

OBAMA: YEAR ONE

Monroe Newman

Professor Emeritus of Economics, Pennsylvania State University

At the end of his first year as President of the United States, Barack Obama knew that his standing with the populous had significantly eroded, his domestic agenda was in serious trouble, and his foreign policy had recorded no notable achievements. What contributed to this? The factors are many.

Customarily, analysts dwell on unreasonably high expectations, a persistent recession, misplaced policy emphases, a determined opposition, troubling choices of advisors, inexperience, uncontrollable events at home and abroad, among others. There are elements of explanation in all of these and certainly they interact and possibly reinforce each other. None should be totally discounted.

In addition, however, there are factors unique to the American structure of government and also two universal considerations that have played a role. It is these that will be emphasized here.

On the day this is written, the news reports that the Federal government will not put the accused terrorists of 9/11 on trial in New York City because the city is not willing to pay the cost of security; that the U.S. military has stopped evacuating seriously injured Haitians to Florida because the state will not reimburse hospitals for their care; and that despite large Federal expenditures to stimulate the economy, total government spending has declined because state and local governments have retrenched as their tax revenues have fallen. The President clearly has significant limitations on his powers. The structure of the American government makes it necessary to always ask what is it that a President is able to do. That structure is part of the country's strengths and its weaknesses.

This year has already demonstrated that what is good policy may not be good politics. Almost universally it is recognized that in the face of persistent unemployment, the short period government response should be to increase spending and run deficits. President Obama has recommended a partial freeze on increased government spending to take effect before anyone could reasonably expect unemployment to no longer be a problem. Why? The answer is that the specter of deficits is a danger to the election of his party members. Perhaps avoiding those election outcomes would produce other, even more desirable policy changes but the fact remains, good policy is not good politics in this case.

Another example: International and domestic considerations support the President's earlier announcement of the closing by now of the prison at the U.S. naval base in Cuba. It is open past its supposed closing date because politically it has not been possible to quickly locate an alternative site for the prisoners. Good policy and good politics diverge.

The excruciating process of trying to improve the U.S. system for paying for health care provides an example of yet another universal consideration. The status quo has the power to persist. Only when the status quo seriously and obviously disadvantages a major portion of the populous is its power limited. Opponents of change can call upon or engender fears among those not feeling serious disadvantages to help thwart change. Change might be to their advantage but the disadvantages of the status quo are not immediately and sufficiently pressing on the many to make them its supporters.

Change is what Obama promised his supporters. And many important changes have, in fact, occurred. The emphasis here has been on why in important dimensions it has not yet happened. It still may. To do so, good policy and good politics will have to coincide to overcome the appeal of the status quo within the structure of diffuse governmental powers.