policies and institutional arrangements, including the diminution of the influence of organized labor within the Democratic Party. The concerns of these groups overlapped in complex ways. Hailing from a region with weak unions (and in many cases weak right-to-work laws), Southerners tended to sympathize with the Atari



Democrats' skepticism about the relevance of New Deal-style labor organizations. A rising generation of progressive Southern governors understood that only new kinds of economic opportunities and increased investment in human capital could relieve their states' historic underdevelopment. Despite their differences with organized labor, however, the Southerners were comfortable with the union-based Scoop Jackson Democrats' support for robust defense and foreign policies. And being forced to forge majorities in a region known for traditional cultural and social views, they were sensitive to the need to moderate the party's post-1972 tilt to the Left on issues such as welfare, crime, and the role of religion in public life.

The institutional flagship of the New Democratic movement, the Democratic Leadership Council, opened for business in February 1985. Its early years, ably chronicled in Kenneth Baer's *Reinventing Democrats*, were marked by unsuccessful efforts to place the traditional party machinery and electoral rules in the service of more moderate voices within the party. As the 1988 election approached, the DLC helped engineer "Super Tuesday" (March 8, 1988), when Democrats in twenty mostly Southern states were to go to the polls. The hope was that the more moderate Southern voters would dilute the influence of Iowa and New Hampshire, forcing candidates toward the center and giving credible moderates a better chance of prevailing.

Events did not justify these hopes. To be sure, the New Democrats' young champion, Albert Gore Jr., prevailed in four Southern states. But Jesse Jackson won five, while the eventual nominee, Michael Dukakis, carried off the biggest prizes—Florida and Texas. Super Tuesday demonstrated that Reagan had reconfigured Southern politics by drawing conservative Democrats into the Republican Party, leaving Southern Democrats with a coalition increasingly dominated by white liberals and African Americans. (This was especially the case during the primaries, which typically attract the more committed voters.) Although the DLC's base among Southern-elected officials

remained formidable, it became clear that a political strategy focused on the South would no longer suffice to rebuild a national majority.

Michael Dukakis's defeat in 1988 had a greater impact on the Democratic Party than did Walter Mondale's loss four years earlier. After all, Mondale had lost to one of the greatest political communicators of the twentieth century, during a year in which the economy expanded robustly, the country was at peace, and the people could be persuaded that it was indeed "Morning in America." By mid-1984, few really expected Mondale to win; the question was whether his defeat would be respectable or (as it turned out) catastrophic. In contrast, by mid-1988, Dukakis had surged to a 17-point margin over George H. W. Bush. He was running as an able economic manager, the architect of the "Massachusetts miracle." The issue, he declared, was competence, not ideology. Nonetheless, the Bush campaign succeeded in portraying Dukakis as a liberal who was untested in defense and foreign policy while being out of touch with the social and cultural concerns of mainstream Americans. By September, Bush was in the lead.

In November, Dukakis lost, not only white Southerners but also Catholics, moderates, independents, and voters in the heart of the middle class. His defeat threw the Democratic Party into near crisis. According to traditional liberals close to organized labor, Dukakis lost because he had muted his differences with Republicans and had failed to offer voters a clear choice—there was nothing wrong with liberalism that full-throated advocacy couldn't cure. The DLC drew the opposite conclusion: Dukakis's defeat proved that contemporary liberalism, an amalgam of New Deal, Great Society, and McGovernite propositions and programs, had lost credibility and was no longer politically viable. The issue was ideology, not competence, but the ideology of the past could not serve as an effective counterweight to Reaganism. Nothing less than a new approach would do.

