

CHAPTER 7

CLINTON AND THE PARTY SYSTEM IN HISTORICAL PERSPECTIVE

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THE POSTMODERN PRESIDENCY



Bill Clinton's Legacy in U.S. Politics

Edited by

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When leaving office, a president and his supporters tour his policy and partisan legacy. Political observers and political scientists are quick to reply that these claims strain credibility because most presidents leave only a modest mark on policy and the party system. Unlike the children in Garrison Keillor's *Lake Woebegone*, it seems, not every president can be above average.

Bill Clinton, however, might well challenge these standard interpretations. In policy, Clinton forged a centrist direction that had strong public appeal and erased the extremist label from his party. For the party system, one might also see the Clinton era as distinctive. In 1992, he reversed a long string of Republican domination of the presidency. At the same time, "change" was the word in Congress; newcomers won 25 percent of the seats in the House of Representatives, the highest percentage in over four decades. After the 1994 election, the Democrats controlled neither the House nor the Senate for the first time since 1954 and suffered massive losses in state and local elections. Defying predictions of his political demise, Clinton in 1996 became the first Democrat to win two presidential elections since Franklin Roosevelt. For the second time, he failed to receive 50 percent of the popular vote, joining Grover Cleveland (1884, 1892), and Woodrow Wilson (1912, 1916) as the only presidents to win twice with a minority of the popular vote. Then, for the first time since 1934, in 1998 the Democrats defied the "law" that the president's

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party loses House seats in the midterm election. Simply put, this was not a typical set of elections.

Certainly a president may affect his party's fortunes, but what about the condition of political parties in general? Scholars have shown that party organizations (the Democratic and Republican National Committees, the party campaign committees in the House and Senate, and state and local party committees) and congressional parties were more active in the 1980s and 1990s than their 1960s and 1970s counterparts (Corr et al., 1989; Cox and McCubbins 1993; Crotty 1984; G. Pomper 1998; Rohde 1991; Wattenberg 1998). During the Clinton presidency, these trends accelerated, as the congressional parties took opposite stances on roll-call votes with a frequency not seen since the 1940s and party organizations raised unprecedented funds for electoral use.

The extraordinary polarization Clinton inspired was a boon to congressional party cohesion and party organization fundraising. Even among the public, where parties were viewed skeptically, split-ticket voting was common, and voter turnout continued to decline (Mayer 1998), the Clinton presidency had a distinct impact. Public reaction to Clinton was sharply divided along party lines, with the response to Clinton's impeachment and trial—the first ever of an elected president—providing an extreme case in point.

More than for most presidents, then, with Clinton a case can be made for a legacy in policy and the party system. As the reader might suspect, itemizing the list of possible effects that a president might have had on specific parties or on the party system in general can be mind-boggling. So that history is not "just one damn thing after another," and with an eye to making comparisons across eras, scholars have developed models with which one can evaluate the party-system consequences of particular presidencies. I employ three of those frameworks in this chapter—partisan realignment, political time, and state-centered analysis—to consider the possible legacy of the Clinton presidency for the American party system.

I argue that the Clinton presidency was one of the most consequential of the past sixty-five years for political parties. Each of these frameworks suggests that the party system has changed dramatically compared to the recent past, and each suggests that these changes will have enduring consequences. Partisan realignment highlights the recent transformations in the coalitional composition of the parties and the shift toward a new and long-lasting balance of party competition. Political time points Bill Clinton's ability to forge a successful framework for his own success but leaves less certain whether he will have lasting consequences on his party and its policy priorities. I suggest that Clinton was better situated to have these lasting consequences than were

other presidents who served in comparable political time. State-centered analysis indicates that the strength of political parties has much to do with the structural arrangement of government institutions and the dominant policy concerns processed by these institutions. Shifts in institutional power and policy concerns have contributed to greater party strength in the 1990s and opened up possibilities for future revitalization of the link between political parties and the general public. The obstacles to revitalization are significant, however, particularly in an era of economic transformation. To appeal to an electorate increasingly attuned to the individualistic ethos often thought associated with life in the age of new information technology, enduring relevance and strength for the parties may require the creation of innovative organizational strategies.

Partisan Realignment

Partisan realignment theory examines the party system's transition from one type of competition to another. In effect, realignment theory takes "before and after" photographs of the party system. These images might be taken from a period in which one party is dominant and one in which another dominates, or from a time when a majority party has a particular coalition and one when that party has a different supporting coalition, or from an era in which one party dominates and one in which neither does. In either situation, significant policy changes accompany the party realignment.

Secular Realignment

Our analytical eye is often drawn to the dramatic and disruptive, but V. O. Key (1959) reminded scholars that significant political change often results from secular realignment: the cumulation of small, incremental, gradual developments. As a social group becomes more affluent, for example, its members might find the policy appeals of a conservative political party more to their liking. As one particular social group becomes better represented within a political party, other groups might gradually pull out. Scholars have suggested that both these developments have occurred over the past few decades. For example, as Catholics moved steadily into the middle class, they became less reliably Democratic. As blacks gained a louder voice in the Democratic Party, whites, especially southern whites, increasingly supported Republicans. As religious and social conservatives played an increasing role in the Republican Party, Republican moderates found themselves increasingly likely to vote Democratic.

