

furloughs three days per month, equivalent to a 14 percent pay cut. And California has the lowest credit rating of any U.S. state.

William Voegeli, a contributing editor of the *Claremont Review of Books*, writes that today's crisis is the result of a century-old Progressive legacy. "Rome wasn't sacked in a day, and California didn't become Argentina overnight," he observes. When Progressives took over the government in the 1910 state elections, they made it their business to "collapse the constitutional space between the people and the government." Their systemic changes—direct primaries, nonpartisan election of judges, recall elections, and popular referendums and initiatives—were motivated by a deep suspicion of "dirty" politics and self-interested parties and politicians. But these reforms empowered government administrators who had interests of their own. Now it is state employee unions that stand in the way of efforts to trim the state's budgets, Voegeli writes.

Donald Cohen, the president of the Center on Policy Initiatives, and Peter Dreier, a professor of politics at Los Angeles-based Occidental College, agree that the Progressive legacy plagues the state, but they single out Proposition 13, the 1978 initiative that restricted property taxes and required a two-thirds majority in the legislature to pass any state tax increases. As a result, California is "virtually ungovernable," Cohen and Dreier write. To make matters worse, in 1990 voters ap-

proved a ballot initiative imposing strict term limits on state legislators. As a result, many are policy novices, with little time and incentive to build interparty coalitions.

There's one thing everybody can agree on: The joke is on today's liberals, ideological descendants of yesterday's Progressives. Time and again, California's ballot initiatives have stymied liberal aims: Gay marriage was banned last year, bilingual education in 1998. But the state's fiscal gridlock is a disaster for all. The Progressives wanted the people to run the state, but today it's clear that the only thing the people have run is aground.

POLITICS & GOVERNMENT

Hail, Divided Government

THE SOURCE: "The Curse of One-Party Government" by Jonathan Rauch, in *National Journal*, Feb. 6, 2010.

WHAT COULD BE HARDER FOR a president than dealing with a Congress controlled by the oppo-

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sition party? Try governing with your own party in power, writes *National Journal* columnist Jonathan Rauch.

America today has two completely different government settings: Mode 1 (one party controls both Congress and the presidency) and Mode 2 (split control). Mode 2 works better, Rauch contends.

The underlying dynamic is that today's Republican and Democratic parties have effectively no ideological overlap. When one party controls both branches of government, its policies alienate moderate voters. The minority party (Republicans for the time being) has every incentive to do what it can to help the majority fail at governing; it will reap the benefits come election



Unified government has not been smooth sailing for President Barack Obama, House Speaker Nancy Pelosi, and Senate Majority Leader Harry Reid. A Democratic loss in November could be Obama's gain.

time. Without any minority support, the majority must move to its own ideological center rather than the electorate's, in an effort to secure every possible vote from within.

In such a situation, the president must try "to hold together a governing coalition by slaloming: veering from left or right to center and back." This is what President Barack Obama has been trying to do for more than a year. "Every zig toward the center offends the party's base (too many compromises!), and every zag back toward the base upsets the centrists (he's just too extreme!), and the president looks weak and inconsistent," Rauch writes.

Mode 2 works in reverse. When the parties share power, they are forced to compromise, bringing legislation closer to the country's ideological center in the process. The president can position himself as the central mediator between the party ruling Congress and his own base. Governing will be easier for the president, and his popularity will improve.

Rauch says that recent history bears this out. In periods of unified government (Bill Clinton's first two years and George W. Bush's middle four), "Congress leaned too far left or right, the president was dragged off center, the country became bitterly polarized, independents grew disgusted, and the voters soon switched to Mode 2," Rauch writes. That may be just what happens in the upcoming midterm elections in November.

Unlikely as it may seem, if Congress flips Republican, President Obama may stand to benefit.

POLITICS & GOVERNMENT

The Paradox of the Welfare State

THE SOURCE: "What Is Living and What Is Dead in Social Democracy?" by Tony Judt, in *The New York Review of Books*, Dec. 17, 2009.

AMERICANS MAY COMPLAIN about health care, schools, and crime, but they seem to have "difficulty even *imagining* a different sort of society," contends historian Tony Judt. Their thinking is biased by what Judt calls "economism"—"the invocation of economics in all discussions of public affairs." He calls for a "moral critique of the inadequacies of the unrestricted market."

The "propensity to avoid moral considerations" in our public discourse is "an acquired taste," Judt writes, and one that developed relatively recently. Classical economists of the 18th century were greatly interested in what Adam Smith called "moral sentiments." Smith wrote that the "disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition . . . is . . . the great and most universal cause of the corruption of our moral sentiments." He could have been describing America today, Judt despairs.

Ironically, this "corruption" stems from the success of the welfare state. Social democratic poli-

cies enacted in the years following the Great Depression and World War II built the middle class and reduced inequality. People began to feel that the safety nets provided by the state were no longer necessary. "The paradox" of welfare states in America, as well as Europe, "was quite simply that their success would over time undermine their appeal."

By the early 1980s, Washington was at work undoing the welfare state, beginning with Reagan-era tax and employment reforms, followed by the deregulation of the financial sector, and culminating with welfare reform, in the shape of the Personal Responsibility and Work Opportunity Act of 1996 ("a more Orwellian title would be hard to conceive," Judt says). A "cult of privatization" promised efficiencies and profits that have proved illusory. Inequality grew, and today the United States has a distribution of wealth comparable to China's.

Judt says that the provisions of the welfare state—such as support for the needy and investments in public transit—do not always have to make economic sense in order to make "social sense." The benefits are not in dollars, but in the value of having a "good society"—which undeniably comes at a price. He heralds a new era of social democracy, designed to reassure people in what is an "age of insecurity." Imagining what such a society would look like shouldn't be so hard—the "remarkable achievements" of the 20th-century welfare state are an excellent model.