



Issues Front and Center

(Published in *The Washington Post*, November 17, 2006)

David Ignatius

Colaboraciones n° 1352

November 23, 2006

The Democrats now have the opportunity the Republicans spurned, which is to build a broad coalition in the center and become once again the nation's governing party. But to achieve that, the Democrats must stand for values that connect with those of most Americans. The center is meaningless, after all, except as a platform for enacting legislation the public wants.

Some Democratic initiatives are obvious after the November election: The public wants changes in Iraq policy that reduce the costs and dangers for America; reform of an arrogant and corrupt congressional leadership; and an end to partisan political bickering. The new House speaker, Rep. Nancy Pelosi, had a disastrous post-election week in which her first priority seemed to be settling scores rather than solving these big problems. Shame on her!

But let's assume for the moment that the new Democratic majority won't commit instant suicide with a continuation of Pelosi's payback politics, and that it will get serious about governing.

What are the issues where the Democrats should plant their flag and try to create a new majority? Two are no-brainers that should have broad bipartisan support next year: reviving the Clinton administration's push for national health-care policies that can save costs and improve care, and getting serious about alternative energy policies that can reduce demand for foreign oil. Sen. Hillary Clinton has already staked out these issues, which will enhance her stature as a 2008 presidential candidate.

A third big Democratic idea was advanced this week by Jim Webb, the senator-elect from Virginia, who

promises to be one of the most interesting voices in the new Congress. He argued in the Wall Street Journal that the Democrats should focus on economic justice. "America's top tier has grown infinitely richer and more removed over the past 25 years," he wrote. "It should be the first order of business for the new Congress to begin addressing these divisions, and to work to bring true fairness back to economic life." Former senator John Edwards, another leading Democratic contender for 2008, has put his stamp on this same issue through his new Center on Poverty, Work and Opportunity at the University of North Carolina.

Webb and Edwards are right about the dangers of rising inequality in America. Studies by the Census Bureau, the National Bureau of Economic Research and other organizations all report growing inequality in income distribution over the past 35 years. According to a June 2000 study by the Census Bureau, the gap between rich and poor began widening sharply in the early 1980s. From 1980 to 1992, the share of national income going to the top fifth rose by nearly 18 percent.

The income gap continued during the technology boom and the stock-option frenzy of the Clinton years, according to studies by a leading analyst of inequality, James K. Galbraith of the University of Texas. He notes that the collapse of the tech bubble and the surge of military spending under President Bush shifted the pattern of winners -- but from blue-state counties to other blue-state counties. In a recent paper, Galbraith found that the big

gainers of the 1990s -- Santa Clara, San Mateo and San Francisco counties in California and New York City -- were the top four losers from 2000 to 2004, while the four big winners after 2000 were the District of Columbia and Fairfax, Los Angeles and San Diego counties.

The Democrats' challenge is to fuse populist anger with the party's other dynamic movement -- the call for fiscal reforms made by former Treasury secretary Robert Rubin and other members of the Hamilton Project, which seeks budget-balancing changes in entitlement spending. The goal should be to articulate policies that are at once pro-equality and pro-growth. That's a tall order, especially at a time when the U.S. economy appears to be slowing.

Lawrence Summers, a former Treasury secretary and Harvard economist, suggested the right balance in a column in the Financial Times last month: "The best parts of the progressive tradition do not oppose the market system; they improve on the outcomes it naturally produces. That is what we need today."

If the Democrats hope to re-create the "big tent" of a true governing coalition, they have to find policies that bring together the wings of their own party. Successful economic policies will be those that advance the interests of Main Street without destroying those of Wall Street, and vice versa. Solving that puzzle is a big intellectual challenge. It should motivate and unite the Democrats -- from Webb and Edwards to Clinton and Rubin -- as they move toward 2008.