During the Clinton era, the two most common secular realignment claims concerned the death of the New Deal coalition and the dominance of cultural and religious values in the new party alliances. Each claim has some truth, but each has been overstated. Surely it is correct that the cluster of groups supporting Franklin Roosevelt and the Democrats in the 1930s and 1940s and the groups supporting Democrats in the 1990s have some differences. And it is also true that groups that were considered part of the New Deal coalition—organized labor, agricultural interests, urban ethnic groups, Catholics, Jews, southerners, industrial blue collar workers, liberals, individuals with moderate or low income, less educated individuals—tend to support Democrats less strongly in the 1990s than they had in the 1940s (Mayer 1998). Indeed, if these groups were still voting for Democrats at their traditional level, Democrats would not have lost control of Congress, state legislatures, and governorships in the 1990s.

But to assert that the New Deal coalition has disappeared is too strong. It is more accurate to say that this coalition is no longer enough. According to the National Election Study conducted by the University of Michigan's Survey Research Center, support for Bill Clinton in 1996 and House Democrats in 1998 was strongest among blacks, women, lower-income people, Catholics and Jews, union members, blue-collar workers, urban residents, those without college education, and Northeasterners. Aside from the presence of blacks and women, who were not major components of the New Deal coalition, and the absence of southern whites, who were, there is little in this constellation of groups that would surprise a late-1940s Democratic politician transported into the late 1990s.

Differences between the 1940s and 1990s are not inconsequential, however. By the 1990s a Democrat, particularly a Democratic presidential nominee, could no longer assume that simply rounding up the old coalitional suspects would be sufficient for victory. Even a candidate who did well with these traditional New Deal groups—and most Democratic candidates did reasonably well with them—would need to reach outside this cluster to ensure victory (Abramowitz and Saunders 1998; Bartels 1998). For Bill Clinton, that meant gaining the votes of some moderates, conservatives, suburbanites, middle- and upper-middle-income whites, Midwesterners, Pacific Coast residents, and service-sector, high-tech, and research-based workers. In this sense, the Democratic coalition has been truly changed. Clinton demonstrated to fellow partisans that the core New Deal groups, an ever smaller proportion of the population, simply cannot reliably produce national Democratic victories. Our hypothetical transported Democratic politician would recognize

many of the groups supporting Democrats in the 1990s, but what about the issues? Have the party alignments gradually moved from an economic to a cultural basis? So far, the answer to this question is "no, but." It is certainly true that social, cultural, moral, and religious issues were playing a bigger role in politics in the 1990s than they had in previous decades. Beginning in the 1960s, "new liberals" in the Democratic Party pushed issues of social and racial justice onto the party platform alongside economic growth. Indeed, activists in both major parties were much more driven by this cluster of issues after the 1960s than before. During the Clinton presidency, there were heated conflicts over flag burning, gun control, homosexual rights, affirmative action, and "partial-birth" abortion.

For most voters, however, it really is "the economy, stupid." George Bush won in 1988 primarily because voters believed he would continue Reagan's successful management of the economy; his ability to paint Michael Dukakis as outside the cultural mainstream was the cherry on this electoral sundae. In 1992, Bush's similar attempts to cast Bill Clinton as a moral deviant were a resounding flop. Partly, this was because Clinton inoculated himself with conservative stands on social matters such as capital punishment and welfare reform, but Bush failed mostly because voters concentrated on the economy. The party most likely to push a broad-based social, cultural, and moral agenda, the Republicans, controlled Congress beginning in 1995 but advanced an agenda centered overwhelmingly on economic, financial, and regulatory matters. Clinton won reelection in 1996 despite widespread concerns about his moral and ethical behavior; his strengths on the fundamentally economic issues of employment, low inflation and interest rates, education, and protecting popular social insurance programs such as Social Security and Medicare trumped his weaknesses on moral and cultural issues. In 1998 the public overwhelmingly rallied around Clinton despite his admissions of marital infidelity and dishonest statements about this affair. Republicans supported the presidential candidacy of Texas governor George W. Bush in 1999 despite widespread rumors of his colorful past. The leading presidential candidates in early 2000—Democrats Bill Bradley and Al Gore, Republicans George Bush and John McCain—were not basing their campaigns primarily on cultural or moral issues. It is fair to say that the parties tailor appeals to specific social groups, and it is fair to say that voters care about social and moral issues—but Americans do not yet consistently elevate cultural and religious concerns above economic ones (Carmines and Layman 1997; Layman 1997).

In sum, secular realignment has changed the party system. Building over time, this transformation crested during the Clinton presidency. The old New

Deal coalition is not dead, but it is not sufficient for Democratic victories. Bill Clinton demonstrated to the party how to reach groups outside this traditional alliance. Clinton made these appeals primarily on economic grounds, but, aware of the problems cultural issues had caused Democratic candidates in the 1980s, he very skillfully staked out his conservative and moderate bona fides on a range of social issues. Even if these issues do not yet dominate party coalitions, Clinton helped cement the secular trend that successful candidates have to appear "safe" to the middle-of-the-road voter on at least some of them.

Critical Realignment

Critical realignment theory puts analytical teeth into the commonplace notion that some elections—critical elections—have more enduring consequences for the party system than do others (Burnham 1970; Key 1955). Rather than the gradual change that lies at the heart of secular realignment, critical realignment focuses on sharp, quick transformations of the political landscape that have effects lasting a generation or longer. Typically, critical realignments bring a new majority party to power and have effects at the local, state, and national level. Scholars generally agree that the 1800 (Jeffersonian Republicans), 1832 (Democrats), 1860 (Republicans), and 1932 (Democrats) elections fall into this category. Other realignments might keep the same majority party but create a new supporting coalition for that party, as in 1896 (Republicans).

