



Project 2010: Winning NOW

**New Democrats Winning to Make
SC Successful in the 21st Century**

"This is not about simply changing Republicans for Democrats. This is about changing *politics as usual* so we can change the basic direction of our state and then enact new policies to make us competitive in the global economy of the 21st century."

Phil Noble
President, SC New Democrats

June 2009

The SCND Leadership Group began *Project 2010* in March with the initial circulation of this paper to Democrats and others who are concerned about the future of our state. We hope that as many people as possible will offer their suggestions, criticisms and comments. We don't have all the answers, and only by involving as many people as possible with diverse ideas can we develop the very best ideas to solve the critical problems facing for our state.

Please send comments to:

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The Fierce Urgency of NOW

These are times that try men's souls.....

Our state is in crisis - unemployment is the 2nd highest in the nation. Before a Joint Session of Congress, the President cites one of our schools as a national worst case example of the need for education reform.

Our state government makes things worse not better - our Governor and Legislature are dysfunctional. Our political system is broken and corrupt.

We are ridiculed in the national media.

It doesn't have to be this way.

The pendulum is swinging back our way.

Based on an analysis of shifting demographic patterns, emerging voting trends, the current political environment, and the seismic shifts being unleashed by Obama's victory – we are convinced that reform-minded New Democrats can win.

We believe that in 2010 we can win the election for governor and sweep most of the other statewide elections and many local races.

As bold, audacious and as seemingly unlikely as this may sound, we are convinced that it is not only possible but achievable.

An independent analysis shows *why* we can do it – and this is our plan of *how* we will do it.

Join us and make it happen...*NOW*

It is our sincere hope that this paper will encourage concerned citizens – even those that have never previously been actively involved in politics – to seriously consider running for public office...from governor to local offices.

Your state needs you...NOW.

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About SC New Democrats

SC New Democrats is an independent reform group started by former US Sect. of Education and Gov. Richard Riley. Our goal is to bring new ideas and new people into the political process, change 'politics as usual' and develop new progressive polices for our state.

We are both a reform think tank and a do tank - an action oriented public policy organization. Our goal is to reshape politics by moving beyond the old left-right debate so that Democrats can win elections and then bring about the reforms we need to make South Carolina successful in the global economy of the 21st century.

Introduction

SC New Democrats believe that our state is in a crisis.

We also believe that we have a unique opportunity to use this crisis to make big and fundamental changes in our state that can put us on the road to becoming competitive in the global economy of the 21st century

We do not seek to merely change Republicans for Democrats; we want to change our politics so we can change the basic direction of our state and enact new policies to make us competitive in the 21st century.

This paper contains two essential sections:

Part 1 - *WINNING SOUTH CAROLINA'S FUTURE: A PROPOSAL FOR POLITICAL ACTION* by Patrick Caddell

The political pendulum is swinging back our way - and therein lies the opportunity for New Democrats to win now. Part 1 is an independent analysis of the changes that are happening and the opportunities they are creating. This analysis was written by Patrick Caddell. He has been one of the leading political strategist and analyst of American politics ever since 1976, when at age 25 he masterminded Jimmy Carter's come from nowhere victory. A native South Carolinian who has come home, Caddell is considered the father of insurgent politics.

We greatly appreciate Caddell's permission to reproduce his paper here in its entirety.

Part 2 - How We Can Win NOW

South Carolina New Democrats have developed a comprehensive, do-able, strategic plan as to how we can win. As outlined in this section, we began in late April with a Seminar and Open Strategy Session to begin to build a consensus for our new strategy and identify a core group of activists who will lead. We will continue with our 'Ready to Lead Tour' of town hall meetings around the state to expand our core and continue with a series of other activities to recruit and train new candidates who can run and win – at all levels.

You Can Make It Happen NOW

We believe that if everyone who wants real change – and is willing to do something to make it happen – will work together, then we can win ...and we will win.

We must have people at all levels – ordinary citizens, business leaders, young people, elected officials – commit to move beyond merely talking, to make it happen. The three things *you* can do right now are:

- **RUN or recruit candidates** – run for office yourself (we'll help you) or help recruit bold and visionary candidates at all levels, who support real change and reform.
- **WORK for change** – roll up your sleeves and go to work, take on important task, assume responsibility and get things done. (We have lots you can do right now.)
- **GIVE and raise money** – everyone can give something... no matter how small. We must have adequate resources to support and sustain the operations and conduct the political training necessary to effect the changes we need to win.

How do you start? Go to www.SCNewDemocrats.org ...**NOW**

Executive Summary

10 Reasons Why We Can Win NOW

1. **Tipping Point** - South Carolina is at a tipping point in its history. What we do in the immediate future will largely determine the shape of our state's destiny for several generations to come.
2. **Status quo = death** - If we continue on our present course, particularly SC's failing education system - with its staggering drop out rates, falling test scores, and devastated schools - the state will become permanently relegated to the stagnate backwaters of the global economy of the 21st century.
3. **This crisis is an opportunity** - The current crisis and the opportunities it presents – when coupled with innovative leapfrog strategies, the power of new technology, and real transformational reform - affords our state its last best hope to join the economic mainstream in our region and realize SC's vast potential future.
4. **#1 Michigan has the auto industry melt down – what's SC's excuse?** - SC's second highest unemployment in the nation, and the rest of the current economic crisis, has exposed to all how badly SC has fallen behind the rest of the country – not only the country at large but particularly in our own region. It demonstrates how unsound our system is structurally and the weakness in our creative economic dynamism and thus, the inevitable stagnation of economic opportunity in SC
5. **First, do no harm** - The state government has become so dysfunctional that its actions – or failures to act - have actually deepened and intensified the current crisis in the lives of ordinary South Carolinians.
6. **Bubba Rules** - South Carolina has become a one party state – the good old boy party. The incumbents of both parties, aided by the corrupting system of lobbyist and special interest influence and perpetuated by a grossly uncompetitive electoral process, have created a government totally unresponsive to the vital needs of our state such as a quality education system, an equitable tax system, a competitive economy, etc.
7. **Times they are a changin'** - Record In migration and other demographic and social dynamics are fundamentally changing the SC electorate. An analysis of these new trends, coupled with the historic changes brought by Obama's election, suggests a clear opening for real reform Democrats to win statewide – for the first time in many years.
8. **Don't tread on me!** – Anxiety over real economic decline and a rising tide of anger over Wall Street fraud, corporate self dealing, and government corruption - (witness the fire storm over AIG bonuses) - have awakened the American people. People are mad and many are truly afraid. On the state level there has been a similar negative reaction to Gov Sanford's blind ideological posturing - be it on unemployment insurance or stimulus funding - and his apparent total insensitivity to the plight of ordinary South Carolinians.
9. **Who will lead us?** – South Carolina's citizens intuitively understand the system is broken and transformative change is needed right now – but they do not see a viable vehicle for this change. Republicans are engaged in a civil war and the Democrats are effectively silent or absent. Only a vibrant citizen movement can provide the creative energy and political power necessary to affect transformational change.

10. The fierce urgency of NOW – The changing underlying factors in our state, coupled with the passions and fears aroused by both state and national issues have ignited genuine outrage and created a sense of urgency among the public demanding true change and meaningful reform. It is this sense of urgency that offers real hope for Democratic - and other - reformers in South Carolina's 2010 election.

5 Steps to How We Can Win NOW

- 1. Ya' gotta believe !** – We will develop a working consensus among a key group of motivated, committed citizens – from blue chip business leaders to grassroots activists – who share a common vision of what needs to be done, and how to achieve it. And, most importantly are willing to work to make it happen.
- 2. We are the ones we have been waiting for** - Building on the foundation that was created by the Obama campaign, we will recruit a county by county, neighborhood by neighborhood grassroots organization that will actively work for our reform agenda and policies and then help elect the candidates that support them.
- 3. Do Something NOW** - Over the next 12 months, we will launch a series of high profile online and on the ground 'campaigns' around selected policy issues, that will highlight the values and policy initiatives that we as reformers want to see accomplished - and will continue to expand our network of supporters.
- 4. Run Forest, Run** (even Forest Gump could be a leader) - For the 2010 elections, we will help recruit and support like-minded reform Democrats and candidates for all nine statewide offices and as many Legislative and local offices as possible and support them in their campaign. Commitment is more important than experience, and Forest was committed.
- 5. Don't stop thinking about tomorrow** - Post election, we will continue to activate and expand the New Democratic network of supporters. Our goal is to not only see that our reform agenda is enacted and becomes public policy but also to support local and statewide 'non-political' initiatives that further the reforms needed to make South Carolina competitive in the 21st century.

Part 1

WINNING SOUTH CAROLINA'S FUTURE: A PROPOSAL FOR POLITICAL ACTION

by Patrick Caddell

Personal Note

I have come home. I was born in South Carolina and both of my parents were Charleston natives; our family dates back for generations in this state. Because my father was a career officer in the Coast Guard, except for several preteen years I grew up in other places. Later, my education and career led me to live in other states, most recently California. Now, drawn by 3 grandchildren under the age of 3 years old I have happily come home.

