

Blocked Reform: Obama After 200 Days

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The Obama presidency, contrary to the hopes of many, has not produced a big political space for the left, let alone “a seat at the table.” Most visibly, it has been the right wing that succeeded in seizing the initiative, in some truly grotesque ways that have thrown a real light on the deep paranoia and straight-up white racism that persists in this society, and on the ways it can be opportunistically pandered to and manipulated. The phenomenon cannot be dismissed as merely a freak show created by rightwing talk media, although it has some of that quality, and – as mentioned in the NC discussion – it is part of a real menace to immigrant communities. This phenomenon is worthy of profound study both politically and culturally, but I will not try to do justice to that here.

At the same time, we should resist the facile temptation to proclaim a “crisis” for the Obama administration. That’s too often a cover for imprecise thinking. There are potential crises out there to be sure – which I’ll touch on — but Obama continues to have both considerable popular support, which emerges when he actually fights back as he did this past week with the health care speech (leaving aside the miserable substance of what he’s fighting for), and the support and gratitude of the ruling class.

After seven months we can characterize the administration’s trajectory: The tentative hopes that this administration might pursue an aggressive reform agenda can be laid to rest. It wasn’t that we had such expectations, but we should always be open to being surprised. It has turned out as we thought. Obama’s presidency is that of a firmly centrist, corporate Democrat, Clinton without the extreme cynicism and the sleaze. Overall, the picture seems to be one of “blocked reform.” While Obama’s liberal and progressive base is disappointed and demoralized by the blockage, it has opened the door to the exceptionally vicious and outright racist assaults from the right wing.

The administration has had, of course, one notable success – stopping the free fall of the financial system and economy. This was accomplished with “stimulus,” enormous bank bailouts, managed bankruptcy of the auto industry, etc. Any remote hopes that the temporary quasi-nationalization of the banks and GM might give rise to a program for massive mortgage relief, or converting the auto industry to production for mass transit, were immediately dashed. With the full support of the UAW, the auto restructuring has basically ended this industry’s status as a high-wage sector.

Obama is truly what the system needs in this crisis – charismatic and inspiring on the one hand, and a committed pro-corporate manager on the other. He is a particularly important asset now, when the

crisis is far from over and when the Republican party has not yet reorganized itself as a credible force to push the savage budget-cutting that will be on the agenda further down the road. The Republicans are not of much use to corporate capital if the party is seen to be dominated by illiterate thugs whose ideology, if implemented, would now be repeating the financial collapse of 1931.

The ruling class is rightly very grateful for the administration's economic performance – especially since it has rescued the bankers from their own disastrous follies, without making serious inroads on finance capital – and has rewarded Obama with a stock market recovery. Some commentators are calling the market rise a “dash for trash” (buying up shares of companies whose value had almost collapsed), but in any case sustaining it through the next year is key to keeping the Democratic majorities largely intact in the 2010 midterm election.

This is not guaranteed. As the financial press constantly reports, dialing back the stimulus too quickly might bring on a “double-dip” recession, while pushing it too long risks drowning the economy in unsustainable debt. (At the moment, however, the debt is at least as much an ideological problem as a substantive one.) The problem is not one of fine-tuning but of inherently unpredictable developments in the world system. The reappointment of Bernanke was inevitable – as any change would give rise to potentially self-fulfilling fears of instability – but won't prevent a very sharp fight over questions of “financial re-regulation” and the powers of the Federal Reserve.

The government's own projections for 2010 are for a weak recovery with official unemployment remaining over 10%. Meanwhile, I believe that the combined state government budget deficits are something like \$165 billion. State and municipal governments are facing fiscal catastrophe. Massive cutbacks on the state and municipal level have the effect of a huge “anti-stimulus.” A second round of federal stimulus designed to prop up collapsing state and city governments, especially to salvage public sector employment, is necessary but not on the political agenda. (Admittedly my view of this is influenced by living in Detroit, which is likely to be insolvent before the end of 2009. Comrades in California may sympathize too.)

I want to look in more detail at the central issues of the domestic and international arenas – health care and Afghanistan. But on a general level, where Obama gets into political trouble is when he's seen as not fighting back. If you don't stand up against the Rush Limbaugh/Fox Newschannel/Tea Party mobs, if you let Benjamin Netanyahu show open and complete contempt for U.S. pleas for a “settlement freeze,” if you let Glenn Beck fire Van Jones, you lose credibility. The right wing knows this and seized on it in this weird summer of paranoia and hysteria. (Just a word on Van Jones: He has a distinctive genius for bringing together the issues of survival for communities of oppressed people and of global environmental catastrophe. Purging him says a lot about what this administration is prepared to sacrifice.)

