

The Democrats' Divide

Left-Labor v. the New Democrats

By ELIZABETH ARENS

AFTER ANY SIGNIFICANT ELECTION, factions within our political parties compete to lay claim to electoral victory or to disown defeat. In the case of our most recent presidential election, the closeness of the popular vote, the controversy surrounding the electoral college result, and the shifting political postures of the candidates — the Democratic candidate in particular — made the evidence especially malleable. Shortly after the election, therefore, a debate began about what lessons could be drawn from Al Gore's unsuccessful campaign. It took place — is taking place — between the two dominant ideological groups within the Democratic Party, one avowedly "centrist" in outlook, the other self-described as "progressive."

The centrist "New Democrat" argument was submitted by Al From, founder and CEO of the Democratic Leadership Council (DLC); Will Marshall, president of the Progressive Policy Institute (PPI), a DLC-affiliated think tank; the New Democrats' official pollster, Mark Penn; and their top

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intellectual, William Galston. On the other, progressive or “left-labor” side were Stanley Greenberg, the pollster Gore substituted for Mark Penn last summer; Ruy Teixeira, author of *America’s Forgotten Majority: Why the White Working Class Still Matters*; and Robert Borosage, founder of the Campaign for America’s Future, an organization created as a counterweight to the DLC. This was highly formalized debate, in which different combinations of these advocates squared off in a series of venues — a DLC-sponsored conference at the National Press Club, two consecutive issues of the progressive wing’s magazine the *American Prospect*, and an issue of *Blueprint*, the DLC magazine, in which the left-labor faction made its case, and was rebutted, in absentia.

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The New Democrats proposed that Gore made a fatal blunder when, beginning at the Democratic convention in August, he adopted a more populist stance, captured neatly in the slogan “the people vs. the powerful,” and promised to fight to protect the public against overweening corporate power. They argued that this message smacked of an outdated “Industrial Age” appeal which had little resonance for today’s electorate — the growing numbers of suburban, upper-middle-class “wired workers” who fancied themselves neither the people nor the powerful and were wary of big-government solutions to their problems. In the New Democratic view, Gore failed to capitalize on the general prosperity of the Clinton years. Furthermore, he distanced himself from the success he and Clinton had in streamlining and “reinventing” government, instead offering a

laundry list of new or expanded programs likely to create costly and irreversible entitlements.

The competing left-labor analysis began with the proposition that Gore did not actually lose the election, given the popular vote result, the Florida irregularities, and the intervention of the U.S. Supreme Court. (In fact, those on the left often add the Gore and Ralph Nader votes together to claim a substantial popular majority for “progressive politics.”) Left-laborites argued that Gore was running a lackluster campaign until his convention transformation — that his populist turn gave him the only lead he held all year. They claimed that his promise to “fight for the people” was in large part responsible for the impressive turnout among the Democratic base — union members and blacks in particular. They proposed that a majority of Americans felt that the much-trumpeted economic boom had passed them by and that these Americans suffered from substantial economic instability and, relatedly, insecurity about health, education, and retirement. To the extent that Gore did underperform expectations, the left argued, this was due to failings not with the message but with the medium — Gore’s appar-

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ent inability to seem “genuine” or to connect personally with voters — and to the “moral drag” on his campaign created by Bill Clinton’s many scandals.

Arguments between the New Democrats and their adversaries on the party’s left are nothing new. Clinton’s reelection in 1996 was followed by a debate in the *American Prospect* featuring virtually the same cast of characters. (Should Clinton’s victory be credited to his staking out of centrist territory — with welfare reform, budgetary restraint, and anticrime initiatives — in the second half of his first term, or to his defense of traditional social welfare programs against the axe-wielding GOP congressional hordes?)

The future of the Democratic Party is often held, not least by representatives of the two camps themselves, to rest on who “wins” this argument. Yet that is a simplistic way of looking at the intraparty debate. The dialogue is dynamic, not static. In fact, the “New” Democrats have grown old enough to have undergone significant ideological transformation since the term was first coined. Likewise, the left-labor wing of the party has been evolving, especially with regard to the relative weight placed on economic and cultural issues. This dialogue is, in effect, a creative force within the Democratic Party, the means by which its major centers of influence air their differences and establish priorities election-in, election-out.