Two points about these realigning elections stand out. First, they are spaced 28 to 36 years apart, suggesting to some writers that there might be some systematic regularity or predictability to realignment (Beck 1974; Burnham 1970). Second, none of them is recent. In the 1960s, scholars did their math— $1932 + 28 = 1960$, $1932 + 36 = 1968$ —and awaited the next realignment. But none of the elections in the 1980s had the look of the classic realigning election in which a new majority party or coalition came to power, so political scientists began to wonder if the age of realigning elections had come to an end (Shafer 1991b).

Looking back, scholars such as John Aldrich (1995) and Walter Dean Burnham (1996) have argued that the 1968 election marked a critical realignment of a different type, one notable for its dealigning features: members of the public pulled away from their party loyalties, turnout dropped, and control over government was usually divided between the two major parties. Under this shared power, policy began to move in a more conservative direction. The key ingredients of critical realignment—a new pattern of party politics and significant changes in public policy—were thus in place after 1968. In

this view, the dramatic victory of Republican Ronald Reagan in 1980 solidified the ongoing system rather than marking a realigning election in its own right. The Republican Party strengthened the conservative trend by gaining control of the Senate in the 1980 election, but Democrats controlled the House, so control of government in Washington remained divided. The Democrats also remained the majority party in the states and cities.

In 1994, twenty-six years after 1968, the election had all the hallmarks of a traditional critical realignment: issues were highly prominent; the political atmosphere seemed unusually energized; turnout, though not high by historical standards, was higher than in the recent midterm elections; the election results tilted almost universally toward one party; institutional reorganization (especially in the House) after the election was extensive; attempted policy changes were numerous and, for the most part, ideologically consistent (Burnham 1996). At last the Democratic era appeared over.

Unfortunately, history is hardly ever as neat and tidy as our models. In this new, supposedly Republican era, a Democrat won the presidency in 1996 and the Democrats pulled off the historical anomaly of gaining seats in the mid-term election of 1998. Much of the conservative Republican agenda either failed or was watered down to ensure passage and the president's signature. Was there a realignment or wasn't there?

It is reasonable to describe the 1994 results as akin to those of 1896. The 1896 critical realignment did not create a new majority party, but it created a new supporting coalition for the existing Republican majority. Similarly, the 1994 realignment continued the likelihood of divided control of government that was typical of the 1968 shift, but it also changed the balance of power within that division. With 1994, the Republican Party achieved parity with the Democrats throughout the country and at all levels of government. Although a case could be made for the Republicans as the new majority party, it would be a shakier case than one could make, for example, for the Democrats after the realignment in 1932. The Republicans did not become the undisputed majority party following 1994 but it was a realignment with a clear partisan direction. The period from 1968 to 1994 featured divided government that leaned toward Democratic control at most levels and in most offices; the era after 1994 seems likely to continue the closely contested balance of party power but with the balance tilting more toward the Republicans. Pundits and commentators noted again and again in the years following the 1994 election how the Republicans had an amazing tendency to strip policy defeat from the jaws of victory. Yet, despite a seemingly endless string of strategic blunders on policy and repeated, unpopular attempts to knock Clinton off his perch, Re-

publicans remained the majority party in Congress for three straight terms, something they had not accomplished in nearly 70 years. The party system had changed.

It would be inaccurate to state that Bill Clinton alone caused this realignment, because conditions for realignments brew over time—one can picture a water balloon being filled and becoming more expanded, stressed, and tense until it finally pops. The critical election is the pop that bursts the balloon. The water in the critical realignment balloon consists of the cumulative concerns, issues, and transformations in society and economy that place severe fissures in existing public policy paradigms. In the case of 1994, key stresses emerged from the transition to the information economy, a transition overlaid on broad social changes regarding women, minorities, and family structure. Combined with the gradual buildup of a pool of voters whose partisan allegiance was up for grabs, the conditions were ripe for political explosion.

Clinton's responsibility for the Democratic losses in 1994 was modest: 1994's outcome was predictable without any recourse to a unique "Clinton factor" in explanatory models (Campbell 1997; Coleman 1997b). Put differently, Clinton was no more or less responsible than other recent presidents for his party's fate in the midterm election. But critical realignments need triggering events to detonate the underlying stresses in the political system—pins to pop that expanding balloon—and Clinton's 1993-1994 tax hikes, health-care-reform debacle, crime legislation, gays-in-the-military support, and pro-choice advocacy may have served just this purpose among conservatives. Democratic president who promised to focus on the economy "like a laser beam" and the relatively modest results of 1993-1994 may have served as a triggering "event." For his first two years, and more pertinently in the year prior to the election, Clinton presided over the slowest growing economy of any Democratic presidency in the postwar era. With these pins in hand, the public popped the balloon and restructured the American party system.

The Prototypical Preemptive President

Critical realignment theory argues that not all elections are created equal; students of the presidency suggest the same about presidents. Just as political observers seek to discern patterns in election results, they also seek to find regularities in presidential behavior. Although this exercise risks forcing presidents into categories in which they fit uncomfortably, it has the benefit of highlighting that not every president faces the same obstacles and opportuni-

ties on entering office. Not every president can be Abraham Lincoln or Franklin Roosevelt.