I am not alone. Attracted by its climate, natural wonders, and livability tens of thousands of other Americans have been flooding into South Carolina during this decade such that this state has the highest rate of in-state migration within the United States. I readily confess that I am not as versed in all the political nuances that undergird the structure of South Carolina politics and government today, nor all the currents of South Carolina history that shape today's state. Although I have a background of significant political experience and am an avid student of history I understand that some might think that my comments here are presumptuous. However I also bring what some may see as the advantage of a fresh pair of eyes in looking at South Carolina.

In this short paper, which I have been encouraged to write, I hope to share some reflections and ideas that might contribute to the debate of how best to bring political change to South Carolina.

Introduction: The South Carolina Moment

South Carolina is approaching a tipping point in its political history.

Thousands upon thousands of Americans are coming to South Carolina - many of those seeking to retire here while others are younger families seeking better lives and new prospects. These new 21st century arrivals are not only coming on a scale that may not be widely recognized but also represent a reversal of the trends of the last century that saw so many South Carolinians leaving their state and a relative population stagnation that marked that period. Their coming is an important signal for it suggests that beyond them there may be many more that might like to come, bringing new vitality and with it the potential of new economic growth for the benefit of all who are already here. The question is whether South Carolina can provide the promise of sufficient opportunity such as to make their desire a reality.

Despite the recent growth spurt South Carolina is far from realizing its full potential of what it could be. But in truth much of what South Carolina could gain and become is being diverted to its immediate sister states, particularly Virginia, North Carolina, and Georgia. The risk is that if South Carolina does not seize the moment to transform itself for the future now, it faces the real prospect that it will become the backwater, compared to the surging prosperity of its neighbors.

This is the supreme issue that must be put politically to the people of South Carolina to be decided in next election: ***Are South Carolinians prepared to seize the historical moment and transform our state with greater opportunity and prosperity or are they willing simply to let the moment pass?***

So much of politics in this state is small bore. The political discourse is dissipated around fairly small issues, sometimes absurd, while the over-arching issues that will determine the future to often receives barely passing attention.

The crisis facing South Carolina cannot be minimized. The soaring unemployment rate and the loss of jobs across every spectrum of the economy, the crisis in education at every level from kindergarten through university, a budget deficit which is leading to mutilating cuts in the very fiber and bone of the state, a dysfunctional and inbred political system, and daily exposure of incompetent, self-dealing and rampant corruption are truly alarming.

Like all crises, however, the current one also contains a silver lining in that the opportunity for meaningful change presents itself. South Carolina is in desperate need of a comprehensive political and governmental reform. I however sense a lack of overwhelming *urgency* among the State's political elite. But, I suspect that it may exist among the broader citizenry of South Carolina. The question is whether or not a broad political movement can be mounted in 2010 to affect the kinds of reform in structural changes that will allow South Carolina to meet the crisis and to secure the bright future that lies within its grasp. I have heard it said that South Carolina is historically ambivalent even indifferent to the need for political and governmental reform. If there ever will be a time to disprove that notion, it will be now.

For all intensive purposes, South Carolina is a one-party state dominated now by the Republican Party. As I have seen in California, where the Democrats controlled, one-party states are invariably and inevitably in need of real political competition and meaningful reform. It is the very basis of Democracy. One party states are inherently incapable of producing a real reform when their power is unchallenged. The South Carolina Democratic Party is the only possible vehicle to bring the kind of change that is necessary. However, to succeed the Democratic Party must itself change.

In 2010, the opportunity exists for a broad citizen coalition consisting not only of Democratic constituencies but also the forward looking elements of the business community; voters who consider themselves to be independents and many dissatisfied Republicans. It will be insufficient to merely replace one set of partisan politicians with another set of professional politicians. What is necessary is an independent Democratic campaign that offers not merely a partisan alternative but rather a change in the way South Carolina *politics* is conducted.

Critical to such an effort must be a new, *vibrant*, meaningful participation by a broad cross section of South Carolinians. Citizens who have never been active in the political process must offer themselves as citizen leaders for the future of South Carolina government. In short, if South Carolina is to succeed it will do so not merely by changing professional politicians but rather on the broad shoulders of a new citizen politics.

I. THE CRISIS

A. Crisis of Condition

South Carolina faces nothing less than a full blown economic and structural crisis.

South Carolina's unemployment, which historically was consistently lower than the National average, now consistently exceeds it by several points. The unemployment rate is the second highest in America, matching that of California, and has broken the 10% barrier. Worse, the consensus of economic experts is that the State will reach at least 14% unemployment in 2009 and that is only strict Federal definition of unemployment; it does not include those that have been so discouraged that they have stopped looking for work or those who work part-time but seek full-time employment. If those were included, we are looking at an *effective* unemployment /underemployment rate of closer to 18%--1 out of every 6 South Carolinians. What we face is not a deep recession but a real depression.

According to the fourth annual benchmarking report, Break Away South Carolina - (a joint partnership by the SC Chamber of Commerce and the Palmetto Institute)- SC's competitive situation is at best a mixed bag. Particularly disturbing though were two of the core drivers that are considered essential for sound economic growth. On "Education & Workforce Preparedness" SC ranked 45th in the nation and significantly trailed its neighboring sister states. For the 3rd straight year on the factor of "Dynamism / Entrepreneurialism", which measures the creative process for business growth, SC once again ranked **dead last** among the 50 states. By comparison NC ranked 7th and GA 33rd nationally. This perhaps, in part, explains the mystery of why SC ranks 2nd in national unemployment only behind the devastated industrial state of Michigan. Also this speaks volumes to the economic challenge facing SC.

The state government and budget are in shambles. Since July 2008 there has been a billion dollar cut in state spending, with more coming. According to the National Council of State Government, in January 2009 South Carolina faces a deficit for this year of 13.2% of its General Fund, only a hair less than California's projected deficit which has attracted such national attention.

The comparisons between South Carolina and California are not merely anecdotal. There is a significant difference besides the obvious disparity in population size and wealth. In California, the crisis has ignited a sense of broad urgency. In South Carolina there has been little evidence of a similar outrage. That absence is curious, the proverbial "dog that does not bark."

Fiscal Condition

South Carolina's fiscal condition is obviously a reflection of the country's severe economic downturn. But it was not only some unanticipated accident. By June of 2007, the legislature had completed a several year period where spending increased by more than a third while taxes were being dramatically cut. (Indeed, by one calculation SC's spending increased by 42% over four years-5th in the U.S. and 1st in the southeast.) That same month the chairman of the State Board of Economic Advisors warned that a recession was possible and that spending increases and tax cuts could "produce startling significant deficits" as much as a \$1 billion in 2010. Unfortunately, those warnings were not heeded and the predicted \$1 billion deficit arrived 2 years early. Further during the period of economic expansion the state set aside little money for hard times and the \$13 million in the state's budget reserve fund was quickly devoured. As revenues evaporated, the legislature, by the second half of 2008, was cutting services – particularly education—to the bone.

The expansion in state spending between fiscal 2004 and 2008 may be rightly criticized for some of the specifics in management of the expenditures but not necessarily on the overall increase. In fiscal 2005, when spending began to increase sharply, the state was just emerging from the grips of the last national recession. For the 5 years previous, state revenues were basically flat and spending had been cut for 4 straight years. (Today, adjusted only for inflation, the state general revenue is lower than 10 years ago, when the state had nearly a ½ million fewer residents.)

The trigger for the deeper crisis we are now in was the incredible act of cutting revenues while expanding spending, essentially riding the tide of good times without the prudent understanding that increased spending and reduced revenues are inevitably a prescription for disaster. By mid 2007, with a recession clearly in sight, the Republican governor was commending the Republican-dominated legislature for eliminating the state's sales tax on groceries and unprepared food and zeroing out the State's bottom income tax bracket, which cost the Treasury almost a quarter of a billion dollars. But the larger cuts in revenue were also in small doses as well, including the notorious \$15,000 2-day sales tax holiday for gun purchases.

Perhaps the most egregious was the passage in 2006 of Act 388, which exempted owner-occupied homes from the property taxes that fund school operations to be offset by a \$0.01 increase in the state-wide sales tax. That increase was supposed to raise an approximate half billion schools previously collected from homes. Instead there has been a growing short fall every year, now totaling almost \$15 million since the

passage of Act 388. The impact has been a direct and absolute cut in public education. In a compromise that was meant to protect low income residents from the impact of the increased sales tax, the legislation reduced the tax rate on unprepared food. The cut in grocery sales tax in 2006 opened the door to the elimination of the entire tax on groceries in 2007.

Act 388 was a political response to the general unpopularity of property taxes. However it instead exposed business enterprises to increased property taxes to fund local government since school districts can collect and raise taxes to pay for their own operations but in reality only from commercial concerns since they can't tax home owners, hardly an action designed to inspire business confidence. Worse the property tax cut was not all it seemed to be. Not only was it bad policy to put increased reliance on the sales tax—which is the revenue source most vulnerable to economic ups and downs—while creating disproportionate tax breaks for the most valuable home properties; it also included an insidious provision. The provision required properties to be immediately assessed when they were sold which despite the current real estate downturn means a tax increase in most cases and sparks negative impact on the state's real estate sector which sought Act 388 in the first place.

This irresponsibility of cutting revenue while raising taxes in the face of a coming recession must be laid directly at the door of the state's Republican governor and GOP-dominated legislature. The key to South Carolina's future success ultimately depends on its investment in those areas that will lead to increased economic growth and better lives for all its citizens. To sacrifice that truth on the altar of ideological rigidity is not only bad policy but violates common sense.