Too far left

THE DEMOCRATIC LEADERSHIP COUNCIL was formed in 1985 after Ronald Reagan won a landslide reelection victory over Democratic nominee Walter Mondale, sweeping many formerly safe Democratic territories. The organization’s early makeup was ideologically diverse, comprising neoconservatives, neoliberals concerned with better-functioning government, and, most prominently, Southern Democrats such as Al Gore, Chuck Robb, and Sam Nunn. What they shared was a dismay with the direction of the Democratic Party, which, since the 1972 McGovern-Fraser rules “opening up” the nomination process and the conduct of party affairs, had been taken hostage by a host of single-issue activist groups — peace advocates, environmentalists, black activists, feminists — all of whom demanded recognition and specific policy concessions in the party’s political platform. The stances taken by these groups — championing radical social change, demanding affirmative efforts to make up for racial injustice, opposing American intervention abroad, favoring redistribution and environmental protection over economic growth — induced a steady flow of white middle-class voters to the GOP and threatened the Democrats’ electoral viability, particularly in the South. Southern and Western congressional and local leaders, while less in thrall to the activists, were dragged down by the party’s national message. Most of these politicians were far from laissez-faire free marketers, but they believed that they couldn’t pursue

an interventionist agenda because the voters had lost trust in their elected officials. Until the party changed its cultural image, until it was “inoculated on values,” as the phrase went, progressive politics would languish.

The DLC’s first project, therefore, was to reverse the changes in the nominating process that had led to activist control. The DLC endeavored to alter the composition of convention delegate groups so as to restore the influence of elected officials and party bureaucrats. DLC members were also responsible for the creation of a Southern regional primary, dubbed “Super Tuesday,” which they hoped would yield a presidential candidate with political stances more amenable to Southern whites — someone who favored a strong defense, was committed to restoring economic growth, and praised

majoritarian morals. When these structural changes proved ineffectual, as in the case of the former, or backfired, as in the case of the latter, the DLC changed its strategy. It turned to building a strong national organization by winning converts in states and localities, and to developing a more distinctive and systematic political philosophy and a more detailed set of policies for candidates to run on.

The New Democrats would emphasize responsibility, championing a national service project and reforming welfare so as to require work.

Through the work of its new think tank arm, the Progressive Policy Institute, and encapsulated in such documents as the “New Orleans Declaration: a Democratic Agenda for the 1990s,” released in 1990, and the “New American Choice Resolutions,” passed at the 1991 DLC convention, the DLC presented a set of political stances that would sharply distinguish their candidates from the party’s liberal wing. While party activists talked of rights, the New Democrats would emphasize individual responsibilities, championing a national service project and reforming welfare so as to require work in exchange for benefits. They promised a tougher stance on crime and racial issues, basing

their approach to crime on building up police forces rather than addressing “root causes,” and provoking public disputes with Jesse Jackson to demonstrate their independence from minority leadership. Their economic message reflected an inclination toward free markets over regulation and protection, and toward decentralization and privatization rather than centralized control. It showed the influence of the more futurist outlook of the group’s early neoliberal wing and also reflected the rise of a movement in both parties to find a “new paradigm” for the post-Cold War, postindustrial world — a politics that would “transcend the limits of the conventional left-right divide,” in the words of a PPI annual report. At the same time, the DLC continued to dispute charges, voiced since the group’s founding, that New Democrats were merely watered-down Republicans, and emphasized the

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continuity of their aims and principles with those of Democratic heroes such as FDR and Andrew Jackson.

It was on this platform that Arkansas governor and DLC president Bill Clinton made his 1992 run for the presidency. Faced with two candidates, Bush and Perot, to his right and a stagnant economy, however, Clinton also incorporated a more populist element into the campaign. "Putting People First" meant not only connecting, in the New Democratic style, with voters turned off by social liberalism, but also positive government action to invigorate the economy, including spending on research and development, job training, and physical infrastructure. And in his first two years in office, Clinton disappointed the DLC by appearing to cater to ethnic and other minority groups and by promoting an overly bureaucratic and centralized plan for health care reform. Chastened by the Republican success in the elections of 1994, Clinton returned to the New Democrat fold, passing welfare reform over the strong objection of the party's left wing. By then, also, the economic doldrums of the final Bush years were forgotten as the economy began not just to grow, but to grow strongly.