One of the most useful ways to think about categories of presidents was developed by political scientist Stephen Skowronek (1993). Skowronek suggests that presidents take office in "political time," by which he means that presidents take office in a particular political context. Two components are especially important. First, is the ongoing policy regime, the dominant direction of public policy, strong, or does it appear to be weakening? If it is strong, citizens believe that it can still solve problems and is generally the right approach; if it is weak, there will be a widespread sense that policies are failing and that a new direction is needed. Second, is the president affiliated with this set of policies or is he seen as an opponent of these policies? Presidents connected to unpopular policies face very difficult leadership challenges, those unaffiliated with them have great opportunities to initiate bold change.

Using these two variables, four types of presidencies emerge. Disjunctive presidents are affiliated with a weak policy regime. Reconstructive presidents oppose these weak policies. Articulative presidents are associated with a strong set of policies. The final type, the preemptive president, serves during a strong ongoing policy regime but is not allied with it. As discussed elsewhere in this volume, the preemptive president seeks to find a "third way," combining features of the agendas of both major parties. Preemptive presidents such as Woodrow Wilson (1913-1920), Dwight Eisenhower (1953-1961), Richard Nixon (1969-1974), and Bill Clinton (1993-2001) are unlikely to reject the general policy direction in which the country is moving, but they will moderate that direction with some of the policy principles of their party.

The preemptive president seeks to occupy a middle ground largely defined by the priorities of his opponents, but with enough independence from these opponents and his own party to put a distinctive stamp on policy. Clinton, as a New Democrat, was eager to distance himself from some of liberalism's per ideas and symbols. Although his conservative policy emphasis on personal responsibility may seem ironic in the extreme, it was an effective tool for separating himself from a liberalism that was perceived as blaming society first and holding individuals accountable for their behavior last. Throughout this volume, one can find a number of examples of Clinton seeking to forge a third way, one that blended conservative, liberal, and centrist approaches.

Frustrating opponents by "stealing" their issues, preemptive presidents frequently watch with amusement as these foes, determined to separate themselves from the preemptive interloper, drive themselves over the ideological cliff. Clinton's Republican opponents played their parts perfectly in cri-

sodes such as the government shutdown during the budget conflict of 1995–1996. The president's joy in watching his opponents play the fool, however, is offset by devastating attacks on his character and extraordinary political and personal distrust. It is no surprise that all four impeachment efforts in U.S. history—John Tyler, Andrew Johnson, Richard Nixon, Bill Clinton—were leveled against preemptive president.

As maddening as they have been to their opponents, third-way presidents have been successful electorally. Wilson, Eisenhower, Nixon, and Clinton all won second terms. But as Skowronek points out, the success of the preemptive president seems to be personal rather than partisan. Wilson and Clinton's Democrats and Eisenhower and Nixon's Republicans did not enjoy great success during these presidencies and, generally, came out no better and perhaps worse than they had been when the president started his term. Bill Clinton won two elections handily in the electoral college and raised astounding sums of money for his party, yet Democrats lost control of Congress and many governorships and state legislatures during his watch. Preemptive presidents have also been unsuccessful in passing the baton to their vice presidents. The party of each of the previous twentieth-century preemptive presidents lost the subsequent presidential election, and in two of those three cases it was the president's vice president who went down to defeat. Obviously, thus pattern hung heavily over Vice President Al Gore in the 2000 presidential election. This personal success at the party's expense may seem surprising, but remember that the preemptive president makes his mark by portraying an image that straddles the two parties.

Unsuccessful in building a legacy of partisan election victories, preemptive presidents also have difficulty convincing their parties to continue on the third-way policy path. Republicans after Eisenhower and Nixon expressed discontent with the moderate, centrist, go-along-to-get-along strategy, especially because it did not appear to help the Republicans become the majority party. Only by staking out a distinctive ideological stance and nominating ideologically distinctive candidates—like Barry Goldwater in 1964 and Ronald Reagan in 1980—these critics argued, would the party make a credible claim for the voters' trust.

If party officials and politicians begin to believe that the Clintonian policy strategy will not build a solid majority for the party, one can certainly imagine a wave of such discontent sweeping through the Democratic Party. But there is a lesson in the conservative Republican response to Nixon that liberal Democrats should heed. Ronald Reagan expressed support and even some respect for the New Deal while acknowledging that some adjustments were

necessary: less spending, less taxing, less regulation, a shift in power back to the states. Instead, Reagan and his fellow conservatives took aim more directly at the 1960s Great Society programs and policies and the disrespect for family, morality, and responsibility they believed was inherent in these. Even the more conservative Republicans of the 1990s did not withdraw the federal government from major areas of responsibility initiated in the 1930s and 1940s. They rearranged and restructured these areas and introduced new approaches but did not radically restrict federal responsibility in economy, society, and culture.

What this story suggests for Democrats is that an ideological approach that attempts to bring back the old liberal coalition will probably fail. A more promising scenario is for a "progressive" Democratic approach that emphasizes newer liberal themes, like environmentalism and quality of life, but even here with a nod to market-sensitive solutions rather than government dictates. More security in health care, while avoiding the connotations of "government takeover of the health-care system," might be another key. "Progressive" Democrats might be able to build support for regulatory reactions to negative side-effects of the ongoing information age economic transformation, but like Progressive regulations of the early twentieth century, these responses would need to be crafted in a manner that does not appear to repudiate economic progress and that would not scare off support from the middle class and the growing proportion of workers dependent on the information economy. In short, progressive Democratic policy will have to build on the transformations in economics and politics rather than repudiate them, and such an approach is not far removed from Clinton's third way.