Having drawn this conclusion, the DLC abandoned its initial effort to play a meliorist, nonconfrontational game within the party

structure and went into open opposition. A key move was the founding of its own think tank, the Progressive Policy Institute (PPI), with the express aim of creating a new Democratic agenda and governing philosophy. In 1989, the DLC published a political and ideological manifesto, "The Politics of Evasion." (More full disclosure: I was its coauthor, along with Elaine Kamarck.) The manifesto argued that Democrats had lost ground since the 1970s because the American people had come to see the party as inattentive to their economic interests, indifferent to their cultural concerns, and ineffective in defense of the country's interests abroad. To prevail, the next Democratic nominee would have to present himself as a wise steward of the people's resources, sympathetic to the cultural mainstream, and trustworthy as commander in chief. To nominate such a candidate, the party would have to set aside three entrenched myths: that it could forge a majority by mobilizing the few groups whose loyalty it still commanded; that it could win by nominating a more fervent liberal; and that it could continue to control the Congress despite repeated defeats at the presidential level. The manifesto buttressed these arguments with electoral, demographic, and survey data. It became the template for the thematic and policy development that largely occupied the DLC and PPI between 1989 and 1992.

The authors of the new progressive agenda that was worked out during those years understood it as an ensemble of innovative means to traditional progressive ends. On the domestic front, the dominant goal was to create an inclusive society unified around the principle of "equal opportunity for all, special privileges for none." In foreign policy, the guiding purpose was to foster, to the extent prudence permits, the worldwide spread of democracy. Although this new progressive agenda called for, and required, a reformed but activist state, it broke with the statist progressivism of the early twentieth century by arguing that a vigorous civil society and shared norms were also needed to achieve historic progressive ends.

However, the new progressive agenda did not simply ratify the

aims of contemporary liberalism. Indeed, it rested on three themes, each of which contrasted with contemporary liberalism as well as Reagan conservatism. *Equal opportunity* stood in opposition both to guarantees of equal outcomes and to pure Darwinian competition. Achieving equal opportunity required vigorous, well-targeted public policies, but it was up to individuals to take advantage of the opportunities made available to them. *Reciprocal responsibility* stood in opposition both to the philosophy of entitlement (getting without giving) and to pure individualism (you're on your own). Well-crafted public policies would bring together contributions and rewards. Finally, *community* stood in opposition both to rights-based individualism (the dominant ethos of modern liberalism) and to the cultural conservative ethos of promoting moral behavior through state coercion. The progressive ethic of community implied that as citizens we're all in this together and that one of the purposes of politics is to locate, and build upon, moral sentiments that we can freely share.

New Democrats framed these themes with a historical analogy. At the end of the nineteenth century, the transition from an agricultural to an industrial economy drove profound changes in American society and made necessary a new public philosophy and new approaches to economics, culture, political institutions, and foreign relations. The progressives' response to these challenges, set forth in works such as Herbert Croly's *The Promise of American Life*, found early champions in political leaders such as Theodore Roosevelt and Hiram Johnson and reached full flower in FDR's New Deal. At the end of the twentieth century, the United States was undergoing an equivalent transition, from an industrial to a postindustrial economy, with equally profound consequences for our society and politics. The challenge for New Democrats was to understand the practical implications of these changes and to express them in innovative public policies.

Reflecting on these changes, New Democrats drew a number of conclusions that guided policy development. First, economic transi-

tion implied changes in the structure of opportunity. Individuals' economic prospects were likely to depend less on collective arrangements and more on their own individual training and skills. Second, changes in the basis of income and wealth implied shifts in the electorate. As the middle class came to be dominated by professionals and "knowledge workers," its outlook would change as well: the new middle class was likely to be less concerned with guaranteed security and more interested in opportunity, choice, and rewards commensurate with their contributions. Third, markets would play a more central role in the new economy than in the old industrial economy, and the playing field would tilt against both industrial-era oligopolies and increasingly sclerotic public bureaucracies. This implied, in turn, the need for a reformed government that made more effective use of choice, market mechanisms, and new information technology. These themes and broad propositions drove detailed policy developments, of which I can present only the highlights.

