

The New Democrats and the Old Dominion: A Legacy of the Hyper-Capitalist 1990s

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The rise of Virginia to national political prominence has been a long time coming. Well before the centrist Tim Kaine was given the nod to become Hillary Clinton's vice president, Virginia Democrats had been busy spearheading the abandonment of anything resembling a New Deal, Great society commitment to social democracy. Not that this commitment ran terribly deep in a state known for Massive Resistance to racial integration and a tradition of genteel racism. Yet in the 1970s, people like Lieutenant Governor Henry Howell began to champion organized labor and the disadvantaged in the 1970s. At the same time, governors Chuck Robb and his successor, Gerald Baliles used increased revenue from economic growth to fund transportation and education improvements.

Even so, the Virginia Democrats paved the way for moving the national party toward a centrist, fiscally-conservative, anti-labor agenda. They did so in large part to capture the massive influx of white, middle-class voters into Northern Virginia. The state's population grew by more than 500,000 in the 1980s as out-of-state

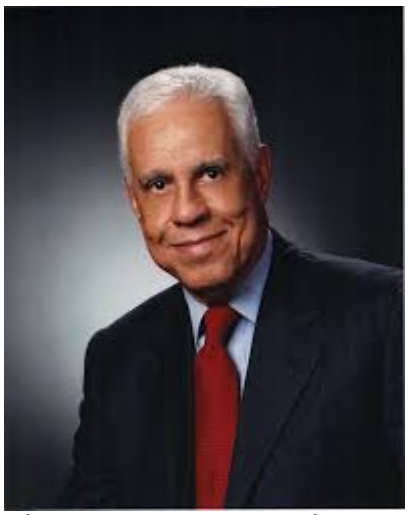
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migrants flooded into the suburbs of Northern Virginia and the southeast. Flooding into Fairfax, Loudon, and Alexandria, they displaced rural Virginia and Richmond as the balance of political power in the state.

Above all, they brought with them an attachment to fiscal conservatism and limited government. Admittedly this new middle class repudiated the state's racist past. They were socially liberal, tolerant of abortion, women's rights, and sexual freedom. Suburban voters rejected the moral absolutism of the Christian Right. Instead, they embraced what political commentator Frank Atkinson described as a "libertarian brand of conservatism" based on minimal taxes and a pro-business legislation. They were fiscal conservatives who tolerated racial diversity and sexual choice but embraced privatized forms of leisure over sense of democratic citizenship. In fact, as Atkinson argued in The Dynamic Dominion: Realignment and the Rise of Virginia's Republican Party Since 1945, the party's rejection of spending programs that benefited the non-suburban, non-white poor erased by ideological boundaries between Democrats and Republicans, providing the Democrats the opportunity to dominate the political landscape in the 1980s.

By positioning themselves as racial progressives, they appealed to suburban voters who imagined themselves enlightened on civil rights. By rejecting social reform and distancing themselves from organized labor, Virginia Democrats embraced the business-first agenda that the Republicans perfected at the national level. Class now united more than racial liberalism divided. In fact, the same Virginians who kept the Democrats in power at the state level voted for Reagan at the national level. For them, Reagan's hostility to the welfare state and commitment to business profitability over social investment paralleled the Democratic agenda at the state level. With candidates like the pro-labor Walter Mondale and pro-racial equality Jesse Jackson bidding for nomination, the national Democrats appeared far too liberal for Virginia voters.

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The Democrats under Governor Douglas Wilder inaugurated the welfare reform initiative.

The change in tone was clearly evident in the governorship of Douglas Wilder. An African American who became Lieutenant Governor in 1985, Wilder symbolized the party's synthesis of social liberalism and the business agenda. When Governor Gerald L. Baliles proposed a half-cent increase in the state sales tax, Wilder was careful to distance himself from it. He invoked the symbolism of racial justice—adopting the slogan "Let's Make History" to underline the significance of electing an African American to the position of Lieutenant Governor—but championed conservative causes once in office. Low-taxes and toughness on crime trumped eradicating inner-city poverty.

After beating Republican Marshall Coleman in a close election, Wilder defined himself as fiscal conservative, winning the praise of the Wall Street Journal for his reduction of state spending. Conservative publications and political pundits cheered his fiscal restraint during the recession.

Instead of initiating public works during the recession of 1990-1992, Wilder balanced the budget. He froze the salaries of state employees, reduced the benefits of the state health insurance program, and approved $1.3 billion worth of cuts from the state budget. Stimulating demand was out of the question; the only viable political solution was to limit state spending. Echoing the market ethos of the era, Wilder insisted that "we have to recognize that the role of government is to deliver essential services, not to be the employer of last resort." He endorsed the

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privatization of highways, railroads, and minimum-security prisons. He rejected the idea that state-owned or operated hospitals would benefit Virginians.

