



WMRC Article

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Schwarzenegger: Lights,
Camera...Gridlock

United States: California's Governor Schwarzenegger: Lights, Camera...Gridlock

Action-movie star and former body-builder Arnold Schwarzenegger is preparing to be sworn in as California's next Governor, replacing the ousted Gray Davis, but in spite of his clear victory over Davis and 133 other candidates, Schwarzenegger's support is tenuous and he will have little time to demonstrate his ability to lead the state out of crisis.

WMRC Perspective	
Significance	Arnold Schwarzenegger is preparing to take over the reins of the most populous and largest state economy in the country, and one that is facing a number of serious and complex problems, although he has never held elected office or served in government.
Implications	Leading the world's fifth-largest economy would not be easy for the most seasoned political figure in prosperous times, much less a political neophyte in the most difficult of times, and the success or failure of Governor Schwarzenegger's tenure will have important economic implications for California and even the US.
Outlook	Angry Californians expect immediate progress on the state's problems and Republican Schwarzenegger has an ambitious agenda. But the Democrat-controlled legislature - with whom he must collaborate - is angry over how Gray Davis was thrown out, resentful of Schwarzenegger's contemptuousness for their role in the lawmaking process, and bound-and-determined to undermine any Republican efforts to gain a foothold in the predominantly Democratic state in the lead-up to the presidential election next year, creating a nearly impossible dynamic for Schwarzenegger to accomplish anything useful.

The 280-Pound Political Weakling

Governor-Elect Schwarzenegger's agenda resembles his muscles: outsized and a little ridiculous. During the campaign, he offered a comprehensive, business-centric agenda that would appeal to moderate voters while tapping into the anger and fear felt by Californians due to the ballooning state deficit, unemployment, heavy tax burden and sagging economy. Thus his agenda is primarily focused on addressing the state's economic woes - rightfully so considering the seriousness of the fiscal crisis - as opposed to being centred on social issues such as immigration or social services.

One Question: How Could this Happen?

Schwarzenegger was elected for two reasons: 1) voter anger and 2) his celebrity.

1. Voter anger is the result of a series of crises to hit California, beginning with the rolling blackouts and brownouts that swept the state two summers ago following then-Governor Davis' energy policy reforms. Whether or not those reforms directly contributed to the power outages, and whether or not he deserved it, Governor Davis was to shoulder the blame. Next came the massive (US\$8bn) state deficit due to the burst of the technology-fuelled economic bubble that resulted in staggering losses in projected corporate and capital gains taxes. State programmes had also been expanded in anticipation of the continuing tax windfall, so a good deal of the fat to be trimmed from state government will come from the rolling-back of programmes that were developed or expanded just in the last few years. The state deficit also put incredible downward pressure on municipal spending, which prompted Davis to triple the car tax, since the majority of that revenue is given back to local government. The car tax was the final straw for voters, who viewed the Davis administration as unable to prevent the state from spinning out of control.
2. Schwarzenegger's celebrity is all that allowed him to come out ahead of popular, experienced politicians. It can also be argued that, were it not for Schwarzenegger, the recall effort might not have had as good a chance of success in removing Davis. The free media Schwarzenegger enjoyed from day one continued and actually increased throughout the two-month campaign, making it nearly impossible for any other candidate, including Davis, to match the exposure of Schwarzenegger's candidacy. Voters' familiarity with his image proved more important than their knowledge of his politics, essentially giving him a free pass from having to lay out specific

ways in which he proposed to solve the state's most pressing problems. His larger-than-life persona completely overwhelmed Davis whose demure, dry and wooden demeanour was positively wan by comparison.

Campaigning is Easier (and More Fun) than Governing

Now that Schwarzenegger is in the position of governing rather than campaigning, he will be judged on his results rather than his rhetoric and one-liners borrowed from movie scripts. The problem with running a campaign for change based on the strength of a personality rather than a set of ideas is that the expectation for his success has set the bar at an impossibly high level. The Republican is entering the incredibly divisive state capitol where the House and Senate are controlled by the Democratic Party. His agenda is also based on sweeping reforms of Republican-based ideals and issues on which legislators toiled for months before either giving up or begrudgingly compromising. The fact also remains that the state's biggest problem - the state deficit - is one that transcends political ideology or the strength of leadership. It is more simply a matter of arithmetic: the state is spending billions more than it is taking in. The deficit problem is one that Davis and the legislature have struggled over, and their inability to solve it has less to do with political differences than the simple yet harsh reality that dramatic cuts over several years will have to be made in order to get the fiscal house back in order in the face of unprecedented revenue shortfalls.

Watch Your Back, Governor

Schwarzenegger is entering office with a wider-than-expected margin from a diverse group of voters, but he has few friends in the legislature. On the left, the Democrats are extremely upset over the ousting of Davis through what is widely viewed as a hijacking of the democratic process by a select group of right-wing, deep-pocketed ideologues. On the right, conservative Republicans - the more dominant wing of the state's Republican party - are extremely critical of Schwarzenegger's liberal positions on social issues such as gay rights and abortion, and will oppose his broader agenda on principle. They are led by conservative Republican Senator Tom McClintock who ran against Schwarzenegger in the recall election. Schwarzenegger's only hope is to appeal to the middle-of-the-road Democrats and Republicans, but they have thus far been unable to come together toward a common purpose because they have been polarised by the extreme members of their respective parties. Even if Schwarzenegger were able to build a moderate, bi-partisan coalition of legislators, it might actually drive the right- and left-wing legislators into an 'unholy alliance' to obstruct any Schwarzenegger-led initiatives.