The illogical cuts in revenue reflect what is in its entirety an irrational tax system,. It is filled with inequalities, a myriad of \$2.7 billion in sales tax exemptions – many of which were secured by special interests, lobbying and campaign contributions. Clearly the system needs an entire overhaul, which must be grounded in logic, coherence and ultimately fairness.

Education

In no area has the reality been more devastating than for education in South Carolina. For South Carolina to prosper and attract growth industries and better paying jobs for its citizens, the foundation must be the improvement of its public education system from K-University levels.

For 20+ years, South Carolina's neighbor states of Georgia and North Carolina have seen rapid even startling progress when one considers education levels, test scores, economic growth, and per capita income. In 1985, these three states were closely matched. Nearly a quarter of a century later North Carolina and only to a slightly lesser extent, Georgia, has seen sharp upward progress in the unity of those measures while South Carolina's progress has been far, far less. By 2006, the per capita income in South Carolina at roughly \$31,000 was \$2,500 less than that of its neighboring states and the level of economic growth was significantly lower.

Without question, at the heart of the crisis in South Carolina is the quality of its education. Everything depends on improving the quality and opportunity of education for South Carolina's children. If the Palmetto State is not to further fall behind its neighbors but actually equal them, then it can not continue its almost suicidal policies in education.

One statistic says it all. South Carolina ranks 49th nationally in its high school graduation rate in all the states of the nation. South Carolina's graduation rate of barely 60% compares, for instance, with North Carolina's at almost 73%. Even worse as the result of years of poor education and an almost nation-leading dropout rates is the measure of failing job skills of our workers. 48% of 19-24 year olds have a literacy rate below the minimum for entry level occupations. For those 25-40 years old, the comparative rate is 44%. The inevitable result of the cold statistics are slow growth and high unemployment and lesser opportunity for all South Carolinians—the truth of which is cruelly self evident in today's severe downturn

How many high-skilled, higher paying jobs that might have located to South Carolina are absent because businesses will not relocate or expand in a place where the skills of the potential workforce cannot meet its needs? I cannot be alone in hearing the statement from people around the country who say, “I would move to South Carolina in a minute, except for the question, what would I do when I got there?”

The proposition that what will attract businesses and industry to South Carolina is low taxes and special tax breaks for new comers is patently false. Every major study of business leaders and company executives proves that the most important factors by far in their decision to locate are good schools for their employee’s children and a well-trained workforce. For political leaders to pretend anything else is an exercise in folly. Bluntly, if we don’t fix education, nothing else really matters.

Nothing speaks more eloquently to this problem than the embarrassing language that interprets the South Carolina state constitution as giving every child in South Carolina the right to a “*minimally adequate education.*” Some claim that changing this language is mere cosmetics; I would beg to differ. For as long as that is the stated right of our children then we are creating our own future which will fail our children and their children. After all, who do we really believe looks to bring their family to a state whose promise is a “minimally adequate education” for their children?

K-12

Without doubt, there have been some improvements in K-12 education in South Carolina. But it has hardly been enough to catch up with our competitors and is even further short of what is needed to truly prosper. There are some school districts in the state that are outstanding; unfortunately, they are few and far between. Last year’s decision to cut the state budget by \$1 billion has led to as much 1/3 reduction for education in the state’s 85 school districts. The most recent reports on the state’s school system while showing that 60% of the public elementary schools are rated excellent, good, or average, the middle school’s average is only 48%. In other words, 40% of the state’s elementary schools and majority of its middle schools are below average or worse.

The relationship to poverty is startling. 97% of the middle schools which are below average are located in districts where the poverty index is 80% or greater. Such a result is not fated; one merely looks at the improvement in public schools in Mississippi, which was well anchored at the very bottom nationally, to see what can be done when there exists the political and moral will to do so.

South Carolina’s funding formula for its public schools are inadequate and worst of all inequitable. The level of funding for a South Carolina child is not based on their existence as a person but on where they live and the circumstances of their birth. While there will always be exceptions to the rule, individuals who excel in the worst of circumstances, the reality is that this state condemns its least advantaged students, whether white or black, to a predetermined and lesser future.

Such an outcome is not merely unfortunate for them but stupid for everybody else. Just how far can our state progress when so many of its children and future workers are condemned to be left behind? In a new world economy, the quality of our education is everything. Do we not understand that this result is not merely unfortunate for some but a shackle on the progress for everyone? However it is more than merely a question of economic good sense; it is ultimately and foremost a moral issue.

The Moral Crisis in South Carolina’s Public Schools

Perhaps the most astounding data that I have seen comes from the organization *Neighborhood Scout*. This group provides a rich data base for those looking to move to another location in the country including measures of crime, quality of life, and education. In a complex calculation which normalizes test data to a uniform standard, the group rates every public school in the United States.

In their rating of the “100 Worst Performing Schools” they find that of the 25 worst schools, 11 are in SC! In the 100 worst schools SC claims 38-or nearly 40%-of places in that roster of infamy!

These 38 worst schools are not isolated to the “Corridor of Shame” but rather can be found in every region in the state. Importantly not a single school from VA, NC, or GA appears in the list of the 100 worst schools. Also it is not surprising that in the roster of the 100 best public schools not a single SC school appeared.

These results not only expose the dimensions of SC’s moral crisis in education; they should be a cause of shame for every South Carolinian, and the rallying cry for the movement of reform that is necessary to transform South Carolina.

Higher Education

In the new world economy, it is not just our public K-12 education system that is in crisis but perhaps, in some ways, even more South Carolina’s higher education. With all of South Carolina’s natural advantages and attractions, its road to prosperity lies in the development of higher technology industries. Indeed, it is much easier to create new industries in places where old industries do not have to be displaced. But that depends most on the quality of our higher education. (By higher education, I clearly mean primarily our colleges and universities but that is not to overlook the importance of quality vocational education and training available not only to our youth but also, to older workers with inadequate skills.)

If South Carolina risks being left behind by the rest of the Southeast it is because those states have truly invested in improving the quality of their colleges and universities and with it the commensurate increase of their hi-tech industrial and business centers that are directly propelling them into increased prosperity. Frankly, if South Carolina does not meet this challenge, it will inevitably and certainly fall even further and further behind.

Nothing better illustrates the political reality of the old expression “cutting your nose off to spite your face” than to have the state support for higher education cut by a third that was administered in 2008, with more cuts to come in 2009. Already South Carolina has the 8th highest in-state tuition in the entire nation. For the 16 states of the southeastern region of the U.S., South Carolina has the *highest* in-state in tuition and *second lowest* level of state support for secondary education.

For a state that is relatively less well off to have regionally the highest and nationally one of the highest levels of in-state tuition is a prescription for disaster. With such high in-state tuition rates, those students from lower income families for whom college would be a major breakthrough for their families are likely paying the price for not being able to afford a college education.

In addition, the state scholarship funds for college are awarded only on a merit basis, not on a need basis. The result is children from more affluent families are able to use the money for other spending such as new automobiles as there are no requirements on how the money is spent by recipients. And as we have seen, best performing schools are directly related to schools with the best financial support. That means there is an inherent skew of scholarship toward those who can already afford college. Those families from inadequate schools, particularly in rural parts of South Carolina, therefore suffer, and yet they are the students who most need a helping hand to attend college.

Under-investing in our colleges and universities makes it more difficult to recruit the best of teaching and researching professors and ultimately makes our institutions less attractive for out-of-state students who might come to South Carolina first for an education and then ultimately to reside as highly skilled citizens. South Carolina already has a broad based system of good colleges and universities. It has the potential to be a great system but to achieve that goal an indispensable and irreducible factor is the increased spending necessary to engine a new prosperity for South Carolina.

To believe that education at all levels in South Carolina is inevitably what it is and what it will be is a failure of imagination that contradicts the proud history of South Carolina. Nothing illustrates such

shortsightedness more than the ideological cry of Governor Sanford and too many who dominate South Carolina's legislature. Their blind devotion to the idea of voucher funding for alternative non-public schools is frankly wrong-headed, defying both history and common sense. America's great success in creating the world's greatest middle class was a direct result of our commitment to public education. To suffocate the public school system in the name of alternative education is defeatist at best and outrageous at worst.

It is nothing less than an unspoken acceptance of the false idea that all will prosper if some are helped and the rest are abandoned. Unlike other states like California, whose education systems are strangled by immovable educational bureaucracies and powerful teachers' unions, South Carolina's education is still unshackled and capable of real reform. Nothing could be worse than that prescription for defeat which does not see that our public school system and our higher education systems are the glue that will bind South Carolina into a single community of interest and progress.

Governor Sanford and the Stimulus Funds

Nothing better illustrates the crisis of South Carolina's condition and the pathology of SC politics than the question of whether SC should accept the hundreds of millions of dollars from the Federal Stimulus Package. The issue is not whether the Stimulus Package was a good bill or smart policy. That debate will go on, but what can not be disputed is that the Bill was enacted by the Congress and signed by the President and is, for good or ill, the law of the land.

South Carolinians will pay their share of the cost of that legislation no matter what. What is indisputable is that this state is in a dire crisis financially and that crisis directly threatens SC's already crippled education system. Further there are thousands of our fellow citizens who are experiencing traumatic and devastating impacts on their lives. These South Carolinians and their families need immediate help and not political gamesmanship.