If preemptive presidents do not transfer electoral success to their parties, does Clinton really matter? In two ways, the answer is yes. First, Democrats at the end of the 1990s were within striking distance of regaining Congress, while Republicans after Eisenhower and Nixon were in distinctly minority positions. Maintaining a Clintonian posture might keep Democrats close enough to gain control of Congress on occasion, and if enough Democrats concluded that "once in a while" is an acceptable and safe bet, that could blunt moves toward a more progressive posture. Being so close to majority status might steer Democrats from rolling the political dice on, say, income inequality as a political issue. Confronting this issue head-on would separate a new progressivism from the Clinton approach, but it would be a huge political gamble. Second, Clinton navigated the Democratic Party at least partly toward the progressive policies iterated in the previous paragraph. A necessary way-station, Clinton's presidency pulled its party away from the liberalism of

the past toward a more centrist approach that accommodated the conservative drift in public policy. Clinton relieved Democrats from carrying much of the burden of the old liberal baggage—some of which had more to do with public perception than with actual policy failures—making it safer for future Democrats to pursue a new progressivism.

Parties, the State, and Policy Feedback

Looking at the Clinton years through the lenses of realignment and political time highlights the implications of this presidency for the fortunes of particular political parties. Neither, however, provides much leverage to analyze the status of parties in general—that is, the strength of parties as political organizations and symbols of public attention and interest. If we want to consider the broader status of parties, we need to consider the context within which parties operate.

One way to think about this context is through the framework of the state (Coleman 1996). Parties are strong in the political system when they control important policy domains, when that policy divides the parties consistently across time, and when these policy domains are a key interest of elites and the mass public. The state provides a setting within which strong parties are more likely or less likely. By “the state,” I mean a complex of institutions, dominant assumptions about the proper role of those institutions, and key policies that preoccupy these institutions and are compatible with the assumptions. The fiscal state established in the 1930s and 1940s consists of the economic policy-making institutions in the government; the free-market, limited-government, individual-liberty assumptions that guide the actions of actors in these institutions; and a policy set emphasizing macroeconomic regulation of the business cycle based on arm’s-length transfers of cash from one social or economic sector to another.

The fiscal state, then, is characterized by its distinctive set of policy preoccupations and the manner in which policy was made. The impact of this state on political parties is a profound example of what political scientists refer to as policy feedback (Pierson 1993). The idea in policy-feedback models is that analysts need to consider not only how politics shapes policy making, but also how the content and process of policy-making can shape future politics. For example, the creation of Social Security and Medicare led to the development and growth of groups such as the American Association of Retired Persons (AARP), which would later prove to be significant protectors and shapers of these two programs.

Where do we see feedback effects in the fiscal state? First, economic policy in the fiscal state was centered in the executive branch and closely identified with the president—Nixonomics, Carteromics, Reaganomics, and so on—rather than the parties in general. Second, fiscal policy—changes in the size of budget deficits and surpluses to achieve specific economic goals—on autopilot weakened the link between parties and policy and removed issues from the partisan table. Such policy includes spending and taxing provisions that were implemented automatically because of changes in economic conditions rather than because of discretionary actions by politicians. Unemployment compensation, food stamps, and welfare are examples in which spending changes automatically when economic conditions change, even if politicians do nothing. Autopilot fiscal policy also includes spending that was “uncontrollable” because recipients had legal entitlements to receipt of the benefits regardless of the preferences of politicians at a particular point in time. Third, monetary policy—changes in interest rates and the ease of borrowing or investing money—was controlled by the independent Federal Reserve Board and outside the direct influence of political parties. Fourth, the public in this state tended to treat economic measures of growth, unemployment, and inflation as devices for plebiscitary evaluations of incumbent politicians, especially but not exclusively in presidential elections. In other words, policy discussion that focused on rates of growth, unemployment, and inflation encouraged voters to focus more on specific, objective economic outcomes than the philosophy and principles of party policy packages. Fifth, while parties portrayed themselves as keen combatants on economic policy, the reality was an overwhelming consensus around Keynesian fiscal policy philosophy (Schier 1992). Rather than assume that balanced budgets are always best, this philosophy employed budget deficits and surpluses to produce specific levels of growth, inflation, and unemployment.

These feedback effects significantly diminished the centrality of political parties in American politics, but the effects go even deeper. With economic leadership transferred to the president, candidates for Congress found that they could successfully campaign in a candidate-centered rather than party-centered mode and could to some degree detach themselves from the president’s coattails. Voters who perceived leadership to be in the executive branch felt even less constrained to send a consistent team to Washington than they had in the past; divided government became the norm as split-ticket voting became not only more common but in a sense culturally enshrined as the “best” way to vote. Presidents won plebiscitary victories for solid economic performance, but voters felt no compunction to send fellow partisans to Con-

gress to assist the president. As monetary policy grew in importance, a party team appeared even less significantly related to economic performance. And with automatic fiscal policy placing a significant proportion of economic policy on autopilot regardless of which party voters put in office, and a Keynesian consensus pushing the parties toward policy convergence, particularly during times of economic stress, it's no wonder the public thought less about the parties and less of the parties. The public did not reject political parties, but there was increased skepticism about exactly how it was that parties made much of a difference and, especially among the young, movement toward interest groups as the preferred way to express one's political preferences (Mayer 1998; Wattenberg 1998). With candidates able to fend for themselves, voters less attentive to parties when voting, and differences between the parties dissipating, party organizations also languished.