Moving up

JUST AS THE DLC originated in the Democrats' electoral problems of the 1970s and '80s, so the shift in New Democratic ideology over the course of the 1990s was a response to a perceived change in the electoral landscape. Specifically, it lay with the conclusion of several of Clinton's advisors, including the newly rehabilitated Dick Morris, that his best chance for reelection in 1996 lay not among the lower-middle to middle-class workers, the Reagan Democrats whom the DLC had hoped to restore to the fold through appeals to their traditional values, but with a growing population of upper-middle-class suburbanites. As it turned out, the determination to capture these voters, dubbed "wired workers" for their supposed familiarity with information-age technologies, meshed well with the ongoing effort of DLC-affiliated intellectuals to develop a "new paradigm."

In the 1996 DLC paper *The New Progressive Declaration*, this effort reached the level of a full political economy. It began with the linked concepts of globalization and the Information Age, two phenomena wired workers presumably understood and indeed had benefited from. Globalization, the paper argued, limited the control national governments could have over their own economic destiny, while the internet and other information technologies made large, centralized, bureaucratic structures obsolete. *The New Progressive Declaration* therefore demanded the decentralization, privatization, and voucherization of much of the federal government's sphere of responsibilities. Such a change would provide more effective government and would appeal to the new breed of self-reliant, capable, and independent voters. At the same time, however, the new suburban elec-

torate was more cosmopolitan and socially tolerant than the DLC's old target audience, and was therefore less likely to be won over by moralistic, socially conservative appeals.

On this territory, the DLC continues to stand. In the 1998 premier issue of the DLC magazine *Blueprint*, William Galston argued:

we can discern the rise of a new learning class of workers who will dominate at least the first half of the 21st century. They will be better educated, more affluent, more mobile, and more self-reliant. They are less likely to be influenced by (let alone submit to) large mediating institutions. Their political outlook and behavior will increasingly defy the class-based divisions of the old economy, and they will be increasingly skeptical of centralized, one-size-fits-all solutions.

He continued, "the heart of the middle class is shrinking — being hollowed out — not because poverty is on the march, but because millions of Americans are surging into the ranks of the upper middle class and wealthy." The "distinctive set of political views" held by this group included "being broadly tolerant in their social outlook" and wanting "active government protection of the environment." Subsequent issues of *Blueprint* have included a "Technology and the New Economy" issue, which, having more the feel of a McKinsey & Co. Powerpoint presentation than of a political magazine, espoused such principles as "Invest in Training," "Encourage Firms to Become Learning Organizations," and "Use Information Technology to Give People New Tools." Another issue, "Quality of Life: The New Battleground of American Politics," was devoted to such largely upscale suburban concerns as smog, gridlock, "livable communities," and "the suburban housing crunch."

In this way, the New Democrats and their adversaries on the party's left have switched some substantial political and rhetorical ground. The DLC's new orientation towards a more affluent, educated, suburban constituency has resulted in the abandonment of much of its middle-class moral majoritarianism. The group has backed away from earlier confrontational stances on race and other social issues, and has essentially ceded the culturally conservative lower middle class to the GOP. As From wrote in the January 2001 *Blueprint*:

cultural conservatives backed Bush overwhelmingly, but they were never likely to support a Democrat in the first place. Polling going well back before the Clinton impeachment has found a substantial body of cultural conservatives, even among self-identified Democrats — who almost always vote Republican. Veering to the right on cultural issues to win these voters would take a heavy toll among other Democrats and swing voters. That, in the end, is the problem with a political strategy that mainly targets downscale working-class whites. The messages necessary to attract them — populist, class warfare oriented economics and cultur-

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al conservatism — are hardly popular with voters in the rising learning class.

In the same article, From argues that the Democrats must not “try to recreate the Industrial Age coalition of the mid-20th century that can never be put back together.” Of course, however, holding together the disintegrating New Deal Democratic coalition was the original purpose of the DLC.