Governor Sanford's refusal to take SC's rightful share of that stimulus is truly beyond the pale. I do not question his sincerity nor do I believe that he acts for political self aggrandizement. Rather he is showing that the political process of this state has yielded up the kind of person who has no business being the leader of a state in such crisis. On the altar of ideological purity he is willing to sacrifice the lives of many and the future of the state's children. To say that he is insensitive, even callous, is an understatement. The more subtle but critical point is that the SC political system is so out of joint that blind adherence to ideological theory can become in SC a viable - and even acceptable - basis to conduct the public's affairs over the rule of rationality and common sense.

Sanford's actions have drawn the opposition and ignited the anger of much of SC. Even leaders of his own party cannot support either his actions or the illogical rationale he has offered. Almost all of the state's major newspapers, including many who have endorsed him in the past, have expressed vehement disagreement and utter dismay over his refusal. There has been incredible negative reaction, according to polls, from SC citizenry.

B. The Crisis in the Political System

South Carolina's political and governing system is dysfunctional and in need of real reform.

Although revised in part nearly 40 years ago, the basis of constitutional government in South Carolina rests on a state constitution enacted in the late 19th century with the specific purpose of insuring white supremacy. Furthermore, it is a constitution that dilutes responsibility and gives an abundance of power to the legislature at the expense of a weak constitutional executive, leaving a governor who is the state's chief executive more in name than in fact. Too many departments and agencies are the creatures of the legislature and beyond the effective power of the governor. The result has been agencies which are characterized by cronyism and lack of accountability.

Indeed South Carolina's government has been notorious for operating as a "good ol' boys" system. The legislator's responsibility is for legislation and oversight and not the exercise of executive power. South Carolina needs a governor who can be held strictly accountable for the operations and competence of state departments and agencies.

Several examples:

- Perhaps the most serious is the state Budget and Control Board of which the governor is only one of five members; two are independently elected statewide officials and two are legislators (the later surprisingly are not the two presiding officers but rather the chairman of the Senate and House Appropriations/Ways and Means committee). The Board constitutes the real power in South Carolina with the unilateral authority to impose across the board cuts in spending. Its behavior is perhaps best illustrated by the revelation that for 22 years it has given a no-bid exclusive insurance contract to the same well connected politically influential company.
- Recently it was revealed the chief investigator of the Department of Health and Environmental Control was ordered by his superiors to close down a significant fraud investigation in response to the private demand of a single legislator. This one incident alone which became public only incidentally should not be the cause for the greatest outrage. Rather what is most egregious is that the management of this important agency is subject to the direct whims of the Legislature.
- The most noteworthy recent controversy has involved the Employment Security Commission, which has been under attack by Governor Sanford and others over its handling of the state's unemployment compensation funds. In December, the Governor threatened not to accept an emergency loan from the federal government to sustain the ESC, which was nearly out of funds. While the Governor's holding hostage relief for tens of thousands of unemployed South Carolinians - until the very eve of Christmas - was heartlessly cruel, he had a real point about the inefficient operations of the ESC over which he has no direct authority. The Commission's members, whose salaries exceed \$100,000.00 a year, are all former legislators who have been gifted this sinecure by their former colleagues.

Dysfunctional Government

These controversies and scandals are not isolated. Almost any week one can read in the media new allegations of blatant inefficiency or incompetence as well as outright corruption and fraud leveled against a host of state departments and agencies, many of which are under the direct control of the Legislature and not the elected chief executive, the SC Governor.

Whether judges should be elected by the people or appointed by a governor subject to legislative confirmation has been for years a topic of debate around the nation, but a system where judges are elected by the legislator is unusual, and frankly I find a little bizarre.

The real issue is whether SC government is enhanced by investing so much of the executive power as well as the state's judicial power upon the legislative branch. Such is doubtful on its face and certainly questionable given history. Given the temper of SC it would seem that a real system of clear-cut governmental authority and meaningful checks and balances would be preferable.

It could be argued that in the Capitol the one party system truly exists and that party is the "good ol' boys" party.

The "good ol' boy system" which has been the historic condition still exists to a great extent although there has been a recent stirring of reform. The conflict could not be better glimpsed than in the battles over "transparency" in legislative voting in recent months. Imagine my shock that the state's Senate in the past

has rarely taken a recorded vote whether it be even on final passage of bills much less during the amendment process.

The House has hardly been more inspiring. When reforms were proposed at the beginning of the 2009 legislative session, GOP House Speaker Bobby Harrell imposed his idea of transparency reform: any member who had been recorded as present in the morning's quorum call would be considered to have voted in the affirmative for any bill unless that legislator specifically informed the Clerk of the House that they specifically opposed a bill. Harrell's "reform" ignited a political firestorm that resulted in the leadership's having to accept the very real reforms that their move was designed to head off.

Certainly this is encouraging but hardly enough. The public has an inherent right to know exactly how their laws are created and government conducted, and not just when the "good ol' boys" think it would be adequate. Government behind closed doors is inherently corrupt and a government spirit of "good ol' boyism" is an invitation to cronyism and outright corruption. The people of South Carolina have a right to a fair government based on the simple fact of being a citizen and not on who they know. The public deserve to know every action taken by those solons who have been elected to represent them. Otherwise how can any of them be held accountable for their actions?

Government in the Sunshine should be a basic tenet of any platform of broad citizen movement seeking to reform South Carolina. However it will not be enough merely to challenge the process; it must include as well a proposal to address the need for fundamental structural change in the governing of SC. The Palmetto State needs a 21st century government and not merely the patched up relic from horse and buggy days.

Lack of Political Competition

The crisis in the SC political system is not restricted to the conduct of government; elections in SC are equally dysfunctional. The most distinguishing feature of SC politics is the lack of real *competition*. In this new century every general election has seen upwards of 70% of the seats in the SC legislature go uncontested by one of the major parties. Just consider the last three general elections:

- In 2004 69% of the seats in the Senate (52%) and the House (75%) lacked either a candidate of the Democratic or Republican parties.
- In 2006 only 27 of the 124 House seats saw both major parties represented by candidates on the general election ballot. That is to say that 78% of the elections were uncontested by both major parties.

(Unlike almost every other state SC elects all 46 of its states senators to a 4-year term at the same time rather than half being elected each general election because those Senate elections occur only in presidential election years. This means that in an "off year election" where state elections predominate due to the election of the Governor and other statewide officials occurring voters only choose one house of the legislature and thus in effect all members of the Senate avoid election in the non presidential election year where focus is naturally greatest on state government.)

- In 2008 117 of the 170, or 69%, Senate (63%) and House (71%) seats were uncontested by one or the other major parties. In the Senate 2/3 of the Republicans elected faced no Democratic opposition and slightly over half of the Democrats faced no Republican opposition. In the House 72% of the Republicans elected and 67% of the Democrats elected had no major party opposition. Overall respectively 70% of the 98 Republicans elected and 68% of the 71 Democrats elected faced no major party opposition.

A healthy democracy depends on real competition. When better than two thirds of the elections for government feature no competition real democracy becomes merely a façade. When South Carolina's June primaries attract often less than 1/5 of the state's voters the realization becomes inescapable that the vast majority of the state's legislators - by structure the preeminent ruling authority in the state – are actually elected by at best 10% of the voters.

When the representatives of the people's government rely on so few voters the result is predictable – they cater only to those they need to be elected. In effect even when the general election turn out is as large as it was in 2008 the reality becomes that most voters do not exercise any real power. At the root of all of SC problems and dissatisfaction is this fundamental truth: no real change can be expected as long as this political condition exists.

Racial Gerrymandering

There is a simple reason for this condition – gerrymandering. Interestingly the state that I am most recently familiar with, California, has the same problem of non-competitive elections. In CA however the gerrymandering is a product of a bi-partisan agreement by Democratic and Republican leaders to divvy the state up into almost all “safe” incumbent seats, in effect permanent Democratic Party majorities. In SC the cause of gerrymandering is something else: race.

For several decades now the SC Republican incumbents have joined with Democratic black incumbents in an agreement to create as many all black districts and hence also create a majority all white districts. Initially the rationale that super black majority districts were necessary, given history, to insure African-American representation might have had merit. But in a nation which has elected a black president and in a region many black candidates for office are elected in multi racial white majority districts this rationale no longer suffices. Beyond racial concerns this gerrymandering reflects the instincts of incumbents for super self preservation. They seek not merely districts they can win but in effect super safe districts in which they cannot be even challenged.

The effect of such gerrymandering in SC is a two-pronged polarization. First of all it continues and furthers the ugly stain of racial polarization in SC. Since the electorate in almost every legislative district is proportionally white (i.e. Republican) or black (i.e. Democratic) most challengers of the wrong race are discouraged from running. This only intensifies a racially undergirded partisan divide.

As one keen student of SC politics has observed, this political racial polarization is even more insidious. It is not merely the skin color of representatives that is determinative by such disproportional racial districts; it's also the political dialogue and political interests that are harmed. In such a circumstance, legislators of one race in effect elected by so few of their race in primaries, have little incentive to work with legislators of the other race. Since the primary electorate is so small it almost always reflects the dominance of the most ardent partisans and most intense ideologues of that political persuasion; candidates feel they must cater to those extremes to be nominated and thus automatically elected. They can do so with little regard to the less partisan less ideological and more “common sense” voters, not only a majority of their own party but the entire citizenry as well.

