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## The California as First "Failed State" Debate: Schwarzenegger, Davis, Whitman, and Jerry Brown

With Democrat Jerry Brown finally declaring his candidacy for California governor today and billionaire Meg Whitman's super-rich Republican rival Steve Poizner starting his own TV ad campaign against her, this seems a good time to talk about a big new negative theme about the rather tarnished Golden State.

Is California America's first "failed state?" That's what a lot of people are saying. So I talked about that with Governor Arnold Schwarzenegger; the governor he replaced, Gray Davis; and a famous former governor favored to be the next governor, Jerry Brown.

It's a hot topic. You see it suggested in the press. It's spinning into the very high-stakes California governor's race. There was even a formal debate about it in late January in New York City.

Schwarzenegger in particular was very struck by that debate, sponsored by Intelligence Squared, as he told me when we talked about it the other day. The event dripped with irony, as it featured Schwarzenegger's brother-in-law, Bobby Shriver, as the most prominent member of the team of three arguing that California is America's first "failed state." And it featured Schwarzenegger's one-time bitter opponent, former Governor Gray Davis -- removed from office in the famous 2003 California recall election that swept Schwarzenegger into power -- as the most prominent member of the team of three arguing that California is nowhere near being America's first failed state.

Schwarzenegger, marveling (well, maybe that's not the word) at his brother-in-law's criticism, acknowledges the obvious. California state government is gridlocked on fiscal issues, and is very slowly recovering from the global financial meltdown, which he says has removed "a third of the wealth" in California. The near commensurate drop in state revenues, says Schwarzenegger, "is caused by this loss of wealth."

The state's revenue is heavily dependent on the income tax, which in turn is driven by high-income individuals. If their fortunes are down, so are state revenues. Which led to last year's program, painstakingly cobbled together by Schwarzenegger and legislative leaders, of unpopular budget cuts and unpopular tax hikes.

But he thinks the idea that California is a failed state is "totally ridiculous."

**"California is not a 'failed state,'" insists Schwarzenegger. He sees it as a state with great strengths, which he is happy to rattle off in the vein of last October's Time magazine cover story on the state's splendiferous assets, and which anyone who pays attention to California can imagine. And he sees it as a state with an increasingly dysfunctional political system.**

Which is not the same as a "failed state," a term of art that describes places like Somalia, or Afghanistan when Al Qaeda had its bases there. There's no fundamental breakdown in the social or political order. Obviously there are no warlords in California, no gunfire ringing out during the day or night, no looting, no problem in going

about one's daily life. The basic services all work. The only one I have any trouble with in my middle class life is the Department of Motor Vehicles, largely due to budget cutbacks, but it still works, too.

If I weren't involved in following and analyzing politics in California, I could easily be blithely unaware of the meme that I live in a "failed state." If words have meaning, and they do, the notion is simply non-serious.

That's why, in the Intelligence Squared debate in New York City, Economist correspondent Andreas Kluth tried to redefine the term, to a "failed state" being a state that "can no longer address or solve the problems it faces."

In reality, that redefinition doesn't work, either. California addresses its problems, just not very well. Well, not very well at all. Will it end up solving them? It had better. Meanwhile, its economy, the world's eighth largest, is beginning to power out of the global recession. Kluth, like many media elites, lays the blame for dysfunction in state government at the feet of the voters, "the inmates (who) run the asylum" through the direct democracy of ballot initiatives.

**Bobby Shriver, who complained that he was tired of being known as JFK's nephew, Sargent Shriver's and Eunice Kennedy Shriver's son, Maria Shriver's brother, and really, especially tired of being known as Arnold Schwarzenegger's brother-in-law,** decried the problem of homelessness in Santa Monica, where he's a city councilman. Santa Monica, like San Francisco, has been a magnet for homeless people for decades. He also decried the lack of art education in the schools and the large number of emotionally troubled people in the Los Angeles County Jail. None of which evokes Somalia.

The third debater in favor of the notion of California as America's first "failed state," entertainment writer Sharon Waxman, was perturbed by the time it takes to drive from Santa Monica to the Staples Center, where the Lakers play. Which was amusing to me, since I can recall taking five hours to drive from downtown LA to Santa Monica on a Friday afternoon. That was over 20 years ago. She also decried movie and TV productions going on location rather than shooting in LA. Schwarzenegger has gotten some tax breaks through to keep productions in California, but the public won't stand for any more of that. And it's simply much cheaper and, as Lawrence O'Donnell points out, frequently more aesthetically pleasing to shoot elsewhere.

Davis, a native New Yorker, was joined in arguing against the the "failed state" notion by environmental advocate Van Jones and Lawrence O'Donnell, the MSNBC commentator and former *West Wing* producer who long worked for New York Senator Daniel Patrick Moynihan. O'Donnell, needless to say, saw the irony in holding such a debate on the woes of California in New York, where two governors have gone down in two years and it took an inordinate amount of time to oust a state Senate president on corruption charges.

Davis tells me that he agrees that California's state government, marked by extreme partisanship on the right and the left -- with Schwarzenegger usually somewhere in the middle though frequently on the side of the corporations except on environmental matters -- is hamstrung by legislators from gerrymandered districts unwilling to compromise and by the unusual requirement of a two-thirds vote to pass a state budget. But he thinks that the real effect of the dysfunction of state government, exacerbated by the big economic downturn, lies in its present inability to continue funding the expanded obligations it has taken on, obligations that many other states have never tried.