The newer left

INTO THIS POPULIST VACUUM marched the left-labor wing of the Democratic Party. Ruy Teixeira's *America's Forgotten Majority: Why the Working Class Still Matters*, a book which became the unofficial blueprint for the post-convention Gore campaign, argues that for all the talk of wired workers, the working class — with incomes of \$35,000 to \$75,000 and little or no college education — is still the largest, and has become the most politically volatile, segment of the population. Teixeira proposes that these downscale voters are fertile territory for the Democrats, as they face persistent insecurities regarding the continuing value of their skills and their ability to fund retirement, medical costs, and their children's education. However, he acknowledges that some of the Democratic Party's stances over time have created a “values problem” that it can overcome only by distancing itself from affirmative action and welfare, and by affirming work and equal opportunity. Rather than woo blacks and other minorities separately with special appeals and privileges, the Democrats should treat them as part of the broad working class. Thus persuaded that people in government shared their values, Teixeira explains, the white working class would be receptive to more “big government” solutions to their problems.

If this approach sounds familiar, that's because it is. Teixeira argues for the same strategy of “values inoculation” that the more economically populist New Democrats trumpeted in the mid-1980s. The switch here is brought into sharp relief by the fact that pollster Stanley Greenberg, an early DLC affiliate whose research was perhaps most responsible for the “inoculation” approach, is now attached to the left-labor wing. Greenberg's mid-1980s studies of Macomb County, Michigan, a working-class Detroit suburb that was once overwhelmingly Democratic but had come out strongly for Ronald Reagan, supported and crystallized just what Southern and other centrist Democrats had been saying for years: that white, blue-collar workers thought the Democrats were indifferent to their concerns and were preoccupied with the underclass and with racial minorities. The DLC embraced Greenberg's research, and he became their official pollster and an early advisor to President Clinton. Greenberg was replaced by Mark Penn before the 1996 election, however, after Clinton blamed him for overestimating public enthusiasm for a full health care overhaul. Since then, Greenberg has drifted

steadily into the left-labor camp, where he can now be found sparring with Penn and the DLC, attacking the “rigid DLC pro-market formula,” and promoting the new left-labor consensus: a “family-centered” politics which champions mainstream values (and the traditional family structure) and pledges to protect families against economic uncertainty with such government efforts as free job training, universal health care, and mandated employment policies favorable to working parents.

The prominence of people like Greenberg and Ruy Teixeira and of their family values rhetoric in the left-labor coalition represents a conspicuous shift for that group as well. Left-labor used to dismiss talk of values and culture as a meaningless distraction from the real issues of economic policy.

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Along these lines, in a 1993 *American Prospect* article, Jeff Faux accused New Democrats of being “obsessed with abstract debates over social values, while the nation stumbles into decline.” Additionally, while professing to represent the interests of middle-income Americans, left-laborites were clearly uncomfortable aligning too closely with their cultural attitudes. Faux wrote in the same article, “The fact is that in modern times national Democrats have always been somewhat out of sync with the social values of the average, white, and middle-class American. It is, after all, the *progressive* party. Its historic function is in part to champion the upward mobility of those who are different — immigrants, blacks, Hispanics, women wanting equal opportunity, gays in the military.” This is clearly a far cry from Teixeira’s “forgotten majority.”

Even more significant is the fact that the new, family-values, left-labor coalition now represents the left pole of mainstream Democratic politics. Faux’s 1993 genuflection toward “those who are different” appears quite mild when compared with left-wing Democratic rhetoric of the 1970s and 1980s. The goals of the activists who acquired power in the Democratic Party in this period involved the thorough subversion of mainstream American culture. Claiming to embody the unarticulated needs of oppressed or marginalized groups — blacks, Hispanics, women, and gays — and implying that no white male Americans could understand or sympathize with their perspective, these activists pressed their demands for justice and radical social change in an uncompromising manner now known as “identity politics.” The rapid retreat of “identity politics” and the hard-core multiculturalists who practice it is one of the more remarkable aspects of political life over the past 10 years.

In a 1996 review in the *Public Interest*, David Brooks took note of the rise on the left of what he called “the class-not-race crew,” which had come

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to believe that “identity politics is a cul-de-sac, which has ghettoized left-wing ideas and allowed the white middle class to drift to the right.” Members of this group included Todd Gitlin, Brian Barry, and Michael Tomasky, whose book *Left for Dead* was attracting significant attention for its sharp critique of the multiculturalist intellectual left. Among this group, Tomasky explained, “the notion that there is even a collective good is regarded with deep suspicion.” Tomasky complained, “if that’s your view, why do mass politics?” and continued: “If society is incorrigibly racist, sexist, and homophobic, if extant power structures . . . simply recreate themselves, what’s the point of doing anything, of leaving one’s room?”

