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GSJ View

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Obama: Three Years After His Election

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- 1 In January 2009, this journal published my review essay entitled “The Audacity of Barack Obama.” I had many good things to say about the newly-elected president, though I was a bit dubious as to whether he would wind up being a transformative leader. He has had a rough three or so years, obliged to deal with a broken economy and two wars that he did not start but which he has endeavored to end. Though neither he nor his Vice-President will admit it, he has also had to deal with the relative decline of the United States with respect to other centers of power in the world – Europe, China, India, the South Asian “dragons,” and now also Brazil. His agenda has been retarded by Blue Dog members of his own political party and since 2010 he has been besieged by extremist Republicans who hate government, who are quite likely racist and who support any policy that exacerbates inequality between rich and poor in a country in which, over the last thirty years, inequality has vastly increased.
- 2 The Republicans argue that Obama cannot run on his record, but if one actually looks at the record, it is pretty good. To be sure, I would still argue with some of his appointments such as Geithner at Treasury, Larry Summers as head of the National Economic Council (NEC) and Rahm Emmanuel and William Daley as his White House chiefs of staff. All of these appointments have hurt him and, to an extent, obscured his positive achievements. It was foolish to listen to Summers and not Christina Romer, head of the President’s Council of Economic Advisors, with respect to the size of the stimulus package. She wanted a more substantial bill (of a trillion dollars or more), whereas Summers wanted the modest bill that we got (at about \$780 billion). And had Rahm Emmanuel had his way, Obama would have dropped the healthcare bill. Daley, for all his political savvy and business connections, has not been much help to Obama either with the Republican congress or with the business community. However, in spite of his largely incompetent underlings, let us look at Obama’s accomplishments.
- 3 He is slowly beginning to redirect our foreign policy. If you pay attention to the speech he made in Cairo and to his actions, this is clearly where he is going. The Cairo speech demonstrated that Obama wants to end the reign of the ugly American, who fails to respect other cultures and who attempts to sustain American hegemony by invading countries where the leadership is hostile to the United States. More important is how he has handled the revolt in Libya and the nuclear proliferation issue in Iran. Where Bush was unilateral, Obama is quite aware of the multilateral world in which we live. He gave the British and French indirect support in Libya (funding and weaponry), but the US stayed out of active fighting. With respect to Iran, he has persistently attempted to secure multinational support for sanctions and, though not always successful, has done little to widen the rift between America and Iran. In contradistinction to the Republicans, who would like to go to war with Iran (of course this may just be posturing), Obama’s multilateral policy has succeeded both in restraining Israel (who, not posturing, would like to destroy Iranian nuclear facilities) and in getting the Iranians to negotiate. It is likewise clear that he is arguing for a new kind of American leadership in the world, one which is not hegemonic but cooperative, which is not obsessed with an “axis of evil” but which attempts, both with carrots and sticks, to persuade less-than-friendly nations that, in conjunction with allies, it is not our will but the world’s desire that they accept international standards of behavior, whether related to nuclear arms or monetary policy or world trade.
- 4 During the last congress, Obama passed two important pieces of legislation, which,

though far from perfect, are much more substantial than anything achieved since the presidency of Ronald Reagan. Bill Clinton was a president who practiced the politics of incrementalism, whereas Obama is clearly attempting big things, at which he has mostly succeeded. The healthcare bill may not please those on the Left who think anything short of a single payer system is unsatisfactory, but Obama was confronted by realities that Leftists ignore: first, that he could not destroy an already well-established private healthcare system; second, that his own party in congress would not have allowed it; third, the Republicans were dead set against any reform of healthcare; and, fourth and lastly, the private interests involved would, had deals not been made with them, have managed to junk Obama's plan just as they did Clinton's. In this regard, it is enough to say that he is the first Democratic president since the immediate postwar era to get a healthcare bill enacted into law.