If it seems in SC that small issues that are of higher emotional intensity dominate the political discourse and process at the expense of the larger common interest and greater community concerns, it is a direct consequence of this gerrymandered-inspired polarization. The sad result is constantly to divide the people around issues of minor significance rather than unite the citizens in common cause.

There is no greater example of this truth than the several years spent emotionally debating the Confederate flag issue when from the outset more than 60% of the people supported what became the eventual compromise as the right solution. However legislators kept hammering the issue because it was a political advantage for incumbents appealing to their narrow bases and deterring potential primary opposition. The

entire state of SC paid the price for this kind of divisive nonsense, and the people as a whole have suffered from the lack of attention to the serious issues which impact their lives and the future of their children.

Another effect of such racial/partisan polarization is that it separates the concerns of some from the interests of everybody. Issues such as poverty, joblessness, and reform will never be a priority as long as there are issues which a majority of those in government do not have to care about. This polarized gerrymandered non-competitiveness will never produce the kind of broad reform program necessary to advance SC unless it is challenged.

Thus a broad citizens' effort for reform cannot possibly succeed unless there is a willingness to challenge this kind of inherently divisive and undemocratic process.

A note: This problem of gerrymandering extends as well to SC Congressional seats. This is particularly true in the shaping of the first and sixth congressional districts - Henry Brown's and Jim Clyburn's respectively - and why in 2008 when Republican candidates in the state barely edged the Democrats in aggregate total vote, 50.3% to 49.7%- that the GOP won 2/3 of the seats.

Another result of the polarized gerrymandering as a foundation has been one-party rule in SC. At least for the Republicans it can be said even if it not good for the state as a whole at least it is good for the GOP. Unfortunately for the Democrats it is not only bad for everyone in the state; it is particularly bad for the Democratic Party, which is currently seems consigned to a permanent minority party status.

For as long as the structure of SC politics exists along the current racial/partisan polarization fault line then two outcomes are virtually assured. First, it will be near impossible except in a moment of great crisis as we now face ever to have the center of the political dialogue elevated to the central concerns of the broad citizenry or to have a viable platform for the broad agenda of reform and change which the state needs.

Secondly, it means that the current partisan imbalance will continue to be frozen in place. Democrats may pick up a victory here or there; they may even in fact win an occasional Governorship. But nothing else will change as long as the political discourse is defined over such a fault line. It will be nearly impossible to see a truly healthy competition two-party state develop.

For Democrats the choice is very simple: either they will continue to accept the racial/partisan polarized gerrymandering and be content with wining whatever measure of benefits , i.e. the crumbs off the table, or they will understand as most African American leaders, that in 21st century America there is no limit to what can be achieved by a politics of mutual interests and the greater common good being put before concerns of self and palpable fear.

Frankly the Democratic Party has little to lose by seeking the path of broader coalition and political reform. Not only do the Republicans dominate in national politics, having carried SC in all but one presidential election since 1964, but they also have a stranglehold on the power of state government. The Republicans have held the governorship 20 of the last 24 years; for most of the last decade they have held most statewide elected offices (currently 8 of the 9) and just barely under 60% of the Senate and House seats in the Legislature.

To paraphrase an old idea-"Democrats of South Carolina unite around big ideas. You have nothing to lose but your minority party shackles."

Women and South Carolina Politics

In truth, the real sub-title here should be "The Lack of Women in South Carolina Politics". According to the Southeastern Institute for Women in Politics, **SC ranks 50th – dead last – in the nation in terms of women in public office.** Only 10% of the law makers in SC are women! Today after the 2008 election there were 16 women members of the House of Representatives and for the first time since 1979 there were

NO WOMEN in the State Senate – making it the only all- male state senate in the country. Currently not one of the nine statewide elected officials is a woman. (By contrast in North Carolina the governor and six of the ten statewide elected officers are women.)

In SC history only *three* women have been popularly elected to statewide office: a Lt. Governor for a single term in 1979 and two Superintendents of Education who together held that office from 1991 thru 2007. Indeed only *one* woman has ever been elected to Congress in her own right and she served only three terms for six years.

The incredible paucity of women in elected office in SC, in its own way, speaks volumes to the pervasive – indeed perverse – “good ol’ boys” system which dominates SC politics.

This state of public affairs, particularly in the 21st century, at the very least is embarrassing to all South Carolinians and arguably it constitutes an insult to the *majority* of its citizens who happen to be female.

More importantly this dearth of women in SC politics constitutes a colossal waste of SC’s most valuable resource, its citizens. It is a proven fact that women are generally far more in favor of change and reform than are men. Women also tend to be much more sensitive to issues of social injustice and to those issues, like education, that impact children and their future. If SC is to have transforming change and real political reform much of that impetus must come from mobilizing women and elevating their participation in SC – particularly in positions of leadership. I would argue that any real citizen’s movement in SC will rise or fall on the success of substantially raising the participation of women in this state’s political life.

Money and South Carolina Politics

SC politics is drowning in special interest money. According to one study, during the 9-year period, 1996-2004, approximately \$90 million was spent on SC state political contests. Of that total **less than 1%** came from contributions of less than \$200. In another study of election year 2006, it was suggested that over 80% of SC contributions came from PACs or other sources of special interest money. As sure as the sun rises, government spending and tax breaks are doubtlessly in direct relationship to how SC politics is financed.

C. A Metaphor for the Crisis: Garbage & South Carolina

If the state of SC public schools should be a cause for shame, the issue of garbage and SC politics should be a reason for deep embarrassment. For too long SC has served as the chief repository for much of the nation’s nuclear waste. As though that were not enough, in recent years there has been a concerted effort to make SC America’s Garbage Dump as well.

Today almost a 1/3 of the waste disposed of in SC comes as a gift from other states. In 2001, the state imported less than 600,000 tons of garbage. According to DHEC and the Congressional Research Service, 6 years later in 2007, that figure had **tripled** to 1.7 million tons.

Our sister state NC alone exported over 600,000 tons of its trash and garbage here. In addition our sister Southern states using SC as a garbage dump included GA, FL, VA, as well as TN. However it’s not just our Southern neighbors who utilize SC as a refuse. For example NY sent us over 400,000 tons of garbage, MA over 350,000 tons and, perhaps most perversely, NJ sends well over 150,000 tons to our state.

Where does it all go? The answer is we build for them *mega dumps* with railroads running directly to those mega dumps bringing box cars upon box cars of trash and garbage into SC every day to be dumped and the empty trains returning back to load even more. The garbage that fills these mega dumps are not incinerated or even buried underground. In some cases covering dozens of acres, the garbage is piled above ground and

then covered with fresh dirt, creating literally mountains of ugly, smelly, unhealthy garbage. According to one member of the SC Senate there is no limit to just how high these stacks may rise.

Currently there are hearings in the Legislature whose audiences have been filled with outraged environmentalists and concerned citizens over two more proposed mega dumps, one in Williamsburg and the other in Marlboro County. These new mega dumps would be 3 times the state's need and would permit more than 8 times the tonnage of solid waste produced in SC annually.

It is on this issue of garbage that one can smell the true odor of much of SC politics. In 2008 the residents of Marlboro County voted **94%** against this proposed mega dump. Nonetheless the mega dump is close to becoming reality.

And Why?

Because, according to the aforementioned SC Senator, the interest, whose greed knows no decent boundaries, has hired a virtual lobbying army to advance that greed including a former governor, lieutenant governor, Revenue director and two of the largest and most powerful law groups in this state-enlisting the best talent money can buy in the cause of transforming SC into America's Garbage Dump.

According to the state's dysfunctional ruling elite, the wishes of 94% of the voters means nothing against the money and influence of greedy special interests and their equally greedy retainers. It seems that the Rule of Power is "the People be Damned!"

Therefore one of SC's few overwhelming natural advantages-the beauty of our state -is threatened to benefit the narrow self-interest of the few while endangering the economic well-being of everyone else.

South Carolina deserves better than to lay claim to the title America's Garbage Dump.

This saga is nothing less than a sad metaphor for everything that is wrong with South Carolina's current condition and the health of its political democracy.

11. THE OPPORTUNITY - A NEW DAY IN SOUTH CAROLINA POLITICS

2010 may well present SC with the opportunity to reshape its politics and to rally a majority of the state's voters behind a new broad program of progress and reform.

A confluence of factors may come together to create the political environment necessary for such an outcome. Although it may seem from the general political discourse that nothing much will change, I believe that is wrong.

As conditions worsen and if the dire consensus among SC economic experts proves correct then it will be self-evident that the state is in throes of a crisis. The pressures generated by double-digit inflation, broad-based unemployment, and the increased pressures on services like education will be undeniable. Crisis creates many things but the most important is the instinct among people for political change. So far though there are few indications that SC governing elite is propelled by any sense of overwhelming urgency. While the state's problems obviously reflect what is happening across America, the reality can not help but unmask SC's special problems.

What will be required is a special and unique effort to maximize the opportunity presented to move SC forward.

A. South Carolina's Changing Politics

There is evidence from recent years that suggests that the political environment in SC is already changing. For the first time ever in the last 2 presidential elections a majority of eligible voters cast ballots. In 2008, according to the Palmetto Project the percentage of eligible voters that cast votes reached 60% level, and the increase from 2004 was the second highest increase in the nation. While overall SC still ranked 39th in eligible participation it was a substantial improvement from the state's historical position of ranking 50th for most of the 20th century. According to this study some of the highest voter turnout occurred in some of the state's more rural, less affluent communities.