Brooks declared at the time that “This is an argument that the class-not-race crowd is going to lose.” He argued that Americans had overwhelmingly accepted a soft multiculturalism which held the diversity of all social bodies to be of paramount importance and had been persuaded that the crucial elements to be diversified were race, ethnicity, gender, and sexual orientation. He also pointed to the incorrigibility of our university faculties, so entranced with dismissing all existing categories and “undermining the fundamentals of all past understandings” that they were incapable of affirming anything at all. Finally, Brooks suggested a general absence of solidaristic feelings among the American populace. He concluded that “for all its flaws, identity politics is the only liberal and left-wing option.”

Electoral results have not disproved Brooks’s hunch about class-based solidarity, and his other two arguments are surely right: The universities are thoroughly incorrigible, and soft multiculturalism has not been dethroned. In fact, it has even been embraced by the Republican Party, which made a point of showcasing blacks at its 2000 convention. George W. Bush’s Cabinet and early judicial appointments are liberally sprinkled with women and racial minorities. But there is a crucial difference between this approach and the politics of the 1970s and ’80s. In the bad old era of identity politics, it was assumed, often correctly, that women and minorities sought positions of power for the principal purpose of transmitting the demands of their “natural” constituency. But today’s black, Hispanic, or female GOP appointees are understood to represent their race or sex in only the most vague and general way. Contrary to Brooks’s prediction, hard-core multiculturalism has been thoroughly drummed out of national politics. The left-labor coalition, while yet to claim an electoral victory, is the strongest faction on the left. And the DLC, wooing suburbanites with complicated racial attitudes and faced with a less culturally abrasive opponent to its left, has largely ceased to make socially conservative appeals.

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States one Democratic writer, “no professional Democrat wants to front a cultural message.” Thus, both major Democratic factions together have packed up their arms and departed the cultural battlefield.

Market virtue

THE OTHER TERRAIN over which the New Democrats and left-laborites have, surprisingly, traveled together is economic. This is a reality that the sharply drawn dichotomy of the postelection debates obscures. The thriving American economy of the mid- to late 1990s has thrust aside a whole set of issues, assumptions, and arguments that dominated the economic debates of the early part of the decade. In those years, it may be recalled, the opinion was widely held that the United States was falling dangerously behind its economic competitors — principally Japan — and would not catch up without major structural reform. Our labor force, it was argued, lacked the skills and discipline to compete. And the Japanese system, in which the state played a larger role in directing the flow of investment and in protecting the nation’s industries through subsidies and trade restrictions, was held to have the advantage over our more laissez-faire economy. Bill Clinton, as stated earlier, ran in 1992 on a relatively interventionist economic platform, promising federal money for job training, enhanced funding for science and technology, and investment in the nation’s physical infrastructure.

To Clinton’s left were people like Dick Gephardt, characterized by John Judis in 1996 as “economic nationalists,” who advocated a kind of latter-day mercantilism. Gephardt and his allies supported a more confrontational trade policy in which the United States would retaliate against nations with protectionist policies — in Gephardt’s words, a “golden rule” for international trade, doing unto other countries as they did unto us. They also favored tax and other incentives to persuade corporations to keep their operations in the United States and to invest in training for their workers. And to the left of this group were people like Jeff Faux, president of the Economic Policy Institute, who demanded a level of state direction of the economy that one might have thought went out of style with the last Soviet five-year plan. Writing in 1993, Faux called for “an investment led growth strategy” that will “require a civilian public sector that is stronger, not weaker — and probably larger, not smaller. It will require a government that plans ahead and does not hide from the questions of how to deploy American technology and labor force in the future.”

It goes without saying that no one speaks in these terms anymore. The second half of the 1990s provided a powerful validation of a free enterprise system as the U.S. economy surged while corporatist Japan sank into what seems like permanent recession. The excesses surrounding internet start-up companies, and the apparent technology overinvestment by larger compa-

nies, can be faulted and will not be painlessly corrected. But our overall growth and productivity have demonstrated again that it is not for the public sector to decide which innovations are the most promising or which skills workers will need five years down the road. The left wing of the Democratic Party still calls for government-supported job training, but it is now to aid “those left behind” by the recent prosperity, not for the salvation of the U.S. economy in general.