Finally, An Action Hero for Business Executives

The cornerstones of Schwarzenegger's agenda are very business-friendly, although it also includes a few social items that will have particular appeal to right-leaning voters such as the repeal of the granting of drivers' licences to illegal immigrants, which he can undo by Executive Order. He can also repeal the tripling of the car tax via Executive Order, thus completely avoiding the need for legislative approval. The other key economic/business-related agenda items can be found on his website (www.joinarnold.com/en/agenda/). The agenda is incredibly ambitious and fairly thoughtful, but devoid of details and hopelessly unrealistic given the political climate. The glaring omission is a detailed plan as to how he will address the massive state deficit, which also just so happens to be the most critical issue facing the state and his incoming administration.

Jesse Ventura: What Not to Do

A comparative analysis of the election and tenure of former wrestler/actor and Minnesota Governor Jesse Ventura provides some interesting parallels to Schwarzenegger's election and the challenges he will face. Ventura's election was also based on his celebrity and novelty, as a raft of new voters were engaged by his candidacy simply because he was an atypical candidate. His election was also seen as a protest against the typical politician and 'business as usual'. The first several months of his tenure were filled with expectations and talk of the fundamental changes his election would usher into the political process. He became a national celebrity and the hope of former Ross Perot supporters everywhere, since Ventura ran under the Reform Party banner.

Ventura made good appointments to his cabinet, drawing from both political parties as well as bringing in a large number of political outsiders and businesspeople. He pledged to be above partisan politics and the typical bickering that befalls elected leaders, resulting in stalemates and gridlock. For the first year, he was seen as a heroic figure whose strong personality and presence of leadership were enough to force through his ambitious agenda of reform. However, once his proposals became bogged down in the 'normal' political process, he became frustrated, agitated, impatient and intransigent. His vitriolic criticism of the legislature united his friends and foes against him and he quickly became marginalised. The last two years of his tenure were marked by his invisibility and irrelevance as the legislature did only what was necessary to keep the state running until his term was due to expire. Completely

deflated by the inherent difficulties of the process and the need for compromise - which he was unwilling to do - he opted not to seek a second term. He left office without fanfare, having achieved little other than to make voters sorry for having been drawn to stardom rather than competency.

The Terminator's New Nemesis: Bravado

Schwarzenegger is not necessarily doomed to the same fate as Ventura, but the deck is stacked against him, especially since the problems facing the much larger California are more acute and deep-rooted. If he expects to have more success than his former co-star in the movie 'Predator', Governor Schwarzenegger will need to be better prepared to compromise, be conciliatory, and be genuinely open to the ideas of legislators on both sides of the aisle. However, he will also need to exercise strong leadership that will keep legislators on task, carefully using his bully pulpit to hold their feet to the fire when they become bogged down by partisan bickering. Schwarzenegger's initial months in office will be the critical test of his ability to stay connected to the voters and use their support as leverage with legislators, but in such a way that does not alienate them the way Ventura alienated members on both sides.

Governor Machiavelli? Doubtful

One possible scenario is that Schwarzenegger may surprise everyone if he can be a little Machiavellian. Perhaps he has laid out an ambitious, populist agenda, knowing that it will surely fail at the hands of legislators, giving him the opportunity to again campaign against 'politics as usual' while at the same time deflecting blame from himself. If he can accomplish this, he may then be able to again draw upon his celebrity to campaign for legislative candidates that pledge to support his political agenda if elected. Schwarzenegger's star power may be strong enough to weather the criticisms that will undoubtedly come once his agenda becomes stalled, and the media's love affair with him may give him the opportunity to successfully blame the legislature. If his popularity can survive until the next legislative election, he may just be able to help change the dynamics of the legislature, attracting more moderate Republicans who are also political outsiders. Governor Schwarzenegger, assuming he maintains his glow, would also be a powerful source of fundraising for 'wannabe' legislators who commit to his vision. A possible scenario, this, though highly speculative and risky, and thus fairly implausible.

Outlook and Implications

The outlook for Schwarzenegger and California is not a positive one. Schwarzenegger is not accustomed to the divisiveness of the political environment and is unprepared to compromise. He believes he was given a mandate to quickly usher in dramatic reforms and, unfortunately, he promised the voters who elected him immediate and decisive success. His natural bravado has written cheques that political reality will not allow him to cash. After a flurry of bipartisan talk, photo-opportunities with legislators, and more promises of 'real change', the reality will set in and the star-struck will wake up to the truth that Governor Schwarzenegger is woefully unprepared for the task at hand. Within a year of ascending to the governorship, Schwarzenegger will implode, key staff will jump ship, once-star-struck legislators will become openly critical, the pass he's been given by much of the press will turn on him, and a besieged-from-all-sides Schwarzenegger will wonder why he didn't make 'Terminator 4' instead.

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