The governor's ideological arsenal also included a plan to remove 600 families from the New Deal's Aid to Families with Dependent Children. Participants would relinquish their benefits in exchange for a job, a savings of some $36 million to state taxpayers. Saving taxpayers' dollars had triumphed over providing for the most vulnerable or protecting them against an unforgiving labor market.

Wilder also institutionalized the one-way relationship between Democrats and organized labor that still defines party policy. Wilder held the line on the state's right-to-work law and did nothing to support the AFL-CIO in challenging aggressively anti-labor employers. At the same time, he courted international business on trade missions that emphasized Virginia's right-to-work law. In a 1991 interview with the Washington-based Europe, magazine, Wilder claimed that Virginia's "ready work force" made it attractive to European investors. "We are a right-to-work state, which means we are not slowed down by strikes and things of that nature." Added to that virtue was the fact that "we have a very low tax rate—corporate taxes, income taxes, and sales taxes." No champion of a business-first social agenda would have disagreed. Well before the financial crisis of 2008, the Democrats had rejected redistributive policies and endorsed fiscal restraint in the interest of capital ownership and management.

By the 1990s, then, Virginia's Democrats had moved well toward the political terrain defined by conservative Republicans. In 1996, Democratic House majority leader Richard Cranwell told journalist Margaret Edds that "We have got to re-establish that we are not a liberal party; we're a moderate centrist party, conservative with taxpayers but fair on social issues." So, led by Cranwell, they endorsed the idea corporate tax giveaways.

Virginia's Democrats also espoused the neoliberal conviction that education, not raising minimum wages or promoting collective bargaining, was the only legitimate path toward job creation. Of course, the education mantra played extremely well with middle-class and white suburban voters still dreaming of social mobility. For working-class Virginians struggling against low wages in an era of supposed prosperity, it offered little.

The Democrats made the Republican ascent possible, endorsing the core of its world-view. According to Bill Wood of the Sorensen Institute for Political Leadership,

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Virginia's Democrats offered only mild opposition to Governor George Allen's conservative program. For conservative successor Jim Gilmore, the "problem" was that "welfare reform, lowering taxes, [and] abolishing parole have all been done." The Democrats under Governor Douglas Wilder inaugurated the welfare reform initiative. It moved ahead after Democratic Lieutenant Governor Donald Beyer's Commission on Poverty and Welfare Reform advocated a major overhaul of the system. Accompanied by amendments that allowed Governor Allen to claim it as his own, the legislature endorsed the Virginia Independence Program in 1994. Despite Allen's aggressive style and his virulent attack on the state's dwindling liberals, he could depend on the support of conservative Democrats to advance his agenda.

By 1995, with the Democrats still in control of the Assembly, progressive legislation had all but vanished from the public agenda. Instead of protecting labor unions, providing for downsized textile workers, injecting resources for local job creation, skilled trades development, or investment in health care, the Assembly focused on law and order. Legislators focused on welfare reform, a partisan struggle over the budget, prisons, concealed weapons, and parental notification for minor's having abortions. The Democrats did sponsor an Omnibus Education Act that provided resources for technology in the classroom, school/community health centers, and drop-out prevention. Yet even here they paid homage to the Republicans' "personal responsibility" mantra, which absolved the state from social leadership. This bill would require "parental responsibility for student's behavior," a reflection of how dogmatic the personality responsibility ideal had become in the Commonwealth.

Virginia's Democrats did not cave entirely to the free market agenda. Pushed in large part by the Black Caucus, they successfully countered the $2.1 billion income tax cut that Allen proposed in his 1995 budget. Despite the apparently progressive overtures, they did not target educational spending at low-income and predominantly African-American areas. They did not advocate massive spending on impoverished areas suffering from white-flight or from deindustrialization. Nor did they call for an end to the right to work law or a raise in the minimum wage. While they secured resources for politically popular programs like education, they simultaneously embraced the idea that social inequalities could be resolved by retooling for the New Economy.

More than this, they endorsed a Republican governor's budget that included the elimination of $230 million from social spending. Revised under pressure from the Democrats, the budget would still cut $6.8 million targeted at working people who did not qualify for federal assistance. The Democrats were able to extract $250

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million for state colleges and construction projects. Yet the spending cuts occurred at a time when state revenues were increasing dramatically. This was but two years out of a recession that had left thousands of Virginians out of work or desperately retraining for new employment. This occurred at a time when champions of neoliberal social policy championed training and education as the path to success in the new economic order.

By 1999, the Republican take-over was complete. More importantly, the convergence of the two parties on the common ground of neoliberal social policy had advanced dramatically. The intervening administrations of Mark Warner and Tim Kaine did little to reverse the movement away from a political agenda defined by the social democratic principle that the interests of working-class people have priority over the privileges of capital.

Considering the ideological and political grooming he received in Virginia, it is unlikely that vice-president Tim Kaine will suddenly become a tribune for American workers.

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