Against this backdrop, let's quickly review the fate of the administration's reform agenda, which is already causing extreme distress to the liberal Democratic base.

* I cannot see the administration staking much political capital on resurrecting the Employee Free Choice Act (EFCA). Certainly, the labor movement's aim of card-check unionization is finished. This was the most important commitment the Obama campaign made to the union leadership. The evolution of Obama's relations with labor should be discussed in detail, obviously with our comrades in the labor movement taking the lead.

As a teacher comrade stated in the NC discussion, his union leadership “makes the argument that ‘we have to defend Obama against the right,’ but they are also worried about him – that he might be the most effective force for school privatization, for example, and things like funding for education in return for abolishing teachers' tenure. Obama could be a very effective force for neoliberalism.” I

think something analogous to this may emerge around health care (below).

* The American Clean Energy and Security Act (ACESA) on climate change barely passed in the House of Representatives. The environmental movement was about evenly split on whether the bill was worth supporting at all. The likelihood of a Senate bill before December seems remote, meaning that Obama will be going to Copenhagen with nothing but his rhetoric in his hand. The opportunity to tie economic recovery to a profound shift toward a sustainable economy is fading fast (symbolically, China is taking the lead in solar panel production). The environmental catastrophe is the greatest global threat to the survival of human civilization, but has fallen well down on the U.S. political agenda.

* Obviously, the political capital of the administration is being completely invested in the attempt to salvage a health care bill in some form. This became the pitched battle of 2009 – a battle for which the administration turned out to be poorly prepared – and make no mistake, it is a big political battle, even though before the fight had begun the viable progressive option of a single-payer system was ruled out, demoralizing the grassroots activist base for reform.

The Obama “public option,” for whatever it might have been worth, has also been pretty well surrendered – it’s still hanging on in the draft House legislation, but cannot survive a Senate filibuster even if it has a bare majority there. This does not mean we should “abstain” or feel no stake in the debate. It’s necessary for the supporters of genuine reform to answer the arguments of the right wing that has whipped up the Patriot mobs. But this has to be done from an independent although non-sectarian vantage point, not as “critical supporters” of what’s emerged as Obama’s corporate reform – a huge public subsidy to the insurance and pharmaceutical industry, in exchange for bringing in some percentage of the uninsured.

In principle, it seems to me as a non-expert observer that there might be three more-or-less viable means of achieving close to universal coverage and some containment of costs. The best, of course, is straight-up National Health Insurance, what’s known as single-payer. We’re for this not only because of socialist principles (in particular, equal access to health care for all), but because it would actually work. A second-best option would be a strong “public option” with the capacity to seriously compete with the private insurance industry, capable of growing over time into the single-payer option if the industry didn’t meet people’s needs. Third best would be dropping the pretense of the public option – a weak public option is probably worse than none – while subjecting the private insurance industry itself to rigorous and stringent oversight (in the manner of public utilities before the deregulation mania set in), with absolute bans on “pre-existing condition” exclusions and cancellation of policies when people get sick.

None of this seems likely in the current legislative sausage-making process. Who really believes that clauses against discrimination or dropping people from coverage will be seriously enforced when there are so many ways to evade them? Aside from the monstrosities that are inherent in an elephant designed by five different committees – committees whose members are funded by the industry they’re supposed to “reform” – this will inevitably be a bureaucratic and very expensive program, which of course makes it all the more vulnerable to attack from the right.

Nonetheless, the Democrats must pass some kind of legislation or their Congressional majorities will be exposed as completely hollow. But if passed in its presently emerging form, this may be a “reform” that kills genuine health care reform for many years to come, until the whole system threatens to implode from its own contradictions. I take this as Obama’s covert pledge to the insurance industry: When he said, to wild applause, “I am not the first President to take up this issue, but I will be the last,” his audience thought he was promising to deliver reform to them but the industry could take it to mean, “Trust me, when this is passed you won’t have to worry about a

grassroots reform movement any more.”

As a comrade pointed out in this discussion, however, the fights will continue around policies and regulation as they have around the Environmental Protection Agency since its inception. There may be potential for grassroots efforts as well as the usual inside-the-Beltway infighting. Nonetheless I am afraid that the illusion of reform will set the struggle back for a time, until its full horrors emerge.

War and Peace Policy

To repeat: the economy will determine the fate of the Democratic majority in 2010 and most likely 2012. Let's remember that what mainly defeated the Republicans in 2008 wasn't the global debacle of the Bush-Cheney ongoing criminal conspiracy, but rather that for corporate America and white middle class voters, in the face of an economic and financial meltdown the prospect of John McCain and Sarah Palin was on balance scarier than Barack Hussein Obama.