**The veteran Democratic politician, who served as Jerry Brown's gubernatorial chief of staff, state legislator, and state controller and lieutenant governor before winning two terms as governor, now thinks that the state Legislature should be made part-time.**

**"Nothing gets done in the first few months of the year, so send them back to their districts where they can spend time with the local people, not the lobbyists," Davis says.**

"Let's make the Legislature more accountable," he says, "and let's save the Legislature from its own worst instincts."

By which he means the desire by Democrats and Republicans to use up all revenue by pushing more spending programs and tax cuts. Which, not coincidentally, was the thing that he unsuccessfully grappled with in his foreshortened governorship.

He thinks that legislators are made more accountable by redistricting reform, a Schwarzenegger initiative victory in 2008 (which won't take effect until the next election cycle) to take the drawing of district lines out of politicians' hands, and by an open primary. In an open primary, which was proposed by Schwarzenegger -- Jerry Brown tells me that he supports it -- the top two finishers regardless of party affiliation face off in the general election.

The idea, say Schwarzenegger, Brown, and Davis, is to force candidates to appeal from the beginning to all voters, not just the partisans who tend to turn up in party primary elections. The initiative to establish an open primary is on California's June primary ballot.

Davis thinks that these things will affect "10% to 20%" of the Legislature, going at least part of the way to re-establishing the more productive political atmosphere that existed in the '60s, '70s, and '80s.

As for saving legislators "from their worst instincts," Davis agrees with his former rival Schwarzenegger that the tendency to spend all available revenues on expanded programs and tax cuts is best dealt with by establishing state spending limits and a rainy day fund.

Brown notes that he set up his own rainy day fund the first time he was governor. That proceeded to evaporate, however, in what is another story.

**As for the notion of California as America's first "failed state," what Brown thinks is that the political system in the state capital of Sacramento is in "breakdown" but the elements for "breakthrough" are in place, with California coming out the other side in strong shape. With, naturally, himself as governor.**

One person who does buy into the "failed state" notion is billionaire California Republican gubernatorial hopeful Meg Whitman, the former national co-chair of the McCain/Palin campaign. She intends to run against Brown for governor in the fall. That is, if she can get through her own party primary. She and her camp tried mightily to clear ex-Congressman Tom Campbell and super-rich state Insurance Commissioner Steve Poizner out of the Republican primary field. Poizner remains, and he has just launched a big TV advertising campaign, including some notable knocks on Whitman who until lately has had the run of the airwaves for months.

Whitman ripped Arnold Schwarzenegger on February 16th in an appearance before the Contra Costa County branch of the Commonwealth Club in Lafayette. Asked about Schwarzenegger's tenure in office, which began with the state in grave crisis before his landslide victory in the 2003 recall of Governor Gray Davis, Whitman described it as "not good."

**Whitman, who has had no previous involvement in California's public affairs herself and falsely claimed in her first TV ad to have lived in California for 30 years (it's more like 20), did allow that Schwarzenegger has done "a couple of very good things." What are they? Reforming the workers compensation system and promoting the development of water infrastructure.**

**Which happen to be parts of her customary big business agenda.**

Actually, Schwarzenegger has had quite a few big successes, including California's landmark climate change program, leadership on the expansion of renewable energy, clean fuels, and green tech job development, the world's biggest stem cell research program, education reforms, some fiscal reforms, and the biggest infrastructure investment program since the 1960s heyday of the late Governor Pat Brown, Jerry Brown's father.

Whitman, however, is against much of that.

"In the end," she said, "the leader of this state has to be accountable for the results, and the results are not good." She cited high unemployment and troubled schools as the chief examples of Schwarzenegger's poor tenure.

Needless to say, it's non-serious of Whitman to blame Schwarzenegger for the state's unemployment rate, which is due to the near collapse of the global economy and the policies of George W. Bush. And she has a great deal to learn about how education works in California. She currently acts as though she can lay off school employees as part of her drive to solve the state budget crisis by cutting state workers. (There are two problems with Whitman's view: First, she doesn't have the authority to fire school employees. Second, the entire state workforce could be laid off and it wouldn't solve the shortfall.)

**Actually, there are a number of mistakes that Schwarzenegger has made as governor.**

**Fortunately for Whitman, if she wants to talk to some of the people responsible for them, they are very close at hand. In the ranks of her own campaign advisors.**

Whitman chief strategist Mike Murphy was Schwarzenegger's chief political strategist (after his recall election victory) when, riding high, he made some of his biggest mistakes in 2004 and 2005. Murphy egged Schwarzenegger on into needless political confrontations, did not support the lapsed California Performance Review which Whitman touted last year as a panacea for the budget crisis (it isn't), and embarrassed Schwarzenegger by blatantly advertising his closeness to the Governor's Office in soliciting clients for his lobbying work.

It's increasingly evident that there is a great deal that Whitman does not know about what has gone on in California, even in the recent past when she actually lived here. Before deciding she wanted to be governor, she'd never so much as written an op-ed piece on the woes of the state about which she now professes such concern, and where she has so seldom voted.

So her position in the debate over California doesn't seem all that relevant, but for the fact that she might be able to acquire the governorship of California through her massive spending, even though Barack Obama crushed Whitman's candidates John McCain and Sarah Palin here and remains quite popular.

As for that late January debate in New York, the pro-"failed state" side won over the high-powered California defenders of Gray Davis, Van Jones, and Lawrence O'Donnell. At least in the vote of the Manhattan audience, which O'Donnell described to me as "a Woody Allen crowd."

As Allen famously said of Los Angeles: "I don't want to live in a city where the only cultural advantage is that you can make a right turn on a red light."