Searching for Clinton: A New Agenda for Progressives

By William A. Galston

In May of 1982 I took a leave of absence from the University of Texas to serve as Issues Director in Walter Mondale’s presidential campaign. It was one of the most instructive experiences of my life. Although I didn’t realize it at the time, Mondale was to be the last Democratic nominee to take his bearings from the New Deal coalition as Franklin Roosevelt had assembled it half a century earlier. The five ensuing decades had left the country vastly changed. Much of the working class had entered the middle class and had come to think of themselves more as taxpayers than as recipients of government benefits. The civil rights revolution had moved race to the center of American politics, and with it, racially-inflected issues such as welfare, crime, and public order. The cultural turmoil of the 1960s had brought new issues to the fore. Vietnam shattered the Cold War anti-communist consensus between the political parties. Less than a decade after Richard Nixon had proclaimed that we’re all Keynesians now, stagflation broke the political hegemony of Keynesian thought.

Had it not been for Watergate, Republicans might well have controlled the White House from 1968 through 1992, longer than FDR and Harry Truman combined. By 1984, Ronald Reagan had assembled a formidable coalition of southerners, white working class voters in the Northeast and Midwest, religious conservatives, and Cold War hawks. Under the impact of a massive stimulus—tax cuts and expanding defense spending—the economy rebounded from the deep 1981-82 recession. In these circumstances, the Reagan campaign’s evocation of “Morning in America” resonated with the American people, while Mondale’s platform of fairness, fiscal rectitude, and defending our auto and steel industries against the Japanese threat fell flat. The outcome was an historic defeat for the Democratic Party and the effective end of New Deal politics.

The question then became: what next for a party dedicated to liberal and progressive goals? One possibility was a reorientation from manufacturing to the “new economy,” as the so-called “Atari Democrats” had recommended. While Senator Gary Hart ably represented this possibility and had nearly snatched the Democratic presidential nomination away from Mondale, in the end this approach proved too technocratic and bloodless to command widespread public support. Another possibility was simply to declare an end to the 20-year ideological conflict that had decimated the Democratic Party. In his acceptance speech at the 1988 Democratic convention, Michael Dukakis announced that the issue was competence, not ideology. The Democratic nominee soon learned that it takes two to end a partisan war: George H. W. Bush’s campaign exploited Dukakis’s vulnerabilities on cultural and national security issues and turned a 17-point midsummer deficit into a surprisingly easy victory.

The rubble was still bouncing when, in September of 1989, Elaine Kamarck and I published a long essay entitled “The Politics of Evasion: Democrats and the Presidency.” We began this way:

The Democratic Party’s 1988 presidential defeat demonstrated that the party’s problems would not disappear, as many had hoped, once Ronald Reagan left the White House. Without a charismatic president to blame for their ills, Democrats must now come face to face with reality: too many Americans have come to see the party as inattentive to their economic interests, indifferent if not hostile to their moral sentiments, and ineffective in defense of their national security.

Bill Clinton’s 1992 campaign represented a pitch-perfect response to this diagnosis. On the economic front, Clinton espoused a program of growth and opportunity for all, and he argued that this program was fully compatible with fiscal responsibility and restraint. In foreign policy, Clinton updated liberal internationalism: America must lead with its values and must on occasion be prepared to use force in their defense. And Clinton’s social policy combined traditional Democratic objectives, such as expanding health insurance coverage, with bold new policies on hot-button issues such as crime, welfare, and education. In so doing, he worked as well to readjust the party’s alignment with mainstream values such as hard work, personal responsibility, and accountability.

All this sounds much easier to do in retrospect than it was at the time. Clinton’s famous promise to end welfare as we know it, for example, antagonized many liberals who believed that it represented “blaming the victim” and would immiserate millions of poor women and their children. Nor did intra-party controversy subside after Clinton took office. His decision to present a budget focused on fiscal restraint and deficit reduction rather than public investment antagonized Democratic interest groups who had endured twelve lean years under Republican presidents. His support for the North American Free Trade Agreement (NAFTA) and the World Trade Organization split his party down the middle. His advocacy of standards-based education reform and charter schools ran up against the advocates of long-established programs. And his decision to sign a landmark welfare reform bill in June of 1996 triggered the resignations of several highly visible administration officials.

Still, it was hard to argue with the results. In November 1996, Bill Clinton became the first Democrat since FDR to win reelection after serving a full first term. And by the time he left office in 2000, he could cite a host of accomplishments. The economy had enjoyed its longest sustained expansion in American history, averaging 4 percent growth since 1993. More than 22 million new jobs were created, unemployment fell of 4 percent, wages and family incomes increased in every income bracket for the first time since the 1960s, and the poverty rate reached its lowest level in two decades. The federal budget moved from large deficits to three consecutive years of surplus, enabling the government to pay off $360 billion of the national debt.

Meanwhile, key social indicators moved strongly in the right direction. In part because of the president’s initiative to fund 100,000 additional police officers in communities around the country, crime declined for eight consecutive years, to the lowest level since 1973. Welfare caseloads were cut in half, and millions of parents joined the workforce. The teen birth rate declined to its lowest level in 60 years, and infant mortality to the lowest rate in American history.

Recognizing that trust in government had fallen to historic lows by the early 1990s, Clinton set in motion a program of government reform and “reinvention.” Under the leadership of Vice President Gore, the National Performance Review recommended, and Congress adopted, savings totaling $136 billion, and the federal government workforce was cut by nearly one fifth, to its lowest level since 1960. At the same time, per capita federal spending grew at the slowest rate since the Eisenhower administration, and federal spending as a share of GDP declined from 22.2 percent to 18.5 percent. Despite the prolonged struggle over Republican efforts to impeach the president, trust in government rose by fifteen percentage points during the eight Clinton years, to its highest level since 1984.

And finally, Clinton managed to place his policies on a foundation of principles that enjoyed strong majority support: work as the basis of dignity and entitlement; strong families as the best place to raise children; equal opportunity for all with special privileges for none; government as a safety net for those with nowhere else to turn; and citizenship as reciprocity, with responsibilities as well as rights. Policies from expanded children’s health care to a visionary national service program gave life to these principles.

Not everything went right, of course. An all-out effort to enact universal health insurance was thwarted, leaving that problem to fester for nearly two more decades. The strong push for gun control in the 1994 crime bill, while contributing to a steep fall in the violent crime rate, generated a huge backlash, led to the defeat of many rural Democrats in November 1994, and all but ended the Democratic Party’s efforts to move further down that road. And his stance at the time on certain fiscal and economic issues—balancing the budget while expanding public investments and trade agreements—remains controversial even today among Democrats. Yet Clinton’s policies took a number of racially tinged social issues off the table, easing the path for America’s first African-American president just eight years later.

While Bill Clinton’s renewal of the Democratic creed reflected the particular circumstances of its time, much of what he did remains relevant today. Overarching the challenges is the core difference between the political parties, which becomes ever more salient as partisan polarization reaches levels not seen for more than a century. While Democrats, like Republicans believe in the vital role of both markets and civil society, unlike Republicans they also believe in a vigorous role for government. Bill Clinton understood the reasons for the collapse of public trust and confidence in government, and he worked with great success after two terms to reverse this trend.

*William A. Galston is the Ezra K. Zilkha Chair in Governance Studies at The Brookings Institution. He serves as a senior advisor to the President for domestic policy during the Clinton Administration.*