The Gallup Poll reported that in its aggregated interviews throughout 2008 that partisan self identification was exactly equal, 45% for both Democrats and Republicans. While this from one perspective still made SC the 8th best Republican state, these equal preferences are a far cry from the standard assumption that SC is an overwhelmingly Republican state. As cited earlier, of the total aggregate congressional vote in 2008 the parties split the vote right down the middle, a result that echoed the Gallup data. Indeed in the first and second Congressional Districts, where George W. Bush averaged 60% of the vote in his two elections, Linda Ketner, in the first CD won 48% of the vote against the incumbent and in the second CD democratic challenger Rob Miller garnered 46% of the vote.

Since 1984 there has been a slow but steady decline in SC for the Republican presidential candidate. In 2008 the Republican votes dropped in 43 of 46 counties on an average 3.6%, and these drops are even greater, 4.4%, in the state's 11 largest counties. Even more dramatic were the changes in demographic categories. According to exit polls in 2004 George Bush carried every age group in SC, including voters between 18-29 years of age. In 2008 John McCain managed only to win only those voters 45 years and older. Further Barack Obama's winning performance with younger voters was even more important given their increased participation. And of course as expected the Obama candidacy drew probably the largest black turnout to the polls since the Voting Rights Act in the mid 1960s.

Obviously the off-year election of 2010 is not likely to produce the same level of participation witnessed in last year's Presidential election. However this does not obviate the trend of increased voter participation. Also, it is a reasonable argument that given the circumstances many more voters could perceive that they and their families have a direct personal interest in the upcoming election than is normally so.

(No matter how logical the premises of my argument might be they naturally suffer from a dearth of public opinion data on the attitudes and opinions of SC voters. SC unlike many states has no regular non-partisan public opinion surveys to measure these trends. Much remains at best speculation, even if informed.)

B. The Republican Party

If a broad movement for political reform and progress for SC is to be mounted the question becomes, from where? The Republican Party as the long established majority is unlikely to be a source for this kind of change which inherently speaks unfavorably to their long-time stewardship.

In my opinion not only does the Republican Party in SC suffer the natural entropy of a long ruling majority - not dissimilar to what I saw of the Democratic Party in California - but it has certain philosophical instincts which restrict its ability to be a vehicle of change. Instead it is more of an intramural arena in which to gain the reins of power. For too long the Republicans have prospered by the racially polarized partisanship that has characterized SC. Its message has been predominately a message of what it is against rather than what it is for, i.e. that is against government, taxes, abortion, gay marriage, and immigration.

As the governing party it claims the mantle of being against government itself even though in its exercise of power it has none too shy in claiming the privileges, perks, and political pork of government. In the social

arena for instance it presents itself as the party defending religious values yet what exactly does that mean in a state, according to Gallup numbers, which is the 3rd most intensely religious state in the country?

Indeed the data merely confirms what is obvious to the naked eye, that almost everyone in SC regardless of their party or ideology is strongly religious, thus rendering the Republican advocacy functionally irrelevant. The Republican Party has become comfortable playing to its white married and socially conservative voters, a shrinking base at best. Of course that has been an easy if not entirely wholesome course given the racial/partisan polarization of the states political structure which has rendered it unnecessary to reach out to minority voters, the poor or younger people. However I suspect that part of the reason for the apparent decline of SC GOP support that so many of our newcomers even if they are Republicans find all of this a bit uncomfortable.

A certain disconnect exists between the Republican mantra of cutting taxes and promising smaller government while engineering a massive spending spree of government expenditures particularly when those expenditures have little to do with investing in the education and infrastructure necessary for economic and social growth in SC and instead seem to benefit their supporters, campaign contributors, and themselves.

The contradiction between its philosophical claims and its performance might prove viable when things are going well, but it runs smack into a wall of reality in the face of the kind of downturn that has hit SC. The kind of forward looking government necessary to propel a state like SC toward progress seems antithetical to their basic restrictive rigid philosophy which frankly at another time might have a greater resonance on a national stage than at this particular moment in SC life.

C. Howard Rich

Perhaps nothing better demonstrates the potential political vulnerability for this state's dominant Republican machine than the curious case of Howard Rich and the issue of school vouchers. For those unfamiliar, Howard Rich is an extremely wealthy New Yorker, whose political passion seems to be school vouchers, i.e. using public taxpayer funds to help certain students attend private schools even if it means the evisceration of the public school system. Personally, I believe the national Democratic Party's refusal at the behest of teachers' unions to consider any kind of meaningful reform program for the public schools - particularly for minority and low income Americans - is both short sighted and indefensible as is many Republican conservatives' penchant for destroying the American public school system.

Actually I think that some voucher ideas have real merit *within the construct of the public school system itself*. Rather than instill competition within the public school system, Mr. Rich and others of his ilk want to use taxpayer's dollars to create competition between private schools and the public system, which of course taxpayers must still financially support.

Howard Rich has not been satisfied in intellectually promoting his ideas. Instead he has sought to make SC a laboratory and the children of SC the lab rats for his extreme ideology. He has tried to accomplish this by essentially buying the SC Republican Party and has succeeded with a number of Republican political leaders. Rich has been a prominent financial supporter for, among others, Governor Mark Sanford throughout his political career. He and his confederates have over recent years pumped hundreds of thousands even millions of dollars into the coffers of the SC GOP and its candidates. Some like South Carolina New Democrats have been vigilant in criticizing this. But generally it has gone unnoticed by most of SC's media and thus unknown by most SC voters.

A few Republican candidates have been embarrassed into returning his money, but others have not only accepted his money but have willingly put themselves in his service. Some candidates have received over 80% of their campaign funds from Rich and his network of donors.

Frankly when I discovered this story I was stunned that it had not risen to a level of scandal that would have led to a severe electoral rebuke for Republicans. After all this is SC and I would think the concept of *carpetbagger* and *scalawags* would find some resonance.

Governor Sanford in his recent State of the State address continues to advocate the policies of his benefactor. Exactly such thinking by so many Republicans is why they have no trouble brutally slashing state support for education at all levels while continuing to oppose help for South Carolinians in distress, all the while advocating endless cuts in state revenues without regard to the reality of SC's circumstances.

There are many enlightened Republicans that understand that the needs of a relatively poor state like SC require a localized forward-looking government that invests in building for the future. Unfortunately these voices are marginalized by the dominant Republican political machine with its rigid ideological cant, its inconsistent self-serving performance, and the smugness of its supposed political invulnerability.

D. The Democratic Party

Given the contours of SC politics the only viable vehicle for such a movement would be the Democratic Party. But only if it is prepared to shake off its minority party - and bluntly, "losing" mind set.

Let me make a personal observation. I have been struck by the fact that the role of loyal opposition to the incumbent Governor Mark Sanford is played by leaders of his own Republican Party. Perhaps it is a function of a special media behavior, but when state issues become controversial the dissenting views reflected in print are usually from other Republicans while often Democratic voices are not mentioned. Assuming no insidious media plot it seems reasonable that this condition really reflects a political party which has been a long-time minority, wandering in the political wilderness. This is not to say the Democratic elected and political officials are lacking strong views but only that the party as an institution is so consistently out of power as to have effectively lost its voice as a perceived viable alternative by the media.

On the other hand the condition of the Democratic Party makes it a potential vehicle that can be organized to put forth the kind of reform/progressive movement that SC needs and may be seeking now more than ever. The key test will be whether the Democratic Party establishment is sufficiently open to make the kinds of changes in itself that will allow it to become a credible vehicle of change by a majority in the state.

If so then the Democratic Party can be the vehicle for a broad based citizen movement for independent reform that could infuse it with new leaders and new resources.

E. Citizen Movement

The people of SC and America have their passions and fears aroused by the condition of the state and the nation. These have created a new sense of outrage and urgency for real change. Anxiety over real economic decline and a rising tide of anger over Wall Street fraud, corporate self dealing, and government corruption (witness the fire storm over AIG bonuses) have awakened the American people. People are mad and many are truly afraid. On the state level there has been a similar negative reaction to Gov Sanford's blind ideological posturing - be it on unemployment insurance or stimulus funding - and his apparent total insensitivity to the plight of ordinary South Carolinians.

As previously indicated, what South Carolina requires most of all is a broad-based citizen movement comprising a new coalition to bring needed change and political reform to SC at this moment of crisis. Frankly it must call forth qualities not of strict partisanship and rigid ideology but rather common citizenship, common interest, and common purpose and characterized by a predominance of common sense. Times of crisis like these call for the broadest coalition of ordinary SC citizens, community leaders, and the

states forward-looking business leaders. Such a movement can build upon the increased participation and interests evidenced among SC voters. It must seek to energize and involve ordinary citizens in an effort to take back their state government and take charge of reforming the state's politics and building a new South Carolina for the future.

No matter how great the potential exists for such a movement, its success hinges on one indispensable condition: that a group of civic minded and talented leaders create a "spearhead," that can launch such a movement and be willing to sustain it with their energy, commitment, and resources until that movement can reach critical mass and can be carried forward on the shoulders of the people themselves.