To overcome Reagan-era budget deficits and to set the stage for sustained economic growth, the New Democrats' economic policy began with fiscal discipline, including cutting programs and closing corporate tax loopholes. Forward-looking features of economic policy included a focus on innovation and entrepreneurship, a new emphasis on education and training, and a range of mechanisms (which came to be known collectively as "democratic capitalism") for ensuring that workers in the new economy were able to obtain a fair share of its rewards. To address the problems of the working poor, New Democrats advocated a dramatic expansion of the Earned Income Tax Credit (EITC) rather than the industrial-era minimum wage. In another break with policies advocated by organized labor, New Democrats endorsed free trade treaties and steadily increasing global openness as the core of international economics.

In domestic policy, New Democrats developed policies based on three principles: using market mechanisms for progressive purposes, aligning programs with mainstream values, and reinforcing an ethic

of reciprocity. Examples of the first included market-based health insurance and environmental regulation; of the second, welfare reform, 100,000 new police in local communities, and policies to shore up the two-parent family; and of the third, a new program of national and community service that would provide full-time volunteers with substantial postservice benefits to fund education and training.

In foreign policy, finally, New Democrats developed policies that put our diplomacy and armed forces in the service not only of our interests but also of our ideals. The end of the cold war did not mean the end of danger, but it did require new equipment, weapons systems, and training consistent with the changing mission of the U.S. military. The focus was not on cuts, as many liberals advocated, but rather on investments in reform. Overall, the emphasis was on “democratic internationalism”—comprehensive engagement abroad to promote democratization and deeper cooperation among democratic nations.

Bill Clinton’s emergence as the New Democratic standard-bearer is an oft-told tale that I will not repeat here. Suffice it to say that he combined an intellectual mastery of policy detail with an intuitive flair for framing arguments to appeal to diverse constituencies, including traditional liberals. During the 1992 campaign, Ross Perot’s surprising rise reflected, and gave new momentum to, concerns about the budget deficit, creating a political predicate for New Democratic fiscal restraint. At the same time, the waning of the cold war and rapid end to the first Gulf War reduced the salience of defense and foreign policy concerns, which were not Clinton’s strong suit. The real pivot turned out to be values-laden domestic policy issues. Clinton convinced a key segment of the electorate that he was serious about breaking with Democrats’ previous approaches to welfare and crime. The campaign’s key TV spot, featured in swing states in the crucial two weeks before election day, went as follows:

They're a new generation of Democrats, Bill Clinton and Al Gore. And they don't think the way the Old Democratic Party did. They've called for an end to welfare as we know it, so welfare can be a second chance, not a way of life. They've sent a strong signal to criminals by supporting the death penalty. And they've rejected the old tax-and-spend policies.<sup>2</sup>

### Bill Clinton's Presidency and the Future of the New Democratic Movement

Many analysts have observed that the first two years of the Clinton administration were a mixed bag for New Democrats and a disaster for the Democratic Party. I do not dissent from either of these judgments. Because the latter is so obviously true, let me focus on the former.

In economic policy, despite pitched battles within the White House and the party, Clinton stuck to New Democratic guns far more than most predicted. Early on, he rejected traditional fiscal stimulus in favor of restraint and deficit reduction. With a characteristic mix of persuasive public advocacy and one-on-one politics, he managed to move his controversial free trade agenda forward, getting both the North American Free Trade Agreement (NAFTA) and the latest round of General Agreement on Tariffs and Trade (GATT) through the Congress, over staunch Democratic opposition.

Domestic policy presented a very different picture. In a shoot-out between traditional liberals and New Democrats, the president gave priority to health care over welfare reform, with disastrous results. Although his crime bill did include substantial federal support for more police on the streets in local communities, the debate in Congress highlighted the issue of gun control, a significant negative for many Southern and rural Democratic members. Other high-profile social issues included the unfortunate controversy over gays in the

2. Quoted in Witcover, *Party of the People*, 663.

military, executive orders that adopted an uncompromising position on abortion, and a racial discussion dominated by the failed nomination of Lani Guinier as Assistant Attorney General for Civil Rights.

In the area of governance and citizenship, things went better. Under the leadership of Vice President Gore, government reform and reinvention moved forward on a broad front. Presidential leadership was also key to early passage of legislation restructuring and expanding opportunities for national and community service, though not as much as New Democrats had hoped.

