



Many of the US President's policies are starting to fall into place. So why is his approval rating so low? asks LESLEY RUSSELL

Obama delivering change but not hope

Last week the Australian American Leadership Dialogue met in Washington and, as always, a highlight was the analysis of the political situations in both countries by some of the recognised media commentators who attended. The Americans listened in amazement to the story of a young, intellectual Australian prime minister who lost the faith of the electorate and his party after failing to deliver on his election promises. The Australians struggled to understand how America's President, also young and smart, who has successfully delivered on a raft of election promises, should also be facing a recalcitrant Congress and hostile voters.

After 18 months in office, Barack Obama has delivered change but not hope to an increasingly alienated constituency. Despite recalcitrant Democrats and obstructionist Republicans, he has managed to push a legislative agenda through Congress that is rivalled only by the New Deal of Franklin Delano Roosevelt in the 1930s. The Financial Regulatory Bill is the most recent success in a list that includes the Stimulus Bill enacted in 2009 and the landmark healthcare reform law. The Stimulus Bill pumped money into infrastructure and renewable and clean energy, and made substantial investments in science, technology and health. The Healthcare Reform Bill will, for the first time, provide health insurance cover for virtually all Americans. Any one of these three bills could serve as a lifetime legacy, and yet this is not all. Other major achievements include expanded state health insurance plans covering an additional four million children, the Lilly Ledbetter Fair Pay Act amending the 1964 Civil Rights Act for equal pay for equal work, the Hate Crimes Prevention Act, which had languished in Congress for years, and a new requirement for the Food and Drug Administration to regulate tobacco.

President Obama has also signed a nuclear arms deal with Russia that will reduce both countries' arsenals by a third. He has expanded stem cell research, allowed gays to serve openly in the military, and issued a new HIV/AIDS national strategy. At the same time, he is leaving his mark on the Supreme Court with two new women nominees.

But these legislative successes are at the heart of a paradox. While the President is winning on Capitol Hill and delivering the changes he committed to in his election campaign, he is losing with voters. Largely this is because the economic context and – as a result – the political context have both changed since he was elected. Unemployment remains persistently high (close to 10 per cent), returns on the stimulus investment have been slow to eventuate, and the Obama Administration now bears the blame

for the continuing lag in the housing market, the lack of bank credit, and the economic and social consequences of the Gulf oil spill.

Despite the remarkable list of legislative accomplishments in his first term, President Obama will be judged a failure unless unemployment is reduced significantly by the mid-term elections in November. The problem is that many of the manufacturing jobs that kicked in as the United States emerged from recessions or economic downturns in the past are no longer in existence; they have been outsourced abroad and will never return. Generating new jobs based on new industries (the green economy, for example) is difficult and time-consuming. And there is now no appetite for another stimulus bill that will add to the deficit.

At the heart of the problems President Obama faces is a basic and deep-running philosophical difference between conservatives and liberals about the role of government across a broad spectrum of issues – about using government as an instrument not just to narrow the gaps between the haves and the have-nots, but also to oversee banks and oil drilling, protect jobs, drive investment and ensure the safety of food and medicines. For decades, this philosophical divide has arguably been the most striking difference between Australians and Americans, and within the United States the divide along political lines has been even more striking and deeply entrenched since the Reagan days. Government is always seen as the problem, not the solution. What many Australians would see as progressive and activist is seen by Obama's opponents as over-reaching – even socialist – and profligate, increasing the deficit and undermining the ability to provide further tax cuts.

This opposition from what are now referred to as the “deficit peacocks” on the right has led to some astounding policy inconsistencies. Republicans have blocked the extension of emergency relief for the unemployed three times in the past few weeks, for example, denying millions of people who are out of work and job-hunting an extension of unemployment and health benefits. Republican support for this legislation is contingent on its being funded from savings elsewhere, and on agreement by the Government to make permanent all the tax cuts enacted under president Bush, including cuts for the richest Americans. Obama has proposed extending the Bush tax cuts for all but the 2 per cent of Americans with incomes of more than \$US250,000 (\$A285,000) a year. The Jobs Support Bill would add \$US33 billion to the deficit; tax cuts for the richest Americans would add \$US678 billion.

Republicans and their allies are also trying to repeal the healthcare and financial regulations reforms. A recent mail-out from Heritage Action

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promised to “work tirelessly to roll back liberal policy victories and fight for an America where freedom, opportunity, prosperity and civil society flourish.” But with just 27 per cent of Americans now wanting the healthcare law repealed, and more than 60 per cent supporting banking reforms, the Republicans face a voter backlash if they make the repeal agenda a key plank in their campaign strategy.