Frankly without such a "spearhead" the possibilities of achieving real political change become almost beyond reach.

III. Solutions: What Now?

Below are some ideas chronologically that might help outline the fashioning of such an effort.

A. In 2009

1. A General Statement of Principals and an Agenda for the Future

A nucleus group needs to formulate an **initial** set of principles and an **initial** broad agenda which can be communicated and advocated to an ever broadening circle of SC citizens. It would be presumptuous on my part to suggest what those Principles and Agendas would be. There are many individuals and groups, such as the New Democrats, who have given thought and made proposals to consider for such a program. I would only suggest in light of the conditions of crisis that confront South Carolina that the issues of economic growth and job creation as well as the role of new technologies in achieving such, transforming the educational system and ensuring equal opportunity, reforming SC's governing and political structures with both vision and fiscal responsibility, healthcare, and enhancing and protecting our natural splendor are all first-order concerns.

2. Organizing a Dialogue

Constructing the means of communication utilizing the internet, town meetings, and community forums - perhaps even in some cases broadcasting on cable television - to invite the ideas and participation of SC citizens, to build the political movement and to begin the process of forming consensus on a political platform upon which a movement can stand.

3. Conducting Important Research

There need to be several research efforts that can support the development of the overall project:

- General Policy Research - much information and data already exists on the issues and problems facing SC both as a society and as a government. That information needs to be gathered and compiled and if necessary enhanced to provide the required information resources necessary to support the overall effort.
- Statistical and Survey Research - there needs to be a comprehensive program of statistical analysis of SC elections and voting patterns that can assist in prioritizing political goals. There is an urgent need for in-depth survey research that provides a base line to understand the concerns, interests, and attitude structures of SC's political citizenry and thus allows a broad basis of input by the people themselves in shaping the ultimate goals and agenda of

such a movement. Such a data base is indispensable and today is nonexistent. Once that base is established further research efforts to follow up and extend it will be required.

Both research efforts, informational and statistical/survey, will require an initial commitment of significant resources by the spearheading leadership cadre.

4. Identifying and Recruiting Potential Candidates

Ultimately the process must culminate in finding and recruiting a slate of candidates to run as members of this Independent Reform movement within the structure of the Democratic Party; for Governor, other statewide offices, and for the State House. The candidates for the top offices should emerge out of the processes of deliberation and organization that take place within the movement itself. It must be a coalition slate that representing the broad face of SC's people and blend a rich mosaic of backgrounds and experiences. The candidates need not and should not be only politicians or traditional office seekers.

At the lower level, in the contests for the State House the emphasis should be on the recruitment of many fresh new *citizen politicians* willing to commit to a period of public service. The goal should be to field candidates in the vast majority of State House races which typically go uncontested.

5. Candidate X - What Kind of Governor?

Obviously the most critical and visible person in this movement and by definition its ultimate leader, will be the candidate for Governor. In many ways he or she will be the public face for the entire citizen effort. A number of officials have already expressed an intention of running for Governor in 2010. I know not a single one, so I can at the moment speak honestly without any preexisting agenda.

It seems to me the qualities in a candidate for Governor to lead such a movement are to some extent obvious. That person should not be intellectually or personally committed to the perpetuation of SC's current dysfunctional politics. That person must fervently embrace from conviction the need to reform our politics and to advance a bold program of progress. Most of all, the person must see the primary role to **empower** other leaders.

The normal candidate mindset that he or she is the "answer" is insufficient. A successful candidate for Governor must understand that their primary responsibility is to bring forth other new leaders in SC as part of a united team that draws its energy and success from the efforts and contributions of thousands of ordinary citizens.

B. In 2010

1. Organizing for Victory

In 2010 the goal must be to see the transformation of a movement into a practical political organization that can sustain, support, and elect the slate of candidates chosen to run from Governor to the State House. The success of such will be measured against a standard of unprecedented participation by the largest number of citizens ever seen in a state election. To achieve such an organization will be a daunting but necessary challenge.

2. 2010 Primary

If SC general elections feature many voters and few competitive contests, then SC primaries are distinctive in the paucity of voter participation. Primaries for state-wide office and the Legislature normally attract as few as 6% or 7% of all eligible voters participating in the Democratic primary and

10% to 12% in the Republican primary. (One of the reasons why there are slightly more Republican primary voters is that there are more intensely contested races for nomination in what is clearly the majority and thus predominantly winning party.)

However for a broad citizen movement seeking to elect a slate of reform candidates the primaries offer an unrivaled opportunity to expand the participation of voters and for communicating the political purposes of such a reform effort.

If the candidates of an Independent Reform slate can the double participation rate of voters in the primary then it will instantly establish the credibility and vitality of the entire movement. Indeed it is probably not an overstatement to suggest that transforming the primary turnout by a significant degree could so shake the foundations of SC politics to make victory in November a real likelihood.

IV. A Last Word

South Carolina has one of the richest histories of any state in America; it is no accident that South Carolinians take such pride in their state nor is it a coincidence that the Palmetto and Crescent is second only to the Texas Lone Star as the most recognized ensign among American states.

South Carolina's Civil War experience is certainly the best known chapter of its history. However that period triggers many emotional responses, some of pride and others of bitterness. In truth it is not a unifying story but sadly a divisive one.

Although lesser known, the South Carolina's role in the American Revolution War is one of the brightest epics in the annals of American history. From the storied repulse of the British fleet at Fort Moultrie which inspired the Palmetto and Crescent flag to the swamps of the Francis Marion National Forest from which the Swamp Fox and his hearty band harassed the British occupiers to the field at Cowpens where a hopeless tide of defeat was turned into an incredible victory, South Carolina can lay claim to more battlefields than the rest of the American Colonies combined.

Even after the loss of two American armies within the space of months at Charleston and Camden, South Carolina's patriots never gave up. Time and again they were judged to be defeated and yet over and over again our forefathers rose from the ashes like a Phoenix of Freedom ultimately paving the way for the final victory at Yorktown. Had South Carolina died it is likely the American Revolution would have failed.

It seems to me that this is the story from which today's generation can draw inspiration and rally together in the cause of a South Carolina future that would make our earlier patriots proud.

Patrick Caddell has been involved in American politics at the most senior level since 1972. He was chief pollster and political strategist for Jimmy Carter and the youngest senior advisor to a presidential campaign in history. He was also the youngest member of Richard Nixon's Enemies List. Since that time he has been an advisor to over 150 political campaigns and Fortune 500 clients in the US and globally.

In addition to his political work, Caddell has been a consultant and adviser to numerous motion picture and television projects. He was a writer, producer and consultant for West Wing, the Emmy-winning NBC television series, as well as Air Force One and many others. He also has been a faculty member teaching politics at the University of California at Santa Barbara.

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Part 2

How We Can Win NOW SC New Democrats' Strategic Action Plan

Initial Response: SC New Democrats Business Council

Project 2010 began in March with the initial circulation of this paper to key leaders around the state. The overwhelmingly positive response far exceeded our expectation. Most gratifying was the response from the states' business community who are increasingly concerned about the deepening crisis in our state.

In response to their concerns and commitment to action, we have recently formed the *SC New Democrats Business Council* to support the work of this plan. The three Founding Co-Chairs are **Hugh and Charles Lane** and **Charles Patrick**, all of Charleston. We are quickly expanding with others leadership announcements and activities through out the state.

Online and New Media Strategy

The key fundamental principle of our Strategic Plan is to use the Internet and new technology in new and innovative ways to 1) communicate with citizens, 2) develop an 'activist' corps that will work on behalf of our issues and candidates and 3) make online donations to support our work.

The Obama campaign has shown what could be done online. The SCND already has an extensive and well developed online operation but we will soon be dramatically ramping up our digital operations and expand our online network of supporters.

Five Strategic Steps

Our Strategic Action Plan has five specific action steps:

Step 1 – *Build Consensus*, Develop a working consensus about key issues and strategies among a key group of motivated, committed citizens – from blue chip business leaders to grassroots activists – who share a common vision of what needs to be done and how to achieve it.

1.) Key Opinion Leaders Briefings and Discussion – As a first step, in March we began to circulate this Project 2010 memo to a select group of key business, political and opinion leaders around the state. We will continue to have one-on-one discussions with each of the key leaders to 1) get their general reaction to our analysis, strategy and plan and solicit their ideas and insights into how we might improve it, 2) if they are generally favorable, ask if they are willing to become involved in some specific way such as providing ideas and suggestions, working on policy initiatives, hosting an event, raising money, etc.

2.) Online Forum, Discussion and ePolls – In March we began a series of interactive online discussions, issue forum and e-polls to ask people across the state what they think about various

issues, events and their general attitudes about what is happening politically in South Carolina. Using the Internet and new technology we will give everyone in the state an opportunity to express their ideas and opinions and help us develop the content and discussion points for the upcoming Statewide Brainstorming Session.

3.) Seminar and Strategy Session and Reception – On April 24, just prior to the state Democratic Convention, we held a statewide brainstorming session to share our ideas with over 100 activists and supporters and get their ideas and input about our general goals and direction. The events included

Seminar and Open Strategy Sessions

Winning in the South

Jamie Bird
Obama '08 SC and Ohio

Patrick Caddell
Political Strategist & Analyst

Jack Bass
Author on SC Politics

Carey Crantford
SC Pollster and Political Researcher

Winning in South Carolina

Potential Candidates for Statewide Office in 2010

Also, we hosted a reception and recognized ten New Democrats' 'rising stars' who exemplify the values and progressive ideals that we believe are needed for our state. The event clearly demonstrated that there is a real hunger among Democratic activist for a viable new strategy and plan for 2010.