Globalization politics

DESPITE THIS CONVERGENCE, however, the New Democrats and the left-laborites continue to offer starkly different pictures of the state of the nation. Few Democrats today would define their mission as championing the poor, or the disadvantaged, or “those who are different”; almost all seek to identify with the average American. But what are the circumstances of average Americans? Are they optimistic, self-reliant, technologically capable, actively managing their investments, easily picking up new knowledge and skills, boldly headed for, in William Galston’s words, “the new mass upper middle class”? Or, as Stanley Greenberg would have us believe, are they barely hanging on, their employment increasingly insecure, fearful of the rapid obsolescence of their skills, working ever longer hours for stagnant pay, and faced with an increasingly porous social safety net?

The axis around which this debate turns is the impact of globalization. As journalist Joshua Micah Marshall explains, the one group believes globalization to be *The Problem*, while the other holds it to be *The Solution*, or at least a largely benign force which has the potential to yield substantial economic benefits for everyone. Thus policy questions relating to globalization threaten to be the principal obstacle to Democratic cohesion in Congress. Marshall suggests that trade is “the latent issue for Democrats,” and that their ultimate legislative combinations cannot be predicted even by the factions that appeared so firm and dichotomous in the wake of the election. Ideologically, protectionism has been discredited, but every senator and representative has some local industry he or she wishes to favor. Economic nationalism, like all varieties of nationalism, is no longer in fashion, but labor hopes to advance its agenda through universally applicable labor and environmental standards. And New Democrat free traders may find their suburban target audience to be increasingly susceptible to these arguments. Marshall proposes that there has been “intentional obscurity” on the subject of trade, and that “many legislators have not figured out their positions on these issues.”

Clearly, culture is the other “latent issue” or set of issues for the Democrats. Both wings of the party have done their best to keep economic policy front and center. This is not to say they don’t make moral appeals;

rather, their moral arguments are attached to economic matters like reward for work, equal opportunity, and job security. It was one of the virtues of the early New Democrats that they recognized that all economic policy has a social and moral dimension and would be judged by the public on the basis of its social and moral attitudes. But there is also a realm of culture outside of economics, one which reveals itself in the complicated ways religious faith works itself into politics, in the abiding distaste for governmental and especially federal power in some parts of the country, and in the passionate feelings that the subject of abortion elicits on both sides of the debate. Democrats today are not getting their hands around this realm. The flawed interpretations of the 2000 electoral results offered by both major factions

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make this clear. The New Democrats blame Gore's latecomer populism for the Democratic loss, claiming that it lost him support among affluent "wired workers." But in fact, the Democrats did better than ever among the affluent and educated, and consolidated their hold on the Northeast, the West Coast, and metropolitan areas. The left-liberal analysis is even more distorted, however, as Gore lost badly among the very group his populist strategy was designed to attract — white, semi-educated males with incomes from \$35,000 to \$75,000.

More privately, however, some Democrats are discussing the question of culture. It has become the conventional wisdom in Congress, for example, that the Democrats' stance on gun control costs them heavily in the South. What, if anything, should be done about that remains subject to debate. Zell Miller made this controversy unusually public in May with a *New York Times* op-ed that argued, old DLC-style, that the Democrats should back off on gun control and other culturally sensitive topics until they gain the trust of Southern voters. More liberal Democrats (Miller is among the party's most conservative) have argued that with the party's near-dominance of the Northeast and Midwest and its new power on the West Coast, national candidates don't need the South, and that moving to the right to win the South will lose them support in these other areas. Southern Democrats counter that their viability in state contests, and the balance of power in Congress, depend on a more culturally conservative message. Candidates continue to select the cultural issues that will work to their best advantage locally (Sen. Barbara Boxer's reelection campaign, for instance, gained considerable mileage from her opponent's antiabortion stance), but the party's national image is never irrelevant. This controversy may open up rifts not only between New Democrats and left-laborites, but also between the primary groupings within the DLC: those officials from Republican or closely divided

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states for whom being a New Democrat means taking stances closer to GOP positions, and those who view the New Democrat “Third Way” as a distinctive ideology unto itself. More generally, this debate shows that many of the issues that surrounded the formation of the DLC have not gone away, and it underlines the continuing salience of regional differences in American politics.