Defense and foreign policy were far less successful, in part because Clinton's interests lay elsewhere during the early years and also because senior administration leaders proved unable to forge a hard-edged consensus or, in some instances, even to manage their own agencies effectively. The results were a muddle in the Balkans, an embarrassing flip-flop on trade with China, and a fiasco in Somalia, the reverberations of which extended far beyond the borders of that unfortunate country. Had these reverses not coincided with a period of low public concerns about foreign affairs, the political consequences might well have been quite serious.

In sum, then, the first two years of the Clinton presidency offered two clear wins for the New Democrats, one win for traditional liberals, and one irrelevant draw. The liberal victory occurred in domestic social policy, which was highly visible, intensely controversial, and largely unsuccessful. The president's New Democratic economic policies were slow to show gains, while the governance agenda had much less political salience. As a result, Clinton's profile was largely defined and judged in traditional liberal, rather than reformist New Democratic, terms. The result was a rout in the 1994 elections, with Democrats losing control of both houses of Congress for the first time in more than forty years.

In several respects, Clinton fared better with the Republican-dominated Congress during his second two years. He managed to resist ill-judged and draconian budget cuts while laying the foundation for



an eventual bipartisan balanced budget deal. After blocking welfare bills that he regarded as unbalanced, he was able to redeem his campaign pledge to “end welfare as we know it.” (His decision to sign the legislation highlighted continuing disputes between liberals and New Democrats and sparked several resignations from his administration.) As his economic policies took hold and growth shifted into a higher gear, public sentiment turned steadily in his direction and he was able to win a comfortable victory over Bob Dole in the 1996 presidential election.

From a New Democratic perspective, however, the victory came at a price. Following the 1994 defeat, Clinton turned to a controversial operative, Dick Morris, as his principal political advisor. Morris advocated and helped execute a strategy of what he called “triangulation,” designed to lift the president above, and position him apart from, both political parties. The placement of a series of New Democratic proposals within this political frame helped tarnish the movement’s agenda with the brush of political opportunism. This, in turn, fed the (mistaken) view that Clinton’s acceptance of a balanced budget and welfare reform were the products of calculation rather than principle.

As a result, many more Left-leaning Democrats began characterizing the New Democratic agenda as not only wrongheaded but also deeply cynical. In the aftermath of Clinton’s budget deal with the Republicans in the summer of 1997, House minority leader Richard Gephardt declared that the agreement represented not only “a deficit of fairness, a deficit of tax justice, and . . . a deficit of dollars” but also a “deficit of principle.” In a December 1997 speech regarded as laying the foundation for an eventual presidential candidacy, Gephardt broadened his critique:

New Democrats . . . [are those] who set their compass only off the direction of others—who talk about the political center, but fail to understand that if it is only defined by others, it lacks core values.

And who too often market a political strategy masquerading as policy.<sup>3</sup>

The final years of the Clinton administration represent a huge missed opportunity. Had it not been for the atmosphere of scandal and political conflict, exacerbating the already high level of partisan rancor, it might have been possible to take advantage of prosperity and the mounting budget surplus to address some long-deferred challenges and to place troubled entitlement programs on a sounder basis for the future. Instead, the administration made sporadic proposals (often in the annual State of the Union speeches) and then resorted to holding actions designed to ward off Republican tax cuts.

One especially unfortunate result of the lingering scandal was that the party's 2000 presidential nominee, Vice President Gore, felt compelled to distance himself from the president whom he had served so loyally and ably. In the process of effecting this separation, he de-emphasized the administration's very real achievements, many of which rested on New Democratic foundations, and resorted to a generic populist message that blurred the party's future.