Fractures in the Fiscal State

Changes in the policy concerns or policy-making process of the fiscal state could have feedback effects that would help reverse the weakness of political parties. In the 1970s, changes began. Regarding institutions, Congress began to take a more aggressive role in fiscal policy formation through the passage of budgetary reforms (Sundquist 1981). With old Keynesian policies proving ineffective in addressing the economic woes of high inflation and high unemployment ("stagflation"), the arena was open for new ideas about economic management. Republican and Democratic assumptions about government's role in the economy and society, reflected in congressional roll-call votes, diverged modestly in the early to mid-1970s and much more notably in the late 1970s to early 1980s (Coleman 1997a; Poole and Rosenthal 1991; Rohde 1991).

As it became apparent that a fundamental struggle was underway to define economic policy for the next two to three decades, the party organizations became much more adept at raising substantial funds and improving the professionalism of their operations. New technologies helped the fundraising drive, but more important were large pools of individuals and groups in the population feeling threatened by economic and political disarray and eager to invest their money in the "right" message. Changes in the fiscal state had contributed to stronger, more unified congressional parties and stronger, more active party organizations.

The electorate, on the other hand, maintained its distance from the parties during the 1970s and 1980s: turnout dropped, split-ticket voting remained prominent, and skepticism and cynicism were the order of the day. Split-ticket voting peaked in the mid-1980s and held steady or declined slightly in the

1990s. Measures of public cynicism and trust demonstrated some modest improvement during the 1980s but increased sharply through the early years of the 1990s. In short, the kind of sustained resurgence seen in party organizations and in Congress did not surface (Aldrich 1995). More systemic unraveling of the fiscal state would be necessary before a fuller resurgence of political parties was possible.

Did the Clinton era introduce this unraveling? In some respects, the answer is clearly "no," and the constraints of the fiscal state remain. The public still seems to view national elections, especially the presidential election, as a plebiscite on macroeconomic performance. Even more important, the institutional role of the Federal Reserve has grown ever stronger in the 1990s. Policy adjustments to meet changing economic conditions are limited almost entirely to Fed monetary actions. Even more than in the past, the prime tool of economic management is outside the realm of serious partisan contestation. It will be harder for voters—and nonvoters—to take the party stances on economic policy terribly seriously as long as the Fed continues as the economic wizard behind the curtain.

In other respects, however, the fiscal state has been seriously revised. Institutionally, economic policy during the Clinton presidency resulted from presidential-congressional give-and-take rather than congressional concessions to a presidential framework. With his veto power, the president remains the senior partner in this negotiation, but the partners are more nearly equal in the late 1990s than previously.

Even more profound than shifts in institutional power have been the shifts in policy. Republicans were not as successful as they wished in converting "un-controllable" entitlement spending into block grants, but they did enjoy some success. This partial victory means automatic stabilizers still operate, but, with welfare no longer an entitlement, that significant element of autopilot fiscal policy has been erased. More important, Keynesianism, the guiding fiscal philosophy after the 1930s, is largely defunct at the national level. There is little serious argument in Washington that Keynesian fiscal policy can fine-tune the economy. Across the spectrum, politicians tout the advantages of balanced budgets rather than the deliberate use of deficits or surpluses. Attempts to send a balanced budget amendment to the states failed during Clinton's presidency, but only by the narrowest of margins.

In the tax cut debate in the summer of 1999, each party asserted that its plan—ranging from a \$300-billion cut supported by the president to a \$792-billion cut supported by House and Senate Republicans—would preserve balanced budgets as far as the eye could see. Neither party emphasized Keynesi-

an notions about "managing" the economy. Democrats complained that pumping more money into a robust economy via tax cuts would accelerate inflation—a Keynesian notion about the tradeoff between growth and inflation—but this was a transparent political tactic. At the same time as they lamented the infusion of tax cut dollars into the economy, a majority of Democrats wanted to increase the minimum wage and prod corporations to boost worker wages. Moreover, Democrats themselves were supporting sizable tax cuts during a time of solid economic growth and very low unemployment, an odd notion if one is guided by Keynesian precepts that tax cuts are a tool to stimulate the economy. For Republicans, making extravagant claims about the amount of taxes that could be cut without igniting inflation served their non-Keynesian goal of retrenching the scope of government. The Republican script was clearly "Reagan: The Sequel," pinching the flow of funds into government would necessitate further spending cuts in later years if economic projections proved overly optimistic in estimating government revenues. Indeed, the essence of the non-Keynesian nature of the competing tax plans is that they were ten-year plans rather than plans sensitive to changing economic conditions over time.

This discussion about the proposed tax cuts in 1999 reveals something else about economic policy at the end of the 1990s: growth was no longer the key measuring stick. The Clinton administration came to office promising economic growth, but it also made clear that growth rates were only one measure of economic performance and not necessarily the most important one. Indeed, if one looked at growth rates alone, it would be hard to understand the deep economic unease and anger in the early 1990s; even the recession of 1990–1991 looks mild and brief by the traditional yardstick of economic growth rates. But this is the wrong yardstick. Growth matters—no president wants a major economic downturn during his term—but the growth rate no longer adequately captures the public's concerns with the economy. Educational quality and opportunities, technological innovation, high-paying and skill-intensive middle-class jobs, international competitiveness, flexibility in production and in worker skills, lifelong learning and re-training—these are the kinds of economic concerns that the Clinton team put central on its economic agenda. These items are perhaps best thought of as an economic-quality rather than economic growth agenda. Unlike the old Keynesian concerns about how to increase or decrease growth, the options available to achieve these economic quality goals stretch far beyond increasing or decreasing federal budget deficits or surpluses.