Up from parity?

WHICH SIDE OF THE CURRENT Democratic divide will gain the advantage? That will depend on numerous unpredictable variables, not the least of which are the actions of the Republicans and the course of the American economy. It seems clear that the DLC will have to lose some of its gung-ho rhetoric about wired workers, the New Economy, and the Information Age, all of which sounds increasingly untenable after the implosion of hundreds of internet startups and the more surprising near-collapse of many telecommunications companies. Wall Street has already jettisoned the hype; politicians as usual are slow to catch up. What's more, the New Democrats will have to concede that events have proved them wrong on one of their major predictions about the New Economy: the decentralization of corporate power. Corporations have in fact been combining at an unprecedented rate, and in many industries power is more concentrated than ever before. Americans — whether “wired,” equity-holding, or not — are aware of this. Anyone who has ever dealt with a bank or HMO will attest that these organizations can be just as bureaucratized, impersonal, unresponsive, and difficult to navigate as an overgrown federal agency. New Democrats (and Republicans, for that matter) will have to awaken to the fact that people's frustration with corporations, experienced as employees or as consumers, can form the basis for a potent political movement.

The left-labor faction, on the other hand, would benefit by giving up some of their unrelenting pessimism and by offering a positive vision for the globalized economy. They also lag behind the New Democrats in terms of innovative public policy. Moreover, the left-laborites must also face the reality that a stagnant economy might jeopardize, rather than bolster, their long-awaited class-based coalition. One of the oldest tricks in the American political library is to separate the lowest rung of the middle from those just below them. When race is added into the equation, the division becomes even easier. The absence of race-based appeals from the political campaigns of the past five or so years is due to particular circumstances (which, ironically, are the fruit of center-right policies): a strong economy, plentiful jobs, and a remarkable drop in crime. Should there be a setback in any one of these areas, divisions will become easier to exploit. All a revival of identity politics might require is a single incident, similar to the electoral controversy

in Florida, in which black officials insist upon a racial dimension while the Democratic leadership desperately tries to hush them up. This is perhaps a gloomy view of American race relations, though one not unjustified by history. But other potential fault lines also present themselves: between the college educated and those who are not, for example, or between public-sector and private-sector unionists. Left-laborites would be foolish to rely on class solidarity and would also be foolish to ignore what can only be considered a favorable trend for their party: the increasing affluence and elitism of the Democratic electorate.

Finally, both groups will have to think hard about the party's desired cultural message, about the subtle and symbolic ways cultural allegiance can be signified over the course of a campaign, and about the integration of a cultural message with their preferred economic policy talk.

The debate Democrats presented publicly in the postelection period was a rather sterile argument between "big government" and "small government." In fact, the dialogue going on within the party is much richer, perhaps even than many of its participants themselves realize. So far, the dialogue between these two camps has produced a Democratic Party that operates nationally more or less at parity with the Republican Party. The question is whether the interaction of the left-labor and New Democrat camps will be rich enough to reestablish the party as a national majority party, or whether the differences between the two will ultimately be too hard for the party to contain.

Why Europe Needs Britain

By MICHAEL GONZALEZ

THE TRANSATLANTIC ALLIANCE — the springboard of America's global involvement, in Zbigniew Brzezinski's words — will change dramatically in the first decade of this century. Americans would be prudent to prepare for the possibility of estrangement in the relationship, stemming not just from differences in economic outlook between a given U.S. administration and the leading European governments of the day, but also from a secular desire by some in Europe to vie for global political leadership. It should hardly need mentioning that such an outcome would have adverse consequences for the way the United States projects its power throughout the globe; we would have to learn, for one thing, to do without our European partner.

But none of this *needs* to happen. The United States and Europe could develop an even deeper alliance as better-defined common interests draw us closer together — perhaps a happier result. In between these two outcomes falls a range of possibilities, largely unforeseeable in their particulars.

Michael Gonzalez is deputy editor of the Wall Street Journal Europe's editorial page.