Nonetheless the course of the administration in the world is obviously important both in its effects and in what it shows about U.S. ruling class perspectives. We have tried to outline some of this in ATC articles and editorials, but the following is an attempt at a synthesis.

The choice for Obama was to decisively break with the Bush-era war policies, or to “take ownership” of them. By trying to split the difference, the administration effectively chose the latter course. To what extent this is by choice, or by inertia, is not 100% clear.

We've seen this dramatically in the questions around of Guantanamo, torture and rendition. Obama had the power, by executive order, to undo many crimes against humanity perpetrated by the Bush regime. He chose not to do so. The details are well-publicized and needn't be repeated here. Rendition continues - a program whose only purpose is torture. An investigation of the Bush-CIA torture regime will proceed only because Attorney General Holder, against the president's wishes, insists on it. (We will see how long Holder's resolve, or Holder himself, lasts.)

While in general there is no basis for progressive “disillusionment” with Obama except for those who freely chose to be “illusioned” to begin with, his record on the Guantanamo detainees including the Canadian child soldier Omar Khadr is genuinely despicable and a betrayal of his promises. But let's be clear, this is a byproduct of this president taking ownership of the Bush regime's imperial agenda with purported tactical improvements.

In one case, of course, Obama has done what he promised: He has doubled-down on Bush's very poor wager in Afghanistan, creating a situation where U.S. casualties will grow while the Afghan government increasingly becomes a partnership of warlords. This at a time when the American public's toleration of this war is rapidly declining - so that the Karzai forces' blatant ballot-stuffing is at least a big a problem in U.S. politics as in Afghanistan itself. Indeed, public opposition to this war is rapidly running ahead of the organized antiwar movement.

Obama has also taken ownership of the Bush regime's salvage operation from the lost war in Iraq, itself an operation with very dubious prospects.

The U.S. ruling class will support Obama's Afghanistan war, albeit with growing well-founded trepidation, so long as it is seen as “a war of necessity” due to its interlocking with the crisis of the state in Pakistan. One big contradiction, however, is that with the defeat of the “Pakistani Taliban” - which had to be militarily crushed when it threatened to destabilize the Pakistani state itself, and

because its period of rule in the Swat Valley was so repulsive and devastating – the threat to the state will recede and the Pakistani intelligence service can revert to its policy of keeping the Afghan Taliban insurgency alive. This, along with the alienation of the Afghan population due to foreign occupation and regime corruption, suggests that the insurgency can continue for years if not decades.

Increasingly, this “war of necessity” is looking like a war that’s mostly about itself, a “test of U.S. leadership and NATO resolve” rather than achievable objectives. The ridiculous joke of the Afghan “election” is the collapse of the idea of “building a stable democracy” on a U.S.-designed model under western occupation. As to “defeating al-Qaeda,” if General McChrystal’s request for 40-45,000 troops (that’s on top of the 21,000 new troops already ordered to Afghanistan by president Obama) were implemented, there would be something over 110,000 U.S troops engaged in a deadly whack-a-mole with a growing indigenous insurgency – supposedly to defeat what is a numerically tiny global-jihadist gang. On the face of it this seems self-defeating even in its own terms.

In my opinion, however, the most dangerous aspect of the Obama policy in the Middle East – I will briefly summarize here but more needs to be written on it – is what appears to be the attempt to construct a global alliance to confront Iran. It’s not 100% clear that this course is set, as some new negotiations are also being pursued with the Iranian regime. But the apparent direction is dangerous and disturbing.

A number of reports indicate that Obama will shortly unveil a U.S. “two-state” peace plan for Palestine. This will be rapturously greeted in liberal circles and with a predictable howl of rage from the Christian-fundamentalist and neoconservative-Zionist right wing. Based on what I’ve read in outline, I would call it a “Bantustan-plus” program, in which a miserable ministate without East Jerusalem and with Israel’s major settlement blocs intact might be given just enough of an economic lifeline to gain a degree of international legitimacy.

This so-called Palestinian state would be called “demilitarized,” but in reality it would be very heavily militarized indeed – against its own population, with an American-designed police-state system of control over internal dissent. If this program can be pushed through with support from the Arab states, we can anticipate president Obama capping off his second term with a Nobel Peace Prize, to be shared with the client Palestinian leadership.