- 5 Nor should one disparage the Dodd-Frank financial reform bill. Banks will now be obliged to leverage their funds less cavalierly and to keep sufficient funds on hand to deal with financial crises or great losses. The Consumer Financial Protection Bureau (CFPB) is a big step forward, even though its regulatory powers are less tough than one would prefer. The financial reform act includes the Volcker Rule which prevents banks from engaging in proprietary trading that is not at the behest of their clients and also from owning or investing in hedge funds or equity funds. This will not preclude the existence of banks that are "too big to fail," but the worst abuses that caused the financial crisis of 2008 have been at least partially remedied. A restoration of the Glass-Steagall Act, by means of which commercial banks and investment brokers were not allowed to merge, would have been desirable. But once again, this could only have been achieved by totally dismantling and then recreating the current banking system that the repeal of Glass-Steagall by the Clinton administration brought into being. The deregulation of the last thirty years will not yield easily to one piece of financial reform legislation; it will take many years and much more legislation to truly reform our financial system. Moreover, in the global economy, America can hardly reform its institutions, whilst the rest of the world allows its financiers leeway.
- 6 In the realm of civil rights, Obama's achievement in securing military support for the repeal of "Don't Ask, Don't Tell" (DADT) is of major importance. Over the last ten years, the American public has moderated its once rampant homophobia. But whatever the direction of public opinion, something concrete was needed to testify to the fact that our society extended not only rights but respect to gay people. Moreover, excluding gay men and women from the armed forces was a major waste of human capital. As has been shown repeatedly, being gay has nothing do with being a good soldier. To argue otherwise is to perpetuate the by now trite myth that gay men are necessarily effeminate.
- 7 Obama's most important work, however, is often ignored. People tend to think of the rescue of General Motors and Chrysler and the salvation of the auto industry as just another "bailout," equivalent to the Henry Paulson bailout of the big banks (often ignored as well is the fact that the bailouts began with the Bush administration). In fact, Obama, in helping the Detroit auto corporations, has done something unprecedented in American politics. He has undertaken industrial policy. Had the Carter administration similarly rescued big steel in the seventies, America would not be the de-industrialized country that it is now. Great nations cannot do without manufacturing. The theory of post-industrialism, which argues that advanced nations can subsist on service and high-tech industries, has been proven wrong by facts on the ground. If Obama is allowed a second term and if he manages to get a congress that will pass legislation to help innovative manufacturing in the United States, we may become competitive with other nations, China in particular but also European countries like Germany, which are far ahead of us in solar manufacture, new forms of energy, genome research and advanced materials.
- 8 On matters of national security, Obama has an unparalleled record. The recent rescue of hostages from Somalian pirates is just the latest activity that includes, of course, the raid on Osama Bin Laden's compound. It is also no small thing that Obama has kept his promise to get us out of Iraq and that it is clear that the irrelevant war in Afghanistan is coming to an end. In terms of political strategy, Obama could not have precipitously ended these wars, because in doing so he would have played right into the hands of the Republicans, who are always happy to make fools of Democrats when it comes to national security. To the contrary, Obama's success in the sphere of national security has allowed Democrats to claim national security as one of their key achievements, something that they have not been able to do since our defeat in Vietnam.
- 9 I think it is legitimate to feel that Obama has failed at some things: environmental legislation dealing with climate change that is utterly needed; transformation of our wrong-headed immigration policies which encourage rather than discourage illegal immigrants from coming to the United States; the fact that he has not closed "Gitmo" and still allows our legal system to be debased by virtue of the imprisonment of many people in the dark dungeons of other countries and because he has not promoted the civil trial of many detainees. Yet he has stopped torture of detainees as far as we know

and there is little likelihood of another Abu Ghraib.

- 10 I do not fault Obama for attempting to compromise with Republicans who are clearly recalcitrant and not open to compromise. Up to a point, it is important that presidents, at least when they govern as opposed to their re-election efforts, demonstrate that American politics may be partisan but not uncivil. Our polarized politics thrives on confrontation; a president who strives for moderation of partisanship sets a contrary example. It may be that, instead of acting weakly with the Republicans, Obama has acted shrewdly. I don't mean by this that he is trying to paint himself as a man of good will as against their malevolence and intransigence. Rather, he is working to keep the Republicans, especially in the House, from doing irrevocable harm. He was not untrue to himself in acceding to their desire to cut spending; any sane leader, given the size of our deficit, would want to do this over a ten or twenty year period in any case. And though it looked bad when the Republicans seemed to back him into a corner, as with the whole to-do over increasing the debt ceiling, if one looks carefully at the results of these fights, Obama did not really lose that much. And what he gained was important both for ordinary folk and for the economy: he kept unemployment insurance alive when the Republicans would have revoked it, throwing millions of Americans literally into the street, and also precluding a rise in aggregate demand that has managed to sustain a moderate economic recovery. Moreover, most of his critics do not realize that in being a centrist, Obama is being quite Rooseveltian. FDR avoided the populist extremes of his time: Father Coughlin to his Right and Huey Long to his Left. This stance, which Arthur Schlesinger Jr. called "the vital center," is precisely what Obama is doing.
- 11 We must see Obama not as a transformative president but as a transitional one. The Left is correct in believing that he is more pragmatic than principled, but he is president at a time of unprecedented economic instability and also at time when American's hegemonic position in the world is not merely challenged but lost. He is starting to do something new, while clearing the debris that impedes innovation and change. I think of the healthcare bill as part of debris clearance; a long overdue reform that has started the process that will allow us to get better healthcare for less cost. Healthcare has been an enormous drag on the national economy. I think of his gradual acceptance of the end of American hegemony, even while continuing to affirm American leadership, as a repositioning of the nation in the context of a rapidly changing globe. And I think of his aggressive stance on national security as a way of beating the Republicans at their own game, which is to wrap himself in the flag and the glory of our armed forces, even as he winds down wars and ends the tragic postwar history of American militarism. It will be difficult, given the entrenched power of the military-industrial complex, to cut the defense budget as much as is necessary. But I venture to argue that he will make more substantial cuts than most critics on the Left envision. If we compare Obama to one of his Democratic predecessors, the gist of the story is clear. Jimmy Carter was an unsuccessful transitional president, whereas Obama is a successful one.

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