4.) 'Ready to Lead Tour' - Regional Issue Forums and Townhall Meetings – Of all the extremely positive feedback we received about the information and ideas presented and developed at the seminar, the one suggestion we heard most often was the need to do a modified version of the seminar across the state. While over 100 party leaders attended the session in Columbia, such a road show would reach several thousand grass roots activist around the state. Taking it on the road would exposure more people to the potential for 2010 and if executed correctly, it could become the catalyst for recruiting a whole new generation of candidates and activist that could enable us to win in 2010.

The Ready to Lead Tour will have the following five components:

1. Message - Delivering the message that Democrats can win in 2010. Show them the numbers. Talk about message strategies. Give activist a set of talking points for revving up their own local organizations.
2. Strategy - Lay out our sensible blue print for success. Explain how important voter geography is in the state and point out how each of their counties can contribute to creating a winning coalition.
3. Candidates - Challenge the local activists to get busy now on candidate recruitment. We need to pick up some state house seats and build the bench with new, reform minded candidates running on the local level.
4. The New Democrats Family - Provide a forum for other party organizations and supporters (State Party, House Caucus, Senate Caucus, Obama organization, environmental, education and labor groups, etc.) to tie in and be a part of creating a winning strategy.

5. Candidate Forum – As we did with the April seminar, we should consider having a forum for the candidates for governor.

Based on what we learned at the seminar, as part of the road show, we will discuss our policies and plans and get more input and ideas from people all over the state as to their ideas and suggestions and most importantly what local issues need to be included in our revised *Agenda for Change*. (Download the current *Agenda for Change* at www.SCNewDemocrats.org).

5.) Opinion Polls and Focus Group Research - New Democrats do not believe in taking opinion polls to 'decide what we believe.' We are clear about our values and what general policy ideas we believe are the absolute priorities for our state and the future. Instead, we believe that opinion polls can help us refine our messages and identify the language and examples that will communicate our ideas most clearly and effectively with the voters of our state.

In preparation for the road show, there needs to be a comprehensive project of 1) statistical analysis of state and local elections and voting patterns that can assist in prioritizing political goals and 2) in depth opinion survey research and focus groups that provides a base line to understand the current concerns, interests, and attitude structures of SC's political citizenry. Currently, there is no regular statewide polling on the level required nor has the necessary in-depth electoral analysis been done.

Step # 2 – Create the Organization, Building on the foundation created by the Obama campaign, we will expand and recruit a county by county, neighborhood by neighborhood grassroots organization that will actively work for our *Agenda for Change* policies and reform candidates.

We will build on the grassroots support and experiences of the Obama campaign to create an expanded network of committed grassroots activists and supporters that will undertake three key projects in their local communities:

- 1) Recruit potential candidates, who support the New Democrats reform ideas and *Agenda for Change* and would be interested in running for the state legislature and local offices,
- 2) Conduct press and outreach activities in their local area about our ideas and activities to expand our network,
- 3) Identify local issues and concerns that should be developed as part of a local *Agenda for Change*.

Step # 3 – From Ideas to Action, Over the next six months, launch a series of high profile online and on the ground 'campaigns' around selected policy issues, especially those in the Legislature, that will highlight the values and policy initiatives that we as reformers want to see accomplished – and continue to expand our network of supporters.

SC New Democrats are all about ideas and policy – we always have been. Since our earliest days, we have been focused on developing new ideas and innovative policies that go beyond the stale, outdated traditional left-right debate.

'5 Big Ideas' – As part of our *Reform Agenda for Success in the 21st Century* we developed and have been pushing '5 Big Ideas' that we believe are the most critical issues for us in South Carolina. They are:

1. World Class Learning – A Constitutional amendment to require ‘top quality, world class’ education not the current ‘minimally adequate’
2. Ready to Learn – Universal 4 - year old kindergarten with adequate pre-kindergarten nutrition and health support
3. Tools for Learning – A laptop for every student and wireless broadband access for every family
4. Unlimited Learning – Guaranteed access to unlimited post-secondary schooling through loans, grants and community service
5. Universal Access to Health Insurance – Guaranteed minimum health insurance for all based on the existing models of Massachusetts and California

We will launch aggressive online and media campaigns to support our ‘5 Big Ideas’ as well as other campaigns that we believe are important and consistent with our goals. We will focus on the Legislature and elected officials – of both parties – and encourage them to support our progressive agenda. A good example of this type of campaign was our Fight Howard Rich Campaign we launched in September.

Fight Howard Rich - Howard Rich is an extremely wealthy New York real estate developer and libertarian political activist. Over the last several years, Rich and his network of wealthy, out of state supporters have spent an estimated \$5 million in an effort to “buy” the state Legislature in South Carolina to enact his plan to divert public money to private schools through school vouchers and tax credits.

In last year’s election cycle alone, Rich and his cronies pumped almost \$1 million in direct funding into the campaigns of 44 candidates who support his radical agenda. Several candidates received a majority of their funding from Rich – one over 90%. Also, Rich has provided massive amounts of secret, un-reported funding to a number of pro-voucher organizations as well.

One knowledgeable expert estimated that in total Rich has spent upwards of \$10 million pursuing his radical policies for South Carolina.

As part of our campaign last fall, we conducted extensive research on Rich’s funding to candidates, Democrats and Republicans, and then launched a state of the art website (www.FightHowardRich.com) detailing Rich’s activities and donations. We developed an email advocacy campaign that involved over 40,000 people in the state.

Next we launched an extensive press and media campaign to tell people which candidates had taken Rich’s money and we called on them to give the money back. We were able to highlight this issues in a way that was very effective, and several candidates cited our work and the Rich issue as an important part of their victory – three candidates (two Republicans and one Democrat) were so embarrassed that they actually gave Rich’s money back and promised to not take his money in the future.

Support Other Organizations - We will also work to encourage and support other organizations’ initiatives that are consistent with the SCND’s ideas and values. For example:

1. *Goodbye Minimally Adequate* – is a campaign to pass a constitutional amendment to change the language of our state’s constitution to provide for a higher education standard. This campaign is an extension of the coalition that developed the Corridor of Shame documentary

in support of the Abbeville case to support school reform.
(www.GoodByeMinimallyAdequate.org)

2. *One Laptop Per Child / SC* – is a non-political organization formed to provide every school child in our state with an education laptop computer. The initial pilot project was launched last year in two schools in Marion County, and expansion is underway in 15 additional low-performing schools across the state. OLPC/SC is a joint project of the SC Department of Education and the Palmetto Project. (www.LaptopSC.org)
3. *Local issues* – consistent with our statewide *Agenda for Change*, will be developed by people in our county grassroots organizations. We will work with them to support campaigns for these local issues and help activists be more effective in their advocacy.

Step # 4 – Helping Candidates WIN, For the 2010 elections, recruit and support reform minded Democrats for state and local offices and support them in their campaigns.

In the past, the SC New Democrats have provided political training and leadership seminars for candidates and we will expand our activities in 2009 and 2010 with:

- Campaign training seminars and workshops to improve skills and teach new strategies and techniques that have proven effective;
- Online campaign technology seminars to help candidates and activists learn how to use the Internet and new technology more effectively;
- Leadership training and issues seminars to help candidates and elected officials more effectively develop leadership and communications strategies to push the SCND's progressive policy initiatives.

Also, in 2010 we expect to expand our budget (see below) and fundraising operation and not only raise funds for SC New Democrats' expanded operations but also provide more assistance to reform-minded Democratic candidates.

Step # 5 – Post Election, Once elected, we will continue to activate and expand the New Democrats' network of supporters in support of local and statewide public initiatives of our *Agenda for Change*.

After the election, we will continue to support our New Democrats in office. They will be able to join the SCND's existing Local Elected Officials Network that works collaborative among New Democrats' elected officials to share ideas and insights of what is required to be a good public servant and a more effective elected official. We will encourage them to attend the Democratic Leadership Council's National Conversation and other events and activities that will connect them with other New Democrats around the country.

Conclusion

New Democrats believe that we have a unique, once in a generation opportunity not only to change politics but more importantly to change the direction of our state. It won't happen over night, but the Obama campaign has activated a new generation of political activists and unleashed the forces of change and reform in our state.

It is now up to us to bring this change to the state level - and set our state on a new course that will make us competitive in the global economy of the 21st century.

Budget
12 months

Projects

Website, webmaster and online resources, \$3k per month.....	\$36,000
Regional Townhall Meeting, \$1,250 x 5 months.....	6,250
Issue Campaigns, \$800 x 12 months.....	9,600
Policy and Issue Research.....	22,500
Polling, focus groups.....	40,000

Personnel

Executive Director, \$3k per month.....	36,000
Field Organizer, \$1,500 per month.....	18,000
Communications and press staff, \$1k per month.....	12,000
Fundraiser and list management \$1,750 per month.....	21,000

Other

Printing, postage, materials, \$750 per month.....	9,000
Office, telephones, travel, etc. \$1k per month.....	12,000
Contingency, 10%.....	22,200

Total..... \$244,550