Several times since his election Obama has made it clear that he thinks political capital is something that should be used, not hoarded. Earlier this month he said that he knows his activist agenda doesn't poll well, but “it's the right thing to do for America.” As one commentator said recently, “He talked before the election about what he wanted to do, and he's done it. He didn't trim his sails, he didn't change his philosophy, he didn't compromise. The test will come in the fall: can he and the Democrats in Congress make the case to the American people that what he did was the right thing to do?” At the moment the polls tell the story. The full impact of the healthcare legislation will not be felt until 2014, but as the various provisions come into effect and as President Obama travels the country to highlight them, polls show that the reforms are gaining in popularity and support. This is happening despite continuing and concerted attacks from Republicans and the Tea Party movement. A new Kaiser Family Foundation poll has support for the overhaul at 48 per cent – up seven percentage points over the past month. Forty-one per cent of people have unfavourable views, down from 44 per cent in May. Roughly a third of voters say that a candidate who voted for the health reform law will be more likely to get their vote, a third say less likely, and a third say it doesn't really matter. With growth and jobs being essential for Obama's success, just 40 per cent of Americans now approve of his handling of the economy, and only 13 per cent feel that his economic policies have helped them. But Democrats lead Republicans in voter trust on the economy. According to a recent poll, only 43 per cent of voters have confidence in the President and 32 per cent have confidence in Congressional Democrats to make the right decisions for the country's future. But only 26 per cent have confidence in Congressional Republicans to make the right decisions for the country's future. Obama is not alone in facing a challenging second year in office. In July of their second year in office, Bill Clinton (43 per cent), Ronald Reagan (42 per cent) and Jimmy Carter (40 per cent) were all below the majority approval level. Each of those presidents saw his party lose a substantial number of seats in that year's mid-term congressional elections, although both Reagan and Clinton recovered in time to win a second term as president. In a move aimed at galvanising candidates and voters, White House Press Secretary Robert Gibbs has already caused a shock by acknowledging that the Democrats might lose the House in the mid-term elections. If Republicans reclaim control of the House or the Senate or both, Obama would find himself in a situation similar to that of president Bill Clinton in 1994. Will he then respond in the same way as Clinton – by steering towards the centre?

And if they were to gain a majority in the Congress, how would the Republicans – currently with no agenda other than “just say no” – manage both the demands from the Tea Party movement and public expectations for real solutions to the jobs crisis, the economy and the Gulf oil spill? Still, as Vice-President Joe Biden succinctly pointed out last Sunday, “The election is not until November. And I think we're going to have to firmly make our case. I think we can make it, and especially in the context of who's going to be opposing us. Compared to the alternative, I think we're going to get a fair amount of credit by November, and I think we're going to do fine.”

The key to winning will be getting out the vote. This is particularly true for young voters, and those who supported Obama in 2008 but are now upset with the President because he has yet to tackle their key issue – immigration reform if they're Hispanic, Middle East peace if they're part of the Jewish constituency, paid parental leave if they're left-leaning women. Obama will also need to win over the large number of voters who now say they are independents. While some of these are disillusioned Democrats, many more are moderate Republicans who feel cast adrift by their party's sharp turn to the right in response to the Tea Party, Sarah Palin and the noisy right-wing commentators.

The key to getting out the vote is convincing the public that the President and the Democrats have done the right thing to improve the lot of all Americans. That does not necessarily mean moving to the centre – a place that media commentator E. J. Dionne Jr has called “a strange and wild place because many who fall into it have vastly different combinations of beliefs.” But it does mean that the President must define his philosophy and his agenda, rather than letting his opponents do so for him. And he needs to make the case for how his legislation and his Government will enhance America's future.

Australia is currently in an election campaign where the choices are presented starkly – at least by Labor – as moving forward or back to the past. That is exactly the dichotomy facing American voters in November. Do they want to move the country forward or revert to the days of the Bush administration? Underscoring the intellectual deficit in the Republican leadership, the party's congressional campaign committee chairs have been unable to say what they will do if they return to power and are unable to name a single painful choice that they would be willing to make to live up to their deficit-cutting rhetoric. Vice-President Biden summed up their strategy as: “Repeal and repeat: repeal everything positive done, and repeat the policies of the previous eight years of the Bush administration.” The next four months will be critical in determining the direction of the nation and President Obama's lasting legacy.

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SUCCINCT: US Vice-President Joe Biden (left) says the Democrats must push their message harder to win the mid-term elections in November. Photos: REUTERS



Polls show that the reforms are gaining in popularity and support. This is happening despite continuing and concerted attacks from Republicans and the Tea Party movement.



RADICAL: The Tea Party movement has stepped up its attacks against President Obama's reforms.