The demise of the Keynesian consensus as the central element in U.S.

economic policy is a boon to political parties. The collapse of this agenda suggests that the electorate will be presented with more policy options, particularly during times of economic stress. The near universal embrace of balanced budgets reduces the wiggle room available to the parties. Assuming that the size of government will not expand significantly—a safe assumption—the parties will need to make hard and specific choices about the proper role of government. During the 1980s, the parties could punt on this question simply by running large deficits; the Republicans got the tax cuts and defense spending they preferred, while Democrats got the social spending they preferred. With balanced budgets, this dodge is no longer available, or at least the parties will have to be more artful dodgers than before.

The consensus about the sanctity of balanced budgets opens up promising alternatives. For one thing, the parties may disagree about how to balance the budget, and they no longer have the option to shirk as they did in the 1980s and the early 1990s. For another, party competition may move beyond the kinds of growth discussions favored by the old economic management consensus and into new areas, such as the economic quality agenda. These areas would be less likely than the economic growth agenda to see the parties converge on appropriate priorities, goals, and policy options.

What do these changes in institutions, dominant assumptions, and policy mean for parties in the public? For stronger political parties, they are moves in the right direction. As the public perceives the congressional parties to be increasingly critical in the policy-making process, and as they appear to be contesting genuinely important policy areas, party may be elevated as a component of citizen decision-making. Signs of this resurgence are evident in the slightly declining proportion of split-ticket voters and voters identifying themselves as independents in the 1990s and, in 1992 and 1996, the lower percentages of "split districts"—districts that support one party's candidate in the House election and another party's candidate in the presidential election—since 1952. Interest in third parties grew in the 1990s—Ross Perot did better in 1992 than any independent or third-party presidential candidate since Theodore Roosevelt ran in 1912—and, at about 70 percent, the number of House districts in which voters could vote for an alternative to the two major parties was higher by the mid-1990s than it had been for many decades. Although third-party strength may disconcert the major parties, it suggests that citizens still see some usefulness in political parties and believe that these minor parties introduce important policy perspectives.

These signs are modest, to be sure, and substantial skepticism about the parties remains (Grunwald 1999). It is best to think of these changes in the

state as necessary but perhaps not sufficient for a resurgence of political parties in the public. Parties were discredited for decades by feedback effects from the fiscal state as well as by such effects from policy failures, perty political tactics, and shrill political rhetoric. Where earlier generations were socialized in an atmosphere supportive of strong partisanship, recent generations have grown up in an environment awash with negative messages about politics in general and party politics in particular. These are difficult but not impossible mindsets to overcome, as recent history shows. It was only two decades ago that many Americans wondered whether the presidency remained a viable institution, but Ronald Reagan reassured many Americans, even those who opposed his policies, that the presidency could still be a vital force for leadership and change.

Looking through a wider lens reaffirms that a transformation of the party system is not without obstacles. Unlike past party upheavals in the twentieth century, the most recent episode occurred during a simultaneous revolution in the economy. This revolution and its attendant technology and ethos appear to have privileged individualistic, libertarian principles at the expense of the kind of group and communal principles that have been important to the success of parties historically. The constant drumbeat that young Americans should be prepared to be "flexible" in their career choices, and that long-term employment with a single employer is debilitating rather than desirable, is but one example of this thinking. Political parties will need new methods to attract citizens increasingly skeptical of centralized authority and knowledge and to mobilize a population increasingly living in single-person households. This is particularly true for the major parties; third parties and independent candidates may stand to benefit from an electorate that is driven more by individualistic impulses. Parties failing to produce these new methods may well encounter an even more withdrawn, skeptical citizenry than they now face.

If the Internet and new information technologies do indeed promote the "horizontalization" of society—the breaking down of hierarchical communication, knowledge, and expertise structures—political parties will need to organize consonant with that sensibility, with approaches that appear individually empowering for the intended recipients of the parties' appeals. In an era in which "community" and "group" may be increasingly defined by electronic connections across the country or around the globe than by personal connections over the backyard fence or across town, and in which economic globalization may spark renewed interest in "local control" and small-scale local political action, new mobilizing strategies will be necessary.

All these pressures pushing toward individualism will not erode the basic

human impulse for joining and togetherness. Humans are social, not solitary beings. The question now, just as it was a hundred years ago, is whether parties have the means, motives, and opportunities to bring individuals and groups together in a changed society (Clemens 1997; Ware 2000). For years, younger Americans have been favoring interest groups over political parties, perhaps because these groups are tailored to individualistic interests and thinking. The information revolution and its technology might well be expected to reinforce this trend.

The Party System in Flux—Again

As parties move beyond the old economic debates, it is impossible to say for certain what the new major concern of party competition will be, or if indeed any single concern will be dominant. Cultural and moral issues? The economic-quality issues mentioned above? Either of these issue sets would be more conducive to strong, vibrant parties that attract significant public interest and support than would a continuation of the old debates about economic management. Neither would be as likely to produce convergence between the parties as was macroeconomic management in the fiscal state.