Leaving aside how far short this arrangement would fall of minimum justice for Palestine, it would have the following local consequences: (i) virtual abandonment of the Palestinian refugees’ Right of Return; (ii) implicit acceptance of the Israeli state’s future right to wipe out citizenship rights for its Arab population “to preserve Israel’s Jewish and democratic character;” (iii) a renewal of the intra-Palestinian civil war to wipe out “Islamic extremism,” i.e. Hamas and any potentially threatening democratic dissidence.

Even worse than this, however, are the regional implications. The Obama strategy apparently calls for this “two-state” plan to be accepted by the current Israeli government and the Arab states (although past practice doesn’t suggest that Israel would keep whatever commitments it makes for a “partial settlement freeze” and release of prisoners) in exchange for a program of “harsh sanctions” against Iran — sanctions which, of course, would only reinforce Iranian commitment to achieving nuclear deterrence.

Especially at a time when the Iranian regime is profoundly alienated from the majority of its population, internationally discredited and wracked by brutal factional infighting, there are plenty of warmongers who see the present moment as the opportunity to move toward a military strike. The Obama administration may fall into this trap, or even may share in the delusion (Clinton and Biden’s

rhetoric tends to support the latter hypothesis). What this might mean for Iraq and Afghanistan makes this an enormous gamble, just as dangerous as the Bush-Cheney wager on “regime change” dominoes transforming the Middle East to conform to American wishes.

There are all kinds of murky events that are difficult to put together at this stage. There’s the Russian “Arctic Sea” that disappeared and was “discovered” weeks later. The story going around – which of course none of the governments involved will conform – is that it was carrying advanced S-300 missiles for Iran, and that the Israelis knew about this and intercepted the shipment. There’s Netanyahu’s secret mission to Moscow, which was clumsily leaked to the press, where he reportedly solicited the Russian leadership not to supply Iran with missile defences that would complicate an Israeli bombing assault on Iran’s nuclear processing facilities – an assault that the Israeli press suggests is imminent.

What is difficult to understand, in any case, is how the U.S. administration thinks it can incorporate Russia into a grand coalition against Iran, beginning with imposing harsh sanctions on Iran that have no advantage for Russia’s own interests, while simultaneously trying to bring Ukraine into NATO – which the Russian regime naturally sees as a direct threat – and continuing the strategically nonsensical project of stationing “missile defense” in the Czech Republic and Poland. [Postscript: This was written prior to Obama’s cancellation of the Bush “missile defense” program. The howls of outrage from the right wing are entirely predictable, of course, despite the fact that – if the claim that this program was aimed against a threat from Iran is taken seriously – the new Obama plan makes more strategic sense. – DF]

To stake president Obama’s huge international credibility — which in itself is also a huge domestic political asset – on provoking a confrontation with Iran seems to me to be a hugely dangerous gamble. If such an attempt is made and fails, it could at pose a looming “crisis for the Obama administration” comparable to the one that destroyed Jimmy Carter’s presidency. All this however remains to be seen.

Implications for the Left

The assaults on Obama from the far right are in no way “balanced” by mobilization, real or imagined, from the progressive side. If anything, criticism from the left is muted by the impulse to rally to his defense against the racist, reactionary hysteria. We are not surprised, of course, that the Democrats in general won’t really fight for what they believe in, and that what they believe in isn’t really worth fighting for. But just because we aren’t “illusioned” doesn’t immunize us from the impact of the blockage of reform hopes.

For those of us on the revolutionary left who promote independent working-class politics, we currently find ourselves on what I would call “the fringe of the fringe.” It would be nice to move from there to the fringe. What’s critically needed is a left that’s firmly independent. We need to maintain that position and argue for it, while remaining in dialogue with the sections of the Left who either consciously or in practice remain part of the “Obama coalition.” In the given circumstances, progress around “left unity” will not mean organizational unity but collaboration in struggle on issues of common interest.

The antiwar movement needs to catch up with the American people’s growing disenchantment with the Afghanistan war as the reality of that quagmire sets in. Actions around October 17 and in the spring are part of that process. It’s important to understand that in the absence of a strong movement, the right wing will be able to capitalize on popular alienation from this war.

In principle, it is not impossible for the Obama administration to regain momentum for a reform agenda. This would require, among other things, adopting a stance of serious political struggle instead of endless accommodation to Republican demands, taking on the corporate health lobby, and the judicious but decisive use of executive power. I see no reason to expect this, but we should not allow Obama apologists to evade the issue by claiming that “he’s trapped” or “has no choice.” If Obama is trapped, it’s precisely by his own choices. The Democrats will never have a larger majority than they do now, and if they don’t use it that’s their choice too.

P.S.

* From Solidarity:

<http://www.solidarity-us.org/blockedreform>