### **Conclusion: The New Democratic Movement and the Future of the Party**

As I draft this essay, shortly after the end of the 2004 primary season, the Democratic Party's future is still in doubt. Although deeply controversial within the party, the DLC's early intervention against Howard Dean (as a return to McGovernism) helped lay the foundation for his defeat. On the other hand, the only candidate to hew faithfully to the New Democratic creed, Joe Lieberman, failed to gain any traction whatever. Nor, interestingly, did the candidate backed by most of organized labor fare well. Dick Gephardt did miserably in Iowa, where industrial unions remain influential, and soon left the race. The

3. Quoted in Witcover, *Party of the People*, 683.

winning candidate made himself generally acceptable to all the party's principal factions while clearly articulating the principles of none. In an atmosphere polarized by the policies of the Bush administration and rendered desperate by Republican control of all branches of government, Democrats were less interested than in years past in partisan wrangling and more concerned about maximizing their chances of victory.

Some divisive issues from the past are now off the table. Crime and welfare are not the burning controversies they were a decade ago. For better or worse, the party no longer debates abortion or affirmative action. And most party leaders have now accepted, some more grudgingly than others, the basic outlines of the Clinton formula for fiscal discipline.

Differences remain, of course. Trade emerged as the most divisive economic issue of the primary campaign, with the New Democrat position on the defensive. Even John Kerry, a longtime free trader, felt compelled to make protectionist noises, while John Edwards (a fresh face and able campaigner who enjoyed significant support among New Democrats) sounded like a senator from a state with a dying textile industry. On the foreign policy front, the war in Iraq reopened some of the party's Vietnam-era wounds. Here again, the New Democratic position came under pressure: Two of the three senators in the race who had voted for the fall 2002 resolution authorizing President Bush to take action ended up opposing the \$87 billion supplemental appropriation for troop support and Iraqi reconstruction; they became the Democratic Party's 2004 presidential and vice-presidential nominees. One cannot help suspecting that they would have supported the appropriation absent the rigors of the primary campaign.<sup>4</sup>

4. Senator Joseph Biden, a close adviser to Senator Kerry, has been quoted as saying that Kerry's decision not to support the \$87 billion appropriation was "tactical," an effort to "prove to Dean's guys [that] I'm not a warmonger." See Philip Gourevitch, "Damage Control," *New Yorker*, 26 July 2004: 55.

Toward the beginning of this essay, I remarked that Bill Clinton won the presidency in 1992 on the basis of New Democratic ideas that enjoyed significant support in the country as a whole, but less support within his own party. Today, nearly twelve years later, less has changed than might have been expected. Bill Clinton failed to institutionalize his political success. Despite the DLC's energetic efforts, New Democrats have yet to become a real grassroots movement. They do constitute a growing network of state and local elected officials, but they are still a minority. New Democrats continue to supply the bulk of fresh proposals for the party, but they often win the battle of ideas only to lose the war of votes.

The 2004 Democratic Party convention illustrated the problem. While the delegates obediently ratified the party's platform and cheered its nominees, surveys showed that they stood well to the left of the platform and the nominees' muscular acceptance speeches on domestic and foreign policy as well as on social issues. The party that John Kerry and John Edwards lead into battle is temporarily united, not around ideas but rather around its burning desire to remove George W. Bush from the presidency.

If the Kerry/Edwards ticket prevails, we can expect early battles between traditional liberals and New Democrats. The presidential transition might well witness a replay of the November 1992–January 1993 struggle within the nascent Clinton administration between the advocates of increased domestic spending and the proponents of fiscal restraint. For example, the president-elect might have to make a choice between an immediate push for his massive health care proposal and his pledge to cut the deficit by half within four years.

On the other hand, if the Kerry/Edwards ticket goes down to defeat, the usual cycle of intraparty recriminations will resume as the pent-up energy and resentment of traditional liberals who held their peace in the name of victory bursts forth. The candidacy of Howard Dean showed where the hearts of the party's grassroots activists really

lie, and it is difficult to believe that they would not find champions of their cause with presidential ambitions.

In short, while some of the issues that have divided traditional liberals and new Democrats since the 1980s have faded, others remain salient and the war in Iraq has created passionate new cleavages. Whether the 2004 ticket wins or loses, it is safe to predict that this long-running struggle will resume.