Social and cultural issues are not new aspects of party competition. Significant and contentious social and cultural issues helped define the party coalitions in the nineteenth century. "New liberals" in the 1960s and 1970s forced a range of social and cultural concerns, such as civil rights, women's rights, and abortion, onto the Democratic Party agenda, and social and religious conservatives forged an array of such issues on the Republican agenda in the 1970s and 1980s. President Clinton demonstrated that the Democrats could build a winning formula, though one with little margin for error, based on a broadly traditional posture toward many social issues while remaining liberal on specific concerns such as child care, minority rights, gun control, and abortion. But while these issues were critically important for party activists, economic performance was the make-or-break issue for presidents and parties. The question for the future is whether these issues can be the central, sustaining issues dividing the parties or if, as analysts have noted about the late-nineteenth century, the parties will talk about culture but govern on economics (Gerring 1999; McCormick 1986).

If cultural and social issues promise party coalitions forged along the lines of religious, cultural, and ethnic identity, economic-quality issues promise a politics that is likely to be significantly more class-based. Keynesianism operated on the premise that economic growth could be a salve for nearly all social

wounds. Growth, Keynesians might say, does not inherently discriminate by class. This proposition was never entirely right, but it was a lynchpin uniting Democrats and Republicans throughout the fiscal state era.

Economic quality issues, by contrast, starkly raise some basic tradeoffs between economic classes. For example, if education is vital to individual success in the new economy, what amount of expropriation from the wealthy is justifiable in order to create a more equal distribution of high-quality education? States have already faced this issue, and the politics have been bitter and polarizing. States as disparate as Texas and Vermont have considered plans to "equalize" education spending across districts and erupted in political turmoil. The issue need not only roil state politics. Education, long the province of local and state government, is becoming increasingly nationalized as an issue, so the question of taking resources from wealthier states to improve educational quality in poorer states might become a divisive one. International competitiveness is likewise an issue area that pits Americans with few economic advantages, vulnerable jobs, and modest incomes against well-paid service- and research-sector beneficiaries of global economic integration. Other economic-quality issues portend similar class-based conflicts. Some would fear what this development might mean for social and political stability, but both parties joining together on the side of the "haves" and attempting to keep these issues out of partisan competition would be a greater threat to stability. The inability or, worse, unwillingness to mobilize broad swaths of the electorate is already a great failing of the party system; continuing down that path imperils political and social peace. Whether destabilizing or not, from the perspective of the party system, a conflict organized along these lines could revitalize party organizations, parties in government, and the party in the public.

Political Parties at the Dawn of a New Century

Viewing the Clinton era through the lens of realignment, political time, and the state suggests that the Clinton presidency was one of the three most significant presidencies for the fortunes of political parties in the past sixty-five years. Only the presidencies of Franklin Roosevelt and Ronald Reagan have had similarly profound effects on the party system.

Why do the Clinton years merit such status? The answer is straightforward. During the Clinton presidency, we witnessed a critical realignment of the party system, long-term secular realignment approaching or reaching its endpoint; a preemptive president redefining his party and providing a way sta-

tion toward a possible new progressive identity; and the erosion of some of the party-constraining pillars of the fiscal state in the midst of rapid economic change. Each of these developments, as discussed above, has already produced substantial change. Critical realignment has created a new balance of party power and secular realignment: a shift in the coalitional bases of the parties. Political time and the preemptive presidency proved a great success for Bill Clinton and a less certain one for his party, but Clinton's potential to have lasting impact on his party appears greater than that of other preemptive presidents. And institutional and policy changes in the state have helped strengthen parties. Significant individually in producing recent party-system change, together these developments promise enduring implications for each major party and for the party system. That system is at a historical branching point.

The ongoing transformation of the party system will not necessarily follow any neat, preordained path, but there will be opportunities along the way to shape the parties and the system's connection to the American public. Too often, we assume in retrospect that parties had to adapt the way they did or that the chosen adaptation was the best available path. There is some merit to this assumption: once on a particular organizational or institutional path it may indeed be difficult to exit. Branching points, however, open up alternative routes with differing types of costs, benefits, and difficulties. At century's dawn there are several possible paths for party development, but it is not obvious which is the most likely to enhance the long-term status of political parties, particularly in the context of economic and societal transformations that complicate the selection of the best organizational strategies. Will old methods and old procedures work? Or do the parties need to develop new methods and principles of organization and mobilization? Political risk abounds.

I have suggested there is reason to be more optimistic about the relevance of political parties now than there was during the heyday of the fiscal state. Optimism about the party system, however, does not mean painless politics: both the cultural and economic quality dimensions of party competition portend bitter conflict. And, as discussed above, this optimism is tempered by the recognition that parties must reconnect with a public that became deeply skeptical toward all things political over the final thirty-five years of the twentieth century. It is an open question whether the parties wish to travel down this path or are content to compete for the affections of the more limited universe of political activists, financial contributors, and narrowly targeted swing voters. The latter strategy, which will be all too tempting, might serve short-term needs but does promise long-term disaster. To date, building these pub-

lic connections has been a distinctly secondary or tertiary concern; in this, the parties remained distressingly unchanged, or changed for the worse, during the Clinton era.

If we wish to be analytically bold, we can look back at the political transformation of the 1890s and see echoes in the 1990s. Scholars see this earlier decade as a turning point in American political and economic development, a simultaneous revolution of society, economy, and polity that fundamentally changed how people lived their lives. Parallels in the 1990s suggest similarly profound transformations. More modestly, though, we can say with greater confidence than after most presidencies that we are entering a new era for political parties.
